

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

ARGENTINA

**ROAD SAFETY PROGRAM IN THE METROPOLITAN AREA OF
BUENOS AIRES PROVINCE**

(AR-L1338)

LOAN PROPOSAL

This document was prepared by the project team consisting of: Cristian Navas (INE/TSP), Project Team Leader; Martín Soulier (CSD/HUD) and Juan Manuel Leño (TSP/INE), Alternate Project Team Leaders; Julieta Abad, Juan David Barahona, Amado Crotte, Richard Mix, Ernesto Monter, and Roberto Rodríguez (INE/TSP); Felipe Vera, Soledad Patiño, and Carla Galeota (CSD/HUD); Facundo Vargas (CSC/CAR); Soraya Senosier and Elizabeth Brito (VPS/ESG); Analía La Rosa and Marilia Santos (FMP/CAR); Pablo Pereira (SPD/SPD); and Carolina Veríssimo (LEG/SGO).

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CONTENTS

PROJECT SUMMARY

I.	DESCRIPTION AND RESULTS MONITORING.....	1
A.	Background, problem addressed, and rationale.....	1
B.	Objective, components, and cost.....	10
C.	Key results indicators	11
II.	FINANCE STRUCTURE AND MAIN RISKS	12
A.	Financing instruments	12
B.	Environmental and social safeguard risks.....	14
C.	Fiduciary risks	15
D.	Other key risks and issues.....	15
III.	IMPLEMENTATION AND MANAGEMENT PLAN	16
A.	Summary of implementation arrangements	16
B.	Summary of arrangements for monitoring results	18

APPENDICES

Proposed resolution

ANNEXES	
Annex I	Development Effectiveness Matrix – Summary
Annex II	Results Matrix
Annex III	Fiduciary Agreements and Requirements

REQUIRED LINKS	
1	Multiyear execution plan/Annual work plan
2	Monitoring and evaluation plan
3	Environmental and social management report
4	Procurement plan

OPTIONAL LINKS	
1	Economic analysis of the program
2	Urban development and road sector in the Buenos Aires Metropolitan Area
3	Gender annex
4	Safe mobility annex: Inclusion, diversity, and road safety
5	Program Operating Regulations
6	DVBA strategic planning
7	Climate change annex
8	Environmental and social management framework
9	Calculation of climate change impact

ABBREVIATIONS

AADT	Annual average daily traffic
ANSV	Agencia Nacional de Seguridad Vial [National Road Safety Agency]
BAP	Buenos Aires province
DPOMyFB	Dirección Provincial de Organismos Multilaterales y Financiamiento Bilateral [Provincial Directorate of Multilateral Agencies and Bilateral Financing]
DVBA	Dirección de Vialidad de la Provincia de Buenos Aires [Road Management Office of Buenos Aires Province]
EIRR	Economic internal rate of return
ENPV	Economic net present value
ESMF	Environmental and social management framework
HTC	Honorable Tribunal de Cuentas [Official Auditing Office]
ICAP	Institutional Capacity Assessment Platform
ILO	International Labour Organization
iRAP	International Road Assessment Programme
MHyF	Ministerio de Hacienda y Finanzas [Ministry of the Treasury and Finance]
MISP	Ministerio de Infraestructura y Servicios Públicos [Ministry of Infrastructure and Public Services]
OPDS	Organismo Provincial para el Desarrollo Sostenible [Provincial Agency for Sustainable Development]
PCR	Program completion report
PCU	Program coordination unit
PRN	Provincial road network
SAE	Secretaría de Asuntos Estratégicos de la Presidencia de la Nación [Strategic Affairs Secretariat of the Presidency of the Nation]
TGP	Tesorería General de la Provincia [General Treasury of the Province]
UEPEX	Unidades Ejecutoras de Préstamos Externos [Execution Units for External Loans]

PROJECT SUMMARY

ARGENTINA ROAD SAFETY PROGRAM IN THE METROPOLITAN AREA OF BUENOS AIRES PROVINCE (AR-L1338)

Financial Terms and Conditions				
Guarantor:			Flexible Financing Facility ^(a)	
Argentine Republic			Amortization period:	25 years
Borrower:			Disbursement period:	5 years
Buenos Aires Province (BAP)			Grace period:	5.5 years ^(b)
Executing agency:				
Ministry of Infrastructure and Public Services (MISP) of Buenos Aires Province, acting through the Road Management Office of Buenos Aires Province (DVBA)				
Source	Amount (US\$)	%	Interest rate:	LIBOR-based ^(c)
IDB (Ordinary Capital): ^(d)	200 million	80%	Credit fee:	(e)
			Inspection and supervision fee:	(e)
Local:	50 million	20%	Weighted average life (WAL):	15.25 years
Total:	250 million	100%	Currency of approval:	U.S. dollars
Project at a Glance				
Project objective/description: The general objective of the program is to improve the safety of the road networks of Buenos Aires Province. The specific objectives are to: (i) improve the service quality of the provincial road infrastructure; (ii) improve the road safety of the provincial road network; and (iii) strengthen the management capacity of the Road Management Office of Buenos Aires Province (DVBA) and related road safety areas.				
Special contractual conditions precedent to the first disbursement of the loan proceeds: The executing agency has provided evidence, to the Bank’s satisfaction, that the program Operating Regulations have been approved on the terms and conditions previously agreed upon with the Bank (paragraph 3.6).				
Special contractual conditions of execution: See socioenvironmental contractual conditions in Annex B of the environmental and social management report (required link 3).				
Exceptions to Bank policies: None.				
Strategic Alignment				
Challenges: ^(f)	SI <input checked="" type="checkbox"/>		PI <input checked="" type="checkbox"/>	EI <input type="checkbox"/>
Crosscutting themes: ^(g)	GE <input checked="" type="checkbox"/> and DI <input checked="" type="checkbox"/>		CC <input checked="" type="checkbox"/> and ES <input checked="" type="checkbox"/>	IC <input checked="" type="checkbox"/>

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

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

^(c) 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) Pursuant to document AB-2990 (Enhancing Macroeconomic Safeguards at the Inter-American Development Bank) and document GN-2753-7 (Operational Guidelines for the Implementation of Macroeconomic Safeguards at the Inter-American Development Bank), the disbursement of the Bank loan proceeds will be subject to the following restrictions: (i) a maximum of 15% in the first 12 months; (ii) a maximum of 30% in the first 24 months; and (iii) a maximum of 50% in the first 36 months, counted in all instances from the date the loan operation is approved by the Bank's Board of Executive Directors (paragraph 2.2). These restrictions may not apply if the requirements established in the relevant Bank policy have been met, provided that the borrower has been notified in writing.

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

^(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, problem addressed, and rationale

- 1.1 **Background.** The Argentine Republic is comprised of 23 provinces and the Autonomous City of Buenos Aires. Buenos Aires Province (BAP) and the Autonomous City of Buenos Aires together constitute the country's principal economic region, both as the largest contributors to GDP (50% of the total) and in terms of geography and demographics with an area of 307,774 square kilometers and 18.5 million inhabitants (approximately 52.2% of the country's population). BAP has a large proportion of the country's infrastructure, the largest consumer market, and the largest production centers. Given BAP's importance in the Argentine economy, a deterioration of its infrastructure would adversely impact provincial mobility and connectivity with consequences at the national level and a greater impact on the vulnerable population and the productive sector.
- 1.2 **Importance of the transportation sector in the economy.** BAP's transportation infrastructure has strategic importance at the provincial and national levels as a multimodal node. Fully 38% of Argentine exports are shipped from ports in BAP or the Autonomous City of Buenos Aires. In Argentina, 94% of domestic freight transport uses the road system. However, sector performance has faced challenges in recent years,¹ resulting in high levels of congestion on road nodes and corridors that are key to foreign trade, in addition to a 35% increase in logistics costs between 2003 and 2013, equivalent to 27% of Argentina's GDP.²
- 1.3 **COVID-19 crisis impacts and opportunities.** The health crisis³ has substantially impacted the unemployment rate, which is 10.2% of the economically active population (April 2021), after peaking in 2020 at 13.1%. The construction sector is the third most affected sector with a 19.9%⁴ contraction in employment in 2021. In this context, investments to upgrade and build transportation infrastructure are an opportunity to revitalize the economy, and particularly employment, both directly due to the intensive use of labor and indirectly by contributing to the movement of goods and services as essential factors for the economy and employment. The publication, "[Development in the Americas 2020: From Structures to Services. The Path to Better Infrastructure in Latin America and the Caribbean](#),"⁵ highlights the importance of governments prioritizing strategic projects to achieve greater and more efficient infrastructure investment.
- 1.4 **Macroeconomic context.** The Argentine government is taking steps to bolster the economic recovery and improve fiscal and external liquidity, starting with negotiations now under way for a new arrangement with the International Monetary Fund and the anticipated fiscal adjustment of 2% of GDP. Better export prices are expected to support these efforts. GDP fell 9.9% in 2020, but a partial recovery of

¹ [Freight Transport and Logistics Regional Observatory](#), IDB.

² According to the Cámara Empresaria de Operadores Logísticos [Business Chamber of Logistics Operators] (CEDOL).

³ Argentina reported 5.14 million cases and 110,609 deaths due to COVID-19 (Johns Hopkins University, 2021).

⁴ COVID-19 Labor Observatory, IDB.

⁵ [IDB, 2020](#).

6.2% is forecasted for 2021. Macroeconomic risks are associated with monetary financing of the primary fiscal deficit (which is expected to be 4.5% of GDP in 2021), the presence of liquidity surpluses and significant noncurrent liabilities of the Central Bank of the Argentine Republic, and a poor net reserves position. A potential disorderly correction of these monetary and foreign exchange imbalances could further accelerate inflation, which climbed to around 4% per month in recent months. The government has been implementing capital controls and other measures to manage the exchange rate as a nominal anchor.

