

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

**ARGENTINA**

**BARRIO IMPROVEMENT PROGRAM  
(AR-L1341)**

**FOURTH INDIVIDUAL OPERATION UNDER THE CONDITIONAL CREDIT LINE  
FOR INVESTMENT PROJECTS (CCLIP) ESTABLISHED BY AGREEMENT  
ON 29 MARCH 2007  
(AR-X1004)**

**LOAN PROPOSAL**

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ABBREVIATIONS	
AGN	Auditoría General de la Nación [Office of the Auditor General]
CCLIP	Conditional credit line for investment projects
CLP-1	First individual operation under the CCLIP
CLP-2	Second individual operation under the CCLIP
CLP-3	Third individual operation under the CCLIP
CLP-4	Fourth individual operation under the CCLIP
DGPPSE	Dirección General de Programas y Proyectos Sectoriales y Especiales [Office of Sector and Special Programs and Projects]
EIP2	Comprehensive evaluation of project two
EIRR	Economic internal rate of return
PCR	Project completion report
PROMEBA	Programa de Mejoramiento de Barrios [Barrio Improvement Program]
PRONUREE	Programa Nacional de Uso Racional y Eficiente de la Energía [National Program for Rational and Efficient Energy Use]
RENABAP	Registro Nacional de Barrios Populares [National Registry of Low-income Neighborhoods]
SAE	Secretaría de Asuntos Estratégicos [Department of Strategic Matters]
SEPA	Sistema de Ejecución de Planes de Adquisición [Procurement Plan Execution System]
SUBE	Sistema único de boleto electrónico [single electronic ticket system]
UEPEX	Unidades Ejecutoras de Préstamos Externos [Executing units for external loans]
UN-Habitat	United Nations Human Settlement Programme
VAA	Villas, asentamientos y áreas degradadas [shantytowns, settlements, and degraded areas]

**PROJECT SUMMARY**  
**ARGENTINA**  
**BARRIO IMPROVEMENT PROGRAM**  
**(AR-L1341)**

**FOURTH INDIVIDUAL OPERATION UNDER THE CONDITIONAL CREDIT LINE FOR INVESTMENT PROJECTS (CCLIP)**  
**ESTABLISHED BY AGREEMENT ON 29 MARCH 2007**  
**(AR-X1004)**

Financial Terms and Conditions				
<b>Borrower:</b> Argentine Republic			Flexible Financing Facility <sup>(a)</sup>	
			<b>Amortization period:</b>	25 years
<b>Executing agency:</b> Ministry of Territorial Development and Habitat			<b>Disbursement period:</b>	5 years
			<b>Grace period:</b>	5.5 years <sup>(b)</sup>
<b>Source</b>	<b>Amount (US\$ millions)</b>	<b>%</b>	<b>Interest rate:</b>	SOFR-based
			<b>Credit fee:</b>	<sup>(c)</sup>
<b>IDB (Ordinary Capital):<sup>(d)</sup></b>	150.00	90.91	<b>Inspection and supervision fee:</b>	<sup>(c)</sup>
<b>Local:</b>	15.00	9.09	<b>Weighted average life:</b>	15.25 years
<b>Total:</b>	165.00	100.00	<b>Approval currency:</b>	U.S. dollars
Project at a Glance				
<b>Project objective/description:</b> To sustainably improve the habitability of dwellings located in the country's shantytowns, settlements, and degraded areas through actions that contribute to more secure land tenure, the provision of basic infrastructure, and community development. The specific objectives are: (i) to increase the security of land tenure for beneficiary households; (ii) to improve the quality of life of the inhabitants in each area targeted by the intervention and in the area of influence through different habitat improvement works; (iii) to strengthen grassroots community organizations and ensure the participation of neighborhood residents in all phases of the comprehensive project; and (iv) to enhance the performance of teams in the executing agency, the provincial execution units, and the municipal execution units. This fourth individual operation is part of conditional credit line for investment projects (CCLIP) AR-X1004, which aims to improve the quality of life and contribute to the urban and social inclusion of Argentine households in the poorest segments of the population residing in shantytowns and informal settlements.				
<b>Special contractual conditions precedent to the first disbursement of the financing:</b> The borrower, through the executing agency, will provide evidence of: (i) the entry into effect of the <a href="#">program Operating Regulations</a> , in accordance with the terms agreed upon with the Bank (paragraph 3.3); and (ii) the creation of the program implementation team, which will include, at a minimum, the technical officer and the environmental and social specialists for environmental and social management (paragraph 2.6).				
<b>Special contractual conditions of execution:</b> Prior to the first transfer of proceeds to each subexecuting agency, the executing agency will sign a framework participation agreement or equivalent agreement with each subexecuting agency, under the terms previously agreed upon with the Bank (paragraph 3.5). The executing agency will comply with the environmental and social legal requirements set out in Annex B to the <a href="#">environmental and social review summary</a> .				
<b>Exceptions to Bank policies:</b> None				
Strategic Alignment				
<b>Challenges:<sup>(e)</sup></b>	SI <input checked="" type="checkbox"/>	PI <input checked="" type="checkbox"/>	EI <input checked="" type="checkbox"/>	
<b>Crosscutting themes:<sup>(f)</sup></b>	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"/>	

<sup>(a)</sup> 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.

<sup>(b)</sup> 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.

<sup>(c)</sup> 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.

<sup>(d)</sup> Pursuant to document AB-2990, the disbursement of Bank loan proceeds will be subject to the following maximum limits: (i) up to 15% during the first 12 months; (ii) up to 30% during the first 24 months; and (iii) up to 50% during the first 36 months, counting in all cases from the date on which the loan operation is approved by the Board of Executive Directors (paragraph 2.3).

<sup>(e)</sup> SI (Social Inclusion and Equality); PI (Productivity and Innovation); and EI (Economic Integration).

<sup>(f)</sup> 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.** Argentina is one of the most urbanized countries in Latin America, with 92% of its inhabitants residing in urban areas.<sup>1</sup> It also has a high concentration of inhabitants in large cities: out of an estimated total of 45 million people,<sup>2</sup> 51%<sup>3</sup> live in 10 urban agglomerations<sup>4</sup> with over 500,000 inhabitants.<sup>5</sup> Due to the pressure on urban land to address the expansive growth of cities, combined with the difficulty of providing basic services and urban infrastructure, an increasing number of people are building their dwellings in shantytowns, settlements,<sup>6</sup> and degraded areas<sup>7</sup> (VAAs), without having proper access to these urban services and amenities.
- 1.2 The country's housing deficit is equivalent to 3.62 million<sup>8</sup> dwellings (2020), which accounts for 38.8% of the total.<sup>9</sup> Of these dwellings, 61.6% (2,230,147 dwellings) are concentrated in VAAs, which is a qualitative deficit characterized by: (i) issues with housing quality (63%, or 1,405,547 dwellings); and (ii) overcrowding in dwellings (3.5%, or 79,000 dwellings) or lack of access to basic services (33.4%). VAAs are characterized by: (i) low access to basic services; (ii) issues with housing quality; (iii) informal land tenure; (iv) low quality or absence of community

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<sup>1</sup> Bibliographic references, [optional link 20- \[1\]](#).

<sup>2</sup> [Optional link 20- \[2\]](#).

<sup>3</sup> [Optional link 20- \[3\]](#).

<sup>4</sup> "An agglomeration, technically known as a composite locality, is a specific type of locality. The definition of 'locality' is based on a physical criterion that establishes that a locality 'is a portion of the earth's surface characterized by the shape, quantity, size, and proximity of certain fixed, artificial, physical objects (buildings) and by certain artificial modifications to the land (streets) that are necessary to connect the buildings to each other.' In other words, 'localities are conceived as spatial concentrations of buildings connected to each other by a network of streets.' If the locality extends across the territory of two or more provinces, encompassing two or more departments or local government areas; or if it extends across a single province, encompassing two or more departments; or if it extends across two or more local government areas within the same province and the same department, it is a composite locality or agglomeration" [optional link 20- \[3\]](#).

<sup>5</sup> Greater Buenos Aires, Greater Córdoba, Greater Rosario, Greater Mendoza, Greater La Plata, Greater Tucumán-Tají Viejo, Mar del Plata, Greater Santa Fe, Greater Salta, and Greater San Juan. In all, 34% of the population is concentrated in the agglomeration of Greater Buenos Aires [optional link 20- \[3\]](#).

<sup>6</sup> Shantytowns or *villas* are neighborhoods with an irregular urban fabric that do not have sufficient infrastructure, green spaces, or recreational areas. They are accessed by passageways and have high population density. Informal settlements are neighborhoods that seek to maintain the urban fabric as a continuation of the fabric of the formal city. Though subdivided, plots of land follow the layout of streets. Techo Argentina (2016), *Relevamiento de Asentamientos Informales* [Survey of Informal Settlements]. For the purpose of this program, the shantytown, settlement, and degraded area (VAA) unit will be treated as a comprehensive area of intervention that includes the contact zone between the formal and informal areas of the city.

<sup>7</sup> A "degraded area" is understood as UN-Habitat's definition of a slum, where a slum household is a group of individuals living under the same roof in an urban area who lack at least one of the following: (i) easy access to safe water in sufficient amounts at an affordable price; (ii) access to adequate sanitation: access to mechanisms for solid waste collection; (iii) sufficient living space; (iv) housing quality and durability; and (v) security of tenure.

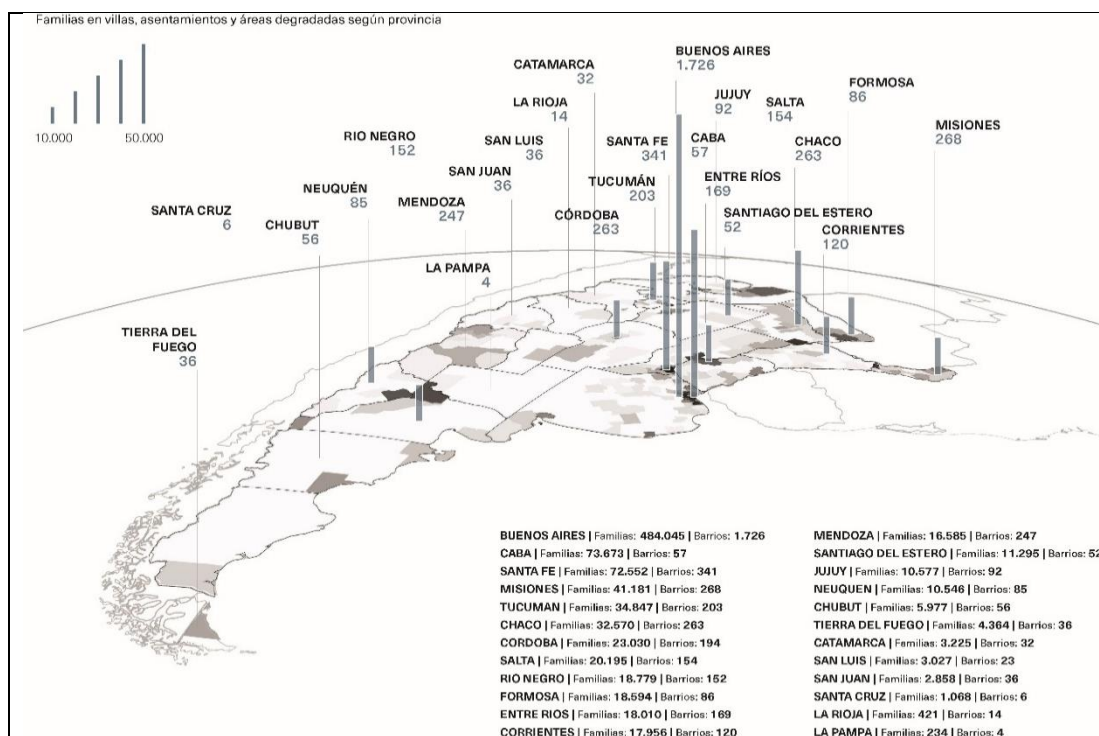
<sup>8</sup> [Optional link 20- \[4\]](#).

<sup>9</sup> In all, 38.4% have a quantitative deficit. Of these, 81.4% are unrecoverable dwellings, and 18.6% are dwellings where two or more families are cohabitating.

amenities; (v) poor physical connectivity (to the formal city) and digital connectivity;<sup>10</sup> and (vi) low quality or lack of public spaces.

- 1.3 According to the National Registry of Low-income Neighborhoods,<sup>11</sup> Argentina has 4,561 low-income neighborhoods<sup>12</sup> in which 961,128 families reside. Of these neighborhoods, 24% are shantytowns and 76% are settlements. In general, these housing developments have sprung up in urban fringe areas on polluted residual soils and are exposed to environmental risks and extreme weather events such as floods, which have intensified in recent years due to climate change. In addition, households in VAAs face more significant gaps in access to the formal economy, which puts greater limitations on their ability to generate revenue. In VAAs, 44.5% of the adult population is economically inactive,<sup>13</sup> 39.4% are experiencing employment vulnerability, 22% have a job that does not offer social security contributions, 9.4% are self-employed in precarious work, and 8% are unemployed. Only 16.1% of adults have a registered job.

**Map 1. Households in VAAs by province**



Source: IDB, based on RENABAP data.

- <sup>10</sup> Only 27% of households residing in VAAs have Internet service (National Survey on Social Structure, 2019).
- <sup>11</sup> The National Registry of Low-Income Neighborhoods (RENABAP) was created by Decree 358/2017 of the national executive branch. RENABAP defines a low-income neighborhood as one with at least eight clustered or contiguous households, where more than half of the population does not have a property title or regular access to at least two of the basic utilities (running water, metered electricity, and/or sewerage).
- <sup>12</sup> This includes low-income neighborhoods that are registered in RENABAP and are shantytowns or settlements created before 31 December 2016.
- <sup>13</sup> Individuals in the inactive population do not have a job and are not looking for one. They can be individuals engaged in domestic work, students who attend school exclusively, retirees, and pensioners. Also known as “inactivos marginales” [the marginal inactive population] or “desocupados desalentados” [the discouraged unemployed]. [Optional link 20- \[5\]](#).

