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SIMULTANEOUS DISCLOSURE

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

ARGENTINA

PROGRAM FOR STRENGTHENING AND INTEGRATION OF HEALTH NETWORKS IN THE PROVINCE OF BUENOS AIRES (PROFIR II)
(AR-L1340)

SECOND OPERATION UNDER THE CONDITIONAL CREDIT LINE FOR INVESTMENT PROJECTS (CCLIP) FOR THE PROGRAM FOR STRENGTHENING AND INTEGRATION OF HEALTH NETWORKS IN THE PROVINCE OF BUENOS AIRES
(AR-O0013)

LOAN PROPOSAL

This document was prepared by the project team consisting of: Ignez Tristao (SPH/CAR), Project Team Leader; Mario Sánchez (SPH/CUR), Project Team Co-leader; Luis Tejerina (SCL/SPH); Cristina Celeste Marzo (LEG/SGO); María Fernanda Merino (SPD/SDV); Alvaro Adam Fresno (ESG); Elsa Chang (ESG); Jimena Sanchez Rodrigo (CAN/CBO); Lilena Martinez de Soto (FMP/CAR); Marilia Santos (FMP/CAR); Analía González (CSC/CAR); Gabriel Sanchez (CSC/CAR); Vanina Di Paola (CSC/CAR); Sheyla Silveira (SCL/SPH); and Juliana Almeida (CSD/CCS).

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ABBREVIATIONS

AMBA	Buenos Aires Metropolitan Area
CCLIP	Conditional credit line for investment projects
CGPBA	Contaduría General de la Provincia de Buenos Aires [General Accounting Office of the Province of Buenos Aires]
DLI	Disbursement-linked indicator
DPOMyFB	Dirección Provincial de Organismos Multilaterales y Financiamiento Bilateral [Provincial Directorate of Multilateral Agencies and Bilateral Financing]
EDGE	Excellence in Design for Greater Efficiencies
EMCS	Emergency Medical Care System
LBR	Loan based on results
LIBOR	London Interbank Offered Rate
MAPS	Methodology for Assessing Procurement Systems
PBA	Province of Buenos Aires
PHCC	Primary health care center
PROFIR	Program for Strengthening and Integration of Health Networks in the Province of Buenos Aires
SOFR	Secured Overnight Financing Rate
UEPEX	Unidades Ejecutoras de Préstamos Externos [External Loan Execution Units]
WHO	World Health Organization
YPLLs	Years of potential life lost

PROJECT SUMMARY

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(AR-O0013)

<table>
<tr><th colspan="6">Financial Terms and Conditions</th></tr>
<tr><td colspan="4">Borrower: Province of Buenos Aires (PBA)</td><td colspan="2">Flexible Financing Facility[a]</td></tr>
<tr><td colspan="4">Guarantor: Argentine Republic</td><td>Amortization period:</td><td>25 years</td></tr>
<tr><td colspan="4" rowspan="3">Executing agency: Borrower, through the Ministry of Finance of the Province of Buenos Aires, with the provincial Ministry of Health and Ministry of Infrastructure and Public Services as subexecuting agencies.</td><td>Disbursement period:</td><td>4 years</td></tr>
<tr><td>Grace period:</td><td>5.5 years[b]</td></tr>
<tr><td>Interest rate:</td><td>LIBOR-based[c]</td></tr>
<tr><td>Source</td><td>CCLIP (US$)</td><td>Second operation (US$)</td><td>%</td><td>Credit fee:</td><td>[d]</td></tr>
<tr><td>IDB (Ordinary Capital)[e]:</td><td>600 million</td><td>300 million</td><td>87</td><td>Inspection and supervision fee:</td><td>[d]</td></tr>
<tr><td>Local</td><td>60 million</td><td>45 million</td><td>13</td><td>Weighted average life:</td><td>15.25 years</td></tr>
<tr><td>Total:</td><td>660 million</td><td>345 million</td><td>100</td><td>Approval currency:</td><td>U.S. dollar</td></tr>
<tr><th colspan="6">Project at a Glance</th></tr>
<tr><td colspan="6">Project objective/description: The objective of the CCLIP is to help improve the delivery capacity and quality of primary, secondary, and tertiary public health care services in the PBA, integrating them as a service network that provides priority care to people with exclusively public coverage in order to reduce the number of years of potential life lost. The objective of the second individual loan operation under the CCLIP is to improve access and effective coverage of public health services for the PBA population. Its specific development objectives are to: (i) improve access to and the effectiveness of public primary healthcare services; (ii) improve the effectiveness and integration of health service networks; and (iii) expand the delivery capacity for COVID-19 prevention, detection, and care.</td></tr>
<tr><td colspan="6">Special contractual conditions precedent to the first disbursement of the loan: (i) The program Operating Regulations are approved and in force, under the terms previously agreed with the Bank (paragraph 3.3); and (ii) consulting services have been contracted for the external verification of outcomes, in accordance with the terms of reference previously agreed with the Bank (paragraph 3.4).
Special contractual conditions for execution. These conditions are described in Annex B of the Environmental and Social Management Report (required link 2).</td></tr>
<tr><td colspan="6">Exceptions to Bank policies: None.</td></tr>
<tr><th colspan="6">Strategic Alignment</th></tr>
<tr><td colspan="2">Challenges:[f]</td><td colspan="2">SI ☒</td><td colspan="2">PI ☐ EI ☐</td></tr>
<tr><td colspan="2">Crosscutting themes:[g]</td><td colspan="2">GE ☒ and DI ☒</td><td colspan="2">CC ☒ and ES ☐ 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, prevailing market conditions, as well as the loan's level of concessionality into account when reviewing such requests, in accordance with current applicable Bank policies.

(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) In keeping with document FN-729 (Strategy and Operational Readiness for the Execution of the LIBOR Transition for the IDB Balance Sheet) and document CF-257-1 (Base Rate Replacement for Sovereign Guaranteed LIBOR-based Loans), this loan will be subject to the SOFR-based interest rate, upon notification to the borrower by the Bank or at the borrower's request, pursuant to the provisions of the loan contract.

(d) The credit fee and the 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 relevant policies.

(e) Pursuant to document AB-2990, the pace at which the IDB disburses the Bank's (Ordinary Capital) resources will be subject to the following limits: (i) up to 15% in the first 12 months; (ii) up to 30% in the first 24 months; and (iii) up to 50% in the first 36 months. All of these periods will be counted from the date the Board of Executive Directors approves the operation.

(f) SI (Social Inclusion and Equality); PI (Productivity and Innovation); and EI (Economic Integration).

(g) 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 The concept of "effective coverage" goes beyond the ability of a person in need of care to access and make timely use of health services. It also means that the services provided are of high enough quality to be effective according to clinical practice standards [1].[1] In Latin America and the Caribbean, 30% of avoidable deaths are associated with problems of access to health services, and 70% with inadequate quality of health care [2].

1.2 The pandemic, outside its direct health impacts, reduced the effective coverage of basic health services. The most recent study by the World Health Organization (WHO) concluded that delivery of about 47% of essential health services in the region were disrupted in the first half of 2021 [3]. In addition, there is evidence that the pandemic is putting structural pressure on the demand for health services, not only because of the long-term impact potentially caused by the disruption of basic services (e.g., screening for chronic diseases, prenatal exams, or implementation of traditional immunization schedules) [4], but also because of the potential long-term effects for those who contracted COVID-19 (long COVID) [5].

1.3 To date, more than 5.2 million COVID-19 cases and 115,000 COVID-19 deaths have been confirmed in Argentina. At the same time, the pandemic caused a dramatic drop in essential healthcare delivery in 2020 [6] [7], which has not yet returned to pre-pandemic levels. So far, 69.5% of Argentinians have received at least one COVID-19 vaccine and 54.6% are fully vaccinated.[2]

1.4 The Province of Buenos Aires (PBA) is the largest and most populous province in Argentina, with some 17.5 million people—about 40% of the country's population—living in its 135 municipios. For about a third of this population, public health services are the only option for medical coverage. As Argentina is a federal country, these services are managed and funded mainly by the provincial and municipal governments. Per capita public expenditure on health varies widely between municipios, leading to geographic inequities in access, quality, and health outcomes [8].

1. Program for Strengthening and Integration of Health Networks in the PBA: Conditional credit line for investment projects (CCLIP) and first operation.

1.5 Evidence-based policy recommendations for increasing effective coverage point to the need, among others, to ensure access to effective primary care services, which, as low-complexity medical services with a broad territorial reach, have the capacity to efficiently resolve the vast majority of visits [9]. Primary care must serve as a gateway to a comprehensive, integrated network of health services, organized by levels of medical complexity, through which people and the information needed for their care can move in a continuous and timely way [10].

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[1] The bibliographic references cited in this document are available at optional link 5.

[2] Argentine government's Situation Room (https://www.argentina.gob.ar/salud/coronavirus-COVID-19/sala-situacion) and Public Immunization Tracker (https://www.argentina.gob.ar/coronavirus/vacuna/aplicadas) websites.

1.6 **CCLIP**. On 2 July 2019, the IDB Board of Executive Directors approved a CCLIP in the amount of US$660 million for the "Program for Strengthening and Integration of Health Networks in the Province of Buenos Aires" (AR-O0013), to be executed over a 10-year period. The objective of the CCLIP is to improve the delivery capacity and quality of primary, secondary, and tertiary public health care services in the PBA, integrating them as a service network that provides priority care to people with exclusively public coverage in order to reduce the number of years of potential life lost.

1.7 **First individual operation under the CCLIP**. Approved at the same time as the CCLIP was the first individual operation of the Program for Strengthening and Integration of Health Networks in the Province of Buenos Aires (PROFIR I), with a US$150 million investment loan based on results (loan 4821/OC-AR), whose general objective was to improve access and effective coverage of public health services for the PBA population. The specific objectives of PROFIR I were to: (i) improve access to and the effectiveness of primary care in a set of municipios in the Buenos Aires Metropolitan Area (AMBA); (ii) increase the responsiveness of emergency services across the PBA; and (iii) dispense cancer and palliative drugs in a more timely manner across the PBA.

