

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

ARGENTINA

FEDERAL SECURITY PROGRAM

(AR-L1255)

LOAN PROPOSAL

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ABBREVIATIONS

AGN	Auditoría General de la Nación Argentina [Auditor General of the Argentine Nation]
BAM	Becoming a Man
BUD	Banco Único de Datos [consolidated database]
CABA	Autonomous City of Buenos Aires
CAF	Andean Development Corporation
ESMR	Environmental and Social Management Report
FONPLATA	Financial Fund for the Development of the River Plate Basin
ICAS	Institutional Capacity Assessment System
ICCE	Instituto Conjunto de Coordinación Estratégica [Joint Strategic Coordination Institute]
INDEC	National Institute of Statistics and Census
LAPOP	Latin American Public Opinion Project
MINSEG	National Ministry of Security
NCVS	National Crime Victimization Survey
PEU	Program execution unit
RCE	Randomized controlled experiment
SAT	Early Warning System of the SNIC
SIIP	Integrated Information System for Provincial Police
SNEEP	National System of Statistics on Sentence Enforcement
SNIC	National Crime Information System
UEPEX	Unidades Ejecutoras de Proyectos con Financiamiento Externo [Executing units of projects with external financing]

PROJECT SUMMARY

ARGENTINA FEDERAL SECURITY PROGRAM (AR-L1255)

Financial Terms and Conditions				
Borrower: Argentine Republic			Flexible Financing Facility ^(a)	
			Amortization period:	25 years
Executing agency: The Argentine Republic, through the National Ministry of Security (MINSEG)			Original weighted average life:	15.25 years
			Disbursement period:	5 years
			Grace period:	5.5 years
Source	Amount (US\$)	%	Inspection and supervision fee:	(b)
IDB (Ordinary Capital)	25,000,000	83.3	Interest rate:	LIBOR-based
Local	5,000,000	16.7	Credit fee:	(b)
Total	30,000,000	100	Currency:	U.S. dollars from the Ordinary Capital
Project at a Glance				
<p>Project objectives. The program's overall objective is to help improve the effectiveness of MINSEG and of subnational governments to reduce the number of murders and robberies in Argentina.</p> <p>The specific objective is to help improve the effectiveness of MINSEG, federal forces, provincial police departments, and municipal governments to reduce the number of (i) murders and (ii) robberies, initially in six priority departments: Morón and Tres de Febrero (province of Buenos Aires); Santa Fe de la Vera Cruz (province of Santa Fe); Córdoba (the capital of the province of Córdoba); Las Heras (province of Mendoza); and Comuna 7 – Bajo Flores (Autonomous City of Buenos Aires).</p>				
<p>Special contractual conditions precedent to the first disbursement of the financing: See paragraph 4.2 of Annex III.</p> <p>Special contractual conditions of execution: See paragraph 4.3 of Annex III and pages 15 to 16 of the Environmental and Social Management Report.</p>				
Strategic Alignment				
Challenges: ^(c)	SI	<input type="checkbox"/>	PI	<input type="checkbox"/>
Crosscutting themes: ^(d)	GD	<input checked="" type="checkbox"/>	CC	<input checked="" type="checkbox"/>
			EI	<input type="checkbox"/>
			IC	<input checked="" type="checkbox"/>

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

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

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

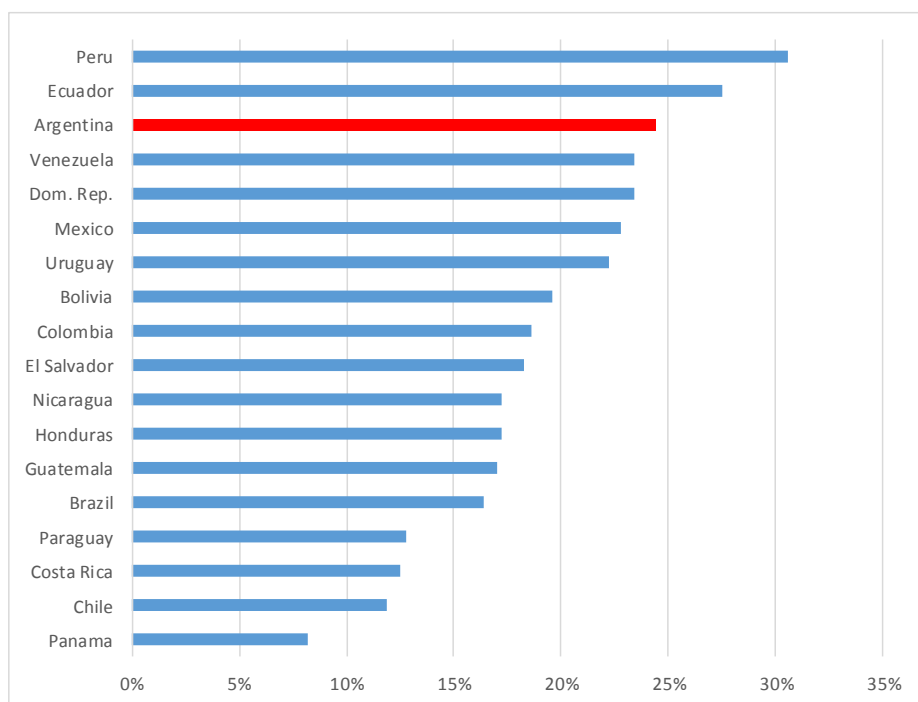
^(d) GD (Gender Equality and Diversity); CC (Climate Change and Environmental Sustainability); and IC (Institutional Capacity and Rule of Law).

I. DESCRIPTION AND RESULTS MONITORING

A. Background, problems addressed, and rationale

- 1.1 **Background.** Insecurity is the top issue of concern among Argentini-ans, of whom 34% consider insecurity the country's most important problem, ahead of corruption, inflation, and unemployment. This is not unusual, given that: (i) 24% of the population have been victims of a crime during the past 12 months, which is the region's third-highest rate (Figure 1); and (ii) 42% of the population said that they feel somewhat or very unsafe in their neighborhood.¹

Figure 1. Crime victimization rates, 2014



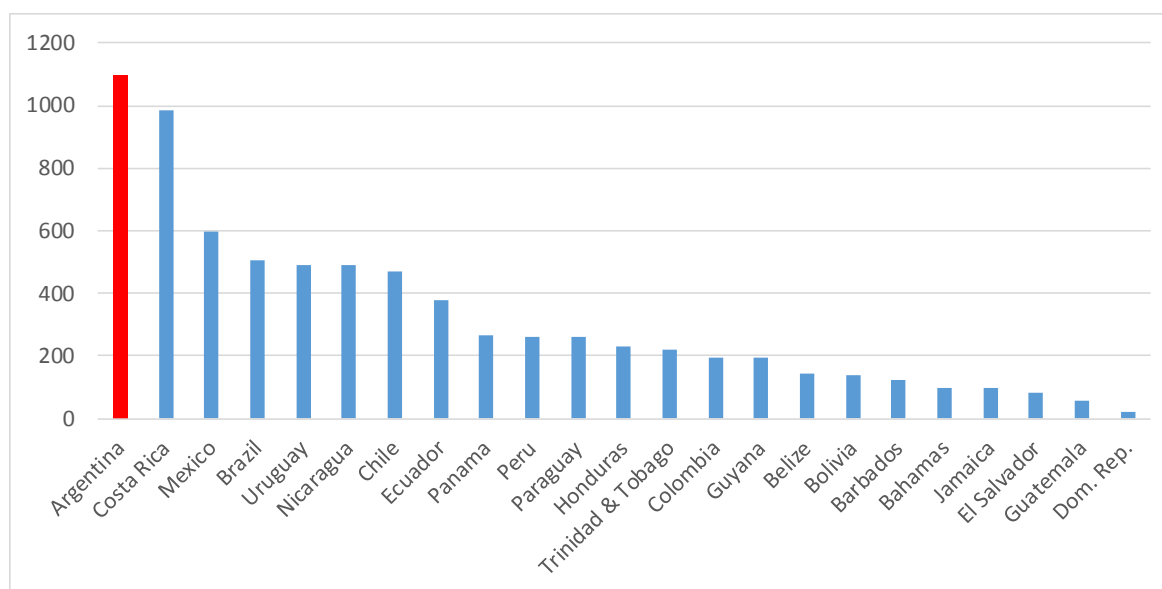
Source: Latin American Public Opinion Project (LAPOP), 2014.

- 1.2 Argentina has the region's highest police-recorded robbery rate. In 2015, 473,068 cases were reported. This represents a rate of 1,096 per 100,000 inhabitants, more than three times the region's average rate of 316 per 100,000 inhabitants (Figure 2). From 2008 to 2015, the rate increased by almost 10%.²

¹ LAPOP, 2014.

² In 2008, the rate was 1,002 per 100,000 inhabitants. National Crime Information System (SNIC) reports for 2015 and 2016.

Figure 2. Recorded robbery rates per 100,000 inhabitants



Source: United Nations Office on Drugs and Crime, 2015 Argentina: SNIC, 2016.

- 1.3 While the murder rate is relatively low when compared with that of the region, it has been increasing. In 2015, 6.6 of every 100,000 inhabitants were victims of murder in Argentina. From 2008 to 2015, the rate increased by 10% and the number of victims by more than 20%, from 2,371 to 2,837 (SNIC, 2016). Of the victims, 86% were men and 58% were ages 15 to 34.³ In 2015, 59% of the homicides of women in the Autonomous City of Buenos Aires (CABA) were femicides and 86% of perpetrators were men.⁴
- 1.4 Robberies and homicides are strongly concentrated in five of the country's 24 jurisdictions; 73% of these crimes occurred in the provinces of Buenos Aires, Córdoba, Santa Fe, Mendoza, and CABA (Table 1).⁵

³ Fleitas (2014), Ministry of Health (2016).

⁴ Office of the Public Prosecutor (2016). *Femicidios y homicidios dolosos de mujeres en la CABA 2015*. Prosecutor's unit specializing in violence against women.

⁵ According to the Ministry of Justice's 2010 Crime Victimization Survey, 65% of the victims of crimes against property did not file a criminal complaint.

Table 1. Concentration of robberies and homicides in Argentina (2015)

Jurisdiction	Robberies		Homicides	
	Number	%	Number	%
Province of Buenos Aires	81,703	17.3%	1,240	43.7%
Province of Córdoba	63,906	13.5%	136	4.8%
Province of Santa Fe	48,553	10.3%	413	14.6%
Province of Mendoza	64,239	13.6%	141	5.0%
CABA	63,042	13.3%	165	5.8%
Total – 5 jurisdictions	321,443	68.0%	2,095	73.8%
Total – country	473,068	100%	2,837	100%

Source: SNIC 2016.

- 1.5 Within these jurisdictions, there is a high concentration in a smaller number of departments/municipios. In 2015, of the 212 departments that make up these five jurisdictions, 81% of the robberies occurred in 44 departments and 81% of the homicides occurred in 38 departments.