- 1.4 With support from the Bank through CCLIP AR-X1004, the government has developed a successful model for a comprehensive, crosscutting intervention in the country that has helped Argentine cities improve VAAs and contain the growing gaps in access to a decent habitat and quality urban services. This intervention model has improved the quality of life of over 180,000 households in a sustainable manner and created capacity for habitat improvement in most of the country's subnational governments. Previous operations under this program have proven effective by yielding results and impacts that have helped contain and reduce the qualitative housing deficit, which has improved with each stage of the operation.
- 1.5 The program has produced positive outcomes in terms of security of land tenure and access to basic services, especially for women. The percentage of households that reported having legal security of tenure has risen by 18%, and by 33% for households headed by women.<sup>14</sup> With respect to basic services, there was a 27% increase in residential connections to water and sewerage utilities, and a 25% decrease in overflow of pit latrines and septic tanks. In terms of infrastructure and community facilities, household satisfaction improved with respect to plazas (53%), streets after rainfall (62%), public lighting (26%), and sports facilities (33%). The perception of women's safety has also improved in plazas (increasing 35%), busy streets (22%), and less busy streets (43%).<sup>15</sup> The two previous operations in particular led to positive outcomes in this area: (i) operation 2662/OC-AR formalized connections to water, sewerage, gas, and electricity for 81 neighborhoods and 64,809 dwellings (117% of the final target). The provincial execution units and municipal execution units produced 256 final design documents for comprehensive projects, with detailed plans and technical specifications, to invite bids for comprehensive project works (222% of the final target). Field work teams carried out 2,600 workshops, training courses, etc.; and (ii) progress to date on operation 3458/OC-AR shows that it will be possible to regularize 33 neighborhoods and 17,000 lots, as well as develop 33 final designs for comprehensive projects.<sup>16</sup>
- 1.6 In addition, previous operations under the program led to positive impacts in terms of human development and reducing the qualitative housing deficit. The program was successful in decreasing school absences due to floods in neighborhoods (33%) and in increasing the participation of female heads of households in community activities (17%).<sup>17</sup> Another impact was reducing the qualitative housing deficit by promoting investments in dwellings: (i) it increased the percentage of dwellings with more resistant materials by incorporating insulation and finishing elements (45%); (ii) it decreased the rate of overcrowding (16%) while increasing the percentage of households that have a bathroom inside the dwelling (8%); and (iii) it increased the percentage of households with hot water in the bathroom (9%), a figure that was twice as high for households headed by women (18%). In addition, resident satisfaction rose (65%), which is a comprehensive indicator of

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<sup>14</sup> This outcome is consistent with the literature, which indicates that programs to formalize housing tenure have greater effects for households that are led by women ([optional link 20- \[6\]](#)).

<sup>15</sup> Universidad Torcuato Di Tella (2019). Evaluación del Programa de Mejoramiento de Barrios [Evaluation of the Barrio Improvement Program].

<sup>16</sup> Latest progress monitoring report, first half of 2021.

<sup>17</sup> Ibid.



the positive impact of improving the quality of life and contributing to social and urban inclusion of these households.<sup>18</sup>

- 1.7 This fourth program under the CCLIP will be strategic in improving the intervention model, as the activities that will be carried out in 39 VAAs to benefit 50,000 households will aim to make interventions more effective in areas related to climate resilience, gender and diversity, and building government capacity to prevent the creation of new VAAs. Within the aforementioned 39 VAAs, some have been previously targeted under the CCLIP and/or PROMEBA I, while others have not.
- 1.8 **Problem.** Social and urban inclusion of households in VAAs is limited by their restricted access to the amenities offered by the formal city. To address this problem, four main causes and crosscutting factors have been identified that contribute to vulnerability based on gender, diversity, and exposure to the effects of climate change.
- 1.9 **Cause 1.** Insecure land tenure. According to the last census, 14.4% of urban households in Argentina do not own the parcel of land on which they live and occupy the dwelling by way of a loan or for work. On average, 17% of the population lives in housing with irregular tenure, a situation that is more pronounced in VAAs, where over 50% of residents do not have a property title.<sup>19</sup> Insecure land tenure discourages households from making improvements to their homes,<sup>20</sup> increases residents' social insecurity,<sup>21</sup> and makes it difficult to access credit.<sup>22</sup>
- 1.10 **Cause 2.** Substandard and inequitable access to urban services. In VAAs, only 14.7%<sup>23</sup> of dwellings are connected to the sewer system, and only 3.3% have a formal sewerage connection.<sup>24</sup> In all, 1.7% of dwellings have access to natural gas,<sup>25</sup> while only 30.8% have paved streets, and 51.8% are located near garbage dumps.<sup>26</sup> Lastly, 64% of VAAs flood<sup>27</sup> at least once a year, a rate that will increase due to the effects of climate change ([optional link 8](#)).<sup>28</sup>

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<sup>18</sup> Ibid.

<sup>19</sup> In order for a neighborhood to be registered with RENABAP, at least 50% of households must have insecure land tenure. Disaggregated microdata are not available.

<sup>20</sup> Secure land tenure not only increases the investments that residents make in their dwellings but also raises property values by 25% to 31%, in comparison with the control group ([optional link 20- \[7\]](#)).

<sup>21</sup> [Optional link 20- \[8\]](#).

<sup>22</sup> [Optional link 20- \[9\]](#).

<sup>23</sup> [Optional link 20- \[10\]](#).

<sup>24</sup> RENABAP.

<sup>25</sup> RENABAP.

<sup>26</sup> [Optional link 20- \[10\]](#).

<sup>27</sup> Recurring floods limit human development. The impact evaluation of PROMEBA found that it had a significant effect in reducing the number of households where a member had to be absent from class due to floods.

<sup>28</sup> [Optional link 20- \[11\]](#).

**Table 1. Formal city versus shantytowns and settlements**

Urban services and features	Argentina	Shantytowns and settlements
Formal sewerage connection	70%	3.3%
Natural gas connection	71.2%	1.7%
Urban solid waste collection	93.9%	68.9%
Paved streets	79.4%	30.8%
Proximity to dumps	22.1%	51.8%

Source: IDB, based on data provided by the Department of Social and Urban Integration (SISU) ([optional link 20- \[10\]](#)).

- 1.11 In terms of social infrastructure, neighborhoods lack community amenities such as multipurpose rooms and sports facilities, which can be found in 50% of VAAs.<sup>29</sup> Only 12.24% of these neighborhoods have a plaza or park in the neighborhood, which hinders community-building and harmonious relations among neighbors.<sup>30</sup>
- 1.12 Given that most VAAs are not served by public transportation, the amount of time it takes to walk to a bus stop is longer than the average. For example, while the average distance in the Buenos Aires Metropolitan Area is 600 meters, it is 700 meters or more in most neighborhoods in the sample.<sup>31</sup> In addition, according to data from the single electronic ticket system (SUBE) for public transportation, users from neighborhoods that are far from the center of the metropolitan area have to make more transfers to reach their destination, which increases their travel times.<sup>32</sup>
- 1.13 **Cause 3.** Barriers to social and urban inclusion that limit social capital and development of communities and the local economy. These areas face a range of limitations in accessing social services: (i) low effective coverage of basic healthcare services (only 5.6% of VAAs have health centers,<sup>33</sup> and only 30% of the population received at least one basic healthcare service in the past 12 months, compared with 73% in the rest of the country);<sup>34</sup> (ii) low access to child development and early education services (80% of children from 0 to 4 do not attend childcare centers, versus 68% in the formal city);<sup>35</sup> and (iii) low access to education services (only 3.5% of VAAs have a daycare center, 6.6% have a kindergarten, 5.8% have primary schools in the neighborhood, and 4% have secondary schools).<sup>36</sup> They also experience development gaps: only 15.5% of young people from 18 to 24 in VAAs go on to higher education, compared with 29.7% countrywide.<sup>37</sup> Only 26% of male and female household heads in VAAs

<sup>29</sup> Idem.

<sup>30</sup> Diagnostic assessment of a total of 4,233 RENABAP neighborhoods.

<sup>31</sup> [Optional link 20- \[12\]](#).

<sup>32</sup> [Optional link 20- \[13\]](#).

<sup>33</sup> RENABAP.

<sup>34</sup> Estimates from studying the gender gap in low-income neighborhoods, applying the definition of low-income neighborhoods to ENES data (2015). Estimates are based on data from the Sumar [Rise Up] program for populations in the areas included in the representative project sample.

<sup>35</sup> [Optional link 20- \[14\]](#).

<sup>36</sup> RENABAP.

<sup>37</sup> The average dropout age is 15 ([optional link 20- \[14\]](#)).

have finished secondary school, a figure that improves slightly for residents in low-income housing (38%), compared with 51% of residents in neighborhoods with a regular urban fabric and/or in private gated communities.<sup>38</sup> Poor labor outcomes are also observed: 44.5% of the adult population in VAAs is economically inactive, 39.4% are experiencing employment vulnerability, 22% have a job that does not offer retirement contributions, 9.4% are self-employed in precarious work, 8% are unemployed, and only 16.1% of adults have a registered job.<sup>39</sup>

- 1.14 **Cause 4. Technical and administration limitations of local governments in territorial management.** These limitations affect the ability to ensure a decent habitat for the population. Municipios are the level of government responsible for territorial regulation. However, their capacities are limited in terms of human, financial, and technological resources, which makes it difficult to implement housing policies for social and urban inclusion.<sup>40</sup> Evaluations of PROMEBA point to difficulties in territorial planning, execution, supervision, administrative management of coordination, and cooperation between different levels of government.<sup>41</sup> VAAs also pose significant challenges when it comes to timely and reliable information,<sup>42</sup> which impacts the public policy cycle and hinders the development of accurate diagnostic assessments, thus limiting urban development planning. This is also felt in the lack of tools for project monitoring and evaluation.<sup>43</sup>
- 1.15 **Factors of vulnerability related to gender.** Gender gaps and the lack of access to a decent habitat are interconnected inequalities that limit the social and urban integration of women. The long distances that they must travel to locations offering care or services also restrict their empowerment and economic autonomy.<sup>44</sup> Women and girls living in VAAs experience a heavier burden of care.<sup>45</sup> At the national level, women spend an average of 44.8 hours per week on unpaid work related to domestic activities, versus 23.8 hours for men.<sup>46</sup> In all, 82.8% of children under 2 do not go to childcare centers, and the people who look after them are mainly women (61.5%).<sup>47</sup> In Buenos Aires, 46.2% of households are headed by women.<sup>48</sup> The poverty rate for female household heads is 68%, compared with 60% for their male counterparts.<sup>49</sup> In addition, over 50% of women-led households in VAAs are overcrowded, 10% of which are critically so. Only 12% of households

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<sup>38</sup> [Optional link 20- \[14\]](#).

<sup>39</sup> [Optional link 20- \[5\]](#).

<sup>40</sup> [Optional link 20- \[15\]](#).

<sup>41</sup> IDB. [Project completion report for operation 2662/OC-AR. PROMEBA III](#).

<sup>42</sup> [Optional link 20- \[16\]](#).

<sup>43</sup> Ibid.

<sup>44</sup> The time that women spend on unpaid work is much greater than the time spent by men on the same activities. In Argentina, women spend an average of 15.2 hours on paid work and 42.4 hours on unpaid work per week, while men spend 33.2 hours and 17.3 hours, respectively ([optional link 20- \[17\]](#)).

<sup>45</sup> "Care" is understood as activities for the material and immaterial continuation of life that maintain the social fabric. Generally relegated to the domestic space, these practices range from food preparation and cleaning tasks to physical and emotional support for individuals ([optional link 20- \[18\]](#)).

<sup>46</sup> [Optional link 20- \[19\]](#).

<sup>47</sup> [Optional link 20- \[20\]](#).

<sup>48</sup> [Optional link 20- \[21\]](#).

<sup>49</sup> [Optional link 20- \[22\]](#).

headed by women own the dwelling but not the land,<sup>50</sup> and 80% receive income from up to two sliding-scale minimum living wages (SMVM). Lastly, gender-based violence is an issue that needs to be addressed. Calls to the 137 hotline increased 34% in April 2020 with respect to the previous year<sup>51</sup> ([optional link 7](#)).

- 1.16 **Factors of vulnerability related to diversity.** Population groups considered to be diverse, including persons with disabilities, migrants, and LGBTQ+ individuals, and who reside in VAAs, face greater barriers to social and urban integration. The percentage of the population with disabilities at the national level is 10.2%, compared with 21.3% in the Autonomous City of Buenos Aires and 35% in VAAs.<sup>52,53</sup> In addition, 26.5% of households with persons with disabilities feel it is necessary to make adjustments to their homes due to disability.<sup>54</sup> With respect to the LGBTQ+ population, of the 117 crimes against LGBTQ+ individuals that occurred in the country in 2019, 113 were against trans women. LGBTQ+ individuals also face a 14% unemployment rate (versus 8.2% at the national level)<sup>55</sup> ([optional link 7](#)).
- 1.17 **Factors of vulnerability related to the effects of climate change.** An estimated 45% of VAAs are located in areas exposed to environmental risks and the effects of climate change. For example, nearly 50% of VAAs are located in areas subject to flood risk.<sup>56</sup> They are also more exposed to storms and heat waves,<sup>57</sup> which have increased considerably in Argentina, having doubled in the city of Buenos Aires between 1960 and 2010.<sup>58</sup> The substandard materials used in the construction of dwellings and buildings make them more vulnerable to these types of events. Droughts and heat waves also have a greater impact on these neighborhoods. For instance, 483,000 households in Buenos Aires alone and nearly 100% of degraded areas in the Autonomous City of Buenos Aires, Córdoba, and Santa Fe have been identified as being subject to drought risk. Lastly, since they are not included in urban planning, VAAs do not incorporate measures for adaptation to climate impacts but face significant environmental risks because they are located on cropland, which is more susceptible to soil erosion and contamination.

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<sup>50</sup> [Optional link 20- \[23\]](#).

<sup>51</sup> Calls about domestic violence to the 137 hotline from January 2017 to January 2022.

<sup>52</sup> [Optional link 20- \[24\]](#).

<sup>53</sup> [Optional link 20- \[25\]](#).

<sup>54</sup> Ibid.