1.8 In March 2020, the Governor of the PBA declared a health emergency due to the COVID-19 pandemic.[3] In order to boost the capacity of its health services to respond to the pandemic, the Government of the PBA submitted to the Bank a request to amend the disbursement-linked indicators (DLI) matrix to add indicators related to management of the health emergency, linked to specific objective (ii). In the context of the policy set forth in document GN-2869-1 and its guidelines (document GN-2869-3), and understanding that the pandemic constitutes a risk factor for achieving the development objectives of the CCLIP and its first operation, the administration added three outcome indicators under Component 2 (Expansion and improvement of the emergency service and emergency room network in the PBA): (i) Provincial Strategic Plan for COVID-19 designed; (ii) Provincial Diagnostic Network for COVID-19 operational with provincial coverage; and (iii) additional intensive care beds available for use during the COVID-19 emergency. A total of US$57.8 million was allocated to meeting these DLIs, which involved lowering the original targets and amounts associated with four other DLIs in the project.[4] Nevertheless, the PBA Ministry of Health met these targets using alternative sources of funding.[5]

1.9 To date, substantial progress has been made toward achieving the specific objectives of PROFIR I. As regards the first, to improve access to and the effectiveness of primary care in the AMBA, the Ministry of Health has signed agreements with 17 municipios, under which building improvements were made

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[3] Provincial Decree 132/2020.

[4] DLI 1.1 Primary health care centers (PHCC) that meet AMBA Network service standards; DLI 1.2 PHCCs with electronic medical record installed; DLI 3.1 Medication requested from cancer drug bank available for dispensing within 30 days; and DLI 3.2 Cancer patients who were dispensed pain medication two or more times in the past 12 months.

[5] The main sources of funding were its own resources and proceeds from loan 3780/OC-AR (DLIs 1.1 and 1.2). In accordance with the PROFIR I Operating Regulations, primary health care centers funded with resources from other external lending operations are not eligible to count toward PROFIR I outcomes.

and 360 primary health care centers (PHCCs) were equipped (66 with PROFIR I financing), the Electronic Medical Record was implemented in these PHCCs (more than half a million visits recorded), and 297 improvement cycle projects were carried out, benefiting 3,319,206 people who have only public coverage. With regard to the second objective of increasing the responsiveness of emergency services across the PBA, the Ministry of Health signed agreements with 37 municipios, under which building improvements were made and 58 emergency rooms were equipped (11 with PROFIR I financing), and their medical staff was increased by 18.71%, allowing for the triage of 3.2 million patients and the delivery of 2.6 million emergency medical services. At the same time, the Ministry of Health signed participation agreements with 119 municipios for the operation of the Emergency Medical Care System (EMCS), providing ambulances and gear and training human resources (29 municipios with PROFIR I financing), reaching 13.6 million people. With regard to COVID, 5,651 people were hired for implementation of the Provincial Plan, 87 laboratories in the public network were brought online for testing (adding 20,000 tests per week), and more than 232,000 COVID diagnostic kits, 2,000 intensive care beds, 2,295 medical equipment items, 1,278,000 personal protection kits, and 13,000,000 masks and other medical supplies were financed. With regard to the third objective of dispensing cancer and palliative drugs in a more timely manner across the PBA, the timely dispensing of cancer and palliative drugs increased by 6.9% and 34%, respectively.

1.10 PROFIR I has disbursed 63.69% of the loan proceeds and is expected to achieve all of its 11 DLIs: (i) four are completed, externally verified, and disbursed; (ii) six have been reported as completed by the executing agency and are in the process of external verification; and (iii) one is expected to be completed in the last quarter of 2021. The level of progress in meeting PROFIR I's DLI targets is presented in optional link 6.

2. Development issues addressed in the second operation: size and policy recommendations

1.11 In keeping with the objective of the CCLIP and the PBA's health priorities, the Ministry of Health prioritized a set of strategic lines for the second individual operation under the CCLIP ("PROFIR II"). These lines and their expected outcomes parallel those of PROFIR I. PROFIR II will continue to support the strengthening of primary care, with an emphasis on PBA municipios outside the AMBA and communities where, due to marginalization or to cultural barriers, effective coverage of health services is lower. Likewise, the operation will deepen the integration of PBA health networks by strengthening emergency care network governance and drug management, integrating diagnostic imaging as a key component of the clinical information that accompanies service users in a timely manner, and incorporating a critical care network: mental health care. As the COVID-19 pandemic continues to hamper the capacity and quality of public health service delivery, the improvement of which is the development objective of CCLIP, PROFIR II will continue to strengthen the PBA's capacity to respond to the pandemic by focusing on networks.

1.12 The next paragraphs determine the size of the development problems to be addressed by PROFIR II, analyze their causes, and present evidence to support the relevance of the program's areas of action.

1.13 **Low effective coverage of primary care services.** Primary care services can resolve about 80% of health care visits, which is why primary care is the most effective and efficient gateway to the health system, through which continuity of care should be ensured for the population [10]. In the PBA, primary care services are provided through PHCCs, which are also critical for implementing community-based health actions that promote health, prevent illness, or enable timely detection and treatment of diseases. These actions are particularly crucial for the efficient and effective management of chronic noncommunicable diseases—the leading cause of death and disability in Argentina.

1.14 The PBA faces major challenges in guaranteeing primary care with adequate and uniform service delivery capacity among its health regions. This is in part because, over time, the financing structure of its public health system favored investment in hospital care, resulting in underinvestment in primary care. Consequently, there are serious infrastructure, equipment, and human resource shortfalls based on the availability of fiscal resources at the municipal level. This creates significant geographic inequities. The PBA has more than 2,600 health facilities, about 80% of them primary care facilities. An analysis conducted in 2017 for a sample of 27 municipios in the PBA showed that: (i) the number of clinics per PBA health region ranged from 3.8 to 21 per 100,000 persons; and (ii) 63% of PHCCs did not have facilities in good repair or sufficient medical equipment. The use of public primary care services varies considerably between the AMBA and other areas of the PBA. While 53% of basic health visits in the AMBA (the area targeted by PROFIR I investments) were resolved by PHCCs, this indicator was 33% for the rest of the PBA.

1.15 PHCC management and care processes also need to be strengthened and standardized. For example, the previously cited analysis found that: (i) one in five PHCCs did not have scheduled care; (ii) fewer than one in three carried out community activities on a weekly basis; and (iii) the percentage of PHCCs using any type of information system was very low.

1.16 Although PROFIR I has improved primary care access and effectiveness in the AMBA, the COVID-19 pandemic has exacerbated the challenges to increasing effective coverage across the PBA. In December 2019, 25% of the PBA population with only public coverage had received at least one basic health care service in the previous 12 months (effective basic coverage).[6] One year later, this percentage had dropped to 19%.[7] Similarly, basic vaccination coverage in the PBA fell 19 percentage points from 2019 to 2020.[8]

1.17 Good practices for strengthening primary care [10] suggest: (i) organizing the distribution of PHCCs based on specific populations and geographic areas, giving them explicit responsibility for local health management through promotion, prevention, treatment, healthcare, rehabilitation, and palliative care interventions; (ii) making investments in infrastructure and equipment and increasing the

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6 Effective basic coverage measures the degree of coverage for the population with only public coverage based on a specific set of primary care services.

7 Record of Sumar program services.

8 Hepatitis B for newborns, pentavalent vaccine for children under 6 months, measles/mumps/rubella for children under 5, and diphtheria/tetanus/pertussis for children and pregnant women.

availability of sufficient basic health equipment to ensure the PHCCs' delivery capacity; (iii) deploying strategies that promote community-based health activities and patient recruitment; and (iv) ensuring the interoperability of information systems with electronic medical records to improve integration and continuity of care.

1.18 **Inequity in health services access and care.** According to the latest update of the National Registry of Informal Settlements, Argentina has 4,416 informal settlements, where an estimated 5 million people live in highly marginalized conditions. Almost 40% of these settlements and 51% of the population living in them are in the PBA. In turn, 65% of all informal settlements in the PBA are located outside the AMBA. Of the more than 932,000 families that live in these communities, 89% and 98% lack formal access to drinking water and sanitation, respectively. This lack of access to basic services, combined with overcrowded conditions, results in an epidemiological profile different from that of the rest of the population, with a greater burden of infectious and parasitic diseases. This health problem is often exacerbated by limited access or disruptions to primary care services [11].

1.19 According to the 2010 National Population Census, around 300,000 people in the PBA self-identify as descending from or belonging to an indigenous people.[9] There are currently 52 indigenous communities with legal status in the PBA (29 of them in the AMBA), across 26 municipios. The availability in Argentina of population-level health data disaggregated by ethnic origin is limited, but severe infectious diseases (tuberculosis, parasitosis, Chagas disease) and nutritional pathologies are more prevalent in the areas where most of the country's indigenous communities live [12]. In the PBA, although the current level of effective basic coverage for its native population is comparable to the provincial average (21.6% as of June 2021),[10] there is significant undercounting of this population and underreporting of the use of services, partly due to access barriers.

1.20 There is evidence that the use of mobile health units as a link between local primary care services and the community can be an effective model for assessing and meeting the needs of groups with more limited access. By reaching communities directly, mobile health units can overcome the constraints faced by the most vulnerable populations in terms of time, resources, motivation, cultural relevance, and trust in services [13].

1.21 **Lack of integration and effectiveness of health service networks**. Effective health coverage is achieved not only by having accessible and effective health care centers; these centers also need to be integrated into a network to ensure timeliness and continuity of care. These integrated health service networks require, among other things: (i) a care model that clearly sets out the specific territory and population under the responsibility of primary care teams; (ii) a management model that standardizes care processes; and (iii) information systems that enable the various service providers to access patients' clinical history and manage the clinical information and inputs required for care in a timely and efficient manner.

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[9] The predominant native communities in the PBA are the Guaraní, Toba, Mapuche, Quechua, and Diaguita-Calchaquí.

[10] Record of Sumar Program services.

1.22 The situational analysis for health services in the PBA, conducted in 2017, showed that the PHCCs did not have defined geographic service areas and populations, and care processes varied widely (paragraph 1.15). It also showed a low level of integration between PHCCs and higher-complexity health facilities, characterized by an informal referral process to hospitals and virtually no counter-referral of patients from hospitals to PHCCs.