- 1.5 **The Buenos Aires Province road network.** BAP has more than 120,000 km of roadways, of which 4,675 km are national routes, 35,423 km are part of the provincial road network (PRN) under the authority of the Road Management Office of Buenos Aires Province (DVBA), and approximately 80,000 km are within municipal jurisdictions. Just 30% (10,657 km) of the PRN is paved. Of the total paved primary road network in BAP (excluding concessioned segments), 23% are in good condition, 66% are in fair condition, and 11% are in poor condition.⁶ Estimates are that 27% of two-lane paved roads have vehicle congestion problems, i.e., an annual average daily traffic (AADT) value above 5,000 vehicles.⁷ Additionally, analyses in 2019 show that congestion in the Buenos Aires Metropolitan Area has an impact of 45 lost hours per traveler each year, with estimated costs of US\$1.69 billion annually, principally on the main access roads connecting the Autonomous City of Buenos Aires and BAP.⁸ The current configuration, condition, and accident rates for the PRN are mainly due to: (i) limited investment in recent years; (ii) interventions limited almost exclusively to improvement or rehabilitation of the road surface; and (iii) road widening works without considering planning criteria or road safety for the road network as a whole.⁹
- 1.6 **Road capacity and traffic management issues.** The BAP road network has experienced a significant increase in vehicle traffic with average growth of 7.4% in the period 2006-2015, and exceeding seven million vehicles in circulation (50% of the nation's total).¹⁰ This has impacted access roads to large urban centers and ports. Because of their age, large segments of the network lack paved shoulders and geometric designs appropriate for current speeds, particularly in terms of lane width and turning radius.¹¹ This leads to problems in vehicle circulation and high operating costs, long travel times, and deterioration of road safety conditions. For example, Provincial Route RP1003 (one of the roads in the sample) has a current average circulation speed of just 40 km/h because traffic flow has exceeded the capacity of the roadway, in addition to the fact that the road surface condition is fair to poor on some segments. Moreover, there is also a lack of safe crosswalks, infrastructure for public transportation stops, and marking and signing.

⁶ DVBA data for the period 2016-2017 according to the status index: good (status index above seven), fair (status index between four and seven), and poor (status index below four).

⁷ [DVBA, 2016](#).

⁸ [Urban Road Congestion in Latin America and the Caribbean: Characteristics, Costs, and Mitigation](#) (IDB, 2021).

⁹ DVBA Strategic Planning, 2017 ([optional link 6](#)).

¹⁰ Asociación de Fábrica de Automotores [Automobile Manufacturing Association] (ADEFA), 2017.

¹¹ [Technical Note on Transportation – Argentina \(IDB, 2012\)](#).

- 1.7 **Road safety problems ([optional link 4](#)).** Argentina recorded 5,493 traffic accident deaths in 2018 with a mortality rate of 12.3 per 100,000 inhabitants, which is above the high-income countries (8.7)¹² but below the average for the Americas region (15.6).¹³ Thirty-two percent of accidents (39,694), 42% of all injuries (38,466), and 24% of all of the country's deaths are concentrated in BAP, although the mortality rate is 7.8 per 100,000 inhabitants, which is below the average for the entire country and region. Yet traffic accidents generate significant economic losses, additional costs for the health sector, and productivity losses due to deaths and serious injuries that prevent people from working. The impact is also greater for the vulnerable urban population such as pedestrians, cyclists, and motorcyclists. In particular, the economic burden due to the accident rate in Argentina was estimated at 1.7% of GDP for 2017.¹⁴ The causes of the accident rate include: (i) a network of roads with suboptimal road safety conditions; and (ii) city roadways that are not designed for all users, and are prioritized for the use of motor vehicles. Even though its rates are low compared to the region, Argentina joined the United Nations Decade of Action for Road Safety 2011-2020,¹⁵ committing to reduce road deaths by 50% by 2020, a target that was never reached. Argentina has also adopted the Stockholm Declaration 2020,¹⁶ which calls for a 50% reduction in deaths and serious injuries by 2030.
- 1.8 An analysis of road infrastructure and safety prepared by the DVBA produced the following findings: (i) insufficient road infrastructure capacity for existing traffic volumes, resulting in vehicle congestion and dangerous maneuvers; (ii) lack of segregation of different traffic flows; and (iii) limited infrastructure for ensuring the safety of vulnerable users. This last finding highlights: (a) the absence of safe pedestrian paths and sidewalks; (b) lack of pedestrian traffic signals and walkways; (c) difficulties for persons with disabilities; and (d) lack of safety for nonmotorized transportation.
- 1.9 A road accident study conducted on two Buenos Aires highways¹⁷ found that collisions were the most prevalent type of accident, mainly between vehicles with four or more wheels. It also identified distracted driving as the main cause of collision. Risky maneuvers and excess speed were also important factors. The study suggests a series of prevention measures, notably speed reduction and control.
- 1.10 **Road safety management ([optional link 4](#)).** ANSV is the agency responsible for coordinating and monitoring the national road safety plan in the core areas of awareness-raising, prevention, control, and penalties.¹⁸ Additionally, the DVBA has

¹² [Annual Statistical Report on Road Safety 2019](#).

¹³ [Road Safety in the Americas Region: Key Data](#), Pan American Health Organization (PAHO).

¹⁴ [According to the methodology developed by the Road Safety Observatory of the National Road Safety Agency \(ANSV\)](#).

¹⁵ https://www.who.int/roadsafety/decade_of_action/plan/es/.

¹⁶ [Stockholm Declaration](#).

¹⁷ Study of road accidents on highways in Buenos Aires Province and recommendations for their prevention ([National Road Observatory Office, 2020](#)).

¹⁸ [Law 26,363](#).

introduced road safety actions under its road planning operations unit as part of its Provincial Road Safety Plan 2017-2019.

- 1.11 **Climate Change.** Transportation contributes approximately 14% of Argentina's greenhouse gas emissions. The country presented its second Nationally Determined Contribution in December 2020, which sets a greenhouse gas emissions reduction target of not exceeding 359 megatons of carbon dioxide equivalent (359 MtonCO₂e)¹⁹ by the year 2030. The second Nationally Determined Contribution establishes the country's commitment to creating a development strategy with low long-term emissions, in order to achieve net-zero emissions by 2050. Mitigation actions in the transportation sector are key to meeting the targets. The country is also highly vulnerable to climate impacts. Precipitation levels have increased in several parts of the country. For Representative Concentration Pathway scenario 8.5, precipitation is projected to be between 10% and -10%. Improper occupation and use of space, as well as the lack of inclusion, and ineffective resilience measures are among the causes of more frequent urban flooding ([optional link 9](#)).
- 1.12 **Urban growth, planning, and road safety.** In recent decades, growth of Argentine cities has been characterized by an increase in urban land area. Between 2006 and 2016, the 33 largest urban agglomerations in Argentina expanded their urban footprint 1.47% annually, and their population by 1.18% annually.²⁰ This accelerated, dispersed urban land expansion increases both economic and socioenvironmental costs for service delivery.²¹ At the same time, road expenditure by BAP during the last decade has been focused on existing infrastructure. As a result of the growth and construction, in recent years congestion has increased in the most highly traveled areas, along with higher logistical costs for the principal freight. BAP's primary road network has been added onto in segments without integrated, strategic long-term planning, resulting in an inefficient framework for current mobility needs and road safety issues. One of the main challenges to achieving integrated, accessible, inclusive, and safe environments is to ensure permeability and connectivity from one side of the route to the other, in order to mitigate the "barrier effect" (spatial segregation due to infrastructure). In terms of greenspace, understood as free, public spaces, the minimum coverage threshold established in Law 8912/77 is 10 m²/inhabitant (3.5 m²/inhabitant for plazas). According to Garay and Fernandez (2013), the metropolitan region of Buenos Aires (excluding the Autonomous City of Buenos Aires) has just 2.91 m²/inhabitant (0.89 m²/inhabitant for plazas).
- 1.13 **Ministry of Infrastructure and Public Services (MISP) of Buenos Aires Province.** The MISP, acting through the DVBA, is responsible for preparing, proposing, and implementing policies and planning transportation infrastructure works for the PRN, to further the integration and economic development of the province. In addition, the MISP has adopted a government policy focused on implementing gender policies through institutional strengthening actions with a

¹⁹ The country's greenhouse gas emissions in 2016 were 364 MtonCO₂e according to the second Nationally Determined Contributions.

²⁰ ¿Cómo crecen las ciudades argentinas? Estudio de la expansión urbana de los 33 grandes aglomerados (CIPPEC, 2016).

²¹ Spatial Strategic Plan, "Urban Argentina" chapter.

gender lens, promotion of equal professional opportunities in the area of infrastructure, and incorporation of an equitable and inclusive approach to urban planning and management of public spaces.