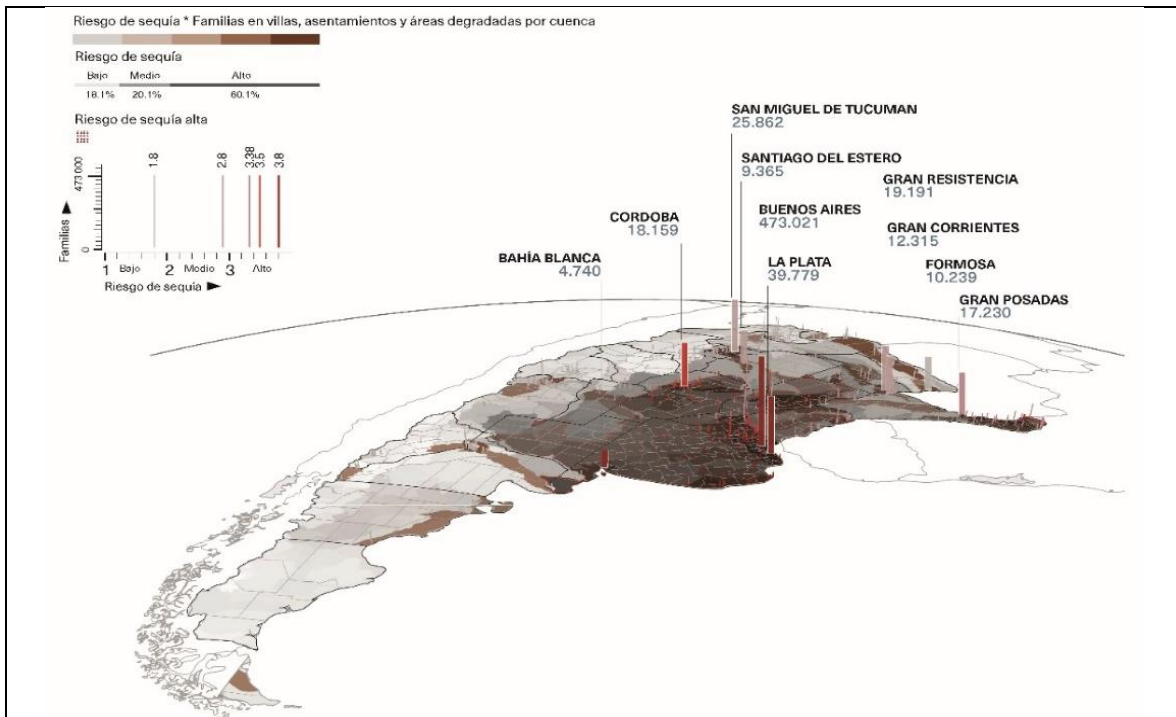
<sup>55</sup> [Optional link 20- \[26\]](#).

<sup>56</sup> Aqueduct data.

<sup>57</sup> [Optional link 20- \[27\]](#). During the 1960-2010 period, an increase was observed in the average temperature throughout most of the country.

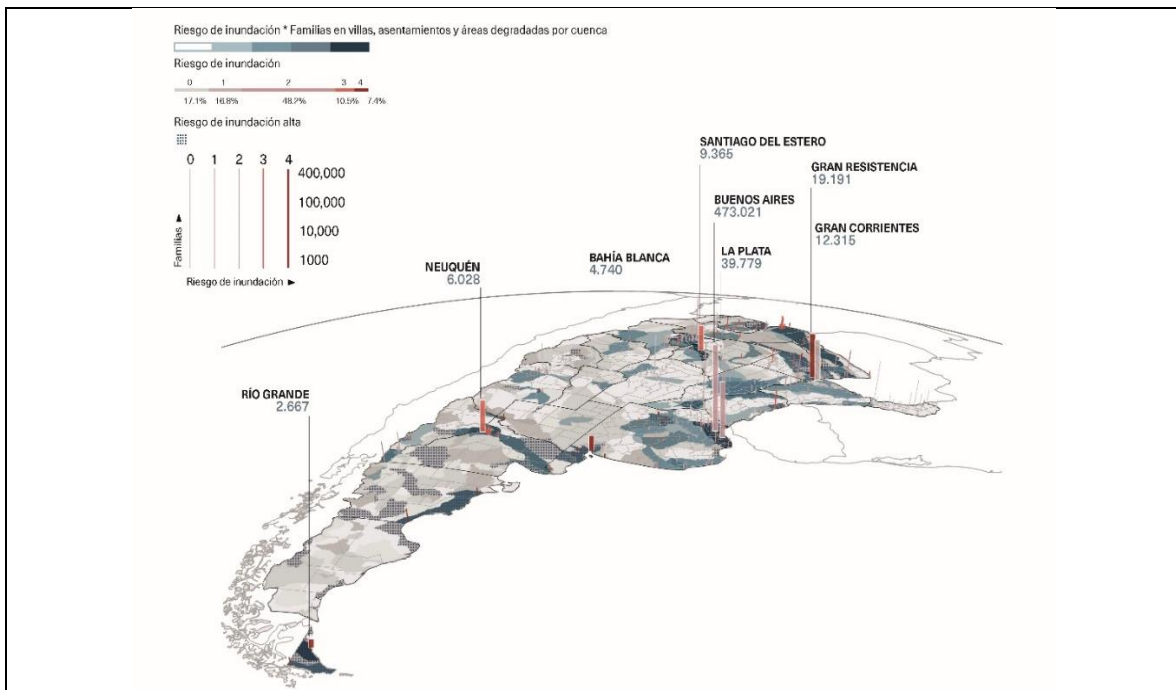
<sup>58</sup> Third National Communication, 2015.

**Map 2. Households in VAAs exposed to drought**



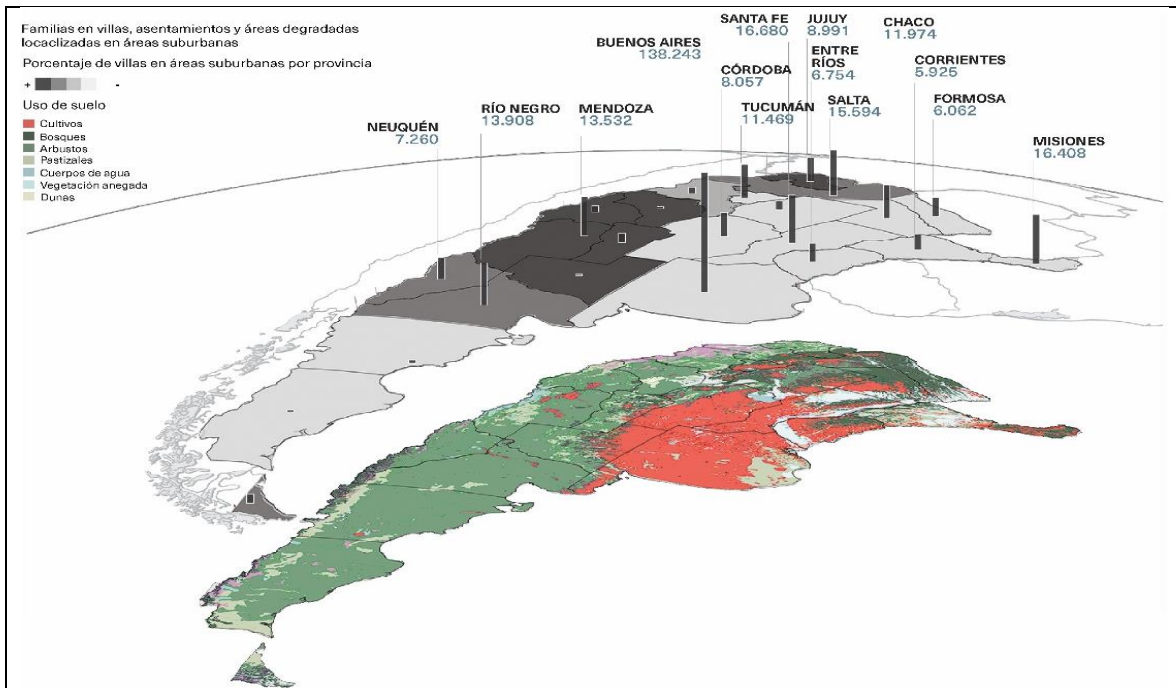
Source: IDB, based on RENABAP data.

**Map 3. Households in VAAs exposed to floods**



Source: IDB, based on RENABAP data.

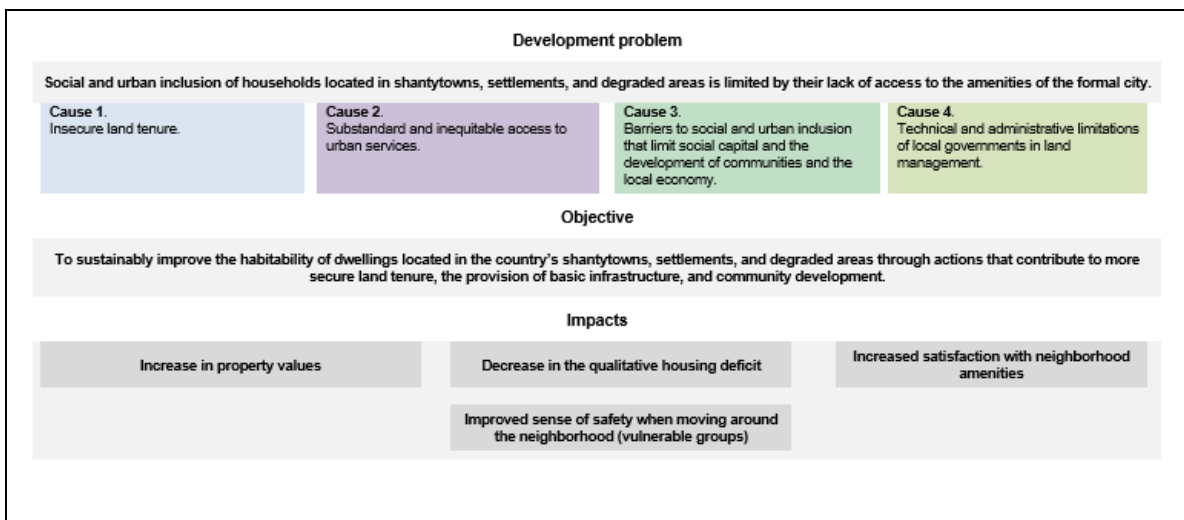
**Map 4. Households in VAAs located in suburban areas and classified by land use**



Source: Prepared by the authors based on RENABAP data.

**1.18 Vertical logic.** As part of the design to make progress toward achieving the general and specific objectives, the program's vertical logic is presented below (Figure 1). It identifies the main problems and describes how this new operation will achieve the desired impacts through the expected outcomes and outputs.

**Figure 1. Vertical logic**





Specific objectives							
Specific objective 1. To increase the security of land tenure for beneficiary households.		Specific objective 2. To improve the quality of life of the inhabitants in each area targeted by the intervention and in the area of influence through different habitat improvement works.		Specific objective 3. To strengthen grassroots community organizations and ensure the participation of neighborhood residents in all phases of the comprehensive project.		Specific objective 4. To enhance the performance of teams in the executing agency, the provincial execution units, and the municipal execution units.	
Indicator 1.1. Households located in targeted neighborhoods that are outside of areas with high climate vulnerability that have increased security of land tenure due to support from the program	Indicator 1.2. Households located in targeted neighborhoods that are outside of areas with high climate vulnerability that have increased security of land tenure due to support from the program, taking into account a gender and diversity perspective	Indicator 2.1. Households with effective access to basic services	Indicator 2.2. Community facilities built with mechanisms for water and energy savings	Indicator 3.1. Community initiative projects and social and human capital strengthening projects carried out satisfactorily	Indicator 3.2. Social and human capital strengthening projects carried out satisfactorily and geared toward the employment of individuals with vulnerability factors related to gender and diversity	Indicator 4.1. Slippage between time scheduled and actual time required to execute the works	Indicator 4.2. Execution units and/or field work teams trained in issues related to gender-based violence, sexual orientation, and gender identity
Indicator 1.3. New lots that are effectively allocated, located outside of areas with high climate vulnerability that have security of land tenure	Indicator 1.4. Households that access new lots that are allocated on the basis of vulnerability factors related to gender and diversity	Indicator 2.3. Targeted areas that have the necessary infrastructure to encourage the use of public transportation and unmotorized transportation	Indicator 2.4. Targeted areas that have the necessary infrastructure for access to a system for trash collection/trash separation/recycling	Indicator 3.3. Line of action executed satisfactorily		Indicator 4.3. Execution units and/or field work teams trained in project management and execution	Indicator 4.4. Execution units and/or field work teams trained in projects geared toward mitigation of and adaptation to the effects of climate change
		Indicator 2.5. Targeted areas whose main road networks are accessible and with criteria for adaptation to climate change, due to support from the program	Indicator 2.7. Households with access to community facilities and/or public spaces built by the operation with criteria for adaptation and mitigation to climate change				

Components							
Component I. Increased security of land tenure.		Component II. Comprehensive urban interventions, provision of urban infrastructure, environmental sanitation, and social facilities.		Component III. Strengthening of grassroots community organizations and community development.		Component IV. Strengthening of management capacity.	
Outputs							
Indicator 1.1. Shantytowns, informal settlements, and degraded areas with regularized urban fabric	Indicator 1.3. Instruments that contribute to increased security of land tenure with a gender and diversity perspective, delivered	Indicator 2.3. Run-down buildings, improved	Indicator 2.4. Residential water connections	Indicator 3.1. Community initiative projects, executed	Indicator 3.2. Lines of action, executed	Indicator 4.1. Workshops, courses, and/or trainings in projects geared toward mitigating and adapting to the effects of climate change, offered to the program's execution units and/or field work teams	Indicator 4.2. Workshops, courses, and/or trainings on gender-based violence, sexual orientation, and gender identity, offered to the execution units and/or field work teams
		Indicator 2.5. Residential connections to adequate sewerage	Indicator 2.6. Electric grids installed			Indicator 4.3. Workshops, courses, and/or trainings on efficient project management and execution, offered to execution units and/or field work teams	
Indicator 1.2. Instruments that contribute to increased security of land tenure for lots that are outside of areas with greater climate vulnerability, delivered		Indicator 2.7. LED public lighting in main access roads installed	Indicator 2.10. Plazas and parks built with at least three integrated climate solutions				
		Indicator 2.9. Pedestrian networks built or improved with universal accessibility for persons with disabilities	Indicator 2.17. Lots acquired or generated by the program that have basic services within a regular urban fabric and are located outside of areas that are more vulnerable to climate impacts				

Note: To access all of the output and outcome indicators, see the online version of the Vertical logic.

- 1.19 According to the theory of change, the project will carry out comprehensive interventions that will increase the security of land tenure, access to basic services and a decent habitat, strengthening of community organizations, and the participation of households residing in VAAs.
- 1.20 The main features of the intervention model include: (i) multisector and interagency management coordinated at the subnational level, with field work teams and neighborhood management groups for intergovernmental coordination; (ii) participation of subnational governments in selecting the neighborhoods and designing, executing, and monitoring the investments; (iii) coordination with provincial and municipal service providers to ensure the proper functioning and maintenance of the public services delivered; (iv) development of community initiative projects<sup>59</sup> to address critical issues and coordinate them with existing social programs to which populations in VAAs have limited access; and (v) promotion of gender equity and environmental sustainability.
- 1.21 In 2007, the Argentine government and the IDB signed a loan contract to develop a CCLIP (AR-X1004)<sup>60</sup> to improve the quality of life and contribute to the urban and social inclusion of Argentine households in population groups residing in shantytowns and settlements.<sup>61</sup> The CCLIP is expected to benefit 250,000 households over a period of 25 years. To date, three loan operations (1842/OC-AR, 2662/OC-AR, and 3458/OC-AR) have been financed under this line, for a total amount of US\$950 million, and have benefitted approximately 165,000 households. Prior to the CCLIP, the Bank financed PROMEBA I (940/OC-AR) in the amount of US\$102 million.