1.23 *Emergency network*. Emergency health services are divided into pre-hospital care (ambulances that respond to serious incidents on public roads) and emergency hospital medicine (emergency rooms that provide uninterrupted medical care to the general population). Both provide immediate medical assistance for an accident, sudden onset of a serious condition, or worsening of a chronic illness. Emergency services are important for reducing the burden of disease (years lost due to premature death or years lived with a disability). External injuries alone currently account for about 12% of the disease burden in Argentina, affecting men in particular [14].

1.24 In recent years, with implementation of PROFIR I, the Ministry of Health has strengthened the provincial emergency network nodes. On the pre-hospital side, it increased the care capacity of the municipal Emergency Medical Care Systems (EMCSs) by increasing the availability of ambulances and equipment, as well as by training operators to act swiftly and effectively. On the hospital side, it enhanced the emergency room capacity of the provincial public hospitals.

1.25 In the second phase of this process of strengthening its network of emergency services, the PBA Ministry of Health will improve the network's governance. Based on an analysis of available information on municipal EMCS performance, as well as interviews with those responsible for these systems, the Ministry concluded that: (i) the PBA's emergency system continues to be fragmented, leading to gaps in access to services; (ii) the absence of a comprehensive emergency health information system hinders strategic planning at the municipal and provincial levels; (iii) there is a shortage of medical human resources for EMCSs outside the AMBA, particularly for smaller municipios; and (iv) weaknesses in the coordination between dispatchers and emergency rooms cause unnecessary delays in emergency health care.

1.26 Consistent with good emergency management practices (optional link 4), the Ministry of Health has decided to implement a centralized information system that is interoperable with the municipal EMCSs and regional nodes, seeking to: (i) organize systematic coordination between emergency services and emergency rooms, using management indicators; (ii) improve the technical quality of pre-hospital and hospital triage; (iii) implement an online platform for comprehensive reporting of emergency care managed by the different provincial network nodes; and (iv) improve coordination between municipios for the implementation of protocols.

1.27 In the medium term, once this system is up and running, the Ministry of Health intends to: (i) generate robust statistics on local care profiles; (ii) develop a provincial strategy for human resources education and training; and (iii) develop incentive schemes at the municipal level based on indicators related to delay times or correlation between pre-hospital and hospital triage, for example.

1.28 *Diagnostic imaging network*. In the absence of a diagnostic imaging network in the PBA public health system, hospitals were expanding their diagnostic imaging capacity based on demand. This pattern of independent development led to significant geographic differences in the capacity to provide services. According to a 2021 survey, about 76% of imaging services in the PBA operate without a formal referral network, and 52% have unmet demand and delays in delivering results, due to the lack of digitization equipment and staff to perform and interpret the studies. In addition, 65.8% of these services are not staffed 24 hours a day to be able to handle emergency requests.

1.29 Best practices suggest that diagnostic imaging services should operate in an integrated network, organized by levels of care or resolution capacity, with interconnected technology and optimized interpretation of results through remote nodes that enable increased capacity for timely response (optional link 4).

1.30 *Network drug and supply management*. The Ministry of Health funds the procurement and distribution of medicines and supplies for services provided to the population with exclusively public health coverage. The various units responsible for managing this process use different methodologies and information systems, which are not interoperable for purposes of drug and supply request, audit, logistic, and dispensing processes. These deficiencies limit the Ministry's capacity to have timely, consolidated, quality information for planning procurement, managing stocks, planning distribution, and recording delivery to the population served at the various health facilities that make up the provincial health network.

1.31 A consolidated system for managing drugs and supplies would strengthen the management of procurement, storage, logistics, and the dispensation of drugs in the official formulary, removing barriers to access for people with only public coverage.

1.32 *Network for dispensing and monitoring cancer drugs.* A higher life expectancy among Argentinians and an increase in other risk factors have increased the relative importance of cancer pathologies in the distribution of the country's burden of disease. The mortality rate attributable to neoplasms in 2019 was 24.4% nationally. In order of importance, the three most prevalent types of cancer are lung, colorectal, and prostate cancer for men and breast, colorectal, and lung cancer for women.[11] About one third of cancer cases are preventable, either through behavioral changes (e.g. smoking cessation or improved diet) or through the implementation of public health actions (such as vaccination against hepatitis B or human papillomavirus). Another third of cases could be treated quite effectively if detected and treated early [15]. Accordingly, the PBA has been working to ensure that cancer patients gain timely access to pharmacological treatments. The Ministry of Health reported in 2017 that only 55% of oncology patients received treatment within 30 days of the Oncology Drug Bank's receiving the request—a dispensing quality criterion established by the Ministry of Health.

1.33 In May 2020, the Provincial Cancer Institute was created[12] to coordinate public action for the prevention, detection, diagnosis, and treatment of cancer in the PBA

[11] Institute for Health Metrics and Evaluation.

[12] Provincial Decree 413.

and, specifically, to head the network of providers responsible for dispensing and monitoring treatment. Under PROFIR I, the Ministry of Health took a series of measures that enabled it to meet the target of 80% of cancer treatments dispensed in a timely manner. These measures included: (i) ensuring the stock of drugs through standing supply purchase orders based on a consolidated provincial register of oncology patients; (ii) increasing the number of staff assigned to centrally lead procurement, dispensing, and network audit efforts; (iii) standardizing operational processes; (iv) updating clinical practice guidelines for each type of oncological pathology; (v) providing operational training for network providers; and (vi) creating formal channels of communication between providers and patients, in order to identify and quickly resolve bottlenecks.

1.34 The imminent creation of the Provincial Drug Procurement Directorate, as well as the development of the Drug Management System, will make it possible to systematize and consolidate the improvements that have been made in drug procurement, dispensing, and audit processes, as well as to identify additional opportunities for process improvement in order to increase timely coverage.

1.35 *Mental health care network*. The PBA Mental Health Law[13] provides the regulatory basis for changing definitions and approaches related to the prevention, treatment, and rehabilitation of mental, neurological, substance use, and suicide disorders, which account for one fifth of disability-adjusted life years lost and more than one third of years lived with a disability, making them the most disabling set of all noncommunicable diseases in Argentina. The significant impact of the COVID-19 pandemic on the prevalence of mental health problems worldwide make the reform process begun by the PBA all the more relevant [16]. In the last quarter of 2020, the Ministry of Health recorded three times more mental health visits than in the same quarter of 2019.

1.36 The reform process set in motion by the Mental Health Law involves leaving behind the traditional model that responds to mental health problems exclusively with asylums, prolonged hospitalization, and medicalization, to embrace a model under which they are addressed via interdisciplinary, cross-sector, community-based approaches—without creating detachment from the patient's community and instead promoting the continuity of family ties.

1.37 To implement the community-based mental health model, the PBA developed a project based on two pillars: (i) strengthening and expanding local care facilities, including Community Mental Health Centers and Provincial Residential Units; and (ii) transforming the four neuropsychiatric hospitals managed by the PBA, as part of a process of deinstitutionalizing and humanizing mental health care. Of the 1,452 patients currently in these hospitals, 43% are treated as chronic cases, i.e., they have been hospitalized for more than 10 years, without criteria to clinically support their hospitalization.

1.38 The PBA Mental Health Project is consistent with the growing evidence supporting the community-based mental health care model [17], provided it is implemented as an integrated system with continuity of care, in which the PHCCs have the resources and properly trained and qualified personnel they need, and hospitals at the secondary level of care treat pathologies using the humanizing approach of

[13] Provincial Law 14580 of 2013, by which the PBA adopted the national Mental Health Law (Law 2013).

stabilizing patients experiencing an acute event and ultimately counter-referring them back to local care facilities.

1.39 **Delivery capacity strained by a potential increase in the COVID-19 transmission rate.** To date, the PBA has had more than 2 million confirmed cases and more than 54,000 deaths due to COVID-19. Currently, 68.8% of its residents have received at least one dose of the vaccine and 55.5% are fully vaccinated.[14] The daily epidemiological reports on death and infection rates continue to make COVID-19 the health system's main concern.

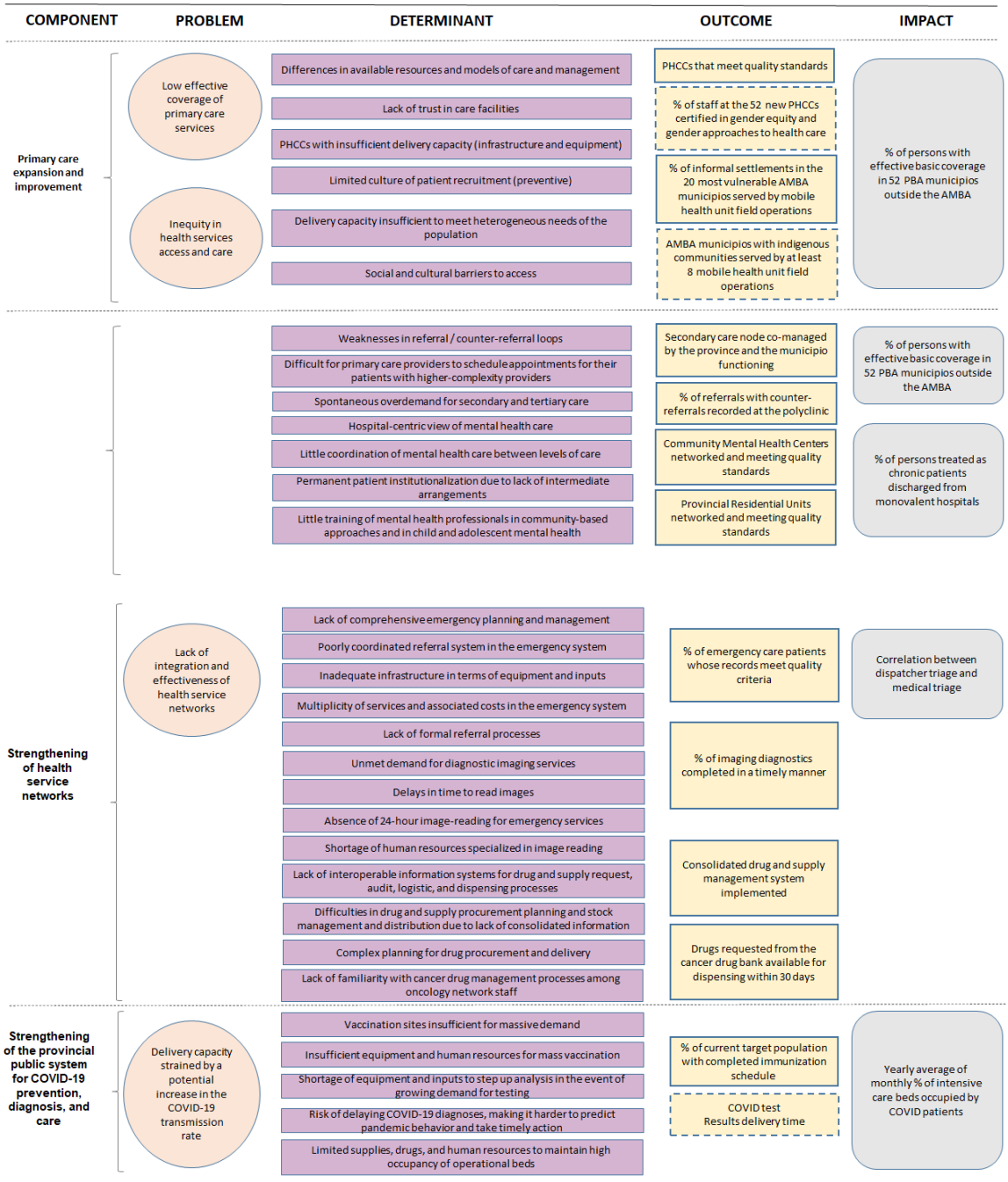
1.40 Although PROFIR I expanded the PBA's COVID-19 testing and treatment capacity (paragraph 1.8), the Ministry of Health has identified additional investments needed to prevent strains on its health system in the event of an increase in the COVID-19 transmission rate. These investments would strengthen: (i) vaccination capacity, by providing equipment and human resources for vaccination sites and improving the centralized vaccine registry process for decision-making; (ii) diagnostic capacity, by providing laboratories with equipment and supplies and improving the centralized diagnostic registry process for decision-making; and (iii) timely treatment, by providing drugs for COVID-19 intensive care units, medical equipment, and personal protective equipment for staff.