- 1.14 **Gender gaps ([optional link 3](#)).** Significant gender gaps persist in Argentina's infrastructure sector. Estimates by the International Labour Organization (ILO) for 2019 suggest that women in Argentina account for 3.4% and 13.1% of all employees in the construction and transportation sector, respectively.²² Moreover, information from the DVBA for 2021 shows that just 20% of its personnel are women, with very low representation in supervisory, technical, and manual labor positions. International evidence suggests that limited training and sociocultural norms are barriers to women's participation in skilled and unskilled jobs. The MISP's gender equity program further indicates that men and women have differentiated mobility patterns and needs in the use of infrastructure. For that reason, it acknowledges the need for safe, inclusive, and accessible infrastructure that facilitates personal and work travel from a universal access perspective.
- 1.15 **Diversity gaps ([optional link 4](#)).** In Argentina, 10.2% of the population has some type of disability,²³ compared to 10.3% in Greater Buenos Aires. The National Study of the Profile of Persons with Disabilities in 2018 reveals that 64.1% of persons with disabilities are inactive, 35.9% are active, 32.2% are employed, and 10.3% are unemployed.²⁴ Although persons with disabilities in Greater Buenos Aires are eligible for a free transportation services pass, only 9% have it, and accessibility barriers persist in transportation systems. A study in Greater Buenos Aires shows that public transportation infrastructure accessibility levels have significant repercussions for employment levels.²⁵ To contribute to closing that gap, the program will incorporate accessibility standards for the infrastructure to be financed.
- 1.16 **Transparency in public works.** Public works, internationally, contend with integrity risks since they involve complex projects with large budgets that depend on institutions with varying capacities. The government pursues different strategies for managing these risks, including InvestmentMap, which provides public information on works execution, a corporate integrity and transparency registry, and others. In this program, the IDB and the executing agency will adjust the program Operating Regulations (ROP) so that program management reflects best practices in integrity risk management.
- 1.17 **The Bank's sector experience and lessons learned.** The Bank has extensive experience financing improvements in Argentina's road system. In the last 15 years, it has approved 8 operations²⁶ for more than US\$2.5 billion, supporting

²² Employment by sex and economic activity – ILO modeled estimates, Nov. 2019 (thousands) – annual (ILO and own calculations, 2019).

²³ Office of the President the Argentine Nation, 2018.

²⁴ Ibid.

²⁵ Yomal, 2017.

²⁶ The operations are: (i) 1851/OC-AR, approved in 2007 for US\$1.5 billion; (ii) 1914/OC-AR, approved in 2007 for US\$125 million; (iii) 2185/OC-AR, approved in 2009 for US\$150 million; (iv) 2491/OC-AR, approved in 2010 for US\$37.5 million; (v) 2655/OC-AR, approved in 2011 for US\$210.5 million; (vi) 2698/OC-AR, approved in 2012 for US\$333.5 million; (vii) 3050/OC-AR, approved in 2013 for US\$333.5 million; and (viii) 4779/OC-AR, approved in 2019 for US\$80 million.

upgrades on more than 1,200 kilometers of roads. The main lessons learned during execution of those projects that have been incorporated into the design of this operation are as follows: (i) strengthening inspection and supervision mechanisms contributes to increased efficiency of execution; (ii) promoting training in the design and management of road projects and infrastructure sustainability makes it possible to build technical capacity, and thereby improve project quality; (iii) ensuring robust engineering designs prevents delays in procurement processes and project modifications during works execution; and (iv) strengthening procurement management capacity is an important factor.²⁷ Since 2010, the IDB has assumed a leadership role in promoting road safety in the region. The Bank has achieved positive results through technical-cooperation operations²⁸ and transportation loans, notably: creation of the Road Safety Agency and the data collection system in Colombia, Paraguay, and Haiti; design of mandatory vehicle safety standards in El Salvador, Paraguay, and Costa Rica; changes in road safety regulations in the Dominican Republic; and best practice guidelines for countries on road safety when building urban and interurban roadways and roads around schools, and promoting road safety audits and inspections as a mandatory requirement. The IDB also finances road safety inspections on more than 20,000 kilometers of highways in the region using the International Road Assessment Programme (iRAP)²⁹ methodology in Brazil, Central America, Colombia, the Dominican Republic, and Ecuador as a strategy for generating investment plans to improve road safety.

- 1.18 **Coordination with other Bank projects.** With the provinces and through the Federal Regional Infrastructure Fiduciary Fund, the Bank is financing the Federal Program for Regional Transportation Infrastructure (loan 4841/OC-AR) with a loan for US\$300 million, approved in 2019. Additionally, with Buenos Aires Province, the Bank is financing the Connectivity and Safety Program for Road Corridors in the Province of Buenos Aires (loan 4416/OC-AR) for US\$200 million, approved in 2017. In terms of objectives and scope this operation is also coordinated with other transportation sector operations now in preparation (e.g., loan 5378/OC-AR) with the objective of optimizing investments and consolidating transportation networks.
- 1.19 **Strategic alignment.** The program is aligned with the second Update to the Institutional Strategy (document AB-3190-2) since it addresses the development challenge of improved productivity by providing adequate infrastructure and connectivity on road corridors at the regional level. The operation is also aligned with the challenges of: (i) social inclusion and equality, by reducing gaps in access to transportation for differently abled people with different needs (paragraph 1.26); and (ii) productivity and innovation, by employing innovative smart transportation solutions in the projects to improve road safety (paragraph 1.23). It is also consistent with the crosscutting themes of: (i) gender equality and diversity, by promoting women's labor force participation and incorporating measures to improve the urban transportation experience for women and persons with disabilities (paragraphs 1.25 and 1.26); (ii) climate change and environmental

²⁷ This last item has been made part of the conditions precedent to the first disbursement (paragraph 3.6).

²⁸ Operations ATN/KP-12700-RG, ATN/OC-12699-RG, ATN/OC-14556-RG, ATN/OC-14593-RG, ATN/OC-16276-RG, and ATN/OC-18046-RG.

²⁹ <https://irap.org/>.

sustainability, by incorporating climate change mitigation and adaptation actions (paragraph 1.24); and (iii) institutional capacity and rule of law, by contributing to the institutional strengthening of public agencies at the province level through training, certifications, mentoring, and other road safety activities, improvements in management, and gender policies (paragraph 1.31). The program is also aligned with the Integrated Strategy for Climate Change Adaptation and Mitigation and Sustainable and Renewable Energy (Operational Policy OP-1011), by reducing emissions as a result of shorter travel times and incorporating climate change adaptation concepts in infrastructure by considering criteria for reducing the potential impacts of extreme climate events on infrastructure in the design of pavement, bridges, drainage, and sewer systems. An estimated 10.18% of the operation's resources contribute to nonmotorized urban mobility, access to public transportation, efficient lighting, and resilience, according to the [joint methodology](#) of the multilateral development banks for tracking climate finance. These resources contribute to the IDB's goal of increasing the financing of climate change related projects in LAC to 30% of the volume of annual approvals. It will also contribute to the Corporate Results Framework 2020-2023 (document GN-2727-4) through the main country development results indicator of "kilometers of roads built or upgraded." The project is aligned with the IDB Infrastructure Strategy: Sustainable Infrastructure for Competitiveness and Inclusive Growth (document GN-2710-5), particularly the strategic principles of: (i) financing and technical assistance so that infrastructure contributes to economic growth, provides access, and fosters regional and global integration; and (ii) infrastructure planned, built, and maintained in order to provide quality services that promote the country's sustainable and inclusive growth. The operation is also aligned with the Bank's Country Strategy with Argentina 2021-2023 (document GN-3051), particularly the strategic objectives of reducing infrastructure gaps and improving transportation conditions for the population. It is also consistent with the following sector frameworks: (i) Climate Change (document GN-2835-8), by incorporating climate actions in the transportation sector; (ii) Transportation (document GN-2740-7), by improving logistics performance and promoting efficient, inclusive, sustainable, and quality interurban transportation; and (iii) Integration and Trade (document GN-2715-11), by promoting efficient transportation actions. The program is also aligned with the Bank's "[Vision 2025: Reinvest in the Americas: A Decade of Opportunities](#)," by emphasizing infrastructure investment, gender mainstreaming, climate change resilience, and environmental sustainability, which will result in opportunities for the postpandemic economic recovery. Lastly, the program is included in the Update to Annex III the 2021 Operational Program Report (document GN-3034-2).

- 1.20 **Program rationale and proposed interventions.** In order to improve the quality of circulation and safety in a region with high productive and economic potential, strengthen internal communication and spatial integration, and facilitate the movement of freight and people, interventions are being proposed to improve levels of service and road safety on segments of the BAP provincial road network. The institutions responsible for road safety will also receive support for more robust management of an increasingly complex sector with actions aimed at technical capacity-building of public actors by improving policy-making in the area of road safety and implementing strategies to reduce traffic accidents.

- 1.21 **Description of the program target area.** The projects will be carried out in BAP, which is located in the country's central-eastern region. Approximately 97.2% of BAP's population lives in urban areas. In recent years, BAP has transformed its predominately agricultural and industrial economy into a strong service-based one. In 2013, the services sector accounted for 50% of the gross geographic product.
- 1.22 **Safe Mobility Strategy 2020-2021.** In view of the persistent challenges faced by Latin America and the Caribbean, the Transportation Division has defined a Safe Mobility Strategy 2020-2021, giving continuity to the implementation of its institutional strategy. This strategy focuses on actions in three components: (i) safe infrastructure: better roads that are safer and more inclusive for all users and strategic investment planning based on road network safety assessments; (ii) urban mobility: programs to manage speed and infrastructure for all users, particularly pedestrians (the elderly, children, and persons with disabilities) and cyclists—overlooked for so long and, therefore, vulnerable—in support of other key challenges faced by cities in Latin America and the Caribbean such as inequality, traffic congestion, pollution, and lack of access; and (iii) ambitious and effective public policies: support countries in articulating, drafting, and approving ambitious laws, rules, and regulations and assist with their effective implementation.
- 1.23 **Road safety actions.** The program will implement activities for the improvement and safety of the targeted roads. The targeted infrastructure will follow the recommendations of road safety audits, and its operation will be improved by adopting Intelligent Transport Systems technologies in the PRN that contribute to reducing road accidents and improve safety conditions for pedestrians and nonmotorized vehicles, on both urban and interurban roadways, thus aligning with pillars (i) and (ii) of the Safe Mobility Strategy.³⁰ In addition, around 1,000 kilometers of paved roads in the PRN will be assessed using the iRAP methodology. The diagnostic assessment of the current condition will be used to improve road safety on that infrastructure. In addition to the above and as part of the institutional improvements, road safety training and certifications will be provided for personnel in transportation and related areas. The Intelligent Transport Systems technology infrastructure projects, as well as the iRAP assessment, represent significant advancements in digitalization and innovation in the sector.
- 1.24 **Climate change actions.** The program includes: (i) compensatory reforestation of tree species removed as a result of the works;³¹ (ii) reuse of materials to shrink the carbon footprint and disposal of construction waste; (iii) lengthening of recurrence periods utilized in the designs of waterworks, to account for the anticipated increase in precipitation as a consequence of climate change; (iv) financing that contributes to nonmotorized urban mobility and public transportation; and (v) LED lighting for road interventions.