Table 2. Concentration by department of robberies and murders in selected jurisdictions, 2015⁶

Province / Number of departments	Robbery		Province / Number of departments	Homicide	
	Number	%		Number	%
Province of Buenos Aires / 134 departments	81,703	100	Province of Buenos Aires / 134 departments	1,236	100
24 departments	64,822	79	22 departments	995	81
Province of Santa Fe / 19 departments	48,520	100	Province of Santa Fe / 19 departments	412	100
2 departments	39,861	82	2 departments	343	83
Province of Córdoba / 26 departments	63,850	100	Province of Córdoba / 26 departments	136	100
1 department	50,869	80	4 departments	109	80
Province of Mendoza / 18 departments	64,214	100	Province of Mendoza / 18 departments	141	100
6 departments	51,169	80	5 departments	112	79
CABA / 15 departments	64,845	100	CABA / 15 departments	157	100
11 municipalities	53,633	83	5 municipalities	124	79
Total – 5 jurisdictions / 212 departments	323,132	100	Total – 5 jurisdictions / 212 departments	2,082	100
44 departments	260,354	81	38 departments	1,683	81

Source: SNIC (2016) and Criminal Statistics Branch (2017).

- 1.6 In this context, the overall problem that this operation seeks to address is the increase in the murder rate and the high rate of robberies in Argentina. Tables 1 and 2 provide a quantitative illustration of the two specific problems that the project focuses on:
- High rates of robberies that are concentrated in five of the country's 24 jurisdictions (68%, see Table 1), and within those five jurisdictions, in 44 of their 212 departments (81%, see Table 2).
 - High rates of homicides that are concentrated in five of the country's 24 jurisdictions (74%, see Table 1), and within those five jurisdictions, in 38 of their 212 departments (81%, see Table 2).

⁶ The provincial subtotals differ from those in Table 1, because Table 2 excludes cases without data from the department where they occurred. The differences are minor and do not result in changes in the rankings.

- 1.7 **Selection criteria for departments targeted for intervention.** Due to limited resources and in order to develop knowledge gradually, the National Ministry of Security (MINSEG) suggested that these problems be addressed in stages. This loan represents the first stage, for which MINSEG is prioritizing six of the departments appearing in Table 2, which have the highest number of robberies and homicides in Argentina. The six departments were selected based on a scoring system with four criteria: (i) strategic relevance; (ii) representativeness; (iii) minimum installed technical capacity; and (iv) value added⁷ (See [Selection Criteria for Departments](#)). There are plans to expand to other priority departments during subsequent phases. These will be selected according to existing criteria and changes in crime statistics data.⁸
- 1.8 The departments selected and their scores are as follows:⁹ Morón (0.65) and Tres de Febrero (0.66) in the province of Buenos Aires; Santa Fe de la Vera Cruz (0.52) in the province of Santa Fe; Córdoba (0.57), the capital of the province of Córdoba; Las Heras (0.56) in the province of Mendoza; and Comuna 7 – Bajo Flores (0.59) in CABA.

Table 3. Priority departments

Province/ Jurisdiction	Department		Population	Robbery - 2015		Homicide - 2015	
				Amount	Rate per 100,000 inhabitants	Amount	Rate per 100,000 inhabitants
Buenos Aires	Tres de Febrero		343,792	5,462	1,589	30	8.73
Buenos Aires	Morón		321,351	2,876	895	22	6.85
Córdoba	Córdoba, the capital		1,414,201	50,869	3,597	90	6.36
Mendoza	Las Heras		222,132	7,279	3,277	37	16.66
Santa Fe	Santa Fe de la Vera Cruz		559,457	8,056	1,440	110	19.66
Autonomous City of Buenos Aires	Comuna 7		239,597	5,965	2,490	38	15.86

- 1.9 There are three types of determining factors that influence the high concentration of both robberies and homicides. They have to do with: (i) the quality of crime data and analysis; (ii) police effectiveness; and (v) local security management.

⁷ The criteria are: (i) strategic relevance: the jurisdictions with the highest concentration of murders and robberies were identified, and they are Buenos Aires, Santa Fe, CABA, Mendoza, and Córdoba; (ii) representativeness: one department was assigned from each of the five jurisdictions in order to guarantee its representation, and the sixth department (in the province of Buenos Aires) was selected based on population. Then, departments with low participation in murder and robbery rates at the subnational level were excluded; (iii) minimum installed technical capacity: the departments that had an office in charge of security at the local level were selected and prioritized based on a combined crime rate; and (iv) value added: if the department selected had already participated in one of the program's interventions, the next department on the list was selected. This happened in CABA, where the "Safe Neighborhoods" Program had already targeted Comuna 1, so Comuna 7 was selected, since it was the department with the next highest homicide rate.

⁸ If the necessary agreements with the municipios involved cannot be reached, other priority departments may be selected for this first stage, according to the established criteria.

⁹ The highest possible value is 1.

- 1.10 **Quality of crime data and analysis.** There is little understanding of the causes, characteristics, and dynamics of robberies and homicides, because:
- a. **There is a lack of quality crime data.** Data is: (i) partial in the case of robberies, given the high level of underreporting (65% of robberies are not reported)¹⁰; and (ii) not very specific, both for robberies¹¹ and homicides (even those that might be femicides),¹² because it includes little information about the victims, perpetrators, and circumstances surrounding the incident.
 - b. **Decision-making to reduce robberies and homicides is not based on quality crime analysis.** There are no reports about robbery hotspots¹³ or about the geographic concentration of homicides¹⁴ that incorporate diverse sources¹⁵ and that are timely and can be evaluated.¹⁶
- 1.11 **Lack of police effectiveness in robbery and homicide prevention,** due to:
- a. Lack of capacity among federal, provincial, and municipal forces and authorities to coordinate and work jointly to prevent, investigate, and design local and provincial plans to reduce robberies and homicides.¹⁷
 - b. Lack of confidence in the police among inhabitants with regard to reporting robberies and poor perception of the integrity of the police force.¹⁸

¹⁰ See Ministry of Justice (2010). A national crime victimization survey (NCVS) with provincial representation has never been conducted, and the few provincial surveys available are not comparable with one another.

¹¹ None of the five priority jurisdictions submit a full SNIC Early Warning System (SAT) property report (location, weapon, motive, gender, age) (MINSEG-IDB report, 2017).

¹² None of the five priority jurisdictions submit a full SAT homicide report (date, time, type of location, weapon, related crimes, motive, information about the victim and the perpetrator and the connection between them) (MINSEG-IDB report, 2017). Pursuant to Law 26791/2012, homicides committed against women in cases presenting certain characteristics must be investigated as femicides. The motives and methods involved in the incident and the type of assault are some of the parameters used to establish whether or not gender violence was involved.

¹³ Only two of the five priority jurisdictions georeference robberies for their entire territory (MINSEG-IDB report, 2017).

¹⁴ Only one of the five priority jurisdictions (Province of Buenos Aires) georeferences homicides for its entire territory (MINSEG-IDB report, 2017).

¹⁵ None of the five priority jurisdictions incorporate information from more than two sources (and two of the five, Mendoza and Córdoba, incorporate it from two sources—prosecutors' offices and police departments) (MINSEG-IDB report, 2017).

¹⁶ None of the five priority jurisdictions publish periodic reports about robberies and homicides (and nationwide, only one report is published annually, which lacks an analysis of hotspots and performance metrics about the interventions conducted) (SNIC-MINSEG report, 2016).

¹⁷ None of the five priority jurisdictions have interjurisdictional security plans to prevent and investigate robberies and homicides (MINSEG report, 2017). In addition, there is no computer record of the protection measures in place by area, which would allow police stations and police officers to be informed about their existence, validity, and compliance (Gender Violence Observatory of the Office of the Ombudsman of the Province of Buenos Aires, 2016, *Monitoreo de Políticas Públicas y Violencia de Género*).

¹⁸ Only 34% of the population said that they have confidence in the police (LAPOP survey, 2015). There are no comparable measurements at the provincial level. None of the five priority jurisdictions have internal affairs oversight offices that are independent of the police or have external control mechanisms (MINSEG report, 2017).

- c. Lack of police capacity to resolve homicide cases because of the lack of specific training in criminal investigation.¹⁹
- 1.12 **Lack of effectiveness of local security management in preventing robberies and homicides**, due to:
- a. The high concentration of robberies in a limited number of microterritories²⁰ because of the “structure of opportunity” existing in those locations, making them particularly attractive and vulnerable to robberies.²¹
 - b. The high concentration of homicides in a limited number of neighborhoods²² with high levels of vulnerability and interpersonal conflicts, particularly those associated with: (i) lack of confidence in the police to resolve conflicts and prevent crime; (ii) lack of community cohesion to prevent violence; and (iii) high levels of youth violence (perpetrated by or against young people)²³ and violence against women (intimate partner violence).²⁴
- 1.13 **Government priorities.** Improving security is a priority for the current administration. A few months after he took office, the president decreed a security emergency for the entire national territory. Ever since, MINSEG has been implementing a new security policy with a strong federal imprint, which is distinguished by three elements that this operation will reinforce:
- a. First, it focuses on federal crimes or complex crimes (for example, illegal markets associated with robberies), while moving away from patrolling to prevent common crimes, which is the responsibility of provincial governments.²⁵ This requires new coordination agencies and new capabilities,

¹⁹ The percentage of homicide cases resolved (with the perpetrator identified) in the five priority jurisdictions is not readily available. In the province of Santa Fe, that percentage is 64% (Office of the Prosecutor, 2016).

²⁰ Tres de Febrero: 87.3% of the robberies occurred in 8.3% of the area in 2016 (Ministry of Security, Province of Buenos Aires); Morón: 74.4% of the robberies occurred in 4.2% of the area in 2016 (Ministry of Security, Province of Buenos Aires); Santa Fe: 48.9% of the robberies occurred in 9 of the 90 neighborhoods in Santa Fe in 2016 (Prevention and Citizen Security Branch, City of Santa Fe); CABA: 25% of the robberies occurred in 4 of CABA's 48 neighborhoods in 2015 (Chief Prosecutor of the Nation, 2016; SNIC, 2016).

²¹ There are important theoretical and empirical developments in criminology regarding this issue, based on situational crime prevention theory (Ronald Clarke, 1997) and routine activity theory (Lawrence Cohen and Marcus Felson, 1979).

²² CABA: 73% of the homicides occurred in 7 of the 48 neighborhoods (15%) (MINSEG, 2016); Santa Fe: 42% of the homicides occurred in 8 of the 90 neighborhoods (8%) (Coexistence and Citizen Security Branch, City of Santa Fe); Morón: 48% of the homicides occurred in 3.8% of the area; Tres de Febrero: 77% of the homicides occurred in 3.5% of the area (Ministry of Security, Province of Buenos Aires).

²³ Young people are the main victims of homicides. In CABA, for example, 64% of homicide victims in 2015 were under the age of 35; and in Santa Fe, the capital, 70% were under that age (Office of the Prosecutor). Young people are also the main perpetrators. In 2015, 62% of Argentina's inmates were ages 18 to 34, and 61% of inmates imprisoned for homicide were in that age group.