1.41 **Gender gaps.** From 2010 to 2018, the gender gap in terms of years of potential life lost (YPLLs) in the PBA shrunk by 76.5% [14]. However, men still have 63.5% more YPLLs than women, with 48% of the difference due to deaths from external causes, followed by 21% due to cardiovascular diseases (optional link 4), suggesting that pre-hospital medical interventions, as well as the use of a gendered approach to the detection and treatment of cardiovascular diseases in primary care, could narrow that gap. Although no gender gaps in access to services are reported, 74% of primary care visits in 2019 were by women. The pandemic has also created new imbalances. In 2020, sexual and reproductive health visits fell by 30%, and emergency visits due to sexual violence in the PBA outside the AMBA rose by 56%. Given this situation, the Ministry of Health is developing a training program for PHCC teams to certify them in the application of a gender- and rights-based approach that will focus on: (i) implementation of clinical practice guidelines; (ii) sexual and reproductive health care; and (iii) care for gender-based violence.

1.42 **Theory of change.** Optional link 4 outlines the program's vertical logic, with evidence supporting the effectiveness of the proposed interventions, which are based on the WHO and Pan American Health Organization guidelines for each dimension.

[14] Ibid. 8.

Figure 1. Program outcome chain



Note: Indicators marked with a solid line are DLIs under PROFIR II.

1.43 **Lessons learned.** The operation's design will include lessons learned from other Bank operations: (i) the application of an approach to (re)order services into integrated networks, from primary to specialized care, to improve efficiency and continuity of care (loans 3772/OC-AR, 2137/OC-BR, 3051/OC-BR) (all

components); (ii) the use of triage systems and their integration into the rest of the care network levels in emergency services to improve the efficiency of care (loans 4821/OC-AR and 3400/OC-BR) (Component 2); and (iii) the use of electronic medical records to coordinate service delivery and make the delivery of specialized care at the provincial level more efficient (loans 4821/OC-AR, 2137/OC-BR and 3051/OC-BR) (Components 1 and 2). It also incorporates lessons learned from the implementation of loans based on results (LBRs) (loans 4821/OC-AR, 4290/OC-UR, 4329/OC-UR, 4658/OC-UR), such as selecting DLIs that: (i) reflect a balance between final and intermediate outcomes; (ii) ensure the predictability of funds; and (iii) are contained in State programs backed by an expenditure framework. Additionally, based on the experience of PROFIR I (loan 4821/OC-AR), the operation will include the use of a specialized firm as an independent external evaluator for verification that DLI targets have been met.[15] The satisfactory performance of PROFIR I (paragraph 1.10) demonstrated that the use of the LBR instrument is appropriate when the operation meets the requirements set out in the LBR policy (document GN-2869-1) (paragraph 2.3). The project aligns with Vision 2025 in that it promotes social progress in a way that fosters access to and the quality of public services.

1.44 **Strategic alignment.** The loan is consistent with the second Update to the Institutional Strategy (document AB-3190-2) and is strategically aligned with the development challenge of social inclusion and equality in that it promotes access to health services for all segments of the population, especially those who have only public coverage. The program is aligned with the crosscutting areas of: (i) gender equality and diversity, by increasing access to quality public services to close gender gaps in preventive services[16] and certifying health teams in gender approaches and equity in health care (gender dimension), and by expanding access to preventive services to the indigenous population and incorporating facility standards for universal accessibility (diversity dimension); and (ii) climate change, by financing green building measures. Based on the joint multilateral development bank methodology for tracking climate finance, an estimated 12% of the IDB loan proceeds will be invested in mitigation, since the construction of the PHCCs, Community Mental Health Centers, and Provincial Residential Units will meet the equivalency requirements for obtaining Excellence in Design for Greater Efficiencies (EDGE) certification (optional link 2). These resources contribute to the IDB's climate finance target (30% of annual approval volume). In addition, the program will contribute to the Corporate Results Framework 2020-2023 (document GN-2727-12) by increasing the number of beneficiaries receiving health services, the number of targeted benefits of public services that have been adapted for diverse groups, and the value of investments in resilient and/or low-carbon infrastructure.

1.45 The program is aligned with the objectives of the IDB Group country strategy with Argentina 2021-2023 (document GN-3051), specifically with the strategic

[15] See optional link 5 for a list of the operations referenced in this paragraph, with their year and approval amount.

[16] Strengthening of primary care is associated with: (i) better indicators of women's health; (ii) lower maternal mortality rates, unmet family planning needs, and cervical cancer rates; and (iii) a reduction in chronic illnesses affecting men at younger ages.

objectives of strengthening the health system through expanded access to quality and preventive health services and reducing infrastructure gaps. For the reasons mentioned in points (i) and (iii) of paragraph 1.44, it is consistent with the Gender and Diversity Sector Framework (document GN-2800-8) and the Climate Change Sector Framework (document GN-2835-8), respectively. It is also consistent with the Health Sector Framework Document (document GN-2735-12) in that it finances strategies that ensure the sufficiency and relevance of infrastructure, technology, inputs, and human resources needed to improve the organization and quality of healthcare service delivery particularly for diverse, marginal, and disadvantaged groups. Lastly, it is aligned with the Sustainable Infrastructure for Competitiveness and Inclusive Growth Strategy (document GN-2710-5) in that it contributes to the maintenance of socially and environmentally sustainable infrastructure in order to improve access to health services and for people with disabilities. The program is included in the update to Annex III of the 2021 Operational Program Report (document GN-3034-2).

B. Objectives, components, and cost

1.46 **Objectives**. The objective of the second individual loan operation under the CCLIP is to improve access and effective coverage of public health services for the PBA population. Its specific development objectives are to: (i) improve access to and the effectiveness of public primary health care services; (ii) improve the effectiveness and integration of health service networks; and (iii) expand the delivery capacity for COVID-19 prevention, detection, and care. This operation is divided into three components. See optional link 7 for a detailed description of the costs associated with the project outcomes by component.

1.47 **Component 1. Primary care expansion and improvement (IDB: US$33.76 million).** The expected outcome of this component will be improved access to and effectiveness of public primary healthcare services, achieved by increasing the delivery capacity of these services. Specifically, the component will focus on establishing: (i) 52 new PHCC with the equipment, building conditions, and qualified staff needed to implement a model of care that meets standards relating to low-emission construction,[17] inclusion and gender,[18] and quality;[19] and (ii) 20 additional mobile health units, to increase effective access to health services in informal settlements and indigenous communities.

1.48 **Component 2. Strengthening of health service networks (IDB: US$97.04 million).** The expected outcome of this component will be improved effectiveness and integration of health service networks and support services, achieved by improving the quality of care delivered by the providers that make up healthcare networks and improving the management of the information they produce. Specifically, the component will focus on: (i) consolidating the PBA

[17] Based on the technical specifications analyzed, it was found that the PHCC works would save more than 20% in energy, water, and embodied energy (in the materials), ensuring compliance with the minimum requirements for EDGE green building certification (optional link 2).

[18] This includes universal accessibility standards for buildings and certification of the health team in gender equity and gender approaches to health care (clinical practice guidelines, sexual and reproductive health care, and domestic violence care).

[19] The monitoring and evaluation plan (required link 1) includes a detailed description of the impact, outcome, and disbursement-linked indicators, along with a description of the quality standards.

Emergency Services Network to promote effective and efficient care, through the timely, comprehensive, and integrated management of the information generated by these services; (ii) setting up a consolidated drug and supply management system, to make these items available to the health service network in an efficient and timely manner; (iii) developing a diagnostic imaging network that promotes timely availability, among other objectives; (iv) implementing a pilot model of primary and secondary care services network integration, to enable continuous and more effective management of clinical cases; (v) delivering cancer drugs in a timely manner; and (vi) developing seven Community Mental Health Centers and two Provincial Residential Units[20] to complement a network of patient-centered care services under a community-based care model, consistent with the Mental Health Law.

1.49 **Component 3. Strengthening of the provincial public system for COVID-19 prevention, diagnosis, and care (IDB: US$168.44 million; local counterpart: US$45.00 million).** The expected outcome of this component will be expanded delivery capacity for the prevention, detection, and care of COVID-19, achieved by increasing the resources available for its prevention, diagnosis, and treatment, based on the available evidence. Specifically, the component will focus on the PBA's: (i) increasing its COVID-19 vaccination capacity; (ii) improving its capacity for timely testing of suspected COVID-19 cases; and (iii) maintaining the capacity to provide safe and timely service to people who need to be referred to intensive care units.