³⁰ [Amundsen and Elvik \(2004\)](#) attribute up to a 51% reduction in accidents due to greater capacity and intersection upgrades. Based on nearly 30 different studies, Elvik (2004) identifies a 15% to 30% reduction in injuries due to inclusion of traffic signals at intersections. Lastly, Elvik (2004) determines a 5% to 10% reduction in accidents as a result of marking midblock pedestrian crosswalks.

³¹ The program includes the planting of three trees for every tree removed.

- 1.25 **Gender actions ([optional link 3](#)).** This program will contribute to closing gaps in women's participation in the labor force and will incorporate measures to narrow those gaps, in terms of both public transportation access and safety for women. With this program, the DVBA makes a commitment to gender action to help reduce the labor gap through the design and implementation of a training program with equal participation of men and women in nontraditional sectors (topography, flying drones, mechanics, skilled laborers), as well as the design and implementation of a mentoring program with paid internships for a proportion of the women trained. Additionally, at the institutional level, a statement of commitment will be made by the DVBA concerning gender, equal treatment, a fair work environment, and freedom from discrimination in the bidding documents. The demonstration effect of these actions will have an impact on other sector actors. A first step of this institutional commitment will be to hold a training session on gender and diversity mainstreaming for DVBA personnel, including an evaluation of what was learned. From the standpoint of safety of women users, improvements will be made in safe access to stations and units, based on the results of the gender-sensitive walkability score methodology.
- 1.26 **Urban development actions.** Based on the analysis of available information³² from two projects in the sample (Provincial Routes RP1003 and RP205) and discussions with DVBA on potential outputs,³³ a series of measures were identified under these projects to improve the urban environment that could be replicated in other projects under the program: (i) connectivity and accessibility: safe crosswalks (for pedestrians and cyclists), safe student walkways, improved pedestrian environment, accessibility to public transportation stations, promotion of biking as a mode of transportation; (ii) personal safety and gender: safe bus stops; (iii) management of capacity, safety, and use priorities (pedestrian and cyclist network, public transportation stops, parking spots, and turn lanes); and (iv) urban voids and public spaces: creation or improvement of public greenspace in the local environment, relocation of informal businesses. For further details, see [optional link 2](#).
- 1.27 **Actions for universal access in infrastructure.** The program works will include universal design standards for sidewalks, bridges, and crosswalk ramps in urban environments to facilitate access, mobility, and pedestrian autonomy for all types of users. A walkability and accessibility score³⁴ will also be calculated, to identify and propose improvements to the works included in the program.
- 1.28 **Contribution to Vision 2025.** This program reflects the Bank's Vision 2025 "Reinvesting in the Americas: A Decade of Opportunities" in the areas of gender and inclusion through its contribution to closing gaps in women's participation in the labor force and will incorporate specific infrastructure measures to improve

³² Road accidents (statistics, georeferencing, local municipio data, and personal safety complaints), demand for mobility (pedestrian, bicycle, vehicle), public transportation lines and stops, zoning and land use, flood zones, basic services infrastructure (water and sewer), public works projects (projects within environs), and road project (configuration and location of pedestrian crosswalks).

³³ Safe student walkways, tactical urbanism interventions, green infrastructure, pedestrian network, bicycle network, safe crosswalks, pavement markings, paint, strategies to improve public spaces, strategies for technology use (smart public lighting, smart traffic signals, safe transportation stops), and coordination with local urban development.

³⁴ With specific consideration for persons with disabilities.

access and safety; in the areas of digitalization and innovation through road safety actions that involve intelligent transport solutions for managing road safety in BAP; and, lastly, in the area of climate change adaptation and mitigation, particularly through the additional amounts for climate change adaptation included in all works to be financed. The works will also shorten travel times on the roads included in the program, contributing to reduce greenhouse gas emissions, and will encourage nonmotorized transportation and public transportation through the specific infrastructure for those modes prioritized by the program.

B. Objective, components, and cost

- 1.29 The general objective of the program is to improve the safety of the road networks of Buenos Aires Province. The specific objectives are to: (i) improve the service quality of the provincial road infrastructure; (ii) improve the road safety of the provincial road network (PRN); and (iii) strengthen the management capacity of the Road Management Office of Buenos Aires Province (DVBA) and related road safety areas.
- 1.30 **Component I. Sustainable, safe, and inclusive road infrastructure with a gender and diversity lens (US\$246.2 million).** This component will finance: (i) rehabilitation of existing road works (urban, semiurban, and rural) to improve capacity, level of service, road safety, and universal design,³⁵ including interventions such as: road widening, constructing paved shoulders, bike lanes, and safe crosswalks for vulnerable users, urban improvements that promote road safety and access for persons with disabilities through lighting, marking and signing, and technology solutions. The projects to be financed by this component will also include road safety inspections and/or audits (paragraphs 1.26 and 1.27); (ii) technical and environmental supervision of works, promoting the reuse of materials and disposal of solid waste (paragraph 1.24); and (iii) environmental and social offsets with a focus on compensatory reforestation and lengthening of the recurrence periods utilized in the designs of waterworks, to account for the increase in precipitation as a consequence of climate change (paragraph 1.24).
- 1.31 **Component II. Institution-strengthening (US\$1.6 million).** This component will finance: (i) strengthening of the DVBA and other road safety agencies in management of safe road assets through related trainings and certifications (paragraph 1.23); (ii) engineering studies for the works; (iii) implementation of intelligent transport systems and iRAP assessment of the provincial road network (paragraph 1.23); (iv) activities to promote women's labor participation in sector jobs through training and mentoring programs for women (paragraph 1.25); and (v) other technical, socioenvironmental, and economic studies related to the program.
- 1.32 **Component III. Administration, evaluation, and audit (US\$2.2 million).** This component will finance: (i) administration of the program and external financial audits; and (ii) activities included in the program evaluation strategy (paragraph 3.13).

³⁵ With emphasis on persons with disabilities.

C. Key results indicators

- 1.33 The program's expected results are indicated in the Results Matrix. The impact and outcome indicators with respect to specific objectives (i) and (ii) are: (i) reduction in vehicle operating costs (percentage based on the unit of US\$/vehicle-kilometer); (ii) reduction in average travel time (percentage based on unit of minutes/trip); and (iii) reduction in the traffic accident rate on targeted segments (percentage based on unit of accidents per flow). The following were considered with respect to specific objective (iii): (a) the percentage of safety certifications with respect to total trainings; and (b) the percentage of provincial roads assessed using the iRAP methodology.
- 1.34 **Technical and economic viability.** An economic viability analysis ([optional link 1](#)) was performed for the projects included in the sample, based on a comparison of costs and benefits at economic prices for conditions with and without the project. Benefits were estimated by applying the consumer surplus methodology (frequently used in this type of road projects) under the Highway Development and Management System (HDM-4) model, which calculates the project's cost-effectiveness based on: (i) investment costs; (ii) vehicle operating costs, including time; and (iii) annual maintenance costs, defined for conditions with and without the project. Depending on the works, the benefits of a reduction in accidents is potentially added to the analysis of benefits.
- 1.35 The economic analyses of the projects in the sample yield an economic internal rate of return (EIRR) above the discount rate utilized (12%). The sensitivity analysis indicates their robustness compared to unfavorable scenarios that include a 20% increase in the investment cost, a 20% decrease in benefits, and a combination of a 20% increase in the investment cost and a simultaneous 20% decrease in benefits. Extrapolating the analysis of the representative sample to the program as a whole, the EIRR is estimated at 37%, and the economic net present value (ENPV) is estimated at US\$137.42 million. Table 1 presents the results.

Table 1. Summary of the economic analysis of the sample

Project	Length (*) (km)	Investment (Arg\$ million)	Exchange rate (**)	Investment (US\$ million)	Sensitivity							
					Base scenario		A. Increase in investment costs-20%		B. Decrease in benefits-20%		A (+20%) + B (-20%)	
					EIRR %	ENPV (US\$ million) (*)	EIRR %	ENPV (US\$ million)	EIRR %	ENPV (US\$ million)	EIRR %	ENPV (US\$ million)
Sample	311.80	8668.77	-	89.75	37.0	137.42	32.4	130.45	29.5	96.39	25.8	89.04
RP205	21.73	921.32	95.20	9.68	56.0	26.96	48.8	26.34	43.5	17.79	38.0	17.11
RP1003	6.77	2131.80	98.31	21.68	25.0	16.70	21.3	14.07	19.1	8.73	16.2	6.08
RP2	283.30	5615.64	96.17	58.39	30.1	93.75	27.0	90.03	25.9	69.87	23.3	65.85

Discounted ENPV.

(*) The lengths indicated correspond to two-lane road segments in their current condition.

(**) Official budgets have different dates. For that reason, the exchange rate used for each project is specified. Average exchange rate for the entire month. Source: Banco de la Nación Argentina.

- RP205. April 2021 budget.

- RP2. May 2021 budget.

- RP1003. July 2021 budget.

1.36 **Institutional viability.** An analysis of the executing agency's institutional capacity was performed using the Institutional Capacity Assessment Platform (ICAP), also considering the involvement of the Ministry of the Treasury and Finance (MHyF) of BAP as subexecuting agency for purposes of the program's financial management. The analysis confirmed that their institutional capacity has a satisfactory degree of development. Steps will be taken to help close the identified gaps, and reflected in the program Operating Regulations (paragraph 3.7).