**Table 2. Resources and beneficiaries of PROMEBA I and II**

Loan number	Households served	Amount in US\$ millions (external + local)
PROMEBA I (940/OC-AR)	57,194	170
PROMEBA II (AR-X0004)		
- CLP-1 (1842/OC-AR)	71,888	395
- CLP-2 (2662/OC-AR)	68,317	445
- CLP-3 (3458/OC-AR)	24,533	222

- 1.22 **Sector experience.** The Bank has extensive experience with interventions in VAAs. There has been a learning curve with these programs, which have gone from emphasizing basic infrastructure considerations toward supplementing these with actions focused on social considerations. Noteworthy programs include: in Argentina, the Urban Integration and Social and Educational Inclusion Program in the Autonomous City of Buenos Aires (AR-O0005) and Energy Efficiency and Renewable Energy in Low-income Housing (GRT/FM-15083-AR); in Uruguay, the Program for the Integration of Irregular Settlements (CCLIP UR-X1009); in Brazil, the Nova Baixada Program (1037/OC-BR) and the Joinville Environmental

<sup>59</sup> Community initiative projects are participatory activities that provide technical and social support to community organizations and groups, as defined by a diagnostic assessment of the specific needs of each neighborhood.

<sup>60</sup> The CCLIP was approved in 2007 for a total amount of US\$1.5 billion over a period of 25 years.

<sup>61</sup> The CCLIP comprises the following components: (i) legalization of land tenure; (ii) provision of infrastructure, facilities, and environmental sanitation; (iii) increased social and human capital; and (iv) strengthening of institutions.



Revitalization Program (1909/OC-BR); in Bolivia, the Neighborhood Improvement Multiphase Program (2082/BL-BO); in Paraguay, the Improvement of Housing and Habitat (3538/OC-PR) and the Housing and Rehabilitation Program for Bañado Sur in Asunción (Tacumbú Neighborhood) (4700/OC-PR); in Chile, the Program for the Urban Integration of Informal Settlements (5313/OC-CH); in Colombia, the Integrated Program of Urban Development for the Eastern Zone of Bogotá (238/OC-CO, 344/SF-CO), the District of Barranquilla, Upgrading Informal Settlements Program (ATN/JC-11973-CO and ATN/JF-11972-CO), and the Socio-Urban Integration of Migrants in Colombian Cities Program (GRT/ER-17925-CO), among others; and in Ecuador, the Multiphase Program for Municipal Modernization and Comprehensive Neighborhood Upgrading in Quito, Phase I (1740/OC-EC). This operation also incorporates the lessons learned from previous PROMEBA operations.<sup>62</sup>

- 1.23 **Lessons learned from the CCLIP.** Evaluations of previous operations under the CCLIP show that: (i) interventions require a comprehensive approach;<sup>63</sup> (ii) community involvement in decisions helps strengthen local organization, as well as project ownership and sustainability over time; (iii) the work of multidisciplinary field work teams ensures that a comprehensive approach is taken on the ground and creates an environment for effective coordination and cooperation with communities and different levels of government when it comes to provision of services; (iv) it is critical that efforts are made to strengthen mechanisms for coordination between the different levels of government administration and within each level, with a view toward achieving complementarity with other public policies; (v) appropriate program design depends on an extensive information system based on rigorous data that allows for comprehensive analysis and implementation of monitoring and evaluation systems; (vi) the timing of land regularization programs requires intermediate documents<sup>64</sup> that guarantee security of land tenure and leverage the impact of regularization at an early stage; (vii) a gender and diversity perspective, as well as considerations relating to environmental risk and the effects of climate change, should be mainstreamed into each project; and (viii) the three previous operations deviated by an average of 32% from the programmed execution timelines. This operation will strengthen these aspects, with a focus on modernizing monitoring and planning mechanisms and adjusting the project cycle to ensure that proposed interventions that require financing are identified early on.

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<sup>62</sup> [Optional link 20- \[28\]](#). The experience accumulated over the course of 25 years of support for barrio improvement programs, through PROMEBA or others such as the Rosario Habitat Program (1307/OC-AR), has been recognized in Bank publications and in external literature.

<sup>63</sup> The [impact evaluation of PROMEBA \(CLP-3\)](#) concludes that comprehensive interventions affect the utility function of households in terms of housing welfare and satisfaction, integration into the city, and human development. The results show that improvements to neighborhood conditions, including sanitation infrastructure and public spaces, plazas, community amenities, public lighting, paving, and better accessibility, combined with activities for community participation at the core of the interventions, lead to higher levels of neighborhood satisfaction and citizen security and safety. In addition to land tenure security, these interventions help mobilize greater investment in housing, with clearly positive effects on the satisfaction and wellbeing of inhabitants in the neighborhoods where the program was implemented.

<sup>64</sup> These are legal instruments that recognize legitimate ownership by household members but are not perfect title deeds like housing certificates, certificates of title, or other similar documents.

- 1.24 **Challenges to efficiency.** The project completion report (PCR) for CLP-3 identified three implementation challenges:<sup>65</sup> (i) delays in the bidding phase due to the involvement of different entities in the process and poor coordination; (ii) delays and cost overruns in the execution phase due to unrealistic estimates of the timeframes for project works, which lead to extensions and/or adjustments that affect payment amounts and dates; and (iii) a lack of responsiveness on the part of administrative management due to the limited effectiveness of monitoring tools. The PCR also noted that continued investment is needed in training and improving the performance of subexecution units, with a view to increasing the efficiency of project execution and ensuring project sustainability.<sup>66</sup>
- 1.25 **Rationale.** The fourth individual operation under the CCLIP (CLP-4) is justified by the positive results of PROMEBA in improving the habitability of dwellings in VAAs and by the growing challenges that the country is facing in terms of housing. The Argentine government's decision to give this program priority is based on these results and impacts, which have helped reduce the qualitative housing deficit through comprehensive and crosscutting interventions in the country. The program complements other government efforts to provide housing and is considered an example of targeted public spending, as it operates in the country's most disadvantaged urban areas, serving the most vulnerable population groups.
- 1.26 The executing agency has demonstrated its institutional capacity through the effective execution of CLP-1, CLP-2, and CLP-3. Since 2000, the executing agency has been the Ministry of Territorial Development and Habitat, which took over the implementation-related duties and technical teams of the Ministry of the Interior, Public Works, and Housing.
- 1.27 **Consistency with Bank policies.** CLP-3 has fulfilled the requirements<sup>67</sup> for processing a new individual loan: (i) this individual loan operation is provided for in the sectors and components of the CCLIP; (ii) the operation is included in the country program; and (iii) the executing agency for the project is the same as in the previous project, and the level of performance that it maintains in terms of what the CCLIP finances has not deteriorated. With respect to the previous project: (i) execution performance has been satisfactory, and it is likely that the development objectives will be achieved; (ii) to date, 66.1% of the financing (US\$132.2 million) has been disbursed, and all committed resources are in place to begin processing a new operation under the CCLIP; (iii) the borrower and the executing agency have complied with the contractual conditions of the loan contract and the applicable fiduciary policies of the Bank; and (iv) the audited financial statements have been updated and presented without qualification.
- 1.28 The program complies with the financial sustainability conditions and economic assessment of the Public Utilities Policy (document GN-2716-9) ([optional link 6](#)). The basic infrastructure works are socioeconomically viable. The investment costs are covered by State transfers that are transparently allocated and the purpose of which is to expand capacity in order to provide greater access. To expand public services to eligible neighborhoods, the provincial execution units and municipal

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<sup>65</sup> Barrio Improvement Program (PROMEBA III). Project completion report.

<sup>66</sup> Vera, Felipe and Rodríguez, Sol (2021) in Acevedo, P. et al (Eds), Informando lo Informal. Estrategias para generar información en asentamientos precarios. IDB.

<sup>67</sup> This operation has been prepared in accordance with the eligibility criteria set out in the Proposal for a New Lending Instrument. Conditional Credit Line for Investment Projects (CCLIP) (document GN-2246-1).

execution units obtain the necessary approvals and licenses of the service providers in each province and municipio. Once the works are completed, the subexecuting agencies sign work transfer agreements with the service providers. The agreements include the commitment to operate and maintain the investments in accordance with the regulatory framework in force in the respective province or municipio and in terms consistent with the Bank's policies set out in the [program Operating Regulations \(optional link 11\)](#).

- 1.29 **Strategic alignment.** The program is consistent with the Second Update to the Institutional Strategy (document AB-3190-2) and with the IDB Group's Corporate Results Framework 2020-2023 (document GN-2727-12), since it is aligned with the following development challenges: (i) social inclusion and equality, by helping to reduce poverty and promote equity while addressing gaps in basic infrastructure and access to social services for populations with unmet basic needs; (ii) productivity and innovation, through actions geared toward employment; and (iii) economic integration, through investments in road network improvements that enable better connectivity with the local area. It is also aligned with the following crosscutting themes: (i) gender equity and diversity, through: (a) property titling for women; (b) prioritizing the participation of women, persons with disabilities, and LGBTQ+ individuals in community initiative projects; (c) social and human capital strengthening projects and lines of action; and (d) the incorporation of urban design criteria that improves conditions for universal mobility and diverse populations; (ii) climate change and environmental sustainability, through the following mitigation and adaptation measures: (a) titling settlements and land outside of areas with high climate vulnerability; (b) community amenities that comply with the green building criteria set out in the program Operating Regulations; (c) urban interventions in plazas, public spaces, and/or others that incorporate at least three comprehensive climate solutions (listed in the program Operating Regulations); and (d) LED public lighting and construction of bike lanes and pedestrian walkways; and (iii) institutional capacity and rule of law, including workshops, courses, and training in topics relating to the efficiency of project management and execution, and the development and use of digital technology tools and systems to optimize processes. In all, 56.66% of the operation's resources are invested in climate change mitigation and adaptation activities for the activities indicated, in accordance with the [joint methodology of the multilateral development banks \(optional link 8\)](#).
- 1.30 The operation is consistent with the IDB Group's Vision 2025 (document AB-3266) as its approach is aligned with working toward sustainable and inclusive economic growth through activities to: (i) promote social progress to improve access to and quality of public services, as well as coverage of basic needs, especially housing; (ii) strengthen good governance and institutions, by promoting efficient and effective public spending, public management, and digitalization of the government; and (iii) reinforce interventions that include gender equality, diversity, and climate change considerations. It is also consistent with the IDB Group Country Strategy with Argentina 2021-2023 (document GN-3051), which focuses on poverty reduction and social protection for the most vulnerable. In this regard, the Bank's urban development efforts are noteworthy, as they focus on support for neighborhood improvement programs that benefit low-income groups living in VAAs.
- 1.31 This operation is included in the 2022 Operational Program Report (document GN-3087). It is also consistent with the following Sector Framework Documents:

(i) Housing and Urban Development (document GN-2732-11), by identifying comprehensive urban interventions with citizen participation as one of the Bank's operational lines of action; (ii) Climate Change (document GN-2835-8),<sup>68</sup> by implementing specific mitigation and adaptation measures through planning and design; and (iii) Gender and Diversity (document GN-2800-8), by improving the quality of public services and expanding economic opportunities for women, persons with disabilities, and LGBTQ+ individuals. Additionally, the program is aligned with the Strategy of Sustainable Infrastructure for Competitiveness and Inclusive Growth. (document GN-2710-5), particularly the priority area of supporting the construction and maintenance of environmentally and socially sustainable infrastructure, thus enhancing quality of life.

## **B. Objectives, components, and cost**

- 1.32 The objective of this operation is to sustainably improve the habitability of dwellings located in the country's shantytowns, settlements, and degraded areas through actions that contribute to more secure land tenure, the provision of basic infrastructure, and community development. This CLP-4 is part of CCLIP AR-X1004, which aims to improve the quality of life and contribute to the urban and social inclusion of Argentine households in the poorest segments of the population residing in shantytowns and informal settlements.
- 1.33 The program has four specific objectives: (i) to increase the security of land tenure for beneficiary households; (ii) to improve the quality of life of the inhabitants in each area targeted by the intervention and in the area of influence through different habitat improvement works; (iii) to strengthen grassroots community organizations and ensure the participation of neighborhood residents in all phases of the comprehensive project; and (iv) to enhance the performance of teams in the executing agency, the provincial execution units, and the municipal execution units.
- 1.34 **Component I. Increased security of land tenure. (IDB: US\$1.16 million. Local: US\$0.12 million. Total: US\$1.28 million).** This component will finance technical assistance and other services aimed at achieving: (i) the physical regularization of the target area through legal studies and formalities, property surveys, and demarcation and cadastral registration of new lots; (ii) legal regularization of lots (allocation, sale, or registration) as needed to transfer property title to beneficiaries for lands targeted by the project; (iii) the purchase of lots for rehousing purposes that have or are able to have basic services, and are located in areas subject to low climate risk or to risks that can be mitigated as specified in the risk assessment that will be included in the neighborhood diagnostic assessments; and (iv) the delivery of legal instruments to inhabitants that ensure secure land tenure and location outside of areas with high climate vulnerability, through the adoption of different regularization strategies based on the specific features of each territory. Priority will be given to titling for diverse groups,<sup>69</sup> or women for households headed by women, or shared titling for couples.
- 1.35 **Component II. Comprehensive urban interventions, provision of urban infrastructure, environmental sanitation, and social facilities (IDB: US\$126.73 million. Local: US\$12.67 million. Total: US\$139.4 million).** This component will finance works, technical assistance, and other services that help

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<sup>68</sup> Promoting innovation for the implementation of climate actions in the area of housing and urban development.