1.50 **Administration, audit, and evaluation costs (IDB: US$760,000).** The program will also cover the costs of financial audits, external verification of outcomes, evaluation, and administration expenses.

1.51 **Beneficiaries.** The program directly benefits about 6.6 million people who have only public coverage, and indirectly benefits the 17.5 million residents of the PBA, given the universal reach of some interventions.

C. Key results indicators

1.52 The program's DLIs are as follows: (i) for Component 1: (1.1) PHCCs that meet quality standards; and (1.2) percentage of informal settlements in the 20 most vulnerable AMBA municipios served by mobile health unit field operations; (ii) for Component 2: (2.1) Community Mental Health Centers networked and meeting quality standards; (2.2) Provincial Residential Units networked and meeting quality standards; (2.3) percentage of emergency care patients whose records meet quality criteria; (2.4) secondary care node co-managed by the PBA and the municipio functioning; (2.5) percentage of referrals with counter-referrals recorded at the polyclinic; (2.6) percentage of imaging diagnostics completed in a timely manner; (2.7) consolidated drug and supply management system implemented; and (2.8) drugs requested from the cancer drug bank available for dispensing within 30 days; and (iii) for Component 3: (3.1) percentage of current target population with completed immunization schedule.

[20] These buildings will have the same low-emission construction standard as the PHCC: they would save more than 20% in energy, water, and embodied energy, ensuring compliance with the minimum requirements of the EDGE green building certification (optional link 2).

1.53 **Economic evaluation.** A cost-benefit analysis was conducted for the investments under Components 1 and 3 (82% of the project's cost) (optional link 1). For Component 1, the benefits were estimated based on a monetization of the disability adjusted life years expected to be saved by expanding and improving primary care, while for Component 3, benefits were estimated by comparing the value of a reduction in morbidity and mortality associated with a COVID-19 vaccination coverage scenario of 75% against a counterfactual scenario without vaccination. Assuming a discount rate of 3%, the resulting benefit-cost ratio is 12.9, equivalent to an internal rate of return of 45%. The sensitivity analysis—which included higher discount rates—yielded a benefit-cost ratio greater than one in all scenarios. For Component 2, the analysis covered: (i) the cost-benefit of the availability of one of the cancer drugs with the largest number of prescriptions and relative weight in the drug budget (trastuzumab), estimating a benefit-cost ratio of 1.16 to 2.29; and (ii) the cost-effectiveness of community- and asylum-based models of care for the mental health care network, with the former costing 40% as much as the latter.

II. Financing Structure and Main Risks

A. Financing instrument

2.1 This is the second individual operation under CCLIP AR-O0013. It will be financed through a loan based on results (LBR) under the Flexible Financing Facility in the amount of US$300 million from the Bank's Ordinary Capital and local counterpart resources estimated at US$45 million. The program disbursement period will be four years (Table 2). This period is based on the characteristics of the activities involved in this operation and the pace of implementation and achievement of outcomes.

Table 1. Estimated program costs (US$ millions)

Components	IDB	Local	Total	%
Component 1. Primary care expansion and improvement	33.76	0	33.76	9.8
Component 2. Strengthening of health service networks	97.04	0	97.04	28.1
Component 3. Strengthening of the provincial public system for COVID-19 prevention, diagnosis, and care	168.44	45.00	213.44	61.9
Administration, audit, and evaluation costs	0.76	0	0.76	0.2
Total	**300.00**	**45.00**	**345.00**	**100.0**

Table 2. Disbursement projections (US$ millions)

	Year 1	Year 2	Year 3	Year 4	Total
IDB	45.00	45.00	60.00	150.00	300.00
%	15%	15%	20%	50%	100%

2.2 Pursuant to document AB-2990, the pace at which the IDB disburses the Ordinary Capital loan proceeds will be subject to the following limits: (i) in the first 12 months, a maximum of 15% of the total amount of financing approved by the Bank may be disbursed; (ii) in the first 24 months, a maximum of 30% of the total amount of financing may be disbursed; and (iii) in the first 36 months, a maximum of 50% of the total amount of financing may be disbursed. All of these periods will be counted from the time the Board of Executive Directors approves the loan

proposal. These limits may be waived to the extent that the requirements of the IDB's policy on such limits have been met, provided that the borrower is previously notified in writing.

2.3 Like PROFIR I, PROFIR II is structured as an LBR, as its components meet the requirements set out in the LBR instrument policy (document GN-2869-1) and in the guidelines for processing an LBR (document GN-2869-3): (i) they support provincial health programs in delivering results by financing their expenditure framework; (ii) they improve the performance of those programs by incorporating good practices and making them results-oriented; (iii) they promote the use of the fiduciary systems of the executing agency and subexecuting agencies, in keeping with the principles and good practices related to LBR use; and (iv) the institutional assessment of the executing agency and subexecuting agencies shows that they have management systems to guarantee the proper technical (monitoring) and fiduciary (procurement and financial) execution of the program.

2.4 The instrument also reinforces results-based management, which contributes to solving the challenges identified in the operation's diagnostic assessment. The use of an LBR in PROFIR II is well suited to a gradual process for improving the effectiveness of public health care services in the PBA through technical capacity-building and the development of information systems on which a results-based management model can be based. In this context, the DLIs for PROFIR I were designed as metrics for intermediate outcomes related to an increase in service delivery coverage consistent with attributes that, according to empirical evidence, are necessary for achieving the program's final outcomes in a sustainable manner. In future operations, as in the case of PROFIR II, direct results should gradually be included as DLIs.

2.5 **Eligibility criteria for the second individual operation.** The second individual operation meets the applicable eligibility requirements set out in the CCLIP policy (document GN-2246-9, Section D(b), paragraph 1.21) insofar as: (i) it is covered in the CCLIP's components and sector; (ii) it was included in the Argentina Programming Document (document GN-3034-2); (iii) the executing agency is an integral and sustainable part of the institution managing the sector; (iv) the executing agency is the same as in the first operation under the CCLIP, PROFIR I (loan 4821/OC-AR), has demonstrated satisfactory performance, and the development objectives are likely to be achieved. The findings of the institutional capacity assessment conducted during the preparation of PROFIR II confirm that the executing agency, as well as both subexecuting agencies, have a satisfactory level of institutional capacity for program implementation; (v) 63.69% of the loan proceeds from the first individual operation have been disbursed, which is above the required 50%; (vi) the level of quality in terms of financial management and operational control of the program is acceptable; and (vii) the executing agency has fulfilled the terms of the loan contract and the Bank's disbursement and procurement policies. Subsequent individual loan operations under the CCLIP will have to meet the eligibility criteria set forth in Section D of document GN-2246-9.

B. Environmental and social safeguard risks

2.6 Given that disbursements under an LBR are made based on the results already achieved, this type of operation is suitable for the use of country systems for environmental and social management, triggering Directives B.13 and B.16 of the

Environment and Safeguards Compliance Policy (operational policy OP-703). Directive B.13 (policy-based loans and flexible lending instruments) establishes how safeguards are applied in an LBR, indicates that alternative environmental assessment and management tools may be required to determine the level of safeguard risks and operational requirements, and calls for the use of country monitoring and evaluation systems to be promoted.

2.7 Following the guidelines contained in Directive B.16 of operational policy OP-703, an analysis was conducted for PROFIR I to determine whether the country systems were equivalent to and acceptable with respect to the applicable Bank environmental and social safeguards. This analysis was updated for this operation, given that the interventions to be financed are in different communities/municipios and in diverse environmental and socioeconomic contexts. The gaps identified, and the means for closing them and adequately managing social and environmental risks, are outlined in the equivalence and acceptability analysis. The Environmental and Social Management Framework for PROFIR I was reviewed and updated to reflect the scope and complexity of the new works as well as lessons learned and to establish the type of management and procedures to be used and followed by the executing agency and the subexecuting agencies to avoid or mitigate environmental and social risks. The Environmental and Social Management Framework incorporates the recommendations of the equivalence and acceptability analysis, strengthening the measures to close the identified gaps and adequately manage the potential social and environmental risks associated with the operation (required link 2).

C. Fiduciary risks

2.8 In compliance with document GN-2869-1, the Bank applied the Institutional Capacity Assessment Platform (ICAP) as well as the Methodology for Assessing Procurement Systems (MAPS) of the Organization for Economic Co-operation and Development, with satisfactory results that confirmed that the executing agency and both subexecuting agencies have a satisfactory level of institutional capacity for program implementation.

2.9 The findings of these assessments further show that the executing agency and the subexecuting agencies have sufficient fiduciary systems developed to manage execution and the achievement of expected outcomes. The fiduciary risk is therefore low. Notwithstanding the above, the program Operating Regulations will set out actions for the executing agency and subexecuting agencies to ensure the program's internal controls are adequate.

D. Other key issues and risks

2.10 Two medium-high risks were identified: (i) institutional environment: a lack of adequate mechanisms for interagency technical coordination with the municipios and with the Community Mental Health Centers could slow the integration of the networks, causing a delay in accomplishing the expected outcome for DLI 2.1. The mitigation actions identified are to sign agreements with the municipios and to arrange for technical cooperation to support the establishment, organization, and development of referral protocols for the mental health care network; and (ii) executing agency: a lack of competent personnel and sufficient resources to assume the tasks involved in managing the program's environmental, social,

safety, and occupational health impacts could prevent the program environmental requirements from being met, causing delays in implementation and in achieving the expected outcome for DLI 1.1. As a mitigation action, it was agreed to have confirmation of at least one social/environmental specialist to strengthen the team from the province working on the program before the material start of the works on the PHCCs.

2.11 **Sustainability.** The continuity of operation of the health care networks will be ensured by agreements between the Ministry of Health and the municipios that will spell out the shared responsibilities of the parties, enabling them to plan long term and incorporate resources into the provincial and municipal[21] budgets. At the same time, the use of integrated information systems will allow for more efficient management of services, making it easier for the Ministry of Health to recoup the costs of services provided to people with private or union-based employee health coverage. The interventions financed by the program follow WHO recommendations for the containment, management, and treatment of infectious disease epidemics/pandemics such as COVID-19. The program will strengthen the PBA's capacity to detect, treat, and control COVID-19 in the medium term, as well as strengthen the delivery of essential health services during the pandemic to ensure their continuity.