1.37 **Beneficiaries.** The principal beneficiaries will be the vulnerable population through the development of safe infrastructure and associated services. The users are expected to be the 6.5 million inhabitants of the Buenos Aires Metropolitan Area, distributed across 16 municipios: Berazategui, La Plata, Quilmes, Lomas de Zamora, Florencio Varela, Ezeiza, Esteban Echeverría, San Vicente, Presidente Perón, Cañuelas, Merlo, Marcos Paz, Pilar, Almirante Brown, La Matanza, and Luján.

II. FINANCE STRUCTURE AND MAIN RISKS

A. Financing instruments

2.1 **Modality.** The program has been designed as an investment loan under the multiple works program modality, which provides for the financing of physically similar, but independent, projects that must meet eligibility criteria established consistent with the representative sample. The total cost of the program is US\$250 million. Of that amount, a US\$200 million will be financed from the Bank's Ordinary Capital resources, and US\$50 million will be financed by the borrower with a local contribution. The loan disbursement period is five years, which is justified by the execution period of the program works, completion activities, and

the financial close. The consolidated budget by component is in Table 2, the itemized budget is available at [required link 1](#), and the schedule of disbursements of the IDB resources for the operation is in Table 3. The physical start of the program works will be no later than one year after the end of the program's original disbursement period or extensions thereof.

- 2.2 Pursuant to documents AB-2990 and GN-2753-7, the pace of disbursement of the Bank loan proceeds will be subject to the following restrictions: (i) a maximum of 15% in the first 12 months; (ii) a maximum of 30% in the first 24 months; and (iii) a maximum of 50% in the first 36 months, counted in all instances from the date the loan operation is approved by the Bank's Board of Executive Directors. These restrictions may not apply if the requirements established in the relevant Bank policy have been met, provided that the borrower has been notified in writing.

Table 2. Estimated program costs (US\$ million)

Components	IDB	Counterpart	Total	%
Component I. Sustainable, safe, and inclusive road infrastructure with a gender and diversity lens	197.1	49.1	246.2	98.48
Subcomponent I.I: Road expansion works	104.4	25.9	130.3	52.12
Subcomponent I.II: Road rehabilitation and safety works	92.72	23.18	115.9	46.36
Component II. Institution-strengthening	1.4	0.2	1.6	0.64
Subcomponent II.I: Studies and designs	0.85	0.1	0.95	0.38
Subcomponent II.II: Road safety, improved management, and gender policies	0.56	0.09	0.65	0.26
Component III. Administration, evaluation, and audit	1.5	0.7	2.2	0.88
Subcomponent III.I: Administration and audit	0.67	0.73	1.4	0.56
Subcomponent III.II: Evaluation	0.8	0	0.8	0.32
Total	200	50	250	100

Note: Amounts at subcomponent level are indicative.

Table 3. Disbursement schedule (US\$ million)

Source/year	2022	2023	2024	2025	2026	Total
IDB annual disbursements³⁶	30	30	40	89	11	200
%	15.0	15.0	19.8	44.5	5.7	100

- 2.3 **Representative sample and project eligibility criteria.** The representative sample consisted of three works with different characteristics, to represent the diversity of the potential projects to be financed. The first works project (Provincial Route RP205), which connects the Ezeiza and Cañuelas administrative subdivisions of Buenos Aires Province, includes resurfacing of the road and

³⁶ Only IDB disbursements are shown (total US\$200 million) without including the local counterpart contribution (US\$50 million).

shoulders along the entire segment, as well as widening of the shoulders on the first 6.3 kilometers, to increase capacity to two lanes in each direction. The Provincial Route RP1003 project in Merlo includes a full overhaul of the road and doubling of its capacity, along with construction of paved shoulders for the entire segment, paved collector roads, and other urban improvements. Lastly, the third project in the sample includes repaving of roadways and shoulders on an important segment of Provincial Route RP2. The program evaluation included an analysis of a representative sample of the type of works (Table 1 and [optional link 1](#), [optional link 2](#), [optional link 8](#)) to be financed under the program and their expected socioenvironmental impacts. The representative sample corresponds to 36%³⁷ of the total program cost and includes technical designs and socioenvironmental and economic viability evaluations (Table 1 and [optional link 1](#), [optional link 2](#), and [optional link 8](#)). Future projects to be financed under Component I will require the Bank's no objection and must meet the following eligibility criteria: (i) works to upgrade roads in the provincial road network that connect at some point with the national road network or with other road(s) of the provincial road network having a similar level of service as the proposed project, or works that contribute to organizing the transit system and improving mobility on the municipal road network; (ii) an EIRR greater than or equal to 12%; and (iii) satisfy the socioenvironmental requirements defined in the environmental and social management framework (ESMF), excluding category "A" projects ([optional link 8](#)), pursuant to the Bank's environmental policies (Operational Policy OP-703).

B. Environmental and social safeguard risks

- 2.4 Pursuant to the Bank's Environment and Safeguards Compliance Policy (Operational Policy OP-703), this operation is classified as category "B," and so requires a socioenvironmental analysis, an environmental and social management plan, and at least one public consultation involving the interested and affected parties. The virtual public consultation for each segment of the sample works was held between 16 September and 20 October. During that period, the interested parties could consult and/or download documents and make comments, ask questions, and/or offer suggestions via email, WhatsApp, or at the DVBA reception desk. During the consultation period, 3,674 people accessed the public consultation content.³⁸ No significant concerns or complaints were received from the community. The program involves upgrades and expansions of existing highways and roads in the Buenos Aires Metropolitan Area, which is already highly urbanized. The environmental and social assessments for the representative sample indicated that the work will be executed within the existing rights of way with minor economic impacts. No impact on natural protected areas or critical natural habitats has been identified, and there are no indigenous peoples, rural communities, or other sensitive elements. These environmental and social assessments confirmed that the environmental and social impacts will be mainly positive, and any adverse impacts and risks will be minor, direct, moderate in scale, localized, of short duration, and will occur specifically during execution of the works. Moreover, since the works are

³⁷ Meeting the requirements of policy PR-201.

³⁸ Principally the Comprehensive Law on the Environment and Natural Resources (Law 11723, Regulation 4371/95) of BAP, and Resolutions 510/2018 and 419/2019 of the Provincial Agency for Sustainable Development (OPDS).

on existing highways and roads, they will not have long-term or indirect consequences on land use patterns in the area of influence of the works. The risk of natural disasters is classified as moderate, essentially corresponding to flood risk. Accordingly, the works will include hydraulic interventions where required. The project will not exacerbate risks in the event of natural disasters. Despite having an adequate legal and institutional framework to manage environmental impacts and risks, BAP has limited personnel and lacks experience in social, gender, and health and safety issues. Given the new context of COVID-19 and the need for institutional coordination between provinces and municipios for environmental and social assessments, the risks were deemed substantial. Accordingly, the program includes an institution-strengthening component.

- 2.5 To avoid and mitigate these impacts, an environmental and social management plan establishing mitigation and compensation measures was prepared for each project in the sample, including an environmental monitoring plan for the works, a preliminary plan to restore livelihoods, an awareness campaign, and a road safety and transit monitoring plan. The ESMF ([optional link 8](#)) includes the eligibility criteria for the future projects under the program, which exclude the financing of category “A” projects. Preparation of the operation included several activities with the potential affected parties in the program target area, such as collecting socioeconomic data and disseminating information on the operation and its potential impacts, in order to hear the perceptions of the affected population. The ESMF ([optional link 8](#)) also includes procedures for the expropriation or purchase of land pursuant to local regulations and in accordance with the Bank’s policies, as well as procedures for determining the need for a Resettlement or Economic Displacement Plan and its contents. The final versions of those documents were published along with the results of the public consultation held in September and October 2021.

C. Fiduciary risks

- 2.6 The risk analysis found a medium risk in terms of the execution of fiduciary processes, which could result in delays in program procurements, since the executing agency is still gaining experience working with the Bank. Consequently, specific actions will be required to strengthen oversight and ensure efficient and effective management of resources (Annex III). Supporting consultants who have experience with the Bank’s policies and procedures will be hired to supplement to DVBA’s structure. An analysis of the borrower’s financial position was also done and confirmed that it has the necessary payment capacity to meet the payment obligations of this loan.
- 2.7 A medium-high internal process risk was identified, related to potential delays in decision-making for internal contract management processes. Accordingly, the following mitigation measures were identified: (i) review contracting processes to optimize procedures and timelines; (ii) plan contracting processes based on timelines that promote advance work and float times; and (iii) add and/or train specialists in bidding documents and IDB procurement policies.

D. Other key risks and issues

- 2.8 The risk analysis identified a medium-high planning risk related to the potentially limited coordination between the government agencies responsible for financing,

execution, monitoring, and/or approval of works. Accordingly, the following mitigation measures were identified: (i) approval and entry into force of the program Operating Regulations; and (ii) review of the DVBA's internal processes and development of flowcharts and organization charts for necessary coordination between the program coordination unit (PCU) and the DVBA structure with other entities.

- 2.9 The risk analysis identified a medium-high internal process risk related to the existence of restrictions on budget allocations and/or on disbursements of the counterpart contribution that could result in delays in works execution. The identified mitigation measure is proper planning of resources and their timely allocation to program execution.