<sup>69</sup> Persons with disabilities and LGBTQ+ individuals.

achieve: (i) the execution of basic urban infrastructure networks and connections for water, sewerage, storm drainage, sewage drains (or alternative solution), gas distribution, connectivity, and electrification, along with the respective residential connections;<sup>70</sup> (ii) the execution of pedestrian area and infrastructure and facilities that promote public transportation and nonmotorized mobility, features that help reduce greenhouse gas emissions, and that are inclusive of persons with disabilities; (iii) environmental mitigation works; (iv) the construction of parks and the development of green spaces and recreational areas that incorporate considerations for gender and diversity<sup>71</sup> and climate change mitigation and adaptation through the use of recyclable materials, LED lighting, native plants, absorbent surfaces, and nature-based or similar solutions; (v) the construction and/or improvement of urban and community facilities based on energy efficiency criteria designed in accordance with the bioclimatic conditions of each region and the incorporation of renewable energies; (vi) interventions that respond to, *inter alia*, climate, health, and social contingencies and/or emergencies, such as repairing and/or building housing, community facilities, and similar activities; (vii) works to improve rundown buildings; (viii) infrastructure works and interventions targeting the road and transportation network that improve connectivity with the city and encourage greater use of nonmotorized and mass public transport; (ix) the creation of lots with services that have guaranteed minimum infrastructure and an appropriate location in areas with low climate vulnerability that are suitable for rehousing programs; (x) studies that construct climate scenarios to analyze the viability of long-term land occupation and consolidation; and (xi) the formulation of final project designs to define the strategy and design for the comprehensive project interventions, including minimum climate change considerations. The eligibility criteria and execution mechanisms for expenditures will be described in the program Operating Regulations.

- 1.36 **Component III. Strengthening of grassroots community organizations and community development (IDB: US\$18.28 million. Local: US\$1.83 million. Total: US\$20.11 million).** This component will finance: (i) the formulation and execution of community initiative projects, promoting those geared toward the employment of women, persons with disabilities, and LGBTQ+ individuals; (ii) the formulation and/or execution of social and human capital strengthening projects that address health, early education, addiction, and domestic violence through sport, recreational, and cultural activities for social inclusion, training to improve employability, and support for creating networks of organizations that contribute to local development and the environment, waste collection and treatment, upkeep of green spaces, nature-based solutions, among other similar solutions; (iii) actions for strengthening local economies; (iv) activities that respond to climate, health, and social contingencies and/or emergencies; (v) technical assistance to provide support to and strengthen community ties for families who have to be resettled; and (vi) the planning and execution of basic lines of action in areas such as health promotion and disease prevention, access to and development of information and communication technologies and similar issues.

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<sup>70</sup> Since 2013, elements to ensure energy efficiency in public lighting are being used in the execution of loan 2662/OC-AR, in a manner consistent with the National Program for Rational and Efficient Energy Use (PRONUREE) created by Decree 0140/2007.

<sup>71</sup> Universal accessibility, lighting, lactation rooms, and recreational spaces that are inclusive of persons with disabilities.

For this component, various interdisciplinary field work teams will work on-site conducting participatory workshops and providing training in the communities, as well as facilitating coordination with government agencies, with a view to promoting access to social services. The eligibility criteria and execution mechanisms for expenditures will be described in the [program Operating Regulations](#).

- 1.37 **Component IV. Strengthening of management capacity (IDB: US\$1.78 million. Local: US\$0.18 million. Total: US\$1.96 million).** This component will finance: (i) technical assistance to train and strengthen the units in the technical and fiduciary processes related to the programming and execution of the comprehensive projects; (ii) implementation of capacity-building workshops and/or trainings for social organizations and stakeholders involved in projects that address gender-based violence, sexual and functional diversity, climate action, and serving migrants, among other similar solutions; (iii) the hiring of skilled human resources and the procurement of equipment for the provincial execution units and municipal execution units; (iv) planning, actions, and strategies to minimize the creation of new settlements and expansion of current ones; (v) the procurement, development, improvement, installation, and operation of technological and/or computer tools and storage media; (vi) the development of systems for processing and managing climate information; and (vii) neighborhood diagnostic assessments of climate risk.
- 1.38 **Administration, supervision, evaluation, and auditing (IDB: US\$2.05 million. Local: US\$0.20 million. Total: US\$2.25 million).** The program will finance the following, among others: (i) operating expenses, equipment, and management of the executing agency; (ii) consulting services provided by firms or individual consultants to carry out evaluations, audits, and program administration and supervision activities; and (iii) the strategic evaluation of the program.

### **C. Key results indicators**

- 1.39 This program will serve 50,000 households residing in 39 VAAs. The impact indicators for assessing improvement in the habitability of the VAAs will be: (i) the increase in the average value of property lots in the targeted neighborhoods; (ii) the decrease in the percentage of dwellings experiencing a qualitative deficit; (iii) satisfaction with neighborhood amenities; and (iv) the percentage of more vulnerable population groups that feel safe moving around the neighborhood. The expected outcomes are as follows: (i) increased security of land tenure for beneficiary households; (ii) improved quality of life of the inhabitants in each area targeted by the intervention and in the area of influence through different habitat improvement works; (iii) stronger grassroots community organizations and participation of neighborhood residents in all phases of the comprehensive project; (iv) enhanced performance of teams in the executing agency, provincial execution units, and municipal execution units. The indicators that measure the intervention's results and targets are shown in the Results Matrix (Annex II).
- 1.40 **Economic feasibility.** For the program's economic assessment ([optional link 1](#)), a cost-benefit analysis was conducted of a representative sample of the projects (paragraph 2.1). This evaluation is based on a comparison of incremental costs and benefits, at efficiency prices, in scenarios with and without the project. Benefits were estimated on the basis of the theory that an improvement of urban facility and infrastructure conditions in the neighborhoods will lead to an increase in the value of the dwellings, and that this improvement is a proxy for the benefits generated



by the comprehensive investments in terms of better quality of life for households. The rise in the value of the dwellings as a result of program interventions was estimated on this basis.

- 1.41 The analysis performed on the sample, using a discount rate of 12% and an evaluation horizon of 20 years, yielded a positive net present value equivalent to US\$21.5 million on an investment of US\$45.6 million (US\$33.7 million at efficiency prices) and an economic internal rate of return (EIRR) of 38.2%. In addition, the sensitivity analysis showed that faced with cost increases of up to 40% and reductions in the impact of dwelling appreciation of up to 30%, the EIRR for the sample remains equal to or higher than the discount rate of 12%, confirming that these results are robust vis-à-vis unfavorable scenarios.

## II. FINANCING STRUCTURE AND MAIN RISKS

### A. Financing instruments

- 2.1 This fourth operation under CCLIP AR-X1004 will be structured as a multiple works program, since it will finance several physically similar but independent projects, applying the eligibility and prioritization criteria described in paragraphs 2.11 and 2.12. The analyzed sample includes 13 projects that represent investments of US\$49.78 million, or 30% of the financing (paragraph 2.10), confirming that the program properly reflects the demand for investments in the 39 areas that will be targeted by the intervention. Considering the time required for the property regularization processes and field work in the neighborhoods, as well as the time needed to prepare the final designs and bid processes, a period of four years is planned for the startup of works.
- 2.2 **Cost and financing.** This loan will be issued to the Argentine Republic from Ordinary Capital resources. This program is the fourth individual operation under the CCLIP, for a total of US\$165 million, of which US\$150 million will be financed by the Bank and US\$15 million will be provided by the local counterpart (see Table 3).

**Table 3. Cost and financing (in US\$ millions)**

Components	Bank	Local	Total	%
<b>Component I.</b> Increased security of land tenure	1.16	0.12	1.28	0.78
<b>Component II.</b> Comprehensive urban interventions, provision of urban infrastructure, environmental sanitation, and social facilities <sup>72</sup>	126.73	12.67	139.40	84.48
Improvement of rundown buildings and activities to prevent the creation of new settlements	6.57	0.65	7.23	5.2%
Provision of community facilities and public space	40.45	4.04	44.48	31.9%
Construction and improvement of road and pedestrian networks	37.70	3.77	41.47	29.8%
Infrastructure works and provision of services (sewerage, sanitation, storm drainage, electricity, and gas)	42.05	4.20	46.20	33.1%
<b>Component III.</b> Strengthening of grassroots community organizations and community development	18.28	1.83	20.11	12.19

<sup>72</sup> The costs indicated for each activity are estimates and may vary.

Components	Bank	Local	Total	%
<b>Component IV. Strengthening of management capacity</b>	1.78	0.18	1.96	1.19
Administration, supervision, evaluation, and auditing	2.05	0.20	2.25	1.36
<b>Total</b>	150.00	15.00	165.00	100.00
<b>Percentage</b>	90.91%	9.09%	100%	

- 2.3 **Limitations on disbursements.** In accordance with Enhancing Macroeconomic Safeguards at the Inter-American Development Bank (document GN-2753-11, AB-2990), the disbursement of loan proceeds will be subject to the following maximum limits: (i) up to 15% during the first 12 months; (ii) up to 30% during the first 24 months; and (iii) up to 50% during the first 36 months, in all cases counting from the date on which the loan is approved by the Board of Executive Directors. These limits need not apply insofar as the Bank's policy requirements have been met, provided that the borrower has been notified in writing. The disbursement period will be five years from the effective date of the loan contract (Table 4).

**Table 4. Disbursement schedule (US\$ millions)**

Source of financing/Year	1	2	3	4	5	TOTAL
<b>IDB</b>	22.5	22.5	30.0	37.5	37.5	<b>150.0</b>
<b>%</b>	15	15	20	25	25	<b>100</b>

## **B. Environmental and social risks**

- 2.4 In accordance with the Bank's Environmental and Social Policy Framework (document GN-2965-23), and based on the environmental and social analysis of the projects in the sample, the program has been classified as a category "B" operation, since its expected negative impacts will be moderate, local, and limited primarily to the construction of works phase (dust, noise, soil contamination, erosion and sedimentation due to earthworks, temporary waterlogging, disruptions to vehicle and pedestrian traffic, and risk of accidents). None of the projects in the sample will have negative impacts on natural habitats or cultural sites, nor will they be carried out in indigenous communities.
- 2.5 Three projects in the sample entail the resettlement of a total of 27 families and include the respective resettlement plans, in line with the requirements of the Environmental and Social Policy Framework. Consultations have taken place with stakeholders for all of the projects in the sample. The disaster risk classification is "moderate," due mainly to the risk of floods. The environmental and social analysis of the projects in the sample, the respective environmental and social management plans, and the program's Environmental and Social Management Framework (ESMF) are available on the Bank's website.
- 2.6 The executing agency's environmental and social management system is being developed. **Special contractual conditions precedent to the first disbursement of the financing: (i) the creation of the program implementation team, which will include, at a minimum, the technical officer and the environmental and social specialists for environmental and social management of the program.**



- 2.7 Program works will be designed, built, operated, maintained, and monitored in accordance with the ESMS, ESMF, ESAP, and any other environmental, social, or occupational health and safety plan that is and/or should be prepared during execution.

**C. Fiduciary risks**

- 2.8 During preparation of the program, two medium-high fiduciary risks were identified: (i) if the institutional capacity analysis identifies deficiencies in the subexecuting agencies, program planning could go off track. This risk will be mitigated by: (a) establishing a methodology, in the program Operating Regulations, for the institutional capacity analysis of the subexecuting agencies; and (b) preparing a capacity-building plan for the subexecuting agencies, as needed (training and hiring of human resources, among other activities); and (ii) if there are delays in expenditure accounting due to the highly decentralized execution arrangement, this could lead to delays in program execution. This risk will be mitigated by: (a) defining and formalizing activities, in the program Operating Regulations, for the executing agency to monitor the subexecuting agencies; and (b) carrying out activities to strengthen the subexecuting agencies' capacities in using the executing units for external loans (UEPEX), as well as the procedures and required documentation for substantiating expenditures to the executing agency. The risk mitigation measures are based on the weaknesses and opportunities identified in previous operations under the CCLIP.

**D. Other key issues and risks**

- 2.9 **Program risks.** Two risks have been identified in addition to the fiduciary risks (paragraph 2.7): (i) changes in authorities at the national, provincial, and municipal levels; and (ii) potential difficulties in coordination between different program stakeholders. Mitigation measures are planned for each of these risks.
- 2.10 **Technical considerations.** The representative sample of projects analyzed comprises 13 projects with complete technical designs in the amount of US\$49.78 million, which is equivalent to 30% of the anticipated financing. Some of these projects provide continuity to comprehensive interventions carried out in previous operations under the CCLIP by moving forward on the remaining stages of infrastructure works, environmental sanitation, community facilities, and actions to regularize property. Other projects in the sample are beginning their interventions as part of this new operation. The average values of the interventions by lot<sup>73</sup> and by region, set forth in Annex II to the program Operating Regulations, are aligned with the experience from previous phases, and the mechanisms for updating these values are suitable. In addition, all of the works in the sample comply with the eligibility criteria defined for the program.
- 2.11 **Eligibility criteria.** To be eligible, the projects carried out in VAAs should be viable in the following ways: (i) technically, in that they combine physical and social interventions in the territory; (ii) socioeconomically, in that at least 40% of the target

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<sup>73</sup> As of 2021, the average value by lot and by region is: (i) Buenos Aires/Centro-Cuyo/northeastern Argentina/northwestern Argentina: US\$8,181.79; (ii) northern Patagonia: US\$9,161.93; and (iii) southern Patagonia: US\$10,702.87.

population has unmet basic needs<sup>74</sup> or poor sanitation conditions;<sup>75</sup> (iii) financially, in that investment costs per lot do not exceed the threshold value equivalent to the average cost of public infrastructure per lot and per region; (iv) legally, in that legalization of land tenure is feasible;<sup>76</sup> and (v) environmentally, in that projects are not located in areas with high climate vulnerability, and any resettlements affect a minimum of the residents in VAAs. Projects located in housing complexes with a qualitative deficit will be eligible, with a qualitative deficit defined as: (i) poor access or lack of access to basic services; and/or (ii) recoverable building quality (roofs and/or floors in poor condition, lack of weatherproofing of the building enclosure,<sup>77</sup> damage to elevators, or similar issues). Further details on the eligibility and viability criteria are provided in the program Operating Regulations. In addition, projects with an environmental and social rating of “A” will not be eligible.

- 2.12 **Prioritization criteria.** Priority will be given to projects that: (i) are carried out in areas with major infrastructure deficits; (ii) generate positive urban and social impacts from the intervention; and (iii) are located in areas with climate vulnerability.<sup>78</sup> The Bank will verify compliance with the eligibility and prioritization criteria. The prioritization criteria are specified in the program Operating Regulations, with emphasis on urban complexity criteria and social and urban impact.
- 2.13 **Financial and institutional feasibility.** The analysis performed by the Bank’s fiduciary sector has concluded that the Office of Sector and Special Programs and Projects (DGPPSE) does not have significant institutional, technical, or financial weaknesses; its human resources are well qualified and have the experience necessary to manage the operation with the execution units. The analysis of current and projected financial resources shows that program execution and the counterpart contribution are feasible since the counterpart funds will be provided by the national government and by the participating provinces and municipios.
- 2.14 **Institutional capacity.** The institutional capacity of the executing agency was analyzed using the Institutional Capacity Assessment System (ICAS), which found that it has sufficient institutional capacity to execute the program and achieve the objectives of CLP-4. However, the following actions for improvement were also identified in the ICAS: (i) incorporating, in the program Operating Regulations, an interagency diagram with a description of the interministerial coordination mechanism with other national agencies and subexecuting agencies, a description of the roles and responsibilities of each stakeholder in terms of operational planning, execution by component, procurement processes, financial reporting, and monitoring and evaluation; (ii) designing and implementing a methodology for tracking and monitoring program performance, with a focus on the subexecuting agencies and the inclusion of an institutional capacity assessment at an early stage

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<sup>74</sup> Using the methodological definition from the National Statistics and Census Institute (INDEC).