²⁴ In 2015, 59% of homicides of women in CABA were femicides and 86% of the perpetrators of women's murders were men (Office of the Public Prosecutor of the Nation). While women are always a lower proportion of homicide victims (17% in CABA), the number grows significantly when attempted homicide is included (49% in CABA).

²⁵ Evidence of this is the withdrawal of the federal police force that was patrolling CABA, and the transfer of 18,000 police officers (plus equipment and infrastructure) to the new city police.

which led to the creation of the Joint Strategic Coordination Institute (ICCE), which this program supports.

- b. Second, it strengthens MINSEG's role as a "second-tier" ministry, apex agency of federal security policy, facilitator of subnational security policies, and coordinator of intergovernmental programs for crimes that combine dimensions of common and combined crimes (like robberies and homicides).²⁶ This program promotes the homogenization of minimum standards for provincial police training programs and the implementation of comprehensive plans for local management of security and for addressing specific problems in vulnerable neighborhoods (Safe Neighborhoods Program).
 - c. Third, it strengthens the crime statistics system to provide precise diagnostics and scientific evidence for the use of cost-effective solutions. This program supports the execution of an annual Crime Victimization Survey with provincial representation (which is unprecedented in the country),²⁷ as well as the strengthening of the SNIC. The addition of innovative crime analysis tools will reinforce this government priority.
- 1.14 There are elements of Argentina's criminal justice system that impact the occurrence of homicides and robberies and are beyond the control of MINSEG and of this program. They include, for example, possible deficiencies of the criminal justice system with regard to monitoring former prison inmates and the effectiveness of programs for their social integration to prevent recidivism.²⁸
- 1.15 **Coordination with international cooperation organizations.** Other multilateral members of the cooperation community involved in citizen security and working with MINSEG are the Andean Development Corporation (CAF), the Financial Fund for the Development of the River Plate Basin (FONPLATA), and the World Bank. The CAF and FONPLATA initiatives, which are in the early stages of execution, as well as the World Bank's initiative, which is being designed, are complementary to this operation. The CAF granted a US\$10 million loan for video surveillance systems in 10 Argentine cities. Only one city, Córdoba, overlaps with the municipios selected. The investment in video surveillance is not part of this loan and complements its approach. FONPLATA granted a US\$40 million loan for border security, particularly along the Northern border. That loan does not duplicate this operation, since none of the six departments are located on the northern border. The World Bank provided a US\$170 million urban development loan for Barrio 31 (CABA) and a US\$30 million province-wide loan for the Carlos Gardel neighborhood (Morón). The latter is one of the neighborhoods being considered for the Safe Neighborhoods Program. There is good complementarity, because the World Bank loan essentially focuses on

²⁶ The Interior Security Department at MINSEG coordinates the Interior Security Council, in which provincial security ministers participate.

²⁷ Until 2016, Argentina had never conducted an NCVS with provincial representation. In 2016, MINSEG and the National Institute of Statistics and Census (INDEC), with support from the Bank's technical cooperation operation AR-T1160, developed this type of survey and piloted it in four jurisdictions. The first survey of what will become an annual series is being conducted in 2017, and will be partly supported by this program.

²⁸ According to official nationwide data, 28.5% of the convicted population had a previous sentence (National System of Statistics on Sentence Enforcement (SNEEP), 2015). According to a survey of inmates in the province of Buenos Aires convicted of federal crimes, 46% had previously been imprisoned (sentenced) or had spent time in a juvenile facility (Bergman, 2016).

infrastructure and urban improvement. While that loan does not include strengthening of neighborhood police (like this program does), it could have an influence through social violence prevention activities. In that case (or any other situation that could require accessory or added interventions), MINSEG, through the program execution unit (PEU) and the National Office for Regional and International Security Cooperation, will facilitate coordination between the World Bank and the IDB to ensure that the support provided is complementary. In all cases, the PEU, which is in charge of implementing all MINSEG loans, will be the main coordination mechanism.

- 1.16 **The Bank's interventions in the sector.** This program, which will be financed as a specific investment loan, will take advantage of the Bank's experience with other projects that focus on reducing robberies and homicides, such as the Comprehensive Citizen Security Program (3875/OC-UR) and the Integrated Local Management Program for Citizen Security (2770/OC-UR) in Uruguay, and the Citizen Security and Inclusion Program in Argentina (2210/OC-AR), and similar projects such as the Citizen Security Program in Ecuador (2584/OC-EC), the Program of Support for the Implementation of the Comprehensive Civic Coexistence and Public Safety Policy in Honduras (2745/BL-HO), the Citizen Security and Justice Programme III in Jamaica (3191/OC-JA), and the Citizen Security Strategy Comprehensive Support Program in El Salvador (2881/OC-ES).
- 1.17 **Lessons learned and relationship to other Bank operations.** For the program's design, the latest thematic evaluation from the Office of Evaluation and Oversight and the lessons learned from similar projects in the region were taken into account. Some of the lessons learned are as follows: (i) Component 1 reflects the need to improve the quality of crime data and analysis to generate and use scientific evidence on effective interventions to reduce violent crime (lessons learned from 2584/OC-EC and 2210/OC-AR); (ii) Component 2 reflects the need to include activities to modernize the police force, turning it into an efficient institution that provides better service to its community and has a closer relationship with the public (lessons learned from 2745/BL-HO, 2770/OC-UR, and 3875/OC-UR); and (iii) Component 3 reflects the need to envisage effective interagency coordination mechanisms, since addressing the multifaceted phenomenon of violence requires multiple thematic and temporal interventions (lessons learned from 3191/OC-JA and 2881/OC-ES).
- 1.18 **Intervention rationale and strategy.** Robberies and homicides alike are affected by three types of similar causes that have to do with the quality of crime data and analysis, police effectiveness, and local management of security. Therefore, the solutions for both types of crimes are organized around these three types of causes, as detailed in the description of the components in the next section of this document. Improving the quality of crime data and analysis will be achieved by conducting periodic crime victimization surveys; improving the police records that feed the SNIC; and developing analysis tools such as a consolidated database (BUD), CompStat, and a situation room. Improving police effectiveness will be achieved by training federal and provincial forces on joint and coordinated work for crime prevention, deterrence, and investigation, in order to strengthen community policing and the integrity of the forces. Local management of security will be strengthened by designing and implementing municipal security plans focused on reducing robberies

and homicides in the six priority departments, using interventions based on evidence of impact.

- 1.19 **Strategic alignment.** The operation is aligned with the IDB country strategy with Argentina 2016-2019 (document GN-2870-1), specifically with the priority of business climate improvement, and with the Bank's strategic objective of increased security for businesses and persons, with proposals that include strengthening of the law enforcement institutions and their capacities, combining crime prevention and control interventions, with an emphasis on reinforcing the crime reporting and analysis systems. This operation is included in the 2017 Country Program Document (document GN-2884). The program is consistent with the Update to the Institutional Strategy 2010-2020 (document AB-3008), and it strategically aligns with the following crosscutting areas: (i) institutional capacity and rule of law (all indicators); (ii) gender equality and diversity (I3.a, I3.b); and (iii) climate change and environmental sustainability, by contributing to improving the effectiveness of citizen security institutions to reduce murder and robberies in prioritized departments. Approximately 3% of the operation's resources will be invested in climate change mitigation activities,²⁹ according to the [Joint Multilateral Development Banks' Report on Climate Finance](#). These resources contribute to the IDB Group's target of increasing financing for climate change projects to 30% of all operations approved by the end of 2020.
- 1.20 In addition, the program aligns with the Corporate Results Framework 2016-2019 (document GN-2727-6) through the indicator "Support for subnational governments benefited by citizen security projects" (R1.1, R1.2, R1.3, R1.4, R1.5, R2.1, and R2.2 benefit the six priority departments); and the indicator "Government agencies benefited by projects that strengthen technological and managerial tools to improve public service delivery" (R1.4 and R2.2 improve the management of MINSEG and police forces for solving crimes). It is also aligned with the Sector Strategy for Institutions for Growth and Social Welfare (document GN-2587-2), in terms of reducing insecurity and violence and supporting public policy, by strengthening the institutional capacities of sector entities. It is also consistent with the Citizen Security and Justice Sector Framework (document GN-2771-3).

B. Objectives, components, and cost

- 1.21 The program's overall objective is to help improve the effectiveness of MINSEG and of subnational governments to reduce the number of murders and robberies in Argentina.
- 1.22 The specific objective is to help improve the effectiveness of MINSEG, federal forces, provincial police departments, and municipal governments to decrease the number of (i) murders and (ii) robberies, initially in the six priority departments: Morón and Tres de Febrero (province of Buenos Aires); Santa Fe de la Vera Cruz (province of Santa Fe); Córdoba, the capital of the province of Córdoba; Las Heras (province of Mendoza); and Comuna 7 – Bajo Flores (Autonomous City of Buenos Aires). The program includes three components:

²⁹ These activities will be related to the implementation of energy efficiency measures at the ICCE.

1.23 **Component 1. Improve the quality of crime data and analysis (US\$7,350,000).**

By providing equipment, software services, technical assistance, and training in two areas:

- a. **Crime data:** (i) strengthen the quality of data that the jurisdictions and departments selected provide to the SNIC (improve primary information systems to complement the SNIC's property and homicide SATs), specifically based on the development and implementation of a new version of the SNIC, with secondary units equipped, analysts who are trained, and georeferencing of the protection measures in place; and (ii) conduct annual national crime victimization surveys with provincial representation, making them available for use.
- b. **Crime analysis:** Develop and implement: (i) an analysis and decision-making model that generates periodic, up-to-date analytical output on robberies, homicides, and femicides, with analysts trained on modern techniques and the incorporation of multiple data sources (BUD);³⁰ and (ii) a performance monitoring system for federal forces and provincial police, with computerized tools for security analysis and management (CompStat, situation room, Integrated Information System for Provincial Police (SIIP), and Integrated Activities and Outcomes System for Federal Forces], with equipped and trained operators, and a police performance indicator system developed and operating.³¹

1.24 **Component 2. Enhance police effectiveness (US\$10,450,000).** The following will be achieved by supporting the design and implementation of the curriculum and the construction and outfitting of the ICCE,³² and supporting training in provincial police academies:

- a. Training of federal forces, provincial police, and managers jointly so that they can design and implement integrated provincial and local plans to reduce robberies and homicides in the departments selected, and acquire skills to conduct specific studies on citizen security and complex criminal cases;³³
- b. Strengthening of the curricula for provincial patrol officers and officials by homogenizing minimum standards for training at the federal level and including modules on community policing that improve the confidence of the

³⁰ The BUD will incorporate data from sources such as federal and provincial security ministries, federal forces and provincial police, judicial branches and prosecutors' offices, the health care system, big data, etc.

³¹ The estimated impact of combining improvements in information and investigation is a 5% decrease in crime (Garicano and Heaton, 2010).

³² The program's financing will cover the design, construction, and outfitting of the ICCE. The estimated cost is US\$5.5 million. MINSEG, through its institutional units, is currently working on the preliminary design of the building, which incorporates various energy efficiency measures.