III. Implementation and Management Plan

A. Summary of implementation arrangements

3.1 **Borrower, guarantor, and executing agency**. The borrower will be the Province of Buenos Aires, and the Argentine Republic will be the guarantor for the borrower's financial obligations, in accordance with the policy on guarantees required from borrowers (document GP-104-2) for loans to subnational entities. The borrower, through the Ministry of Finance of the PBA, will be the executing agency, with the Ministry of Health and the Ministry of Infrastructure and Public Services serving as the subexecuting agencies. The Ministry of Finance, through the Provincial Directorate of Multilateral Agencies and Bilateral Financing (DPOMyFB) under the Finance Subsecretariat, will be in charge of overall program coordination. Its responsibilities will include ensuring compliance with the provisions of the loan contract, managing financial resources, and acting as a direct counterpart to the Bank, liaising with the various program actors. The Ministry of Health, through the Health System Strengthening Unit of the Subsecretariat for Comprehensive Services and Care, will coordinate the planning and technical execution of the planned program actions, and will liaise with the Technical, Administrative, and Legal Subsecretariat to follow up on administrative processes linked to meeting the obligations and commitments established in agreements with the municipios and to monitor the fulfillment of outcome indicators. The Ministry of Infrastructure and Public Services, through the Works Projects Coordination and Execution Unit, will coordinate the planning and technical execution of the planned program actions and will liaise with the Technical, Administrative, and Legal Subsecretariat for execution and monitoring

[21] The main cost for the municipios is human resources for the PHCCs, who will be assigned from among the existing health personnel.

of works projects. Program execution will be governed by the program Operating Regulations, which detail the roles and responsibilities of the executing agency and subexecuting agencies.

3.2 **Program administration, coordination, and execution mechanism**. Program activities at the provincial level will be planned through a multiyear execution plan shared between the executing agency and subexecuting agencies, under the current coordination plan. Follow-up and monitoring of program execution will be coordinated between the executing agencies at monthly meetings, which will provide the executing agency with the information necessary to track progress, produce execution reports, and request disbursements from the Bank. Details of each agency's roles and responsibilities and the documentation circuit for reporting results will be included in the program Operating Regulations. The relationship between the province and the beneficiary municipios will be governed by agreements signed between the province's Ministry of Health and each member municipio.

3.3 **Program Operating Regulations.** The program Operating Regulations (optional link 3) will set out the execution strategy for the operation, including: (i) the program's organizational structure; (ii) the technical and operational arrangements for its execution; (iii) the outcome programming, monitoring, and evaluation mechanism; (iv) a detailed description of the outcome indicators; and (v) the criteria for external verification of program outcomes. **A special contractual condition precedent to the first disbursement of the loan will be the approval and entry into force of the program Operating Regulations, under the terms previously agreed with the Bank.** This condition is necessary because the Bank's experience in the region has shown that approving program Operating Regulations before the first disbursement contributes to the executing agency's internal organization for program execution.

3.4 **External verification of outcomes.** A specialized firm or individual consultant, acting as an external evaluator independent of both the Bank and the executing agency, will verify the fulfillment of the DLI targets. The executing agency will submit an outcome verification report to the Bank prior to each disbursement request. This external verification of achievement of outcomes will focus on two objectives: (i) issuing an opinion on the accuracy, reliability, and consistency of the outcome-related information; and (ii) determining the value of the outcome indicators established for each disbursement tranche, performing a calculation in cases where no automatic independent reports exist. The firm will be required to have experience in evaluating and monitoring projects, managing outcome indicators, and evaluating the reliability of information sources and methods used to produce them, and will be hired pursuant to the terms of reference previously agreed with the Bank and in accordance with the Bank's policies for the selection and contracting of consultants (document GN-2350-9). **A special contractual condition precedent to the first disbursement of the loan will be the contracting of consulting services for the external verification of outcomes, in accordance with the terms of reference previously agreed by the Bank.** Each disbursement will be subject to this independent verification of outcomes. The cost will be covered by the loan proceeds.

3.5 **Fiduciary agreements and requirements.** Annex III sets out the financial management and procurement execution guidelines that will be applied to the program. The executing agency's procurement systems will be used for program execution, in accordance with the requirements established for an LBR (document GN-2869-1). Procurement will be carried out directly by the PBA and will be governed by the executing agency's policies and systems, validated by the Bank (paragraph 2.8). The estimated costs of the outcomes will be covered according to the procedures set out in the program Operating Regulations. The firm, agency, or individual expert responsible for the verification of outcomes should be contracted according to the provisions set out in paragraphs 1.5 and 3.11 of document GN-2869-3.

3.6 **Disbursements.** Disbursements will be processed according to the following procedure: (i) the DPOMyFB will produce a progress report on program execution and on the outcome indicators to be used for the disbursements, as mentioned in paragraph 1.52, and will submit this report for external verification of the outcomes, which will analyze their achievement based on the protocols established in the program Operating Regulations (optional link 3); (ii) independent external evaluators will verify whether the DLIs have been achieved in accordance with the objectives stated in the previous paragraph and within the timelines set out in the terms of reference; and (iii) once this verification is complete, the DPOMyFB will submit the corresponding disbursement request and the Bank will, following the standard procedures and times, disburse into the account specified by the borrower the amount corresponding to each indicator, if and only if the external verification determines that the value of the indicator in question is equal to or greater than the established target. If that indicator is lower, the disbursement will be proportional to the target reached. Unused balances can be reprogrammed to subsequent disbursements.

3.7 Upon fulfillment of the contractual conditions precedent to the first disbursement, the borrower will have the option of requesting an initial disbursement of up to 10% of the loan amount permitted under the LBR policy (document GN-2869-1) to finance activities necessary for achieving the most immediate outcomes related to Components 1 and 2 and expenditures related to program administration and evaluation. The initial disbursement amount requested was estimated based on target, output, activity, and expenditure planning, with their respective procurement processes.

3.8 The Bank will disburse the loan proceeds under the reimbursement of expenditures modality, as the loan is an LBR. Nevertheless, upon fulfillment of the conditions precedent to the first disbursement, the borrower will have the option of requesting an initial disbursement, as described in paragraph 3.7.

3.9 **Retroactive financing of outcomes.** PROFIR II provides for the financing of previously achieved outcomes at a rate of 15% (US$45 million) of the loan amount. This financing will be applied to the outcomes achieved between the project registration date (19 May 2021) and the loan eligibility date. The Bank reviewed the costs associated with the achievement of outcomes to verify that they fall within the scope and expenditure framework of the proposed operation. Disbursements against previous outcomes will be subject to an independent external verification of those outcomes.

3.10 **Financial audits.** The borrower will submit annual audited program financial reports to the Bank no more than 120 days after the close of the executing agency's fiscal year. Final audited financial reports are to be submitted within 120 days after the date of the last program disbursement and will include an analysis of any differences between actual project costs and the amounts disbursed. The external program audit will be performed by an independent auditing firm eligible to audit Bank-financed operations, selected and contracted pursuant to the terms of reference and model contract previously agreed with the Bank.

B. Summary of arrangements for monitoring results

3.11 **Monitoring arrangements.** The program will adopt the Bank's supervision mechanisms. The program monitoring plan will include: (i) at least two meetings per year for the technical and operational review of program progress (including a risk analysis update); (ii) semiannual reports on program performance, according to the agreed Results Matrix (Annex II); and (iii) the use of management tools referred to in the monitoring and evaluation plan (required link 1) and agreed at the kick-off and planning workshop.

3.12 **Arrangements for evaluating outcomes.** The PROFIR II evaluation plan calls for a before-and-after comparison of program outcome indicators, as measured by external outcome verifications. The final evaluation will be based on the series of operations under the CCLIP and will focus on assessing the impact of strengthening primary care, using a quasi-experimental evaluation methodology based on exposure to treatment. During implementation of the operations under the CCLIP, the possibility of conducting additional studies based on the information systems to be developed (required link 1) will be explored.

Development Effectiveness Matrix		
Summary	AR-L1340	
I. Corporate and Country Priorities		
Section 1. IDB Group Strategic Priorities and CRF Indicators		
Development Challenges & Cross-cutting Issues	-Social Inclusion and Equality -Gender Equality and Diversity -Climate Change	
CRF Level 2 Indicators: IDB Group Contributions to Development Results	-Beneficiaries receiving health services (#) -Targeted beneficiaries of public services that have been adapted for diverse groups (#)	
2. Country Development Objectives		
Country Strategy Results Matrix	GN-3051	Strengthen the health system
Country Program Results Matrix	GN-3034-2	The intervention is included in the 2021 Operational Program
Relevance of this project to country development challenges (If not aligned to country strategy or country program)		
II. Development Outcomes - Evaluability		Evaluable
3. Evidence-based Assessment & Solution	10.0	
3.1 Program Diagnosis	2.5	
3.2 Proposed Interventions or Solutions	3.5	
3.3 Results Matrix Quality	4.0	
4. Ex ante Economic Analysis	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	10.0	
5.1 Monitoring Mechanisms	4.0	
5.2 Evaluation Plan	6.0	
III. Risks & Mitigation Monitoring Matrix		
Overall risks rate = magnitude of risks*likelihood	Low	
Environmental & social risk classification	B.13	
IV. IDB´s Role - Additionality		
The project relies on the use of country systems		
Fiduciary (VPC/FMP Criteria)	Yes	Financial Management: Budget, Treasury, Accounting and Reporting, External Control, Internal Audit. Procurement: Information System, Price Comparison, Contracting Individual Consultant, National Public Bidding.
Non-Fiduciary	Yes	Strategic Planning National System, Monitoring and Evaluation National System, Statistics National System, Environmental Assessment National System.
The IDB's involvement promotes additional improvements of the intended beneficiaries and/or public sector entity in the following dimensions:		
Additional (to project preparation) technical assistance was provided to the public sector entity prior to approval to increase the likelihood of success of the project	Yes	AR-T1238 financio estudios, insumos al POD.