<sup>75</sup> Sanitation conditions: (i) dwellings without an indoor water connection to the public water mains; and (ii) dwellings with a lavatory that does not have a sewage disposal system with flush toilets connected to a septic tank and well, or to the sewage system. Source: indicator developed by the Ministry of Territorial Development and Habitat.

<sup>76</sup> This means having legal possession of the lots where works will be executed and ensuring that there are no restrictions preventing the transfer of title to the target beneficiaries.

<sup>77</sup> This information comes from a diagnostic assessment implemented by the provincial and/or municipal execution units.

<sup>78</sup> Due to risk of floods and/or landslides.

so that action plans and training can be implemented to mitigate any deviations in execution; (iii) documenting the administrative procedures for managing projects with external financing; and (iv) strengthening the executing agency's team in fiduciary matters to ensure correct execution of the program. The Bank will also provide support for training the teams in the executing agency and subexecuting agencies.

- 2.15 **Sustainability of the interventions.** The program supports the sustainability of the interventions by: (i) transferring methodology and creating capacities to implement interventions in VAAs, which the provinces and municipios then replicate with their own resources for other informal neighborhoods; (ii) strengthening community organizations in the neighborhoods, promoting their coordination with other organizations responsible for providing social services; (iii) signing agreements with the provincial and municipal authorities and the service providers to ensure the subsequent operation and maintenance of the works, through transfer of the works to the service providers, and the requirement to maintain and submit annual reports, among others; and (iv) citizen participation of neighbors in the process of defining the projects and executing the community initiative projects and social and human capital strengthening projects.

### III. IMPLEMENTATION AND MANAGEMENT PLAN

#### A. Summary of implementation arrangements

- 3.1 The borrower will be the Argentine Republic. The executing agency will be the Ministry of Territorial Development and Habitat through the Department of Habitat, which will be responsible primarily for the technical aspects of the operation, and through the Department of Coordination, which will be responsible for the administrative and fiduciary aspects. The executing agency will interface directly with the Bank for this operation.
- 3.2 The program will be executed in a decentralized manner through the provinces and municipios, as program subexecuting agencies. The provinces and municipios will propose projects for potential financing by the program in accordance with the criteria and conditions set out in the program Operating Regulations, which will incorporate lessons learned in the execution of loan 3458/OC-AR, the third individual operation under the CCLIP (AR-X1004).
- 3.3 **As a special contractual condition precedent to the first disbursement of the financing, the borrower will provide evidence of the entry into effect of the program Operating Regulations, in accordance with the terms agreed upon with the Bank.** The program Operating Regulations define the responsibilities of the subexecuting agencies to be included in the framework participation agreement, through which the subexecuting agencies will accept the conditions of the program, including those set out in the contract that the borrower will sign with the Bank and in the program Operating Regulations.
- 3.4 In the subexecuting agencies, project management will be the responsibility of the provincial execution units as the management agencies of the provinces, or of the municipal execution units for municipal executing agencies, provided they have the institutional and technical capacity to do so, as assessed by the executing agency.

- 3.5 **Special contractual condition of execution.** A special contractual condition of execution precedent to the first transfer of proceeds to each subexecuting agency is the executing agency's signature of the framework participation agreement or equivalent agreement with each subexecuting agency, under the terms previously agreed upon with the Bank. In accordance with the program Operating Regulations, the subexecuting agencies will sign, during the corresponding phase, a works execution agreement with the Department of Habitat, and a works transfer agreement with the service providers that will include a commitment to operate and maintain the investments in terms consistent with the Bank's policies (paragraph 1.17).<sup>79</sup> The executing agency will comply with the environmental and social legal requirements set out in Annex B to the environmental and social review summary. The provincial execution units and municipal execution units may be strengthened using program resources.
- 3.6 **Financial management.** The loan proceeds may be disbursed in the form of advances, reimbursements, and/or direct payments.<sup>80</sup> In the case of advances, disbursements will be based on a financial plan<sup>81</sup> to cover program needs for up to six months. The minimum percentage required for replenishment of advances will be 70%, since execution is decentralized and complex. The executing units for external loans (UEPEX) system will be used by the Accounting and Finance Office, which is part of the Department of Coordination, and by the subexecuting agencies, thereby improving the efficiency and effectiveness of financial management. The UEPEX system is already in operation.
- 3.7 **Procurement.** Items financed totally or partially with loan proceeds will be procured in accordance with the Policies for the Procurement of Goods and Works Financed by the Inter-American Development Bank (document GN-2349-15) and the Policies for the Selection and Contracting of Consultants Financed by the Inter-American Development Bank (document GN-2350-15).
- 3.8 **Audits.** During execution, the executing agency will present audited financial statements for the program on an annual basis, pursuant to the requirements established by the Bank in its policies. The audited financial statements will be presented within 120 days after the end of the fiscal year. The program's closing audit reports will be delivered within 120 days after the last disbursement. Audits for this program and previous programs under the CCLIP will be performed by an independent auditing firm pursuant to the terms of reference prepared by the Bank or by the Office of the Auditor General (AGN).
- 3.9 **Retroactive financing.** The Bank may retroactively finance as a charge against the proceeds of the loan, up to US\$22.5 million (15% of the proposed loan amount) in eligible expenditures incurred by the borrower prior to the approval date of the loan and related to program works (Component II) and contracting of technical support staff for the executing agency (Component IV and administration, supervision, evaluation, and auditing), provided that requirements substantially similar to those established in the loan contract have been met. Such expenditures

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<sup>79</sup> See program Operating Regulations, Annex IV.5.

<sup>80</sup> IDB Disbursement Manual, March 2015. Annex III. Disbursement methods (pages 1 and 2).

<sup>81</sup> For the Bank financing, all the estimated month-to-month costs/expenditures, by investment category, for the period covered by the disbursement request; for the local counterpart and other sources, the resources they will contribute to the project during that same period (by investment category).

will have been incurred on or after 15 November 2021,<sup>82</sup> but under no circumstances include expenditures more than 18 months prior to the date the loan was approved. The retroactive financing amount will be subject to the applicable disbursement limits. These expenditures may be financed as a charge against IDB funds or the local counterpart.

**B. Summary of arrangements for monitoring results<sup>83</sup>**

- 3.10 The executing agency has instruments for tracking and monitoring execution that make it possible to determine the agreed-upon output and outcome indicators at the project level, as well as the associated targets for each period. The PROMEBA website provides access to the master project files for all projects.
- 3.11 The following instruments will be used to monitor the program: the multiyear execution plan, annual work plans, annual execution and planning reports, and on-site supervision plans. To monitor fiduciary matters, the executing agency will use the country systems implemented in previous stages, which were satisfactory to the Bank. All project transactions will be performed using the UEPEX system. The required financial reports are: (i) financial execution plan for the six months following the request for an advance; (ii) annual audited financial statements; and (iii) other reports that may be required by the Bank. Procurement will be managed and monitored through the Procurement Plan Execution System (SEPA), which will be kept up to date.
- 3.12 The midterm and final evaluations are the key milestones of the monitoring process. These evaluations will include: (i) the financial execution results; (ii) the achievement of output and outcome targets; (iii) the degree of fulfillment of the environmental and operation and maintenance requirements for works; (iv) the degree of fulfillment of contractual commitments; (v) a summary of the findings of audits performed during execution; (vi) verification of compliance with the investment limits per lot; and (vii) a summary of lessons learned.
- 3.13 The final evaluation will include an ex post economic assessment using the same methodology as the ex ante assessment. The outcome indicators will be evaluated using the reflexive method. The basis for information will be the master project files, and the comprehensive evaluations of project two (EIP2), which are prepared for each neighborhood and monitor all interventions carried out during the program execution period through neighborhood surveys. Once accepted by the Bank, these reports will be made available to the public through the PROMEBA website.
- 3.14 To evaluate program results, the impact indicators will be measured using a before-and-after methodology (simple differences, pre and post). A specialized team will be hired to perform the midterm and final evaluations of the program. In terms of the strategic evaluation activities, the executing agency will be responsible for fiduciary execution, while the Department of Strategic Matters (SAE) will be responsible for technical and methodological execution. The arrangements and methodology for designing and carrying out the evaluations must have the Bank's no objection.

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<sup>82</sup> The date the operation was registered in Convergence.

<sup>83</sup> For further detail, see the [monitoring and evaluation plan](#) (required link 2).

Development Effectiveness Matrix		
Summary		AR-L1341
I. Corporate and Country Priorities		
Section 1. IDB Group Strategic Priorities and CRF Indicators		
Development Challenges & Cross-cutting Issues	<ul style="list-style-type: none"><li>-Social Inclusion and Equality</li><li>-Productivity and Innovation</li><li>-Economic Integration</li><li>-Gender Equality and Diversity</li><li>-Climate Change</li><li>-Institutional Capacity and the Rule of Law</li></ul>	
CRF Level 2 Indicators: IDB Group Contributions to Development Results	<ul style="list-style-type: none"><li>-Beneficiaries of targeted anti-poverty programs (#)</li><li>-Households with improved access to water and sanitation (#)</li><li>-Households with improved access to energy services (#)</li><li>-Beneficiaries of employment support initiatives (#)</li><li>-Enterprises provided with technical assistance (#)</li><li>-Roads built or upgraded (km)</li><li>-Women beneficiaries of economic empowerment initiatives (#)</li><li>-Countries with strengthened gender equality and diversity policy frameworks (#)</li><li>-Targeted beneficiaries of public services that have been adapted for diverse groups (#)</li><li>-Emissions avoided (annual tons CO2 equivalent)</li><li>-Beneficiaries of enhanced disaster and climate change resilience (#)</li><li>-Agencies with strengthened digital technology and managerial capacity (#)</li></ul>	
2. Country Development Objectives		
Country Strategy Results Matrix	GN-3051	
Country Program Results Matrix	GN-3087	The intervention is included in the 2022 Operational Program.
Relevance of this project to country development challenges (If not aligned to country strategy or country program)		
II. Development Outcomes - Evaluability		
		Evaluable
3. Evidence-based Assessment & Solution		
3.1 Program Diagnosis	10.0	
3.2 Proposed Interventions or Solutions	2.5	
3.3 Results Matrix Quality	3.5	
3.3 Results Matrix Quality	4.0	
4. Ex ante Economic Analysis		
4.1 Program has an ERR/NPV, or key outcomes identified for CEA	10.0	
4.2 Identified and Quantified Benefits and Costs	1.5	
4.3 Reasonable Assumptions	3.0	
4.4 Sensitivity Analysis	2.5	
4.5 Consistency with results matrix	2.0	
5. Monitoring and Evaluation	1.0	
5.1 Monitoring Mechanisms	9.5	
5.2 Evaluation Plan	4.0	
5.2 Evaluation Plan	5.5	
III. Risks & Mitigation Monitoring Matrix		
Overall risks rate = magnitude of risks*likelihood	Medium High	
Environmental & social risk classification	B	
IV. IDB's Role - Additionality		
The project relies on the use of country systems		
Fiduciary (VPC/FMP Criteria)	Yes	Financial Management: Budget, Treasury, Accounting and Reporting. Procurement: Information System, National Public Bidding.
Non-Fiduciary	Yes	Monitoring and Evaluation National System.
The IDB's involvement promotes additional improvements of the intended beneficiaries and/or public sector entity in the following dimensions:		
Additional (to project preparation) technical assistance was provided to the public sector entity prior to approval to increase the likelihood of success of the project	Yes	AR-T1264

The objective of the program is to sustainably improve the habitat of households living in slums, settlements and degraded areas of the country through actions that contribute to increase land tenure security, the provision of basic infrastructure and community development. The specific objectives are: (i) to increase the land tenure security of beneficiary households; (ii) to increase the quality of life of the inhabitants of each intervened area and its zone of influence through different habitat improvement works; (iii) to strengthen grassroots community organizations and guarantee the participation of neighborhood residents in all phases of the integral project; and (iv) to improve the performance of the EO teams, the PIUs and the EMUs. The achievement of these objectives will contribute to the overall objective of sustainably improving the habitat of households living in slums, irregular settlements and degraded areas of the country through actions that contribute to land tenure security, the provision of basic infrastructure and community development.

The project presents a complete diagnosis; with a precise description of the current situation of the gaps in access to adequate habitat and quality urban services in Argentina. All specific objectives have outcome indicators and these indicators, included in the results matrix, are SMART. All indicators have means of verification.

The economic analysis of the project was carried out through a cost-benefit analysis (CBA), in which the benefits are estimated based on the valuation of real estate in the neighborhoods of a representative sample. The CBA has reasonable assumptions, uses a rigorous methodology (hedonic pricing) and has an adequate sensitivity analysis. The analysis concludes that the project is economically viable, with an IRR of 38.2%, using a discount rate of 12% and an evaluation horizon of 20 years.

The project includes a monitoring and evaluation plan that is in line with Bank standards. The effectiveness of the proposed intervention will be measured following an ex-post cost-benefit analysis approach and a before-after comparison.