³³ The impact evaluation of the National Plan for Community Policing by Quadrants in Colombia found that the rates of homicide and crimes against property in the stations that had received training were 18% and 21% lower than the rates for the control. The training increased the plan's implementation levels, improving endogenous and exogenous complementarity, shared responsibility, and problem-solving, and therefore reducing crime (Bulla et al., 2012).

community,³⁴ and external control mechanisms that improve the integrity of the forces;³⁵ and

- c. Training of police officers and security officials at the federal and provincial levels on criminal investigation techniques for robberies and homicides, with the capabilities needed to conduct specific studies on the definition and investigation of femicides, and the handling of reports of violence against women. The courses will include important coordination with the Office of the Public Prosecutor and the judicial system, both to teach the courses and select the students.³⁶

1.25 Component 3. Strengthen local security management (US\$9,700,000). By providing equipment, technical assistance, and training for:

- a. Designing and implementing municipal security programs based on strategic diagnostic assessments of the concentration of robberies and homicides, conducted by municipal violence observatories (which will be created or strengthened, as applicable), and that include patrolling interventions in hotspots to reduce the incidence of robberies in the microterritories where robberies abound.³⁷
- b. Implementing the Safe Neighborhoods Program³⁸ in neighborhoods with high rates of homicide and interpersonal conflicts, through targeted territorial interventions³⁹ that include: (i) outfitting and training of neighborhood prevention police units on community policing, aimed at improving preventive police action and confidence;⁴⁰ (ii) community and social situational crime prevention interventions (community renovation of dilapidated neighborhood sites in unsafe areas), to promote unity and participation in community strategies for homicide reduction;⁴¹ and (iii) interventions aimed at preventing

³⁴ Mazerolle et al. (2013), based on a meta-analysis of 29 impact evaluations of community policing and improved treatment interventions, found a significant increase in perceived confidence in the police, with a 95% confidence level and an odds ratio of 1.75 for the 29 combined evaluations, using a random effects model.

³⁵ Federal forces lack a uniform type of integrity control. While internal control is predominant, it is insufficient. Provincial police departments that will be part of the program are introducing and reinforcing their external control systems (Fernández, 2017).

³⁶ Based on Garicano and Heaton (2010), the estimated impact of combining improvements in information and investigations could be a 5% impact on solving robberies and homicides.

³⁷ Braga (2011) conducted a meta-analysis of five randomized controlled experiments (RCE) on hotspot policing and found a positive, significant treatment effect for four of the five programs analyzed, with a medium average effect size (0.345).

³⁸ This is a recent MINSEG program implemented as a pilot in CABA's Barrio Villa 31/31 bis, which seeks to strengthen the government's presence and reduce the incidence of crime in neighborhoods with high rates of homicide and social conflict. This includes: (i) diagnostic assessment of the community; (ii) social interventions on risk factors; and (iii) community policing.

³⁹ See Bulla et al. (2012) regarding an 18% reduction in homicides through targeted, comprehensive, territorial interventions.

⁴⁰ See Mazerolle et al. (2013).

⁴¹ A targeted intervention in the most dangerous neighborhoods of St. Louis through community policing, situational prevention, community unity, and a major coordination mechanism, which lasted between six and nine months, generated a decrease of 18% to 19% in violence in the implementation area, while violent crimes dropped between 28% and 32% (Koper, C. S., D. Hoffmaster, A. Luna, S. McFadden, and D. Woods, 2010).

violence against women, particularly intimate partner violence that ends in homicide (using methodology from SASA! to change community norms associated with intimate partner violence)⁴² and violence by and against young people (adapting methodology such as Becoming a Man (BAM),⁴³ which includes cognitive-behavioral and socio-educational interventions to reduce school dropout and antisocial behavior).

- 1.26 **Management and evaluations.** Through the loan, with local counterpart resources from MINSEG, the technical team that makes up the PEU, and the operating expenses for its operation, as well as contingencies; and cofinancing with loan proceeds for audits and evaluations.

C. Key results indicators

- 1.27 **The expected results are:** a reduction in the percentage of robbery victims in the population and reductions in the robbery and murder rates in the six departments selected; and an increase in the percentage of the population that says it reported a robbery, the percentage of the population that says it is somewhat or very confident in the police, and the robbery and homicide clearance rate in the six departments selected.
- 1.28 **Beneficiaries.** The program's main beneficiaries will be the residents of the six departments selected who live and pass through areas with a high concentration of robberies or homicides. Component 3 will particularly benefit young people and women in the targeted neighborhoods. This component will also benefit the business sector in these departments, since they will participate in municipal robbery-reduction strategies, which take into account coordination with private security systems in their diagnostic assessment.
- 1.29 **Economic evaluation.** A preliminary cost-benefit analysis showed that the proposed program is economically viable. The net present value was estimated at US\$30.4 million for the 2017-2021 period and US\$428.2 million for the 2017-2036 period. For the former period, the cost-benefit ratio is US\$2.42 for every dollar invested, with an internal rate of return (IRR) of 96.8%. For the latter period, it is US\$20.95 for every dollar invested, with an IRR of 125%. The sensitivity analysis conducted took into account alternative scenarios, exploring both the possibility of some of the assumptions regarding the program not completely coming to fruition as well as exceeding the impacts. Under those scenarios, the program is still financially worthwhile for society. The impact of alternative, more conservative assumptions regarding the monetary value of the benefits was also evaluated, confirming the program's viability (see Economic Analysis, [1.A. Report](#)).

⁴² SASA! is an intimate partner violence prevention program developed by Raising Voices, a nongovernmental organization (NGO). A recent RCE found less social acceptance of intimate partner violence (adjusted risk ratio= 0.54) among both men and women, as well as less physical abuse (adjusted risk ratio=0.48) and sexual abuse (adjusted risk ratio=0.76) in the context of partner relationships for the 12 months prior to the survey (Abramsky, Devries, Kiss, and others, 2014).

⁴³ BAM is a program developed by the University of Chicago and Youth Guidance, an NGO. An RCE conducted among vulnerable adolescents (n=2,740) reported that BAM increased the graduation rate for adolescents from 10% to 23%, while generating a 44% decrease in arrests for violent crimes among beneficiaries. A second RCE for BAM showed a 31% decrease in arrests (Heller, S.B. et al.,2015).

II. FINANCING STRUCTURE AND MAIN RISKS

A. Financing instruments

- 2.1 The program will have a total cost of US\$30 million and will be financed with a US\$25 million specific investment loan (83.3%) from Ordinary Capital resources and a local contribution of US\$5 million (16.7%). Table 4 sets out the budget by component. The disbursement period will be five years, with the annual disbursement flow set out in Table 5. For more details, see the [itemized budget](#).

Table 4. Estimated program costs (in U. S. dollars)

Category	IDB	Local contribution	Total
Component 1. Improve the quality of crime data and analysis	7,150,000	200,000	7,350,000
Component 2. Enhance police effectiveness	7,950,000	2,500,000	10,450,000
Component 3. Strengthen local security management	9,700,000	-	9,700,000
Administration and evaluations	200,000	2,300,000	2,500,000
Total	25,000,000	5,000,000	30,000,000

Table 5. IDB annual disbursement flow (in U.S. dollars)⁴⁴

2017	2018	2019	2020	2021	Total
3,356,000	14,515,000	6,750,000	325,000	54,000	25,000,000

B. Environmental and social risks

- 2.2 Program execution will be governed by the [program's Operating Regulations](#) and the [Environmental and Social Management Report \(ESMR\)](#). The ESMR summarizes the environmental and social management results and recommendations to ensure the operation's environmental and social sustainability. The borrower commits, through the executing agency, to executing program activities in accordance with the environmental and social criteria and recommendations of the program's Operating Regulations, as well as the ESMR and the program's Environmental and Social Management Plan. The special contractual conditions for environmental and social management are set out on page 8 of the [ESMR](#).
- 2.3 According to the Environment and Safeguards Compliance Policy (Operational Policy OP-703, B.5), the operation has been classified as a category "B" operation. The socio-environmental impacts of this operation are those typical of the construction of a 2,000-square-meter, two-floor building on a 3-to-5 hectare parcel of land. The building will be the headquarters of the ICCE, where police training will take place. The impacts will be short-term and moderate, and have well-known

⁴⁴ There are some differences in the annual disbursement flows and financing needs included in the multiyear execution plan due to: (i) reimbursement of eligible expenses; and (ii) advances of funds that will cover subsequent periods. Once the actual loan signature date and fulfillment of conditions precedent to disbursement are known, estimates will be adjusted as applicable.

management measures. The operation's social risks are related to police integrity. This includes the lack of preparation of police departments to provide special attention to vulnerable populations (female victims of violence, immigrants, at-risk youth, etc.). An [environmental and social analysis](#) was therefore conducted, and was published on 19 April 2017. The update includes the results of the public consultation, a document published on 9 June 2017 (final version of the [Environmental and Social Analysis](#)). However, the operation is designed to address those very social issues and offers valuable opportunities to do so and to strengthen police integrity. Since 1999, experience has been gained in this area from Bank-financed operations such as the Program of Support for the Implementation of the Comprehensive Civic Coexistence and Public Safety Policy in Honduras (HO-L1063), which had good outcomes.⁴⁵

- 2.4 This proposed operation will follow the [IDB Risk Mitigation Guidelines for Engaging with Police and Correction Services](#). The components will finance specific activities for that purpose, including training on ethics with applied modules on gender, diversity, and human rights, in order to train the police force on how to respond to those issues while patrolling. The operation will not finance goods or activities that are prohibited by the Bank's policies. For more information on social and environmental issues and how they are being handled, please see the [ESMR](#).

C. Fiduciary risks

- 2.5 A risk analysis of MINSEG was conducted using the program's risk management methodology and the [institutional capacity assessment](#). This analysis revealed a satisfactory level of development in its institutional capacity. However, with regard to fiduciary, financial, and procurement matters, the risk level is medium. Risks that were identified include potential program execution delays due to the slow learning curve for implementing the Bank's financial and procurement procedures because of the PEU's lack of experience in implementing IDB projects; the possible lack of coordination among the operation's actors; delays in bidding processes; deficiencies in managing goods and inventory; and ineligibility of some procurement. The mitigation measures are: conducting ex ante review of some procurement processes; contracting staff with previous experience in managing projects with international institutions; preparing a series of educational materials and flowcharts for fiduciary processes; and implementing procedures and conducting training activities on the IDB's financial and procurement policies for the institutional strengthening of the executing agency, as detailed in Annex III.