III. IMPLEMENTATION AND MANAGEMENT PLAN

A. Summary of implementation arrangements

- 3.1 **Borrower and guarantor.** The borrower will be Buenos Aires Province (BAP). The Argentine Republic will be the guarantor of the borrower's financial obligations derived from the loan contract.³⁹
- 3.2 **Executing agency.** The program executing agency will be the Ministry of Infrastructure and Public Services (MISP) of Buenos Aires Province, acting through the Road Management Office (DVBA) of Buenos Aires Province, with the main role of technical and operational management of the program. The borrower, acting through the Ministry of the Treasury and Finance (MHyF) of Buenos Aires Province, via the Provincial Directorate of Multilateral Agencies and Bilateral Financing (DPOMyFB) reporting to the Office of the Undersecretary for Finance, will be the program subexecuting agency, responsible for financial management of the program. Municipios are not anticipated to execute the activities planned under this program. The DVBA has experience executing programs with multilateral agencies, particularly the IDB.
- 3.3 The DVBA will carry out the activities through its technical, administrative, and operational areas, according to its organizational structure and the assigned roles. Program coordination within the DVBA will be the responsibility of the program coordination unit (PCU), which has already been created as part of its structure.
- 3.4 The DVBA, acting through the PCU, will be responsible for the following tasks, among others: (i) conduct the procurement processes planned for the program in accordance with the IDB procurement plan; (ii) prepare the multiyear execution plan and annual work plan for the program; (iii) assist with the supervision of works and service contracts; (iv) make payments to contractors and consultants; and (v) act as liaison with the Bank. The MHyF of Buenos Aires Province will be responsible for the following tasks, among others: (i) open the specific bank account for program execution; (ii) prepare and send program disbursements requests to the IDB; (iii) prepare the program's financial plan (cash flow) in conjunction with the DVBA; and (iv) prepare and deliver the program's audited financial statements; among other finance-related responsibilities. The activity

³⁹ Payment of principal, interest, and other loan finance charges.

related to strategic evaluation⁴⁰ of the program will be performed by the executing agency in coordination with the Strategic Affairs Secretariat of the Presidency of the Nation (SAE).

- 3.5 **Recognition of expenditures.** The Bank may recognize, against the local counterpart contribution, up to US\$500,000 (1% of the estimated amount of the local contribution) in eligible expenditures incurred by the borrower prior to the loan approval date for the contracting of consulting services for institution-strengthening and road safety for priority projects, provided that requirements substantially similar to those established in the loan contract have been met. Such expenditures must have been incurred on or after 13 April 2021 (approval date of the project profile), but in no case will they include expenditures incurred more than 18 months prior to the date of loan approval.
- 3.6 **Special contractual conditions precedent to the first disbursement of the loan proceeds.** The executing agency has provided evidence, to the Bank's satisfaction, that the program [Operating Regulations](#) have been approved on the terms and conditions previously agreed upon with the Bank. This condition is regarded as essential, given the requirement for program Operating Regulations that contain detailed guidelines on program operations, eligible types of investments, and coordination.
- 3.7 **Program Operating Regulations.** The program will be executed according to program Operating Regulations that establish the following, among others aspects of the program: (i) operational considerations related to definition of procedures for coordination between the DVBA and MHyF of Buenos Aires Province and the SAE, including process flowcharts delimiting their roles; (ii) financial and accounting considerations applicable to the operation; (iii) a chapter on the environmental and social management framework (ESMF) ([optional link 8](#)); and (iv) practical improvements to promote transparency and integrity risk management.
- 3.8 **Procurement.** The program will follow the Policies for the Procurement of Goods and Works Financed by the Inter-American Development Bank (document GN-2349-15), as updated, and the Policies for the Selection and Contracting of Consultants Financed by the Inter-American Development Bank (document GN-2350-15), as updated. The procurement plan ([required link 4](#)) lists the planned procurements.
- 3.9 **Disbursements.** The loan will be disbursed under the advance of funds modality based on a detailed financial plan (updated periodically by the DVBA through the PCU) based on expenditure projections for up to 180 days, when payments have been duly made and documented according to the Financial Management Guidelines for IDB-financed Projects (document OP-273-12). The Bank may make a new advance of funds, when justification has been provided for at least 65% of total funds disbursed as an advance, since the flow of funds involves a circuit of several institutions (document OP-273-12, "Permanent adjustment"). The financial review of disbursement requests will be performed on an ex post basis as part of the external audit.

⁴⁰ The estimated cost of this strategic evaluation is US\$795,000.

- 3.10 **External audit.** The borrower, acting through the MHyF, will deliver the program financial statements, duly audited by a firm of independent auditors acceptable to the Bank or by the Official Auditing Office (HTC) of BAP, to the Bank annually within 120 days after the close of the corresponding fiscal year of the program, and in the case of the last audited financial statements within 120 days after the end of the original disbursement period or extensions thereof.
- 3.11 **Maintenance.** In order to ensure the medium- and long-term sustainability of the investments, the DVBA, as the government agency responsible for conservation of the PRN, will maintain the segments included in the interventions according to generally accepted technical standards, incorporating them into its road maintenance management system. The DVBA allocates an annual average of US\$8 million to maintenance of the road network, equivalent to approximately 6% of its annual budget. The borrower, acting through the executing agency, will deliver the annual maintenance plan for the following year, including the status of the program works, together with six-monthly status reports for the second half of each year, to the Bank, starting the year after completion of the first program works and up to two years after completion of the last works.
- B. Summary of arrangements for monitoring results**
- 3.12 **Monitoring.** Program execution will be monitored via six-monthly status reports, delivered by the executing agency in accordance with the monitoring and evaluation plan. The reports will be based on information provided in the results matrix for each intervention, as well as on fulfillment of the eligibility criteria stated in paragraph 2.3 of this document. Those reports will be reflected in the progress monitoring reports.
- 3.13 **Evaluation.** The evaluation strategy will consist of: (i) a before-and-after analysis of performance of the outcome and impact indicators in the Results Matrix; (ii) a qualitative evaluation providing additional information on attribution of the results achieved to the program; the main questions asked by this evaluation will relate to whether or not the investments actually contributed to the program objectives (monitoring and evaluation plan); and (iii) the strategic evaluation with the SAE approach (paragraph 3.4), which will be described in the Operating Regulations. The DVBA will be responsible for delivering these documents, in accordance with the specific deadlines and procedures indicated in the monitoring and evaluation plan. Additionally, a program completion report (PCR) and ex post evaluation will be prepared at the end of program execution.
- 3.14 **Program monitoring and evaluation.** The executing agency will be responsible for maintaining data collection and tracking systems (see monitoring and evaluation plan). The executing agency agrees to maintain a monitoring and evaluation system for all subcomponents, which will be used to prepare reports and data sent to the Bank. For purposes of the evaluation, the executing agency will compile, store, and retain all information, indicators, and parameters necessary to prepare the PCR (including annual plans and the evaluations).

Development Effectiveness Matrix		
Summary		AR-L1338
I. Corporate and Country Priorities		
Section 1. IDB Group Strategic Priorities and CRF Indicators		
Development Challenges & Cross-cutting Issues	-Social Inclusion and Equality -Productivity and Innovation -Gender Equality and Diversity -Climate Change -Institutional Capacity and the Rule of Law	
CRF Level 2 Indicators: IDB Group Contributions to Development Results	-Roads built or upgraded (km) -Agencies with strengthened digital technology and managerial capacity (#) -Agencies with strengthened transparency and integrity practices (#)	
2. Country Development Objectives		
Country Strategy Results Matrix	GN-2870-1	Improving infrastructure for investment and inclusion
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		7.6
5.1 Monitoring Mechanisms		4.0
5.2 Evaluation Plan		3.6
III. Risks & Mitigation Monitoring Matrix		
Overall risks rate = magnitude of risks*likelihood		Medium Low
Environmental & social risk classification		B
IV. IDB's Role - Additionality		
The project relies on the use of country systems		
Fiduciary (VPC/FMP Criteria)	Yes	Financial Management: Budget, Treasury, Accounting and Reporting, External Control, Internal Audit. Procurement: Information System.
Non-Fiduciary		
The IDB's involvement promotes additional improvements of the intended beneficiaries and/or public sector entity in the following dimensions:		
Additional (to project preparation) technical assistance was provided to the public sector entity prior to approval to increase the likelihood of success of the project		Yes Technical and financial assistant for the technical studies for the 1.2 component

Evaluability Assessment Note: The investment loan under the multiple works modality for an amount of USD200 million, with a local counterpart of USD50 million, has the general objective of improving the safety conditions of the Buenos Aires Province's road network. The specific objectives are: (i) to improve the quality of service of the provincial road infrastructure; (ii) to improve road safety in the Provincial Road Network (RVP); and (iii) strengthen the management capacity of the Buenos Aires Province Highway Directorate (DVBA) and related areas in terms of road safety. The operation will be executed and monitored by the DVBA.

The loan proposal presents a solid diagnosis. The proposed solutions are appropriate to address the identified problems and their contributing factors. The results matrix is consistent with the vertical logic of the project, presenting adequate indicators at the level of results and impacts. The outcome indicators are appropriately defined to measure the achievements of the program and the accomplishment of its specific objectives. The impact indicator reflects the contribution to the economic objectives consistent with the improvement of the safety conditions of the road network of the Province of Buenos Aires.

Evaluated as a whole, the projects in the representative sample yielded an internal economic rate of return of 37% under reasonable assumptions. After a sensitivity analysis, the project remains economically viable. The monitoring and evaluation plan is clear in defining the relevant questions for the project evaluation and the methodology to be used for an effectiveness analysis. The main risk identified is related to the limited coordination between the government entities responsible for financing and execution. Appropriate measures are indicated to mitigate this and other mapped risks.