## RESULTS MATRIX

<b>Project objective:</b>	To sustainably improve the habitability of dwellings located in the country's shantytowns, settlements, and degraded areas through actions that contribute to more secure land tenure, the provision of basic infrastructure, and community development. The specific objectives are: (i) to increase the security of land tenure for beneficiary households; (ii) to improve the quality of life of the inhabitants in each area targeted by the intervention and in the area of influence through different habitat improvement works; (iii) to strengthen grassroots community organizations and ensure the participation of neighborhood residents in all phases of the comprehensive project; and (iv) to enhance the performance of teams in the executing agency, the provincial execution units, and the municipal execution units. The achievement of these objectives will contribute to the general objective of sustainably improving the habitability of dwellings located in the country's shantytowns, informal settlements, and degraded areas through actions that contribute to the security of land tenure, the provision of basic structures, and community development.
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### GENERAL DEVELOPMENT OBJECTIVE

Indicators	Unit of measurement	Baseline	Baseline year	Expected year of target achievement	Target	Means of verification	Comments
<b>General development objective: To sustainably improve the habitability of dwellings located in the country's shantytowns, informal settlements, and degraded areas through actions that contribute to the security of land tenure, the provision of basic structures, and community development.</b>							
Indicator 1. Increase in the average value of properties in the targeted areas	%	0	2022	2027	20%	Baseline form and comprehensive evaluation of project two (EIP2)	(*) See required link 2 for definitions and calculation formulas <sup>1</sup>
Indicator 2. Households with a qualitative housing deficit	% of households	To be determined by the baseline (TBDB) <sup>2</sup>	2022	2027	TBDB	Baseline form and EIP2	(*)
Indicator 3. Households satisfied with neighborhood amenities	% of households	TBDB	2022	2027	TBDB	Baseline form and EIP2	(*)
Indicator 4. Women and older adults who feel safe moving around the neighborhood	% of women and older adults	TBDB	2022	2027	TBDB	Baseline form and EIP2	(*)

<sup>1</sup> (\*) For the definitions and calculation formulas, see the monitoring and evaluation plan ([required link 2](#)).

<sup>2</sup> (\*\*) To be determined by the baseline (TBDB). The baseline will be determined at the beginning of the interventions in each shantytown, settlement, and degraded area (VAA).

## SPECIFIC DEVELOPMENT OBJECTIVES

**Specific development objective 1: To increase the security of land tenure.**

[illegible]



**Specific development objective 2: To improve the quality of life of the inhabitants in each area targeted by the intervention and in the area of influence through different habitat improvement works.**

Indicators	Unit of measurement	Baseline	Baseline year	Year 1	Year 2	Year 3	Year 4	Year 5	End of project	Means of verification	Comments
Indicator 2.1. Households with effective access to basic services	% of households in targeted areas	0%	2022	10%	25%	45%	60%	75%	90%	EIP2	(*) (**) • 2.4. Households with improved access to water and sanitation (#) • 2.5. Households with improved access to energy utilities (#)
Indicator 2.2. Community facilities built with mechanisms for water and energy savings, with support from the program	% of community facilities built	0%	2022	25%	35%	50%	50%	50%	50%	Final comprehensive project designs – Provisional acceptance	(*) (**) • 2.19. Emissions avoided (annual tons of CO <sub>2</sub> equivalent)
Indicator 2.3. Targeted areas that have the necessary infrastructure to encourage the use of public transportation and unmotorized transportation due to support from the program	% of targeted areas	0%	2022	0%	5%	10%	15%	30%	60%	Agreements with agencies, final comprehensive project designs, maintenance reports	(*)
Indicator 2.4. Targeted areas that have the necessary infrastructure for access to a system for trash collection, trash separation, or recycling, due to support from the program	% of targeted areas	0%	2022	0%	5%	10%	15%	30%	60%	Agreements with agencies, final comprehensive project designs, maintenance reports	(*)

Indicators	Unit of measurement	Baseline	Baseline year	Year 1	Year 2	Year 3	Year 4	Year 5	End of project	Means of verification	Comments
Indicator 2.5. Targeted areas whose main road networks are accessible and connected to the mass public transit system and to unmotorized transportation	% of targeted areas	0%	2022	0%	5%	10%	25%	30%	70%	Final comprehensive project designs, EIP2, maintenance reports	(*) (**). <ul style="list-style-type: none"> <li>2.20. Beneficiaries of greater resilience to disasters and the effects of climate change (#)</li> <li>2.19. Emissions avoided (annual tons of CO<sub>2</sub> equivalent)</li> </ul>
Indicator 2.6. Targeted areas whose main pedestrian networks are walkable and designed to be universally accessible for persons with disabilities	% of targeted areas	0%	2022	0%	5%	10%	25%	30%	70%	Final comprehensive project designs, provisional acceptance, maintenance reports	(*) (**). <ul style="list-style-type: none"> <li>2.18. Designated beneficiaries of public services that have been adapted to diverse groups (#)</li> <li>2.19. Emissions avoided (annual tons of CO<sub>2</sub> equivalent)</li> </ul>
Indicator 2.7. Households with access to community facilities and/or public spaces built by the operation with criteria for adaptation and mitigation to climate change	# of households	0	2022	0	5,000	10,000	20,000	35,000	35,000	Final execution report	(*) (**). <ul style="list-style-type: none"> <li>2.20. Beneficiaries of greater resilience to disasters and the effects of climate change (#)</li> <li>2.19. Emissions avoided (annual tons of CO<sub>2</sub> equivalent)</li> </ul>
Indicator 2.8. Households with access to community facilities and/or public spaces built by the operation with a gender and/or diversity focus	# of households	0	2022	0	5,000	5,000	5,000	10,000	25,000	Final comprehensive project designs	(*) (**). <ul style="list-style-type: none"> <li>2.18. Designated beneficiaries of public services that have been adapted to diverse groups (#)</li> </ul>

**Specific development objective 3: To strengthen grassroots community organizations and ensure the participation of neighborhood residents in all phases of the comprehensive project.**

Indicators	Unit of measurement	Baseline	Baseline year	Year 1	Year 2	Year 3	Year 4	Year 5	End of project	Means of verification	Comments
Indicator 3.1. Basic lines of action, community initiative projects, and social and human capital strengthening projects carried out satisfactorily	% of community initiative projects and social and human capital strengthening projects	0%	2022	0%	30%	45%	60%	60%	60%	Monitoring reports (annual target form and annual report)	(*)
Indicator 3.2. Community initiative projects and social and human capital strengthening projects carried out satisfactorily and geared toward the employment of LGBTQ+ individuals, persons with disabilities, and/or women	% of community initiative projects and social and human capital strengthening projects geared toward the employment of women and diverse groups	0%	2022	0%	15%	30%	30%	30%	30%	Monitoring reports (annual target form and annual report)	(*) (**) <ul style="list-style-type: none"> <li>2.7. Beneficiaries of employment support initiatives (#)</li> <li>2.16. Female beneficiaries of economic empowerment initiatives (#)</li> </ul>

**Specific development objective 4: To enhance the performance of teams in the executing agency, the provincial execution units, and the municipal execution units.**

Indicators	Unit of measurement	Baseline	Baseline year	Year 1	Year 2	Year 3	Year 4	Year 5	End of project	Means of verification	Comments
Indicator 4.1. Slippage between time scheduled and actual time required to execute the works	%	30%	2022	30%	30%	27%	27%	25%	25%	Annual work plan - annual execution report	(*)
Indicator 4.2. Execution units and/or field work teams trained in issues related to gender identity and gender-based violence	%	0%	2022	0%	25%	50%	75%	100%	100%	Annual execution report – annual target forms	(*) (**) <ul style="list-style-type: none"> <li>2.17. Countries with strengthened gender equality and diversity policy frameworks (#)</li> </ul>

Indicators	Unit of measurement	Baseline	Baseline year	Year 1	Year 2	Year 3	Year 4	Year 5	End of project	Means of verification	Comments
Indicator 4.3. Execution units and/or field work teams trained in project management and execution	%	0%	2022	0%	25%	50%	75%	100%	100%	Annual execution report – annual target forms	(*) (**) • 2.26. Institutions with strengthened management and digital technology capacities (#)
Indicator 4.4. Execution units and/or field work teams trained in projects geared toward mitigation of and adaptation to the effects of climate change	%	0%	2022	0%	25%	50%	75%	100%	100%	Annual execution report – annual target forms	(*)

#### OUTPUTS

Component I: Increased security of land tenure.											
Indicators	Unit of measurement	Baseline	Baseline year	Year 1	Year 2	Year 3	Year 4	Year 5	End of project	Means of verification	Comments
Indicator 1.1. Shantytowns, informal settlements, and degraded areas with regularized urban fabric	Shantytowns, informal settlements, and degraded areas	0	2022	0	5	5	5	10	25	Baseline form and EIP2	(*)
Indicator 1.2. Instruments that contribute to increased security of land tenure for lots that are outside of areas that are more vulnerable to climate impacts, delivered	Instruments for the regularization of property	0	2022	0	1500	2.500	2.500	3.500	10.000	Annual report and annual target form	(*)

**Component II. Comprehensive urban interventions, provision of infrastructure, environmental sanitation, and social facilities.**

Indicators	Unit of measurement	Baseline	Baseline year	Year 1	Year 2	Year 3	Year 4	Year 5	End of project	Means of verification	Comments
Indicator 2.1. Final comprehensive projects designed by the provincial execution units and municipal execution units that incorporate considerations for climate change mitigation and adaptation and are developed with a gender and/or diversity focus	Projects	0	2022	6	6	12	20	6	50	Annual execution report	(*)
Indicator 2.2. Final comprehensive works projects executed that incorporate considerations for climate change mitigation and adaptation and are developed with a gender and/or diversity focus	Projects	0	2022	0	3	7	10	19	39	Final comprehensive project designs – Works certificates – Provisional acceptance	(*)
Indicator 2.3. Rundown buildings, improved	Buildings	0	2022	0	1	0	1	1	3	Final comprehensive project designs – Works certificates – Provisional acceptance	(*)
Indicator 2.4. Residential water connections	Lots	0	2022	0	700	1,600	700	1,600	4,600	Final comprehensive project designs – Works certificates – Provisional acceptance	(*)
Indicator 2.5. Residential connections to adequate sewerage	Lots	0	2022	0	2,800	4,200	2,800	4,200	14,000	Final comprehensive project designs – Works certificates – Provisional acceptance	(*)
Indicator 2.6. Electric grids installed	Electric grid	0	2022	0	1	2	2	3	8	Final comprehensive project designs – Works certificates – Provisional acceptance	(*)
Indicator 2.7. LED public lighting in main access roads installed	Public lighting grid	0	2022	0	5	7	5	7	24	Final comprehensive project designs – Works certificates – Provisional acceptance	(*)

Indicators	Unit of measurement	Baseline	Baseline year	Year 1	Year 2	Year 3	Year 4	Year 5	End of project	Means of verification	Comments
Indicator 2.8. Road networks built or improved	Kilometers	0	2022	0	10	15	15	20	60	Final comprehensive project designs – Works certificates – Provisional acceptance	(*) (**) • 2.13. Roads constructed or improved (kilometers)
Indicator 2.9. Pedestrian networks built or improved with universal accessibility for persons with disabilities	Kilometers	0	2022	0	10	20	10	20	60	Final comprehensive project designs – Works certificates – Provisional acceptance	(*)
Indicator 2.10. Plazas and parks built with at least three integrated climate solutions	Plazas and parks	0	2022	0	5	7	5	8	25	Final comprehensive project designs – Works certificates – Provisional acceptance	(*)
Indicator 2.11. Plazas and parks built with at least three criteria for gender and diversity	Plazas and parks	0	2022	0	5	7	5	8	25	Final comprehensive project designs – Works certificates – Provisional acceptance	(*)
Indicator 2.12. Urban facilities that help mitigate the effects of climate change, installed in the targeted areas	Urban facilities	0	2022	0	5	7	5	8	25	Final comprehensive project designs – Works certificates – Provisional acceptance	(*)
Indicator 2.13. Community facilities designed and built that meet criteria that contribute to mitigating the effects of climate change	Community facilities	0	2022	0	2	3	5	3	13	Final comprehensive project designs – Works certificates – Provisional acceptance	(*)
Indicator 2.14. Supplementary works, finalized	Works	0	2022	0	10	15	10	15	50	Final comprehensive project designs – Works certificates – Provisional acceptance	(*)
Indicator 2.15. Residential gas connections	Lots	0	2022	0	200	200	300	300	1000	Final comprehensive project designs – Works certificates – Provisional acceptance	(*)
Indicator 2.16. Storm drainage systems that contribute to sustainable water management and provide a response to climate change adaptation, finalized	Projects	0	2022	0	2	3	3	5	13	Final comprehensive project designs – Works certificates – Provisional acceptance	(*)

Indicators	Unit of measurement	Baseline	Baseline year	Year 1	Year 2	Year 3	Year 4	Year 5	End of project	Means of verification	Comments
Indicator 2.17. Lots acquired or generated by the program that have basic services within a regular urban fabric and are located outside of areas that are more vulnerable to climate impacts	Lots	0	2022	0	25	50	75	100	250	Annual execution report	(*)

**Component III: Strengthening of grassroots community organizations and community development.**

Indicators	Unit of measurement	Baseline	Baseline year	Year 1	Year 2	Year 3	Year 4	Year 5	End of project	Means of verification	Comments
Indicator 3.1. Community initiative projects and social and human capital strengthening projects, executed	Projects	0	2022	10	20	20	20	20	90	Monthly comprehensive monitoring form – annual target form – annual report	(*)
Indicator 3.2. Basic lines of action	Lines of action	0	2022	48	54	60	30	42	234	Monthly comprehensive monitoring form – annual target form – annual report	(*)

**Component IV: Strengthening of management capacity.**

Indicators	Unit of measurement	Baseline	Baseline year	Year 1	Year 2	Year 3	Year 4	Year 5	End of project	Means of verification	Comments
Indicator 4.1. Workshops, courses, and/or trainings in projects geared toward mitigating and adapting to the effects of climate change, offered to the program's execution units and/or field work teams	Courses/ workshops/ trainings	0	2022	5	5	5	5	5	25	Photographic records of trainings and/or registration list	(*)
Indicator 4.2. Workshops, courses, and/or trainings on gender-based violence and gender identity, offered to the execution units and/or field work teams	Courses/ workshops/ trainings	0	2022	5	5	5	5	5	25	Photographic records of trainings and/or registration list	(*)
Indicator 4.3. Workshops, courses, and/or trainings on efficient project management and execution, offered to execution units and/or field work teams	Courses/ workshops/ trainings	0	2022	5	5	5	5	5	25	Photographic records of trainings and/or registration list	(*)

Indicators	Unit of measurement	Baseline	Baseline year	Year 1	Year 2	Year 3	Year 4	Year 5	End of project	Means of verification	Comments
Indicator 4.4. Information monitoring and management systems that enable social, physical, and financial monitoring of the operation, developed	Monitoring and management systems	0	2022	0	1	1	1	0	3	Annual execution report and final execution report	(*)



## FIDUCIARY AGREEMENTS AND REQUIREMENTS

**Country:** Argentina      **Division:** HUD      **Operation number:** AR-L1341; AR-X1004      **Year:** 2022

**Executing agency:** Ministry of Territorial Development and Habitat

**Name:** Barrio Improvement Program (AR-L1341) Fourth Individual Operation under the Conditional Credit Line for Investment Projects (CCLIP) Established by Agreement on 29 March 2007 (AR-X1004)

### I. FIDUCIARY CONTEXT OF THE EXECUTING AGENCY

1. Use of country systems in the operation (Any system or subsystem that is subsequently approved may be applicable to the operation, in accordance with the terms of validation by the Bank.)