D. Other project risks

- 2.6 During program preparation, a total of seven nonfiduciary risks were identified; two were evaluated as high risk, three as medium risk, and the remainder as low risk. The high risks (public management and governance) are: (i) delays in program execution due to possible difficulties generating agreement on the selection of neighborhoods for new Safe Neighborhood interventions (Subcomponent 3.b), or possible difficulties in reaching agreements with provincial actors (security ministries, provincial police, etc.), in order to implement improvements. To mitigate

⁴⁵ The lessons learned within the framework of social risk management in Honduras included: (i) to strengthen the integrity of national police in Honduras; and (ii) to strengthen the training plan for new police officers, including a module on human rights and a culture of lawfulness.

these risks, a round of individual visits to the provinces and municipios selected has been planned, to present the program and sign the agreements needed for its implementation. The medium risks are potential difficulties in sustaining over time the benefits to be achieved under the program, in terms of reducing crime rates (sustainability risk); the loss of reputation for the program due to any incidents of violence, abuse, or lack of police integrity during the local interventions in Component 3 (reputational risk); and a decrease in the program's impacts caused by possible resistance to change from stakeholders (public management and governance risk). To mitigate these risks, there are plans for the PEU to monitor them. Specifically for any situations involving a lack of police integrity, the training programs include strengthening actions, with specific modules on police ethics. Major measures that the national and subnational governments are implementing in this regard, like the creation or strengthening of external control offices for police, were taken into account.⁴⁶

- 2.7 MINSEG will be responsible for the operation and for maintaining the investments made under the framework of the program, and for providing continuity and scaling the prevention actions implemented.⁴⁷ The sustainability of the investments is supported by their alignment with State policies, such as the creation of the ICCE, which was established by presidential decree and has its own operation and maintenance budget, and medium- and long-term planning.

III. IMPLEMENTATION AND MANAGEMENT PLAN

A. Summary of implementation arrangements

- 3.1 **Borrower and executing agency.** The borrower is the Argentine Republic and the program's executing agency will be MINSEG, through a PEU that is hierarchically attached to the Administrative Management Section of the Department of Coordination, Planning, and Training. The PEU's main planned functions include: (i) budgeting and planning; (ii) procurement; (ii) financial management and administration; and (iv) monitoring of physical and financial compliance with program targets. The PEU will have a technical team consisting of: (i) the general coordinator to be appointed by the head of MINSEG's Department of Coordination, Planning, and Training, who will act as the Bank's interlocutor; (ii) a monitoring and technical evaluation specialist; (iii) an administration, accounting, and finance specialist; and (iv) a procurement specialist.
- 3.2 To execute the components and ensure the coordination of program execution within MINSEG, the PEU will operate in close cooperation with technical sections such as the Department of Interior Security, the Department of Security, and the Department of Coordination, Planning, and Training. This will be accomplished by

⁴⁶ Examples include the Office of Transparency and External Control, a deconcentrated agency of CABA's Ministry of Security and Justice; the Office of the Auditor General for Internal Affairs, an external agency attached to the Ministry of Security of the Province of Buenos Aires; and the Police Control Division, within MINSEG's orbit, which since 2016 has required all federal police officers to submit sworn asset statements, implemented a personal protection system to promote the filing of police corruption complaints, and promotes a unified code of misdemeanors.

⁴⁷ MINSEG will develop an annual maintenance plan for the investments and will submit it to the Bank during the program execution period, within the first quarter of each calendar year.

designating technical liaisons who will be responsible for internal follow-up in each of the areas involved in the program's actions.

- 3.3 **The program will have a centralized execution mechanism.** For specific actions in each of the beneficiary municipios, MINSEG and those municipios will sign bilateral agreements that establish the specific responsibilities of the parties and the deadlines stipulated for every intervention. Overall, MINSEG is responsible for contracting, financing, and supervising the activities agreed upon with the municipios, while the municipios are responsible for facilitating and supporting the implementation of those activities by promoting synergies with local governments' activities. Details about each agreement will be included in the program's [Operating Regulations](#).
- 3.4 **Procurement of goods, services, and works.** The procurement of goods, works, and consulting and nonconsulting services will be conducted pursuant to the Policies for the Procurement of Works and Goods Financed by the IDB and the Policies for the Selection and Contracting of Consultants Financed by the IDB (documents GN-2349-9 and GN-2350-9, respectively). Both were approved in March 2011. Any procurement must be included in the [procurement plan](#) approved by the Bank through the Procurement Plan Execution System, and the methods and ranges set forth therein, as described in Annex III, Fiduciary Agreements and Requirements. Financial management will follow the Financial Management Guidelines for IDB-financed Projects (Operational Policy OP-273-6). The program provides for an agreement to be signed with INDEC to conduct a National Crime Victimization Survey (NCVS), which is included in Output 1.10 (NCVS, disaggregated at the provincial level). This will be done using the single-source selection modality, pursuant to section 3.10(d) of document GN-2350-9.⁴⁸
- 3.5 **Retroactive financing.** The Bank will recognize retroactive financing for eligible expenditures incurred by the borrower prior to the loan approval date for works, goods, and nonconsulting and consulting services, for up to 20% of the proposed loan amount (approximately US\$5 million), provided that they satisfied requirements substantially similar to those established in the loan contract. Such expenditures must have been made on or after 15 March 2017 (project profile approval date), but in no case may they include expenditures incurred more than 18 months prior to the date the loan is approved by the IDB's Board of Executive Directors.
- 3.6 **Local contribution.** The Bank may recognize, as part of the resources of the local contribution, expenses incurred between 15 March 2017 and the date of approval of the loan proposal for the procurement of works, goods, and nonconsulting and consulting services for up to the equivalent of US\$1 million, provided procurement conditions substantially similar to those established in the loan contract have been met.
- B. Summary of arrangements for monitoring results**
- 3.7 **Monitoring.** A system will be implemented for the monitoring and evaluation of program execution, which will focus on two levels: (i) fulfillment of the execution of

⁴⁸ The reason for the single-source selection of INDEC is that this is the government's specialized agency producing surveys and statistics. It has broad experience in this field, both in collecting data and processing and analyzing it, which it does on an ongoing basis.

program activities; and (ii) fulfillment of the outcome and output indicators included in the results matrix. The monitoring will be composed of: (i) results matrix; (ii) [multiyear execution plan](#); (iii) [annual work plan](#); (iv) [monitoring and evaluation plan](#); (v) [procurement plan](#); (vi) risk management analysis; (vii) progress monitoring reports; (viii) semiannual progress reports; (ix) audited financial statements; (x) terms of reference for consulting services; and (xi) administration missions or monitoring/inspection visits. A joint meeting between the executing agency and the Bank will take place annually, to discuss, among other matters: (i) the progress made in the activities identified in the [annual work plan](#); (ii) the level of compliance with the indicators established in the results matrix for every component; (iii) the [annual work plan](#) for the following year; and (iv) the [procurement plan](#) for the following 12 months and potential modifications to the budget allocations for each component.

- 3.8 The characteristics of each of the instruments and other characteristics of the program's monitoring are detailed in the [monitoring and evaluation plan](#). The PEU will select and competitively contract a monitoring and evaluation specialist, based on Bank-approved terms of reference. This person will be responsible for managing a system to monitor all the components, which will be used to prepare all the reports and data to be submitted to the IDB periodically, as detailed in the monitoring and evaluation plan.
- 3.9 **Evaluation.** There will be midterm, final, and impact evaluations covering technical, administrative, and financial matters, as well as ongoing monitoring of the results matrix. External evaluations will focus on the scope of the impacts, results, and output delivery, and will also try to identify the inputs with the biggest impact. The midterm evaluation will be conducted after disbursement of at least 50% of the resources or two and a half years after the entry into force of the loan contract, whichever occurs first. The final evaluation will be conducted after disbursement of at least 90% of the resources. The monitoring process and both evaluations will comprise a mechanism to verify the validity of the change theory (or several theories, depending on each component) and allow for adjustments, if necessary. The aforementioned mechanisms and instruments will also be used to report the results of the monitoring, which in turn will be a source of information to prepare the project completion report. There will also be an impact evaluation of hotspot policing, using the differences-in-differences evaluation method with propensity score matching, pursuant to the methodology described in Annex III of the [monitoring and evaluation plan](#).

Development Effectiveness Matrix		
Summary		
I. Corporate and Country Priorities		
1. IDB Development Objectives	Yes	
Development Challenges & Cross-cutting Themes	-Gender Equality and Diversity -Climate Change and Environmental Sustainability -Institutional Capacity and the Rule of Law	
Country Development Results Indicators		
2. Country Development Objectives	Yes	
Country Strategy Results Matrix	GN-2870-1	Greater security for businesses and people.
Country Program Results Matrix	GN-2884	The intervention is included in the 2017 Operational Program.
Relevance of this project to country development challenges (If not aligned to country strategy or country program)		
II. Development Outcomes - Evaluability		
3. Evidence-based Assessment & Solution	Evaluable	
3.1 Program Diagnosis	6.7	
3.2 Proposed Interventions or Solutions	1.8	
3.3 Results Matrix Quality	2.4	
3.3 Results Matrix Quality	2.5	
4. Ex ante Economic Analysis	10.0	
4.1 The program has an ERR/NPV, a Cost-Effectiveness Analysis or a General Economic Analysis	4.0	
4.2 Identified and Quantified Benefits	1.5	
4.3 Identified and Quantified Costs	1.5	
4.4 Reasonable Assumptions	1.5	
4.5 Sensitivity Analysis	1.5	
5. Monitoring and Evaluation	6.8	
5.1 Monitoring Mechanisms	2.3	
5.2 Evaluation Plan	4.6	
III. Risks & Mitigation Monitoring Matrix		
Overall risks rate = magnitude of risks*likelihood	Medium	
Identified risks have been rated for magnitude and likelihood	Yes	
Mitigation measures have been identified for major risks	Yes	
Mitigation measures have indicators for tracking their implementation	Yes	
Environmental & social risk classification	B	
IV. IDB's Role - Additionality		
The project relies on the use of country systems		
Fiduciary (VPC/FMP Criteria)	Yes	Financial Management: Budget, Accounting and Reporting, External Control. Procurement: nformation System.
Non-Fiduciary	Yes	Strategic Planning National System, 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:		
Gender Equality		
Labor		
Environment		
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		
The ex-post impact evaluation of the project will produce evidence to close knowledge gaps in the sector that were identified in the project document and/or in the evaluation plan		

Note: (*) Indicates contribution to the corresponding CRF's Country Development Results Indicator.

The objective of the operation is to improve the effectiveness of the Ministry of Security (MINSEG) and subnational governments in reducing homicides and robberies in Argentina. The specific objectives are to contribute to improving the effectiveness of MINSEG, federal forces, provincial police and municipal governments to reduce homicides and robberies in the six prioritized departments.

The main problem is the increase in the rate of homicides and the high rate of robberies in Argentina, which are concentrated in five of the country's 24 jurisdictions. These problems are adequately quantified. However, the determinants associated with levels of youth violence (perpetrated by or against youth) and partner violence are not clearly identified.

The loan proposal clearly identifies the potential beneficiaries of the project. The project's vertical logic is clear and well specified. The link between interventions and problems has been adequately established. However, the project does not present adequate evidence of external or internal validity of the proposed solutions.

The Result Matrix is adequately constructed and contains the required elements for monitoring the project results. The proposed impact, outcomes and output indicators are SMART. However, the result indicator R2.1 is inadequately disaggregated to track outcomes by gender.