RESULTS MATRIX

Project objective:	The general objective of the program is to improve the safety of the road networks of Buenos Aires Province. The specific objectives are to: (i) improve the service quality of the provincial road infrastructure; (ii) improve the road safety of the provincial road network; and (iii) strengthen the management capacity of the Road Management Office of Buenos Aires Province (DVBA) and related road safety areas.
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GENERAL DEVELOPMENT OBJECTIVES

Indicators	Unit of measure	Baseline value	Baseline year	End of program	Means of verification	Comments
General development objective: Improve the safety of the road networks of Buenos Aires Province (BAP).						
Normalized average of road accidents (fatal and nonfatal) for a sample of roads in BAP, by average daily traffic flow	%	$L_{base} = \frac{\sum_i^n Acc_{route\ i}^{yearb} / F_{route\ i}^{yearb}}{n}$	Base year (2021)	$0.85 \geq \left(\frac{\left(\frac{\sum_i^n Acc_{route\ i}^{year1} / F_{route\ i}^{year1}}{n} \right)}{L_{base}} \right)$	Road accidents reported	<p>The normalized average of accidents based on annual average daily traffic (AADT) will be compared for a sample of roads in BAP.</p> <p>Year 1 = first year of operation Year b = Base year Acc = Total number of accidents n = sample of roads in BAP F = AADT for the road</p>

SPECIFIC DEVELOPMENT OBJECTIVES

Indicators	Unit of measure	Baseline value	Baseline year	End of program	Means of verification	Comments
Specific development objective 1: Improve the service quality of the provincial road infrastructure						
Average operating cost per vehicle-km on roads upgraded by the program ¹ (in constant U.S. dollars)	%	OPC_{route}^{base}	Base year (2021)	$\alpha \geq \frac{MOPC_{op\ year\ 1}^{route}}{OPC_{route}^{base}}$	Traffic and paving studies to be conducted Responsibility: DVBA	The projected HDM-4 values will be compared to those measured onsite in year 1 of operation. ¹ $\alpha^2 = \begin{cases} 0.995\ Cat\ 1 \\ 0.95\ Cat\ 2 \\ 0.88\ Cat\ 3 \end{cases}$ OPC = Operating costs MOPC = Measurement of OPC
Average travel time per vehicle to cover the total length of the segments upgraded by the program (in minutes)	%	T_{route}^{base}	Base year (2021)	$\beta \geq \frac{PT_{op\ year\ 1}^{route}}{T_{route}^{base}}$	Traffic studies to be conducted Responsibility: DVBA	The projected HDM-4 values will be compared to those measured onsite in year 1 of operation. ³ $\beta = \begin{cases} 0,95\ Cat\ 2 \\ 0,80\ Cat\ 3 \end{cases}$ T = Times PT = Measurement of T
Specific development objective 2: Improve the road safety of the provincial road network						
Normalized average of road accidents (fatal and nonfatal) on targeted segments by average daily traffic	%	$Lbase = \frac{\sum_i^n Acc_{route\ i}^{yearb} / F_{route\ i}^{yearb}}{n}$	Base year (2021)	$\gamma \geq \left(\frac{\left(\frac{\sum_i^n Acc_{route\ i}^{year1} / F_{route\ i}^{year1}}{n} \right)}{Lbase} \right)$	Road accidents reported in the first year of operation	The normalized average of accidents based on AADT will be compared for targeted routes. $\gamma^4 = \begin{cases} 0.85\ Cat\ 1 \\ 0.85\ Cat\ 2 \\ 0.80\ Cat\ 3 \end{cases}$ Year 1 = Year 1 of operation

¹ Values correspond to the simple average for the vehicle categories considered.

² Cat. 1: corresponds to repaving of concessioned roads, Cat. 2: repaving of provincial routes, Cat. 3: routes with expanded capacity.

³ Values correspond to the simple average for the vehicle categories considered

⁴ Cat. 1: corresponds to repaving of concessioned roads, Cat. 2: repaving of provincial routes, Cat. 3: routes with expanded capacity.

Indicators	Unit of measure	Baseline value	Baseline year	End of program	Means of verification	Comments
						Year b = Base year Acc = Total number of accidents n = representative sample of routes included in the program F = AADT for the route
Indicators	Unit of measure	Baseline value	Baseline year	End of program	Means of verification	Comments
Specific development objective 3: Strengthen the management capacity of the Road Management Office of Buenos Aires Province (DVBA) and related road safety areas						
Percentage of professionals and students certified in road safety	%	0	Base year (2021)	$0.85 \leq \frac{\text{No. certifications}}{\text{No. trainings}}$	Six-monthly status reports Responsibility: DVBA	Training will be given on road safety methodologies (inspection and supervision); an 85% certification rate is expected.
Use of the International Road Assessment Programme (iRAP) for road safety in the province	%	0	Base year (2021)	$0.10 \leq \frac{\text{km evaluated (iRAP)}}{\text{total km}}$	Six-monthly status reports Responsibility: DVBA	Using the iRAP methodology, the status of a percentage of routes in the province will be determined for purposes of safety management. Ten percent of total km of roads is expected. Km = kilometers of paved roads in BAP

PROGRAM OUTPUTS BY COMPONENT

Indicators	Unit of measure	Baseline value	Baseline year	2022	2023	2024	2025	2026	End of program	Means of verification	Comments
Component I											
Km of highways upgraded by the program	km	0	2021	0	50	100	150	57	307 ⁵	Execution reports	Total km
Inclusion and diversity: number of inclusive crosswalks and universal access measures	unit	0	2021	0	0	10	15	0	25	Execution reports	Number of inclusive crosswalks and universal access measures developed by the program
Gender: Number of safe stops	Unit	0	2021	0	0	4	4	0	8	Execution reports	Safe stops to promote women's access to public transportation
Application of the walkability and accessibility score methodology (for persons with disabilities) for urban sections included in the program	unit	0	2021	2	1	1	0	0	4	Execution report	Application of the persons with disabilities methodology
Gender: Application of walkability index methodology with gender lens	unit	0	2021	2	1	1	0	0	4	Execution report	Application of methodology with gender lens
Number of urban interventions through projects included in the program	unit	0	2021	0	0	3	2	0	5	Execution reports	Urban improvements in the environs of projects included in the program
Projects that incorporate sustainable infrastructure elements in the program	unit	0	2021	0	0	2	3	0	5	Execution reports	Higher recurrence periods are used for hydraulic designs.

⁵ Projected total kilometers to be upgraded through the program.

Indicators	Unit of measure	Baseline value	Baseline year	2022	2023	2024	2025	2026	End of program	Means of verification	Comments
Component II											
Road safety audits/inspections	km	0	2021	25	25	25	25	0	100 ⁶	Execution reports	
Number of technological devices in operation that provide road safety data and information	unit	0	2021	3	3	2	2	0	10	Execution reports	Technical monitoring capacities of road safety technological devices
Road safety audit using iRAP methodology	km	0	2021	200	200	300	200	100	1000	Execution reports	
Training of personnel on road safety audits and inspections	unit	0	2021	20	10	0	0	0	30	Execution reports	
Training of personnel in iRAP methodology	unit	0	2021	7	0	0	0	0	7	Execution reports	
Gender training program	unit	0	2021	1	0	0	0	0	1	Execution reports	Gender training program implemented
Component III											
Strategic evaluation of program	unit	0	2021	0	0	0	0	0	1	Execution reports	

⁶ Total kilometers covered by projects in the sample.

Country: Argentina

Division: TSP

Operation No.: AR-L1338

Year: 2021

FIDUCIARY AGREEMENTS AND REQUIREMENTS

Executing agency: Ministry of Infrastructure of Public Services (MISP) of Buenos Aires Province, acting through the Road Management Office of Buenos Aires Province (DVBA)

Operation name: Road Safety Program in the Metropolitan Area of Buenos Aires Province

I. FIDUCIARY CONTEXT OF THE EXECUTING AGENCY

1. Use of country system in the operation¹

<input checked="" type="checkbox"/> Budget	<input checked="" type="checkbox"/> Reports	<input checked="" type="checkbox"/> Information system	<input checked="" type="checkbox"/> National competitive bidding
<input checked="" type="checkbox"/> Treasury	<input checked="" type="checkbox"/> Internal audit	<input checked="" type="checkbox"/> Shopping	<input type="checkbox"/> Other
<input checked="" type="checkbox"/> Accounting	<input checked="" type="checkbox"/> External control	<input type="checkbox"/> Individual consultants	<input type="checkbox"/> Other

2. Fiduciary execution mechanism

<input checked="" type="checkbox"/>	Coexecuting/subexecuting agencies	The borrower, acting through the Ministry of the Treasury and Finance (MHyF) of Buenos Aires Province, via the Provincial Directorate of Multilateral Agencies and Bilateral Financing (DPOMyFB), will be the program subexecuting agency, responsible for financial management of the program.
<input checked="" type="checkbox"/>	Fiduciary execution	The Ministry of Infrastructure of Public Services (MISP) of Buenos Aires Province, acting through the DVBA, will be the executing agency with the main role of technical and operational management of the program. The MHyF, via the DPOMyFB reporting to the Office of the Undersecretary for Finance, will be the program subexecuting agency, responsible for financial management of the program. No program execution agreement will be necessary due to the provincial legislation and budget structure governing the relationship between the borrower and the DVBA.

3. Fiduciary capacity

Fiduciary capacity of the executing agency	Pursuant to policy document GN-2869-1, the Bank applied the Institutional Capacity Assessment Platform (ICAP) with satisfactory results. The various evaluations yielded the following findings: (i) in procurement, the DVBA has recent experience managing procurement in accordance with Bank policies in the early stages of execution of loan 4416/OC-AR; (ii) in financial management, the DVBA has recent experience under the aforementioned loan, and the MHyF of BAP has a track record of satisfactory performance in the financial management of projects and has developed sufficient financial management mechanisms to support project execution. However, DVBA and MHyF processes need to be coordinated for budget planning, resource execution, and program accounting in accordance with the rules established by contract, which will be incorporated into the program Operating Regulations. Accordingly, the fiduciary risk is medium or low.
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¹ Any system or subsystem that is subsequently approved may be applicable to the operation, according to the terms for approval by the Bank.