The proposal presents the second operation under the Conditional Credit line for Investment Projects (CCLIP) for the Program to Strengthen and Integrate the Health Networks of the Province of Buenos Aires (PBA). The proposal presents an operation for a total of USD300,000,000 to be financed through an investment loan based on results. The objective of the CCLIP is to improve the capacity and quality of the PBA's first, second, and third-level public health services, integrating them as a service network that prioritizes care for the population with exclusive public coverage to reduce the potential years of life lost. The objective of this second individual operation is to improve the accessibility and effective coverage of public health services for the population of the PBA. The specific development objectives are: (i) to improve the accessibility and resolution of public health services at the first level of care; (ii) improve the effectiveness and integration of health service networks; and (iii) expand the service capacity for the prevention, detection and care of COVID-19. The proposal presents a solid diagnosis of the problem. The proposed solutions are appropriate to respond to the identified problems and their contributing factors and are in line with the recommendations of the Pan American Health Organization. The results matrix is consistent with the vertical logic of the project, presenting adequate indicators at the level of results and impacts. The indicators for disbursement have been appropriately selected since they are the ones that incentivize the achievement of results. The impact indicators reflect the contribution to the health objectives and include the contribution of the proposal to the control of the COVID-19 pandemic.

The proposal proposes a cost-benefit analysis for the investments contemplated in Components 1 and 3 (82% of the project cost). The cost-benefit ratio is 12.9 equivalent to an Internal Rate of Return of 45%. For Component 2, the following were analyzed: (i) the cost-benefit of the availability of one of the cancer drugs with the highest number of prescription and relative weight in the budget for drugs (trastuzumab), estimating a cost-benfit ratio between 1, 16 and 2.29; and (ii) the cost-effectiveness between community and nursing home care models for the mental health care network, with the former being 40% of the cost of the latter. Sensitivity analysis — including higher discount rates — showed a benefit-cost ratio greater than one in all scenarios.

The evaluation plan foresees comparing the level of the program's outcome indicators before and after using the information from the external verifications of results. The final evaluation will be carried out based on the series of operations under the CCLIP using a quasi-experimental evaluation methodology based on exposure to treatment.

Two medium-high level risks were identified: (i) there are no adequate mechanisms for inter-institutional coordination at the technical level with the municipalities and with the Community Mental Health Centers; and (ii) there are not enough personnel with the capabilities and sufficient resources to assume the tasks related to the management of environmental, social, safety and occupational health impacts of the project. Appropriate mitigation measures have been identified and budgeted for both cases.

Results Matrix

Objective:	The specific objectives of this operation are to: (i) improve access to and the effectiveness of public primary healthcare services; (ii) improve the effectiveness and integration of health service networks; and (iii) expand the delivery capacity for COVID-19 prevention, detection, and care. The objective of the second individual loan operation under the conditional credit line for investment projects is to improve access and effective coverage of public health services for the population of the Province of Buenos Aires (PBA).

General Development Objective

	Indicators	Unit of measure	Baseline	Baseline year	Expected year achieved	Target	Means of verification	Comments
General development objective: To improve access and effective coverage of public health services for the PBA population.								
1	Percentage of persons with effective basic coverage in 52 PBA municipios outside the Buenos Aires Metropolitan Area (AMBA)	% of persons	19.2%	2020	2024	24%	Sumar program report	
2	Percentage of persons treated as chronic patients discharged from public mental health institutions (monovalent hospitals)	% of patients	0%	2020	2024	30%	Monitoring report on inpatients in public neuropsychiatric hospitals in the PBA	Report issued by the Mental Health Subsecretariat
3	Correlation between dispatcher triage and medical triage	% correlation	40%	2021	2024	65%	Report issued by the central dispatch and transport system	
4	Yearly average of the monthly percentage of intensive care beds occupied by COVID-19 patients	% of beds	< 90%	2021	2024	< 80%	SIGEC report	This indicator is intended to show that timely prevention and treatment interventions avoid hospitalization and, therefore, hospital saturation.

Specific Development Objectives

Indicators		Unit of measure	Baseline	Baseline year	Year 1	Year 2	Year 3	Year 4	End of project	Means of verification	Disbursement-linked indicator (yes/no)	Comments
Specific development objective 1: To improve access to and the effectiveness of public primary healthcare services.												
1.1	Primary healthcare centers (CAPS) that meet quality standards	Number of CAPS	66	2021	0	20	32	0	118	Technical audit report	Yes	Infrastructure meets minimum requirements for EDGE green building certification.
1.2	Percentage of informal settlements in the 20 most vulnerable AMBA municipios served by mobile health unit field operations per year	% of informal settlements	0	2021	0	20%	30%-	-	30%	Technical audit report	Yes	
1.3	AMBA municipios with indigenous communities served by at least 8 mobile health unit field operations per year	Number of AMBA municipios with indigenous communities	0	2021	0	8	8	8	24	Community Health Directorate report	No	
1.4	Percentage of staff at the 52 new CAPS certified in gender equity and gender approaches to health care	% of persons	0	2021	0	0	20%	30%	50%	Report of the Health Systems Strengthen-ing Unit and the Provincial Directorate for Gender Equity in Health	No	

	Indicators	Unit of measure	Baseline	Baseline year	Year 1	Year 2	Year 3	Year 4	End of project	Means of verification	Disbursement-linked indicator (yes/no)	Comments
Specific development objective 2: Improve the effectiveness and integration of health service networks												
2.1	Community Mental Health Centers networked and meeting quality standards	Number of Community Mental Health Centers	0	2021	0	7	0	0	7	Technical audit report	Yes	Same comment as for indicator 1.1.
2.2	Provincial Residential Units networked and meeting quality standards	Number of Provincial Residential Units	0	2021	0	2	0	0	2	Technical audit report	Yes	Same comment as for indicator 1.1.
2.3	Percentage of emergency care patients whose records meet quality criteria	% of persons requiring an emergency dispatch	20%	2021	-	40%	60%	-	60%	Report issued by the central dispatch and transport system	Yes	
2.4	Secondary care node co-managed by the PBA and the municipio functioning	Number of nodes	0	2021	0	1	0	0	1	Audit report from the Infrastructure Directorate	Yes	Indicator reflects institutional capacity-building
2.5	Percentage of referrals with counter-referrals recorded at the polyclinic	% of referrals with counter-referrals	0%	2021	-	-	50%	-	50%	Pilot evaluation document	Yes	
2.6	Percentage of diagnostic imaging completed in a timely manner	% of imaging diagnoses made centrally	0%	2021	-	30%	80%	-	80%	Imaging interpretation system report	Yes	
2.7	Consolidated drug and supply management system implemented	Number of systems	0	2021	0	0	1	0	1	Technical audit report	Yes	Indicator reflects institutional capacity-building

Indicators		Unit of measure	Baseline	Baseline year	Year 1	Year 2	Year 3	Year 4	End of project	Means of verification	Disbursement-linked indicator (yes/no)	Comments
2.8	Drugs requested from the cancer drug bank available for dispensing within 30 days	% of drugs	80%	2021	-	-	82%	-	82%	Report generated by the Qlik information system	Yes	
Specific development objective 3: Expand the delivery capacity for COVID-19 prevention, detection, and care												
3.1	Percentage of current target population with completed COVID-19 immunization schedule	% of target population vaccinated	44%	2021	75%	-	-	-	75%	Federal Nominalized Vaccination Registry (NOMIVAC)	Yes	Baseline calculated in August 2021.
3.2	Time to deliver COVID-19 test results	Days to deliver results	5.2	2020-2021	1.5	-	-	-	1.5	Argentina's Integrated Health Information System (SISA)	No	Calculated based on the annual average of monthly averages for the previous 12 months

Disbursement-linked Indicator Matrix

Indicators		Baseline		Year 1		Year 2		Year 3		Year 4		End of project	
		Value	Year	Target	Associated amount	Target	Associated amount	Target	Associated amount	Target	Associated amount	Target	Associated amount
1.1	CAPS that meet quality standards	66	2021	0	0	20	11,940,000	32	19,104,000	0	0	118	31,044,000
1.2	Percentage of informal settlements in the 20 most vulnerable AMBA municipios served by mobile health unit field operations	0%	2021	0	0	20%	0	30%	2,712,000	0	0	30%	2,712,000
2.1	Community Mental Health Centers networked and meeting quality standards	0	2021	0	0	7	4,200,000	0	0	0	0	7	4,200,000
2.2	Provincial Residential Units networked and meeting quality standards	0	2021	0	0	2	1,050,000	0	0	0	0	2	1,050,000
2.3	Percentage of emergency care patients whose records meet quality criteria	20%	2021	0	0	40%	5,500,000	60%	2,500,000	0	0	60%	8,000,000
2.4	Secondary care node co-managed by the PBA and the municipio functioning	0	2021	0	0	1	800,000	0	0	0	0	1	800,000
2.5	Percentage of referrals with counter-referrals recorded at the polyclinic	0%	2021	0%	0	0	0	50%	950,000	0	0	50%	950,000
2.6	Percentage of imaging diagnoses completed in a timely manner	0	2021	0	0	30%	4,000,000	80%	4,000,000	0	0	80%	8,000,000
2.7	Consolidated drug and supply management system implemented	0	2021	0	0	0	0	1	400,000	0	0	1	400,000
2.8	Drugs requested from the cancer drug bank available for dispensing within 30 days	80%	2021	0	0	0	0	82%	73,644,000	0	0	82%	73,644,000
3.1	Percentage of current target population with completed COVID-19 immunization schedule	44%	2021	75%	168,440,000	0	0	0	0	0	0	75%	168,440,000

Protocol for verification of disbursement-linked indicators

Indicator	Verification criterion	Means of verification	Verifying entity
1.1	See monitoring and evaluation plan for details.	Technical audit report	External auditing firm
1.2			
2.1			
2.2			
2.3			
2.4			
2.5			
2.6			
2.7			
2.8			
3.1			

FIDUCIARY AGREEMENTS AND REQUIREMENTS

Country : Argentina **Division**: SPH **Operation No.:** AR-L1340 **Year** : 2021

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

Operation name: Program for Strengthening and Integration of Health Networks in the Province of Buenos Aires (PROFIR II)

I. THE EXECUTING AGENCY'S FIDUCIARY CONTEXT

1. Use of country systems in the operation

☒ Budget	☒ Reporting	☒ Information system	☒ National competitive bidding
☒ Treasury	☒ Internal audit	☒ Shopping	☐ Other
☒ Accounting	☒ External control	☒ Individual consultants	☐ Other