The loan proposal includes an ex ante Economic Analysis where the economic benefits have been clearly quantified and the costs reflect real resource costs to the economy. The estimated Net Present Value (NPV) is US\$ 30.4 million and the Internal Rate of Return (IRR) 97%. The assumptions used are clearly presented and a sensitivity analysis is performed undertaking variations in key assumptions. The documentation includes an ex post economic evaluation proposal using the same methodology to recalculate the IRR and the NPV.

The loan proposal includes an adequate monitoring and evaluation plan. The program proposes to carry out an impact evaluation, but the proposal is not considered adequate.

The documentation includes a risk matrix. Two risks were classified as High. Mitigation measures are identified, and adequate monitoring indicators proposed.

RESULTS MATRIX

Project objectives:	<p>The program's overall objective is to help improve the effectiveness of the Ministry of Security (MINSEG) and of subnational governments to reduce the number of murders and robberies in Argentina.</p> <p>The specific objective is to help improve the effectiveness of MINSEG, federal forces, provincial police departments, and municipal governments to reduce the number of (i) murders and (ii) robberies, initially in the six priority departments: Morón and Tres de Febrero (province of Buenos Aires); Santa Fe de la Vera Cruz (province of Santa Fe); Córdoba (the capital of the province of Córdoba); Las Heras (province of Mendoza); and Comuna 7 – Bajo Flores (Autonomous City of Buenos Aires).</p>
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EXPECTED IMPACT

Indicators	Unit of measure	Baseline	Baseline year	2017	2018	2019	2020	Final target (2021)	Means of verification	Comments
Strengthen the capabilities of MINSEG and of subnational governments to reduce the number of robberies and murders in Argentina										
I.1 Population ages 15 and older who were victims of a robbery in the past 12 months in Argentina	%	9.2 ¹	2010	11.8*	10.2	9.9	9.5	9.2	NCVS (MINSEG-INDEC), to be published on MINSEG's website ²	Based on Braga (2005) https://rd.springer.com/article/10.1007%2Fs11292-005-8133-z , which found that the average effect of hotspot policing on violent crime is 34.5%. This assumes that, in each priority department, the intervention will focus on different groups of hotspots, where each group represents one quarter of the robberies in the department. These groups are treated sequentially, one per year, with a 20% impact on each group after the first year of introducing hotspot policing, and a 5% impact during each of the three subsequent years. The overall impact for each

¹ The latest data available are being used (Crime Victimization Survey, Ministry of Justice, 2011). These numbers will be updated when the 2017 National Crime Victimization Survey (NCVS) from MINSEG and the National Institute of Statistics and Census (INDEC) becomes available.

² MINSEG-INDEC have made an institutional commitment to publish an annual NCVS starting in 2017. The surveys for 2017, 2020, and 2021 will be financed with MINSEG resources, while the surveys for 2018 and 2019 will be financed from the proceeds of the loan.

Indicators	Unit of measure	Baseline	Baseline year	2017	2018	2019	2020	Final target (2021)	Means of verification	Comments
										group will be the same or lower than what the literature suggests. Since 68% of the robberies are in these six priority departments, the expected impact for Argentina is 13.6% for the first year of intervention, and 3.4% for every subsequent year that the intervention continues. ³
I.2 Robbery rate per 100,000 inhabitants in the past 12 months in Argentina	Number of police records	1,027 ⁴	2015	1,158*	1,177	1,192	1,202	1,207	SNIC/Early Warning System (SAT) reports, to be published on MINSEG's website INDEC, to be published on INDEC's website	Based on Braga (2005), which found that the average effect of hotspot policing on violent crime is 34.5%; a conservative decrease of 20% in the number of robberies during the first year of intervention and 5% during every subsequent year in the intervention area were decided on. ⁵
I.3 Homicide rate per 100,000 inhabitants in the past 12 months in Argentina	Number of police records	6.6 ⁶	2015	6.48*	6.42	6.35	6.27	6.18	SNIC/SAT and MINSEG reports, to be published on MINSEG's website	Based on Bulla et al (2012) http://archive.ideaspaz.org/images/Informe%20Fip%2018%20PNVCC_web.pdf A reduction of 18% in homicide rates was found; a conservative decrease of 10% in the number of homicides during the first year of intervention and of 3% during every subsequent year in the intervention area were decided on. ⁷
I.3.a Homicide rate, male victims per 100,000 men	Number of police records	11.4	2015	11.2*	11.2	11.0	10.9	10.7		

³ To estimate the indicators for 2011-2017 (without intervention), the average growth rate for 2007-2015 was extrapolated (based on recorded robbery data, SNIC).

⁴ The latest data available are being used (National Crime Information System (SNIC), 2016), and will be updated when 2017 data from the SNIC becomes available.

⁵ To estimate the unavailable rates for 2016 and 2017 (without intervention), the growth rates for 2007-2015 were extrapolated (SNIC).

⁶ Ibid footnote 5.

⁷ Ibid footnote 6.

Indicators	Unit of measure	Baseline	Baseline year	2017	2018	2019	2020	Final target (2021)	Means of verification	Comments
in the past 12 months in Argentina ⁸										
I.3.b Homicide rate, female victims per 100,000 women in the past 12 months in Argentina	Number of police records	1.9	2015	1.9*	1.9	1.9	1.8	1.8		

* Estimated data assuming that the intervention has not had an effect yet and that the rate will change according to the same trend as before the operation.

⁸ Out of the total for the country, the proportion of victims by gender has remained relatively stable in recent years. Approximately 85% of the victims are males (SAT, SNIC, 2016). To estimate I.3.a and I.3.b, it was assumed that this proportion remained the same throughout the intervention and the rates were calculated accordingly.

EXPECTED OUTCOMES

Indicators	Unit of measure	Baseline	Baseline year	2017	2018	2019	2020	Final goal (2021) ¹	Means of verification	Comments ¹
Specific objective 1. Help improve the effectiveness of MINSEG, federal forces, provincial police departments, and municipal governments to reduce the number of robberies in six of the program's departments: Morón and Tres de Febrero (province of Buenos Aires); Santa Fe de la Vera Cruz (province of Santa Fe); Córdoba (the capital of the province of Córdoba); Las Heras (province of Mendoza); and Comuna 7 – Bajo Flores (Autonomous City of Buenos Aires).										
R1.1 Population ages 15 and older who were victims of a robbery in the past 12 months in the six priority departments	%	9.2 ⁹	2010	11.8*	10.2	9.9	9.5	9.2	NCVS (MINSEG-INDEC), to be published on MINSEG's website Impact evaluation	Ibid comment I.1.
R1.2 Robbery rate per 100,000 inhabitants in the past 12 months in the six priority departments	Number of police records	Comuna 7: 2,490	2015	2,322*	2,144	1,968	1,795	1,626	SNIC/SAT and MINSEG reports, to be published on MINSEG's website Impact evaluation	Ibid comment I.1.
		Morón: 895		1,006*	1,002	968	904	806		
		Tres de Febrero: 1,589		2,164*	2,326	2,383	2,301	2,037 ¹⁰		
		Córdoba (capital): 3,597		3,991*	3,934	3,775	3,509	3,128		
		Las Heras: 3,277		3,771*	3,776	3,666	3,429	3,053		

⁹ Ibid footnote 11.

¹⁰ In Tres de Febrero, while there is an increase compared with 2015, there is a decrease regarding the estimated value for 2017, which is the value that will be closest to the real baseline when updated data becomes available for 2016.

Indicators	Unit of measure	Baseline	Baseline year	2017	2018	2019	2020	Final goal (2021) ¹	Means of verification	Comments ¹
		Santa Fe (capital):1,440		1,476*	1,403	1,312	1,204	1,080		
R1.3 Population ages 15 and older that said they reported a robbery out of the total number of individuals who said they were victims of a robbery in the past 12 months in the six priority departments	%	34.6% ¹¹	2010	34.6%*	35.3%	35.3%	35.3%	35.3%	NCVS (MINSEG-INDEC), to be published on MINSEG's website	Tolsma et al (2012) https://link.springer.com/article/10.1007/s11292-011-9138-4 found that if the confidence in the police increases by one point, the reporting percentage increases by 0.084. The values for this reporting level indicator were estimated by taking into account the estimates made in R1.5 for the police confidence indicator in this same table.
R1.4 Robbery cases cleared (with the perpetrator identified) in the six priority departments	%	3.8% ¹²	2015	3.8%*	4.4%	4.4%	4.4%	4.4%	SNIC-SIIP and MINSEG reports, to be published on MINSEG's website	Based on Garicano and Heaton (2010), https://www.rand.org/pubs/reprints/RP1409.html , combining improvements in technology and investigations could have an impact of 15% in the clearance rate of crimes against property, in particular robberies.

¹¹ Ibid footnote 1.

¹² The latest data available are being used regarding the ratio of sentences issued to robberies recorded, on a national level, not disaggregated by department [National System of Statistics on Sentence Enforcement (SNEEP) report]. A baseline study will be conducted at the beginning of the operation and annual follow-up as part of the SNIC and the Integrated Information System for Provincial Police (SIIP).

Indicators	Unit of measure	Baseline	Baseline year	2017	2018	2019	2020	Final goal (2021) ¹	Means of verification	Comments ¹
R1.5 Population ages 15 and older that said that they are somewhat or very confident in the police in the six priority departments	%	34% ¹³	2015	34%*	43%	43%	43%	43%	LAPOP (to be published on LAPOP's website) or NCVS (MINSEG-INDEC), to be published on MINSEG's website	Mazerolle et al (2013), https://doi.org/10.1007/s11292-013-9175-2 , based on a meta-analysis of 29 impact evaluations of community police interventions and improved treatment, found a significant increase in perceived confidence in the police, with a 95% confidence level and a weighted average odds ratio of 1.75 for the 29 evaluations combined, using a random effects model. A conservative odds ratio of 1.25 was estimated for the first year of intervention and then kept stable.

* Estimated data assuming that the intervention has not had an effect yet and that the rate will change according to the same trend as before the operation.

¹³ The latest nationwide data available are being used, not disaggregated by department [Latin American Public Opinion Project (LAPOP) survey, 2015]. These numbers will be updated when the 2017 NCVS from MINSEG-INDEC becomes available.