<input checked="" type="checkbox"/> Budget	<input checked="" type="checkbox"/> Reporting	<input checked="" type="checkbox"/> Information systems	<input type="checkbox"/> National competitive bidding
<input type="checkbox"/> Treasury	<input type="checkbox"/> Internal audit	<input 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 mechanisms

<input checked="" type="checkbox"/>	Coexecuting/ subexecuting agencies	The provinces and municipios will be the subexecuting agencies for the program. In the subexecuting agencies, project management will be the responsibility of the provincial execution units as the management agencies of the provinces, or of the municipal execution units for municipal executing agencies, provided they have the institutional and technical capacity to do so, as assessed by the executing agency. The provincial execution units and municipal execution units may be strengthened using program resources. A special contractual condition of execution precedent to the first transfer of proceeds to each subexecuting agency is the executing agency's signature of the framework participation agreement with each subexecuting agency, under the terms previously agreed upon with the Bank.
<input checked="" type="checkbox"/>	Specific fiduciary execution issues	The borrower will be the Argentine Republic. The executing agency will be the Ministry of Territorial Development and Habitat through the Department of Habitat, which will be responsible primarily for the technical aspects of the operation, and through the Department of Coordination, which will be responsible for the administrative and fiduciary aspects. The executing agency will interface directly with the Bank for this operation.

3. Fiduciary capacity

Executing agency's fiduciary capacity	The institutional capacity of the executing agency was analyzed using the Institutional Capacity Assessment System (ICAS), which found that it has sufficient institutional capacity to execute the program and achieve the objectives of CLP-4. However, the following actions for improvement were also identified using ICAS: (i) incorporating, in the program Operating Regulations, an institutional relationship diagram that includes the national agencies and subexecuting agencies that will participate in the program, as well as a description of the roles and responsibilities of each in terms of operational planning, execution by component, procurement processes, financial reporting, and monitoring and evaluation; (ii) designing and implementing a methodology for tracking and monitoring program performance, with a focus on the subexecuting agencies and the inclusion of an institutional capacity assessment at an early stage so that action plans and training can be implemented to mitigate any deviations in execution; (iii) documenting the administrative procedures for managing projects with external financing; and (iv) strengthening the executing agency's team in fiduciary matters to ensure correct execution of the program. The Bank will also provide support for training the teams in the executing agency and subexecuting agencies.
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#### 4. Fiduciary risks and risk response

Risk taxonomy	Risk	Risk level	Risk response
Institutional environment Executing agencies: internal processes	If there are difficulties in assessing the institutional capacity of the subexecuting agencies, it will not be possible to determine the capacity of the provincial and municipal teams before delegating the Bank's fiduciary processes (procurement and financial management), which could lead to deviations in program planning.	Medium-high	This risk will be mitigated by: (i) establishing a methodology, in the program Operating Regulations, for the institutional capacity analysis of the subexecuting agencies for the program, agreed upon with the Bank; and (ii) preparing a capacity-building plan for the subexecuting agencies, as needed.
Executing agency – organizational structure	If there are delays in expenditure accounting due to the highly decentralized execution arrangement, this could lead to delays in program execution	Medium-high	This risk will be mitigated by: (a) defining and formalizing activities, in the program Operating Regulations, for the executing agency to monitor the subexecuting agencies, using the modules and reports of the executing units for external loans (UEPEX) system and establishing submission deadlines, as well as defining measures to be taken in the event of delays; and (b) carrying out activities to strengthen the subexecuting agencies' capacities in using UEPEX, as well as the procedures and required documentation for justifying expenditures to the executing agency.

#### 5. Policies and guidelines applicable to the operation.

Financial Management Guidelines for IDB-financed Projects (document OP-273-12), Policies for the Procurement of Goods and Works Financed by the Inter-American Development Bank (document GN-2349-15), Policies for the Selection and Contracting of Consultants Financed by the Inter-American Development Bank (document GN-2350-15), and the Policy on recognition of expenditures, retroactive financing, and advance procurement (document GN-2259-1; OP-507).

#### 6. Exceptions to policies and guidelines. Not applicable.

## II. CONSIDERATIONS FOR THE SPECIAL PROVISIONS OF CONTRACTS

**Exchange rate:** To render accounts for program resources, the parties agree that the applicable exchange rate will be the rate indicated in Article 4.10(b)(i) of the General Conditions. To determine the equivalency of expenses incurred in local currency and chargeable to the local contribution or the reimbursement of expenditures from the loan, the agreed exchange rate will be the rate in effect on the first working day of the payment month in which the borrower, the executing agency, or any other natural or legal person that has been delegated the authority to make payments, effects the respective payments for contractors, suppliers, or beneficiaries.

**Annual audited financial reports:** The executing agency will present annual audited financial reports on the use of resources, in accordance with the terms of reference agreed with the Bank, within 120 days after the end of the fiscal year. The project's final financial reports will be delivered within 120 days after the date of the last disbursement. External auditing for the program will be performed by an independent auditing firm eligible to audit Bank-financed operations, and selected and contracted pursuant to the terms of reference and contract model previously agreed upon with the Bank or the Office of the Auditor General (AGN).

### III. AGREEMENTS AND REQUIREMENTS FOR PROCUREMENT EXECUTION

<input checked="" type="checkbox"/>	Bidding documents	The procurement of works, goods, and nonconsulting services subject to international competitive bidding under the Bank's procurement policies (document GN-2349-15) will be carried out using either the standard bidding documents issued by the Bank or the bidding documents agreed between the executing agency and the Bank for a particular procurement. Consulting services will be selected and contracted in accordance with the Policies for the Selection and Contracting of Consultants (document GN-2350-15) and will use either the Bank's standard request for proposals document or the request for proposals agreed between the executing agency and the Bank for the selection in question. In the case of national competitive bidding and shopping for goods and nonconsulting services, the Bank's standard models for Argentina will be used, together with the corresponding standard evaluation templates. The review of technical specifications and terms of reference for contracts during preparation of the selection processes is the responsibility of the Project Team Leader. This technical review may be carried out ex ante and is independent of the method of procurement review.
<input checked="" type="checkbox"/>	Use of country systems	The information system will be used. The COMPR.AR system, which was approved as an electronic system for processes under IDB policies, will be used for the procurement of goods and nonconsulting services for amounts up to US\$1.5 million.
<input checked="" type="checkbox"/>	Recurrent expenditures	Recurrent expenditures required for implementing the project will be approved by the Project Team Leader and will be made following the executing agency's administrative procedures, as described in the program Operating Regulations. These procedures will be reviewed and accepted by the Bank, provided that they do not violate the principles of economy, efficiency, and competitiveness (document GN-2331-5).
<input checked="" type="checkbox"/>	Advance procurement/ Retroactive financing	The Bank may retroactively finance as a charge against the proceeds of the loan, up to US\$22.5 million (15% of the proposed loan amount) in eligible expenditures incurred by the borrower prior to the approval date of the loan and related to program works (Component II) and contracting of technical support staff for the executing agency (Component IV and administration, supervision, evaluation, and auditing), provided that requirements substantially similar to those established in the loan contract have been met. Such expenditures will have been incurred on or after 15 November 2021, but under no circumstances include expenditures incurred more than 18 months prior to the date the loan was approved. The retroactive financing amount will be subject to the applicable disbursement limits. In addition, the Bank will examine the process used, which the executing agency carries out at its own risk. These expenditures may be financed as a charge against IDB funds or the local counterpart. (See documents GN-2349-15, GN-2350-15, and GN-2259-1).

<input checked="" type="checkbox"/>	Procurement with community participation	For the execution of activities in comprehensive urban interventions under Component II, procedures for community participation in procurement may be used, based on a basic survey of needs, followed by the selection of construction companies or small-scale contractors at the neighborhood level and by geographic presence. They will be responsible for the following activities, among others: providing estimates and a detailed budget for interventions for each dwelling; supplying materials; managing labor with community participation; certifying the functionality of the infrastructure installed and built, with a view to promoting transfer of knowledge. Selection of the construction companies and small-scale contractors will be based on shopping for unit prices/rates (at least cost) and availability. The details pertaining to execution will be described in the program Operating Regulations.								
<input checked="" type="checkbox"/>	Procurement supervision	<p>Except in cases where ex ante supervision is justified and the procurement plan so indicates, procurement will be subject to ex post supervision. Ex post reviews will be conducted every year in accordance with the project supervision plan, subject to changes over the course of execution. Ex post review reports will include at least one physical inspection visit, selected from among the procurement processes subject to ex post review. The ex post review thresholds are as follows:</p> <table><tr><th>Executing agency</th><th>Works</th><th>Goods/services</th><th>Consulting services</th></tr><tr><td>Ministry of Territorial Development and Habitat</td><td>US\$5 million</td><td>US\$5 million</td><td>US\$200,000</td></tr></table>	Executing agency	Works	Goods/services	Consulting services	Ministry of Territorial Development and Habitat	US\$5 million	US\$5 million	US\$200,000
Executing agency	Works	Goods/services	Consulting services							
Ministry of Territorial Development and Habitat	US\$5 million	US\$5 million	US\$200,000							
<input checked="" type="checkbox"/>	Records and files	The executing agency will be responsible for maintaining files and supporting documentation for procurement, bidding, investments, and proof of payments made with project resources. In addition to paper files, digital files will be maintained for the same purposes and for Bank supervision, in accordance with the terms set out in the program Operating Regulations.								

#### Main procurement items

Item description	Selection method	New procedures/ tools	Estimated date	Estimated cost US\$
<b>Goods</b>				
Purchase of technology and IT equipment	Shopping		October 2022	100,000
<b>Works</b>				
Infrastructure works in the district of Almirante Brown, locality of Rafael Calzada: B° 14 de noviembre and B° San José	National competitive bidding		November 2022	4,465,517
Infrastructure works in the district of La Matanza, locality of Rafael Castillo: B° Latinoamérica, 24 de febrero, 17 de octubre, El Vivero, and El Porvenir	National competitive bidding		November 2022	4,382,605
Infrastructure works in the district Avellaneda, locality of Villa Dominico: Gran Corina	National competitive bidding		November 2022	1,901,832

Item description	Selection method	New procedures/ tools	Estimated date	Estimated cost US\$
Infrastructure works in the district of Presidente Perón, locality of Guernica: Numancia	National competitive bidding		November 2022	2,421,456
<b>Nonconsulting services</b>				
Surveying and subdividing the targeted neighborhoods (Buenos Aires)	Shopping		November 2022	57,567
<b>Consulting services</b>				
Social capital strengthening projects and community initiative projects (Buenos Aires)	Quality- and cost-based selection		July 2022	1,600,000
<b>Individual consultants</b>				
Preparation of the final project design, based on the needs of each neighborhood (Chaco)	3 CVs		August 2022	12,500
Field work teams for the neighborhoods in each jurisdiction (Buenos Aires)	3 CVs		October 2022	91,714

For the procurement plan, see [required link 4](#).

#### IV. FINANCIAL MANAGEMENT AGREEMENTS AND REQUIREMENTS

<input checked="" type="checkbox"/>	Programming and budget	The executing agency is responsible for formulating and programming the annual budget, as well as all the procedures for consolidating the annual budget for approval. As needs arise to increase or reallocate line items, the executing agency will request the modifications and manage the approval process. Budget appropriations are executed through quarterly and monthly accrued commitment installments, which are allocated by the National Budget Office (Ministry of the Economy).
<input checked="" type="checkbox"/>	Disbursements and cash flow	<p><b>Bank accounts.</b> The executing agency will maintain a special account in dollars and an account in pesos at Banco de la Nación Argentina. For accounting and operational purposes, these accounts will be separate and identified for the exclusive management of program resources.</p> <p><b>Financial plan.</b> Disbursements will be made in accordance with a detailed financial plan based on actual program liquidity needs.</p> <p><b>Disbursement methods.</b> The Bank will disburse resources under the advance of funds modality or other modality established in document OP-273-12. Disbursements after the first advance of funds may be processed once supporting documentation has been submitted for 70% of the previous advance, since execution is decentralized and complex.</p> <p>The Online Disbursement electronic platform will be used to manage disbursements.</p>

<input checked="" type="checkbox"/>	Accounting, information systems, and reporting	The executing agency will use the UEPEX system as the financial administration system. It will be used by the central execution unit and the subexecuting agencies. The UEPEX system makes it possible to identify program funds and sources of financing. In accordance with the chart of accounts approved by the Bank, the UEPEX system assigns the program investments by component from the cost table. Cash basis accounting will be used, and the International Financial Reporting Standards will be followed, where applicable, in accordance with national criteria.
<input checked="" type="checkbox"/>	External control and financial reports	<p>External control is performed by the Office of the Auditor General (AGN). As the governing authority for external control, the AGN reports to and assists the National Congress in the control of public sector accounts. Its creation and operation are regulated by Title VII, Chapter I of Law 24,156 on Financial Administration and External Control Systems.</p> <p>In accordance with the terms of references previously agreed upon with the Bank, the program's annual financial statements will be audited by an independent auditor that is acceptable to the Bank, which may be either the AGN or an independent auditing firm.</p>
<input checked="" type="checkbox"/>	Financial supervision of the operation	The initial financial supervision plan will be based on assessments of the executing agencies' risks and fiduciary capacity, through on-site supervision visits and desk reviews, as well as analysis and monitoring of the results and recommendations of the audits of the program's annual financial reports.

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

PROPOSED RESOLUTION DE-\_\_\_/22

Argentina. Loan \_\_\_\_/OC-AR to the Argentine Republic. Barrio Improvement Program. Fourth Individual Operation Under the Conditional Credit Line for Investment Projects (CCLIP) Established by Agreement on 29 March 2007 (AR-X1004)

The Board of Executive Directors

RESOLVES:

That the President of the Bank, or such representative as he shall designate, is authorized, in the name and on behalf of the Bank, to enter into such contract or contracts as may be necessary with the Argentine Republic, as borrower, for the purpose of granting it a financing to cooperate in the execution of the Barrio Improvement Program, which constitutes the fourth individual operation under the Conditional Credit Line for Investment Projects (CCLIP), established by Agreement on 29 March 2007 (AR-X1004), approved by Resolution DE-5/07 on 31 January 2007. Such financing will be in the amount of up to US\$150,000,000, from the resources of the Bank's Ordinary Capital, and will be subject to the Financial Terms and Conditions and the Special Contractual Conditions of the Project Summary of the Loan Proposal.

(Adopted on \_\_\_\_ 2022)