4. Fiduciary risks and risk response

Risk category	Risk	Level of risk	Risk response
Planning	Limited coordination among government agencies responsible for the financing, execution, oversight, and approval of works (DVBA, MISP, OPDS, and MHyF of BAP) could cause delays in the identification, approval, and/or execution of works, leading to extension of the program disbursement period.	Medium-High	Approval and entry into force of the program Operating Regulations, specifying mechanisms for coordination and flows of information related to financial processes between the relevant public agencies. Review of the DVBA's internal processes and develop flowcharts and organization charts showing responsibilities for purposes of integrating the program coordination unit (PCU) with the DVBA and coordinating with other entities for actions related to project inputs, approval, and management of the works.
Internal processes	Delays in decision-making related to internal contract management could cause delays in the start of critical contracts, leading to extension of the program disbursement period.	Medium-High	Review contracting processes to optimize procedures and timelines. Plan contracting processes based on timelines that promote advance work and float times. Add and/or train specialists in bidding documents and IDB procurement policies.
Internal processes	Restrictions on budgetary allocations and/or on disbursements of the counterpart contribution could cause delays in works execution, leading to extension of the program disbursement period.	Medium-High	Develop proper planning of resource needs and ensure prompt and advance allocation of budget resources to program execution.

5. Applicable policies and guidelines

Financial management of the program will follow the Financial Management Guidelines for IDB-financed Projects (document GN-2811, OP-273-12).

Procurement of goods, works, and nonconsulting services will follow the Policies for the Procurement of Goods and Works Financed by the Inter-American Development Bank (document GN-2349-15), approved by the Bank on 2 July 2019. Processes for the selection and contracting of consulting services will follow the Policies for the Selection and Contracting of Consultants Financed by the Inter-American Development Bank (document GN-2350-15), approved by the Bank on 2 July 2019.

6. Exceptions to policies and guidelines: None.

II. CONSIDERATIONS FOR THE SPECIAL PROVISIONS OF THE LOAN CONTRACT

1. The program resources will be accounted for using the exchange rate in effect on the date of conversion of the approval currency or disbursement currency into the local currency of the borrowing country, in accordance with Article 4.10, subparagraph (b)(i), of the General Conditions to the Loan Contract. The agreed exchange rate to be used for determining the equivalence of expenditures incurred in local currency and chargeable against the local contribution, or of reimbursements of expenditures chargeable against the loan proceeds, will be the exchange rate on the first working day of the month when the borrower, the executing agency, or any other person or corporation with delegated authority to incur expenditures makes the respective payments to the contractor, vendor, or beneficiary.
2. The disbursements will be made pursuant to Articles 4.03, 4.04, 4.05, 4.06, 4.07, and 4.08 of the General Conditions to the Loan Contract.
3. The audited annual financial reports for the program will be delivered to the Bank within 120 days after the close of each fiscal year of the program, duly audited by a Bank-eligible independent auditor or by the Official Auditing Office (HTC) of BAP. The final audit reports will be delivered within 120 days after the end of the original disbursement period or extensions thereof.

III. AGREEMENTS AND REQUIREMENTS FOR PROCUREMENT EXECUTION

<input checked="" type="checkbox"/>	Bidding documents	For procurements of works, goods, and nonconsulting services conducted in accordance with the Bank's procurement policies (document GN-2349-15) and subject to international competitive bidding, the standard bidding documents issued by the Bank will be used, or those agreed upon by the executing agency and the Bank for a specific procurement. Likewise, the selection and contracting of consulting services will be conducted in accordance with the consultant selection policies (document GN-2350-15) using the standard request for proposals issued by the Bank, or one agreed upon by the executing agency and the Bank for a specific selection. For national competitive bidding and shopping, the Bank's standard forms for Argentina will be used, along with the corresponding standard evaluation report forms. The program's sector specialist is responsible for reviewing the technical specifications and terms of reference for procurements when preparing the selection processes. This technical review may be ex ante and is independent of the method of procurement review.						
<input checked="" type="checkbox"/>	Advance procurement/ Retroactive financing	The Bank may recognize, against the local counterpart contribution, up to US\$500,000 (1% of the estimated amount of the local contribution) in eligible expenditures incurred by the borrower prior to the loan approval date for the contracting of consulting services for institution-strengthening and road safety for priority projects, provided that requirements substantially similar to those established in the loan contract have been met. Such expenditures must have been incurred on or after 13 April 2021 (approval date of the project profile), but in no case will they include expenditures incurred more than 18 months prior to the date of loan approval.						
<input checked="" type="checkbox"/>	Procurement supervision	<p>The procurement supervision method will be ex post, except in cases where ex ante supervision is justified. Supervision of procurements undertaken using the country system will use the country's supervision system. The supervision method, i.e., (i) ex ante; (ii) ex post; or (iii) country system, will be determined for each selection process. Ex post reviews will be each year, according to the program's supervision plan, subject to change during execution. Ex post review reports will include at least one visit.</p> <p>Threshold amounts for the ex post review are as follows:</p> <table border="1"> <tr> <td>Works</td><td>Goods/Services</td><td>Consulting services</td></tr> <tr> <td>US\$25 million</td><td>US\$1.5 million</td><td>US\$1 million</td></tr> </table>	Works	Goods/Services	Consulting services	US\$25 million	US\$1.5 million	US\$1 million
Works	Goods/Services	Consulting services						
US\$25 million	US\$1.5 million	US\$1 million						
<input checked="" type="checkbox"/>	Records and files	The DVBA will be responsible for retaining the original files related to its procurement, contracting, and financial management responsibilities as part of program execution.						

Main procurements

Description	Selection method	New procedures/ tools	Estimated date	Estimated amount in US\$
Works				
Road widening – PR88. Segment: Mar del Plata – Necochea (Batán – PR77) – 28.5 km	ICB		2022	45,000,000.00
Road widening – PR36	ICB		2022	35,000,000.00
Rehabilitation and road safety – PR2. Segment: km 57 – km 203 (146 km) – (2 lots)	ICB		2022	55,600,000.00
Rehabilitation and road safety – PR88. Segment: Mar del Plata – Necochea (PR77 – Quequén) – 75 km	ICB		2022	26,700,000.00
Consulting services				
Works inspection	QCBS		2022	2,404,000.00

To access the procurement plan, click [here](#).

IV. FINANCIAL MANAGEMENT AGREEMENTS AND REQUIREMENTS

<input checked="" type="checkbox"/>	Programming and budget	The executing agency and subexecuting agency are responsible for preparation and programming of the annual budget and for all procedures to finalize the annual budget for approval. As needs arise to expand or reallocate items, the execution unit will request adjustments and assume responsibility for obtaining approval. Budget credits are made through quarterly and monthly commitment fees accrued, which are allocated by the MHyF of BAP.
<input checked="" type="checkbox"/>	Treasury and disbursement management	<p>All payments are made through the General Treasury of the Province (TGP) either from agencies of the central administration or decentralized entities.</p> <p>The Provincial Directorate of Multilateral Agencies and Bilateral Financing (DPOMyFB) is responsible for monthly review of special account balances in U.S. dollars and reconciling program bank accounts:</p> <ul style="list-style-type: none"> (i) "Receiving" account in dollars where the loan proceeds are deposited. (ii) "Transfer" account in dollars, from which "pesofied" funds are transferred to the book-entry accounts of the DPOMyFB or the executing agency at the TGP. <p>The book-entry accounts are subaccounts of the Treasury Single Account administered by the TGP.</p> <p>Disbursements will be made based on a detailed financial plan and according to IDB guidelines, which specify the disbursement methods, withdrawals of the loan proceeds, their requirements, designated accounts, conditions applicable to advances of funds, ineligible expenditures, and repayments.</p> <p>The Bank may advance funds when the executing agency has justified at least 65% of accrued balances of advanced funds. This percentage is based on experience with operations in BAP, which has shown that the flow of funds involves several institutions, thus delaying the receipt process considerably.</p>
<input checked="" type="checkbox"/>	Accounting, information systems, and reports	<p>The executing agency will use the Execution Units for External Loans (UEPEX) system as the financial administration system, which makes it possible to identify program funds along with the sources of financing. Using the chart of accounts approved by the Bank, the UEPEX system assigns the program investments to the cost table components. Accounting records will be kept on a cash basis in accordance with International Financial Reporting Standards, as applicable, in keeping with established country criteria.</p> <p>The following financial reports will be required: (i) financial execution plan for up to 180 days after the request for advances of funds; (ii) audited annual financial statements; and (iii) other reports as required by fiduciary specialists.</p>
<input checked="" type="checkbox"/>	Internal control and internal audit	The province's General Accounting Office performs internal control functions related to the legal and financial aspects of loan execution. It is involved in execution and payment processes before payments are made in a centralized manner from the TGP. The province's General Accounting Office is also involved in verifying legal aspects of procurement processes prior to purchases or awards.
<input checked="" type="checkbox"/>	External control and financial reports	The HTC of the BAP was declared eligible by the Bank to audit operations with IDB financing. For that reason, and in keeping with the Bank's strategy of using country systems, it has been determined that, as long as the HTC remains eligible, it will perform the external audit of the operation without the need for a competitive bidding process, and the audit will be financed with local resources. If the external audit is not performed by the HTC of BAP, an independent audit firm acceptable to the Bank will be contracted.
<input checked="" type="checkbox"/>	Financial supervision of the operation	The initial financial supervision plan will be based on evaluations of the risk and fiduciary capacity of the executing agencies via onsite and "desk" supervision visits, as well as on the analysis and monitoring of the findings and recommendations of 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. Road Safety Program in the Metropolitan Area of Buenos Aires Province

The Board of Executive Directors

RESOLVES:

That the President of the Bank, or such representative as he shall designate, is authorized, in the name and on behalf of the Bank, to enter into such contract or contracts as may be necessary with the Province of Buenos Aires, as borrower, and with the Argentine Republic, as guarantor, for the purpose of granting the former a financing to cooperate in the execution of the Road Safety Program in the Metropolitan Area of Buenos Aires Province. Such financing will be for an amount of up to US\$200,000,000 from the resources of the Bank's Ordinary Capital and will be subject to the Financial Terms and Conditions and the Special Contractual Conditions of the Project Summary of the Loan Proposal.

(Adopted on ____ 2021)