EXPECTED OUTCOMES

Indicators	Unit of measure	Baseline	Baseline year	2017	2018	2019	2020	Final goal (2021) ¹	Means of verification	Comments
Specific objective 2. Help improve the effectiveness of MINSEG, federal forces, provincial police departments, and municipal governments to reduce the number of murders in six of the 38 eligible departments in the five priority jurisdictions: Morón and Tres de Febrero (province of Buenos Aires); Santa Fe de la Vera Cruz (province of Santa Fe); Córdoba (the capital of the province of Córdoba); Las Heras (province of Mendoza); and Comuna 7 – Bajo Flores (Autonomous City of Buenos Aires).										
R2.1 Homicide rate per 100,000 inhabitants in the past 12 months in the six priority departments	Number of police records	Comuna 7 – Bajo Flores: 15.9	2015	17.2*	17.2	17.0	16.5	15.7	SNIC/SAT and MINSEG reports, to be published on MINSEG's website	Based on Bulla et al (2012), which found a reduction of 18% in homicide rates with targeted territorial interventions. This assumes that interventions in each department will target territories with high concentrations of homicides. Each territory represents one quarter of the department's homicides, and they are treated sequentially, one per year, with a 10% impact in each territory after the first year of intervention and a 3% impact during each of the three subsequent years. The overall impact for each territory will be the same or lower than what the literature suggests. ¹⁴
		Morón: 6.8		7.2*	7.1	7.0	6.8	6.4		
		Tres de Febrero: 8.7		8.8*	8.6	8.4	8.0	7.6		
		Córdoba (capital): 6.4		6.6*	6.5	6.3	6.1	5.8		
		Las Heras: 16.7		17.1*	16.8	16.3	15.7	14.9		
		Santa Fe de la Vera Cruz : 19.7		20.2*	19.9	19.3	18.6	17.7		
R2.1.a Homicide rate, male victims per 100,000 men in the past 12 months in the six priority departments ¹⁵	Number of police records	Comuna 7 – Bajo Flores: 28.9	2015	31.2*	31.3	30.8	29.9	28.4		
		Morón: 11.8		12.4*	12.4	12.1	11.7	11.1		
		Tres de Febrero: 15.1		15.3*	14.9	14.5	13.9	13.2		

¹⁴ Ibid footnote 6.

¹⁵ Ibid footnote 9.

Indicators	Unit of measure	Baseline	Baseline year	2017	2018	2019	2020	Final goal (2021) ¹	Means of verification	Comments
		Córdoba (capital): 11.1		11.4*	11.3	11.0	10.6	10.0		
		Las Heras: 28.9		29.5*	29.0	28.2	27.2	25.8		
		Santa Fe de la Vera Cruz: 34.4		35.2*	34.7	33.7	32.5	30.8		
R2.1.b Homicide rate, female victims per 100,000 women in the past 12 months in the six priority departments	Number of police records	Comuna 7 – Bajo Flores: 4.5		4.8*	4.9	4.8	4.7	4.4		
		Morón: 2.0		2.1*	2.1	2.1	2.0	1.9		
		Tres de Febrero: 2.6		2.6*	2.5	2.5	2.4	2.3		
		Córdoba (capital): 1.9		1.9*	1.9	1.9	1.8	1.7		
		Las Heras: 4.9		5.0*	5.0	4.8	4.6	4.4		
		Santa Fe de la Vera Cruz : 5.8		5.9*	5.8	5.7	5.4	5.2		
R2.2 Homicide cases cleared (with the perpetrator identified) in the six priority departments	%	62.0% ¹⁶	2015	62.0%*	65.1%	65.1%	65.1%	65.1%	SNIC-SIIP and MINSEG reports, to be published on MINSEG's website	Ibid comment R1.4.

* Estimated data assuming that the intervention has not had an effect yet and that the rate will change according to the same trend as before the operation.

¹⁶ Ibid footnote 17.

OUTPUTS

Outputs	Unit of measure	Baseline	Baseline year	2017	2018	2019	2020	Final goal (2021) ¹	Means of verification	Comments ²
Component 1: Improve the quality of crime data and analysis										
O1.1 New version of the SNIC developed and operating	Number of systems	0	2017	0	0	1	0	1	Reports generated by the new version of the SNIC, MINSEG, to be published on MINSEG's website	
O1.2 Secondary police units of the SNIC equipped (with hardware and software updated) and operating	Number of secondary units	0	2017	0	0	3	2	5	Acceptance certificate for equipment	
O1.3 Analysts from primary units of the SNIC trained on crime analysis, hotspot policing, and problem-oriented policing	Number of analysts	0	2017	0	0	0	50	50	Report and rosters from the trainings	
O1.4 Application that georeferences the protection measures that are in place, operating	Number of applications	0	2017	0	0	1	0	1	Reports generated by the application	
O1.5 SIIP application developed and operating	Number of applications	0	2017	0	0	1	0	1	Reports generated by the SIIP application	
O1.6 Priority jurisdictions trained and equipped with technology for the SIIP (hardware and software)	Number of jurisdictions	0	2017	0	0	3	2	5	Report and rosters from the training events; acceptance	

Outputs	Unit of measure	Baseline	Baseline year	2017	2018	2019	2020	Final goal (2021) ¹	Means of verification	Comments ²
purchased, installed, and operating									certificate for the equipment	
O1.7 Police performance indicator system developed and operating	Number of systems	0	2017	0	0	1	0	1	Reports generated by the new system	
O1.8 Information technology tools for security analysis and management developed and operating	Number of systems	0	2017	0	1	1	1	3	Reports generated by the new tools	
O1.9 Situation room equipped, built, and operating	Number of rooms	0	2017	0	0	1	0	1	Acceptance certificate for the room and the equipment	
O1.10 NCVS, disaggregated at the provincial level, conducted and available for use	Number of surveys	1	2017	0	1	1	0	3	Survey reports, to be published on MINSEG's website	
Component 2: Enhance police effectiveness										
O2.1 Joint Strategic Coordination Institute (ICCE) built and operating	% of progress on ICCE works	0	2017	0	55	45	0	100	Acceptance certificate	Includes offices, classrooms, auditorium, and library
O2.2 Officials trained in courses provided by the ICCE	Number of police officers and superior officers	0	2017	65	95	80	0	240	Report and rosters from the training events at the ICCE	
O2.3 Specific studies conducted about the criminal	Number of studies	0	2017	1	0	1	0	2	Monitoring reports	

Outputs	Unit of measure	Baseline	Baseline year	2017	2018	2019	2020	Final goal (2021) ¹	Means of verification	Comments ²
investigation of homicides of women, classification of femicides, and police handling of reports of violence against women										
O2.4 Specific studies on citizen security conducted	Number of studies	0	2017	2	4	4	0	10	Monitoring reports	
O2.5 Educators and instructors from provincial police academies trained on the new basic police training curriculum	Number of educators	0	2017	0	700	700	0	1,400	Report and rosters from the training events	
Component 3: Strengthen local security management										
O3.1 Municipios (departments) strengthened in their processes to develop and monitor municipal security programs to reduce robberies and homicides, through training and technical advisory support	Number of municipios	0	2017	0	3	3	0	6	Monitoring reports	
O3.2 Observatories of local conflicts, violence, and crime created or strengthened	Number of observatories	0	2017	0	3	3	0	6	Acceptance certificate for the equipment; violence and crime reports	
O3.3 Neighborhood crime prevention units (UPBs) installed in new Safe Neighborhoods	Number of UPBs	0	2017	0	2	3	0	5	UPB acceptance/delivery certificates	

Outputs	Unit of measure	Baseline	Baseline year	2017	2018	2019	2020	Final goal (2021) ¹	Means of verification	Comments ²
O3.4 Neighborhoods with interventions to prevent situational crime implemented	Number of neighborhoods	0	2017	0	2	3	0	5	Delivery certificate for works	
O3.5 Crime, youth violence, and violence against women prevention programs implemented in priority neighborhoods	Number of programs	0	2017	0	4	0	0	4	Monitoring report	

FIDUCIARY AGREEMENTS AND REQUIREMENTS

Country: Argentina
Project number: AR-L1255
Name: Federal Security Program
Executing agency: National Ministry of Security (MINSEG)
MINSEG's program execution unit (PEU)
Prepared by: Ana Niubó (FMP/CAR) and Brenda Álvarez Junco
(FMP/CAR)

I. EXECUTIVE SUMMARY

- 1.1 The Federal Security Program will be executed by the Ministry of Security (MINSEG) through a program execution unit (PEU).
- 1.2 The Bank evaluated the capacity of the executing agency to plan, execute, and implement resource control measures using the Institutional Capacity Assessment System (ICAS). The executing agency was found to have adequate operational, technical, and human capacity to execute the program in a satisfactory manner.
- 1.3 MINSEG has little experience executing loans from multilateral organizations. Specifically, it has one loan from the Andean Development Corporation (CAF) being executed by the Department of Interior Security, and one loan from the Financial Fund for the Development of the River Plate Basin (FONPLATA), ARG-28, which has not yet been executed.
- 1.4 The program does not include financing from other multilateral organizations.

II. FIDUCIARY CONTEXT OF THE EXECUTING AGENCY

- 2.1 The fiduciary systems that will be used for program execution are the Integrated Financial Information System (e-SIDIF), which is budgetary, and the information and accounting system (UEPEX).
- 2.2 For the procurement of goods and services, the PEU will follow Bank policies on centralized procurement.

III. FIDUCIARY RISK EVALUATION AND MITIGATION MEASURES

- 3.1 A risk analysis (including fiduciary risks) was conducted taking into account the ICAS report. Based on this assessment, the risk level for the executing agency was classified as low. For fiduciary, financial, and procurement matters, however, the risk level was classified as medium, as shown in the table below.

- 3.2 Based on the ICAS report, the applicable supervision modality for financial and procurement management has been determined. The supervision modality initially established may vary during program execution based on the evaluations conducted.

Table 1. Institutional capacity and fiduciary risk

Institutional capacity:		Satisfactory	Tool:	ICAS
Fiduciary risk:		Low	Tool:	ICAS
Type of risk	Risk	Level	Mitigation actions	
Financial management	Lack of coordination among the operation's actors (departments)	Medium	* Prepare educational materials and flowcharts on financial and procurement procedures and include them in the program's Operating Regulations.	
Financial management	Delays in financial management	Low	* Provide training on the IDB's financial policies. * Provide training on the UEPEX subsystem.	
Procurement	Delays in bidding processes	Medium	Staff the PEU with fiduciary specialists who will help manage procurement processes efficiently.	
Procurement	Deficiencies in managing goods and inventory	Medium	Develop procedures aimed at planning for a program with minimum and maximum inventory amounts. Provide for such in budget programming.	
Procurement	Ineligible procurement	Medium	Provide training on procurement to the execution unit.	

IV. CONSIDERATIONS FOR THE SPECIAL PROVISIONS OF CONTRACT

- 4.1 For the purposes of expediting contract negotiations by the project team and mainly by the Legal Department, the agreements and requirements to be considered in the special provisions or in the single annex, as applicable, are set out below. They may be updated or modified during program execution, as applicable, after being documented and with the Bank's authorization.
- 4.2 **Conditions precedent to the first disbursement.** Given MINSEG's limited experience in the administration and execution of projects financed by multilateral organizations and the lack of knowledge about the Bank's policies, the first disbursement of loan proceeds will be subject to compliance with the following conditions, to the Bank's satisfaction: (i) MINSEG establishes a PEU; and (ii) MINSEG submits evidence of the entry into force of the program's Operating Regulations under the terms and conditions previously agreed upon with the Bank, which will include the environmental and social conditions established in the Environmental and Social Management Report (ESMR), along with the guidelines and procedures necessary for the success of program execution.