2. Fiduciary execution mechanism

☒	Coexecuting/Subexecuting agencies	The Ministry of Health and the Ministry of Infrastructure and Public Services of the Province of Buenos Aires (PBA) will serve as the program's subexecuting agencies. The Ministry of Health, through the Health System Strengthening Unit of the Subsecretariat for Comprehensive Services and Care, will coordinate the planning and technical execution of program activities and will liaise with the Technical, Administrative, and Legal Subsecretariat to follow up on administrative processes linked to compliance with the obligations and commitments established in agreements with the municipios and to monitor the fulfillment of outcome indicators. The Ministry of Infrastructure and Public Services, through the Administrative Subsecretariat and the Provincial Directorate of Architecture, will be responsible for the contracting and payment processes associated with the remodeling and construction works to be carried out under the program.
☒	Details of fiduciary execution	This is the second operation using an investment loan based on results (LBR) under conditional credit line for investment projects (CCLIP) AR-O0013. The borrower will be the PBA and the Argentine Republic will be the guarantor. The Ministry of Finance of the Province of Buenos Aires will execute the program through the Provincial Directorate of Multilateral Agencies and Bilateral Financing (DPOMyFB), which will be responsible for the program's financial and procurement management, disbursements, records, and financial statements. The Ministry of Health and the Ministry of Infrastructure and Public Services, as subexecuting agencies, will also be responsible for financial and procurement management, payments, and records, as well as for safeguarding the documentation supporting procurements and payments of expenditures associated with the fulfillment of program outcomes.

		To manage program disbursements, the executing agency will prepare a progress report on program execution and on the outcome indicators to be used for the disbursements and will submit this report for external verification of the outcomes, which will analyze their achievement based on the protocols established in the program's Operating Regulations. Independent external evaluators will verify whether the outcomes have been achieved in accordance with the established objectives and within the timelines set out in the terms of reference agreed with the Inter-American Development Bank (IDB) for this purpose. Once this verification is complete, the executing agency will submit the corresponding disbursement request to the IDB, which will deposit the expenditure reimbursement to the account indicated by the executing agency. The Bank will disburse the amount corresponding to each indicator only if the external verification determines that the value of the indicator in question is equal to or greater than the established target. If the indicator is lower, the disbursement will be proportional to the target reached. Unused balances can be reprogrammed to subsequent disbursements.

3. Fiduciary capacity

Executing agency's fiduciary capacity	In compliance with document GN-2869-1, the Bank applied the Institutional Capacity Assessment Platform (ICAP) as well as the Methodology for Assessing Procurement Systems (MAPS) of the Organization for Economic Co-operation and Development, with satisfactory results. The findings of these assessments show that the PBA Ministry of Finance along with the Ministry of Health and the Ministry of Infrastructure and Public Services have sufficient fiduciary systems developed to manage execution and the achievement of expected outcomes. The fiduciary risk is therefore low. Notwithstanding the above, the program Operating Regulations will set out actions to ensure the program's internal controls are adequate, and strengthening measures will continue to be implemented, as described in the MAPS report.

4. Fiduciary risks and risk response

Area (financial/ procurement management)	Risk	Risk level	Risk response
Economic/financial environment	Insufficient budget allocation in the first year of execution could delay the start of projects, affecting the results for years 1 and 2.	Medium-low	Adequate planning of activities and resources required for execution, in order to secure a timely and sufficient budget allocation.

5. **Policies and guidelines applicable to the operation**: The Financial Management Guidelines for IDB-financed Projects (document GN-2811) (operational policy OP-273-12) will be used for the program's financial management.

6. **Exceptions to policies and guidelines:** N/A.

II. CONSIDERATIONS FOR THE SPECIAL PROVISIONS OF THE LOAN CONTRACT

The parties agree that the applicable exchange rate will be the rate specified in Article 4.10(b)(ii) of the General Conditions. For this purpose, the agreed exchange rate will be the exchange rate on the date on which the borrower, the executing agency, or any other natural or legal person to whom expenditure authority has been delegated, effectively makes the respective payments to a contractor, supplier, or beneficiary. For purposes of determining the equivalency of expenditures incurred in local currency from the local contribution or the reimbursement of expenditures under the program, the agreed exchange rate will also be the rate specified in Article 4.10(b)(ii) of the General Conditions.
Annual program financial reports, duly audited by an independent auditing firm acceptable to the IDB, will be submitted to the IDB no more than 120 days after the close of the executing agency's fiscal year. Final audited financial reports will be submitted within 120 days after the date of the last program disbursement.
Retroactive financing of outcomes. The program provides for the financing of previously achieved outcomes at a rate of 15% (US$45 million) of the loan amount. This financing will be applied to the outcomes achieved between the project registration date (19 May 2021) and the loan eligibility date. Disbursements against previous outcomes will be subject to an independent external verification of those outcomes.

III. AGREEMENTS AND REQUIREMENTS FOR PROCUREMENT EXECUTION

☒	Use of country systems	Since this is an LBR, the PBA executing agency's own procurement and contracting systems will be used.
☒	Records and files	The executing agency will keep original records related to procurement, contracting, and financial management under its responsibility for program execution.

IV. AGREEMENTS AND REQUIREMENTS FOR FINANCIAL MANAGEMENT

☒	Programming and budget	The executing agency and subexecuting agencies are responsible for the annual budget formulation and programming process and for carrying out all procedures leading to consolidation of the annual budget for approval. The executing agency's and subexecuting agencies' budgets have programmatic categories and other classifications by item of expenditure, such as staff, consumer goods, non-personnel services, fixed assets, transfers, debt service and reduction of other liabilities, other expenses, and figurative expenses. When the need arises to expand or reallocate items, the execution unit requests amendments and arranges for their approval. The budget allocation should be made in advance to ensure that the operation is executed within the established time frame.
☒	Disbursements and cash management	**Bank accounts.** The DPOMyFB will manage, control, and reconcile the bank accounts in dollars and local currency opened for the exclusive and separate management of the loan proceeds. Payments will be made with local funds through the PBA General Treasury and then reimbursed based on achievement of outcomes. For the payment of administration and other expenses charged against the advance of funds, the General Treasury will also be the paying agency, and payments will be made using the loan proceeds. **Financial plan.** No financial plan is required for management of the program's disbursements. Disbursements will be made according to the disbursement schedule agreed with the IDB, included in the Matrix of Outcome Indicators, and to the liquidity needs identified at the time the initial disbursement is processed as an advance.

		Disbursement methods. Since this is an LBR, the IDB will disburse funds by reimbursing expenditures, provided that an independent firm, agency, or individual consultant has conducted an independent verification of the outcomes achieved. The initial disbursement, however, may be processed as an advance of funds as set out in the loan contract. The use of the flexibilities provided for in operational policy OP-273-12 is not anticipated. The executing agency will use the Online Disbursement platform to request disbursements from the IDB. Pursuant to document AB-2990, the pace at which the IDB disburses the Ordinary Capital loan proceeds will be subject to the following limits: (i) in the first 12 months, a maximum of 15% of the total amount of IDB-approved financing may be disbursed; (ii) in the first 24 months, a maximum of 30% of the total amount of IDB-approved financing may be disbursed; and (iii) in the first 36 months, a maximum of 50% of the total amount of IDB-approved financing may be disbursed. All of these periods will be counted from the time the Board of Executive Directors approves the loan operation. These limits may be waived to the extent that the requirements of the IDB's policy on such limits have been met, provided that the borrower is previously notified in writing. **Cash flow**. Program funds will be deposited in an account of the Central Bank of the Argentine Republic designated to receive IDB disbursements, and then transferred to an account in the Bank of the PBA specially designated for managing the loan proceeds or to the PBA General Treasury Common Fund Account.
☒	Accounting, information systems, and reporting	The executing agency will use the External Loan Execution Units (UEPEX) system as its financial management system, which allows for the identification of program funds as well as sources of financing. The UEPEX system records the program investments by cost table component based on the chart of accounts approved by the IDB. Accounting will be on a cash basis and will follow the International Financial Reporting Standards when applicable, in accordance with established national criteria.
☒	Internal control and internal auditing	The General Accounting Office of the Province of Buenos Aires (CGPBA), whose mission it is to control and properly record public spending, becomes involved before each contract is awarded. It also compares budget execution with the authorized budget and any approved amendments. The executing agency has satisfactory internal control mechanisms for the financial management of resources, which are verified by the CGPBA and the PBA Auditor General's Office.
☒	External control and financial reporting	The external program audit will be performed by an independent auditing firm eligible to audit Bank-financed operations, selected and contracted pursuant to the terms of reference and model contract previously agreed with the IDB. The closing audit of the operation will include an analysis of any differences between actual project costs and the amounts disbursed.
☒	Financial supervision of the operation	The financial supervision plan will be based on the fiduciary risk and capacity assessments of the executing agency and will include on-site and desk supervision visits and analysis and monitoring of outcomes and recommendations resulting from audits of the program's annual financial reports.

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

PROPOSED RESOLUTION DE-__/21

Argentina. Loan ____/OC-AR to the Province of Buenos Aires. Program for Strengthening and Integration of Health Networks in the Province of Buenos Aires - PROFIR II
Second individual loan operation under the Conditional Credit Line for Investment Projects (CCLIP) for the Program for Strengthening and Integration of Health Networks in the Province of Buenos Aires
(AR-O0013)

The Board of Executive Directors

RESOLVES:

That the President of the Bank, or such representative as he shall designate, is authorized, in the name and on behalf of the Bank, to enter into such contract or contracts as may be necessary with the Province of Buenos Aires, as borrower, and with the Argentine Republic, as guarantor, for the purpose of granting the former a financing aimed at cooperating in the execution of the Program for Strengthening and Integration of Health Networks in the Province of Buenos Aires - PROFIR II, which constitutes the second individual loan operation under the Conditional Credit Line for Investment Projects (CCLIP) for the Program for Strengthening and Integration of Health Networks in the Province of Buenos Aires (AR-O0013), approved by Resolution DE-58/19 on 2 of July of 2019. Such financing will be for the amount of up to US$300,000,000, 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 _____ 2021)

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