- 4.3 **Special contractual conditions of execution.** As a special condition of execution of Component 3 (Subcomponents 1 and 2), bilateral agreements will be signed with each of the beneficiary municipios, in order for those municipios to commit to proper execution of the program pursuant to its terms and conditions.
- 4.4 **Management of disbursements**
- a. The executing agency will submit the program's financial plan following the guidelines agreed upon by the Bank and the country. The minimum percentage required for replenishment of the advance will be 80%.
 - b. The exchange rate applicable for accountability will be the rate stipulated in Article 4.10(b)(i) of the loan contract. To determine the equivalency of expenditures incurred in local currency, chargeable against the local contribution or the reimbursement of expenditures chargeable against the loan, the agreed exchange rate will be the rate in effect on the first business day of the month of the payment. Given the limitations of the UEPEX system, the exchange rate applied for conversion of disbursements into local currency will be used for expenditures made with IDB funds and with local counterpart funds ("peso-ification").
- 4.5 **Financial supervision**
- a. In order to maintain flexibility and be able to adjust the loan portfolio to the timely audit capacity of the Office of the Auditor General of the Argentine Nation (AGN), it is recommended that both the AGN and independent audit firms should be contractually eligible to conduct program audits.
 - b. The Financial Plan will be the report required for financial supervision, in addition to those required for processing disbursements and for the annual audit.

V. AGREEMENTS AND REQUIREMENTS FOR PROCUREMENT EXECUTION

- 5.1 The fiduciary agreements and requirements regarding procurement establish the provisions that apply to the execution of all of the operation's planned procurements.
- 5.2 **Procurement execution.** The Policies for the Procurement of Works and Goods Financed by the IDB (document GN-2349-9) and the Policies for the Selection and Contracting of Consultants Financed by the IDB (document GN-2350-9) will apply.
- 5.3 The Bank-approved national subsystem that will be used is the information system.
- a. **Procurement of works, goods, and nonconsulting services.** Contracts for works, goods, and nonconsulting services¹ generated under the program and subject to international competitive bidding (ICB) will be executed using the standard bidding documents issued by the Bank. Procurement subject to national competitive bidding (NCB) will be executed using national bidding documents agreed upon with the Bank. The program's sector specialist is responsible for reviewing the technical specifications for procurement during selection process preparation. The procurement plan submitted by the

¹ Policies for the Procurement of Goods and Works Financed by the IDB (document [GN-2349-9](#)), paragraph 1.1: Nonconsulting services are treated as goods.

executing agency identified the processes to be conducted using direct contracting, based on prior justification.

- b. **Selection and contracting of consultants.** Consulting services contracts generated under the program will be executed using the standard request for proposals issued by or agreed upon with the Bank. The program's sector specialist will be responsible for reviewing the terms of reference for the contracting of consulting services. There are plans to sign an agreement with the National Institute of Statistics and Census (INDEC) to conduct a National Crime Victimization Survey (NCVS), which is included in Output 1.10 (NCVS, disaggregated at the provincial level). This will be done through the single-source selection procurement modality, pursuant to section 3.10(d) of document GN-2350-9.²
- c. **Selection of individual consultants.** Individual consultants will be selected taking into account their qualifications to perform the work and based on the comparison of qualifications of at least three candidates, according to the requirements of section V, paragraphs 5.1 to 5.4 of document GN-2350-9. For their service contracts to be renewed, consultants who are part of the PEU will need a minimum rating of satisfactory in the performance evaluation conducted by the program's general coordinator. The executing agency will submit to the Bank the list of consultants who have performed tasks and will continue to work on program activities, where the single-source selection procedure may be applied, as set out in section V, paragraph 5.4(a) of the above-mentioned policies. The program's sector specialist will be responsible for reviewing the terms of reference for the contracting of consulting services.
- d. **Training.** The procurement plan lists the procurement processes applicable to program components that involve training and are to be contracted as consulting and nonconsulting services.
- e. **Recurrent expenditures.** The recurrent expenditures or operating and maintenance expenditures required during the program will be: office rental, automobile rental for supervisory duties, utility and communications expenses, translations, bank fees, office supplies, photocopies, postage, and minor expenses for the operation of the PEU. These will be financed by the program and will be managed pursuant to the executing agency's administrative procedures, which the Bank has reviewed and accepted. Operating expenses do not include salaries for public sector officials.
- f. **Retroactive financing.** The Bank will recognize retroactive financing for eligible expenditures incurred by the borrower prior to the loan approval date for works, goods, and nonconsulting and consulting services, equivalent to up to 20% of the proposed loan amount (approximately US\$5 million), provided that they satisfied requirements substantially similar to those established in the loan contract. Such expenditures must have been made on or after 15 March 2017 (project profile approval date), but in no case may they

² The justification for the single-source procurement of INDEC is that this is the government's specialized agency for the production of surveys and statistics. It has broad experience in this field, both in collecting data and processing and analyzing it, which it does on an ongoing basis.

include expenditures made more than 18 months prior to the date the loan is approved by the IDB's Board of Executive Directors.

- g. **Other.** Local contribution. The Bank may recognize, as part of the resources of the local contribution, expenses incurred between 15 March 2017 and the date of approval of the loan proposal for the procurement of works, goods, and nonconsulting and consulting services for up to the equivalent of US\$1,000,000, provided procurement conditions substantially similar to those established in the loan contract have been met.

Table 2. Thresholds for bidding and the shortlist with international participation (US\$)

Works			Goods			Consulting services	
ICB	NCB	Shopping	ICB	NCB	Shopping	International advertising	Shortlist 100% national
≥25,000,000	< 25,000,000 ≥350,000	< 350,000	≥ 1,500,000	< 1,500,000 ≥100,000	< 100,000	>200,000	≤1,000,000

Table 3. Main procurement items

Activity	Type of bidding	Estimated date	Estimated amount
Works			
Construction and outfitting of building for the Joint Strategic Coordination Institute (ICCE)	NCB	July 2018	7,050,000
Goods			
Procurement of computer hardware for the Integrated Information System for Provincial Police (SIIP)	NCB	July 2018	580,000
Procurement and installation of hardware and software	NCB	February 2018	770,000
Procurement and installation of hardware, and procurement of knowledge materials (journals, books, translations)	NCB	October 2017	500,000
Consulting services			
Training of educators and instructors from provincial police academies	QCBS	July 2017	1,050,000
Diagnostic assessment strengthening and proposal for a monitoring and evaluation plan to implement a security program in every municipio	QCBS	February 2019	450,000

A. Procurement supervision

- 5.4 Procurement processes will be subject to ex ante review, except for shopping and individual consulting services, which will be subject to ex post review. Ex post review visits will take place every 12 months. Ex post review reports will include at least one

physical inspection visit, selected from the procurement processes subject to ex post review. At least 10% of the contracts reviewed will be physically inspected during the program.

Table 4. Limits for ex post review

Shopping	Individual consulting services
< 100,000	<50,000

Note: The threshold amounts established for ex post review are based on the executing agency's fiduciary capacity for execution and may be modified by the Bank in the event of changes in such capacity.

B. Special provisions

- 5.5 **Measures to reduce the likelihood of corruption.** Adherence to the provisions of documents GN-2349-9 and GN-2350-9 regarding prohibited practices (multilateral organizations' lists of ineligible firms and individuals).

C. Records and files

- 5.6 The PEU will be the party responsible for program procurement and the procurement process documentation will therefore be kept in its offices. For the purposes of ex post review, records and files from all documentation generated from procurement processes will be kept duly organized, sorted, and updated.

VI. AGREEMENTS AND REQUIREMENTS FOR FINANCIAL MANAGEMENT

A. Programming and budget

- 6.1 The executing agency's budget contains programmatic categories and other classifications by object of expenditure (sections): personnel costs, consumer goods, nonpersonnel services, fixed assets, transfers, financial assets, debt service and reduction of other liabilities, and other expenses. Depending on their economic nature, the items may be current expenditures, capital expenditures, or financial applications. The internal sources of financing may include the national treasury, own funds, specific earmarks, and internal transfers.
- 6.2 The PEU will be responsible for the preparation and programming of the annual budget, and will make arrangements for its consolidation and approval. As items need to be expanded or reallocated, the PEU will request changes and obtain approval. The budget appropriations are executed by means of quarterly and monthly commitment obligations, allocated by the National Budget Office (Ministry of Finance).
- 6.3 No problems are anticipated in terms of budgetary management, timeliness of local counterpart funds, or delays affecting execution.

B. Cash flow and management of disbursements

- 6.4 The National Treasury transfers the local counterpart funds to the PEU, crediting an account opened by the program for the exclusive use of this loan, as this is a program cofinanced with Bank funds.

- 6.5 Disbursements will be based on a detailed financial plan, the format for which has been agreed upon with officials of the Ministry of Finance and the Office of the Cabinet Chief.

C. Accounting, information systems, and reporting

- 6.6 The PEU will use the UEPEX system as the financial management system. Accounting will be on a cash basis, following International Financial Reporting Standards (IFRS) when applicable in accordance with established national criteria. The required financial reports will be: (i) financial execution plan for up to 180 days following the request for an advance; (ii) audited annual financial statements, as stipulated in Article 7.03(a) of the General Conditions of the loan contract; and (iii) other reports as requested by the fiduciary specialists.

D. Internal control and internal audit

- 6.7 The national internal control body is the General Accounting Office (SIGEN). Internal audit of each executing agency is conducted through the Internal Audit Unit (UAI). The UAI, reporting directly to the Minister, is responsible for conducting audits and making recommendations in accordance with the powers conferred under Law 24156 (Financial Administration Act).

E. External control: external financial audits and project reports

- 6.8 In 2011 the Bank concluded a diagnostic assessment of the governmental audit practices of the AGN, in accordance with the Bank's guide for determining the level of development of public financial management systems. The evaluation concluded by validating the AGN as a Bank project auditor.
- 6.9 To have flexibility and be able to adjust the loan portfolio to the capacity for timely AGN auditing, it is recommended that both the AGN and independent auditing firms be contractually eligible to perform program audits.

F. Financial supervision of the program³

- 6.10 The initial financial supervision plan was based on risk and fiduciary capacity assessments conducted according to field and desk reviews planned for the program, including the scope of operational, financial, and accounting actions, compliance and legality, frequency, and the parties responsible for them.
- 6.11 The financial plan will be the report required for financial supervision, in addition to those required to process disbursements and the annual audit.

G. Execution mechanism

- 6.12 Details about program execution are in the draft of the program's Operating Regulations and in the Proposal for Operations Development.

H. Other financial management agreements and requirements

- 6.13 N/A.

³ See Financial Management Guidelines for IDB-financed Projects (document OP-273-6), Annex I, Application of Financial Management Principles and Requirements, requisite 4, Financial Supervision.

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

PROPOSED RESOLUTION DE-____/17

Argentina. Loan ____/OC-AR to the Argentine Republic
Federal Security Program

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 Federal Security Program. Such financing will be for an amount of up to US\$25,000,000 from the Ordinary Capital resources of the Bank, 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 ____ 2017)

LEG/SGO/CSC/EZSHARE-1044359933-1874
Pipeline No. AR-L1255