

Document of
The World Bank

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Report No: 59201-AR

PROJECT PAPER

ON A

PROPOSED ADDITIONAL LOAN

IN THE AMOUNT OF US\$480 MILLION

TO THE

ARGENTINE REPUBLIC

FOR A

BASIC PROTECTION PROJECT

February 7, 2011

Human Development Sector Management Unit
Argentina, Paraguay and Uruguay Country Management Unit
Latin America and the Caribbean Region

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CURRENCY EQUIVALENTS
(Exchange Rate Effective February 7, 2011)

Currency Unit = Argentina Peso
AR\$ 4.01475 = US\$1

FISCAL YEAR
January 1 – December 31

ABBREVIATIONS AND ACRONYMS

ABP	Argentina Basic Protection Project
ADP	<i>Base de Administración de Personas</i> [Individuals Management Database]
AF	<i>Asignaciones Familiares</i> [Family Allowances]
ANSES	<i>Administración Nacional de la Seguridad Social</i> [National Administration of Social Security]
AUH	<i>Asignación Universal por Hijo</i> [Universal Child Allowance]
CCT	Conditional Cash Transfer
CPS	Country Partnership Strategy
CUT	<i>Cuenta Unica del Tesoro</i> [Single Treasury Account]
DA	Designated Account
DNPOIC	<i>Dirección Nacional De Proyectos con Organismos Internacionales de Crédito</i> [National Directorate of Projects with International Credit Organizations]
FM	Financial Management
FSL	Fixed Spread Loan
FY	Financial Year
GDP	Gross Domestic Product
IFC	International Finance Corporation
INAI	<i>Instituto Nacional de Asuntos Indígenas</i> [National Institute of Indigenous Affairs]
IPP	Indigenous Population Plan
IPPF	Indigenous Population Planning Framework
ISR	Implementation Status and Results Report
LCSHS	Social Protection Unit, Latin America and the Caribbean Region
LCSOS	Operation Services Department, Latin America and the Caribbean Region
MEFP	<i>Ministerio de Economía y Finanzas Públicas</i> [Ministry of Economy and Public Finance]
MEO	Municipal Employment Office
MTESS	<i>Ministerio de Trabajo, Empleo y Seguridad Social</i> [Ministry of Labor, Employment and Social Security]
NGO	Non Governmental Organization
PDO	Project Development Objective
SUAF	<i>Sistema Único de Asignaciones Familiares</i> [Unique System of Family Allowances]
SCE	<i>SCE de Capacitación y Empleo</i> [Training and Employment Insurance]
TA	Technical Assistance

Vice President:	Pamela Cox
Country Director:	Penelope Brook
Sector Manager:	Helena Ribe
Task Team Leader:	Rafael P. Rofman

ARGENTINA
Basic Protection Project
Additional Financing

CONTENTS

Project Paper Data Sheet

I. Introduction.....	1
II. Background and Rationale for Additional Financing	1
III. Proposed Design and Changes	4
IV. Appraisal Summary.....	12

Annexes

1. Revised Results Framework and Monitoring Indicators
2. Operational Risk Assessment Framework
3. Procurement Plan

ARGENTINA

BASIC PROTECTION PROJECT ADDITIONAL FINANCING

PROJECT PAPER

LATIN AMERICA AND CARIBBEAN
LCSHS-DPT

Basic Information - Additional Financing (AF)	
Country Director: Penelope J. Brook	Sectors: Public administration- Other social services (100%)
Sector Manager/Director: Helena Ribe/Keith Hansen	Themes: Social safety nets (100%)
Team Leader: Rafael Rofman	Environmental category: C
Project ID: P120622	Expected Closing Date: September 30, 2014
Expected Effectiveness Date: May 16, 2011	Joint IFC:
Lending Instrument: Specific Investment Loan	Joint Level:
Additional Financing Type: Scale-up	
Basic Information - Original Project	
Project ID: P115183	Environmental category: C
Project Name: Argentina Basic Protection Project	Expected Closing Date: September 30, 2011
Lending Instrument: Specific Investment Loan	Joint IFC:
	Joint Level:
AF Project Financing Data	
<input checked="" type="checkbox"/> Loan <input type="checkbox"/> Credit <input type="checkbox"/> Grant <input type="checkbox"/> Guarantee <input type="checkbox"/> Other:	
Proposed terms: U.S. Dollar denominated commitment-linked IBRD Flexible Loan with a variable spread, principal to be repaid in full on October 15, 2037, with interest payment dates of the 15 th of April and 15 th of October of each year.	
AF Financing Plan (US\$m)	
Source	Total Amount (US \$m)
Total Project Cost:	4,984.40
Cofinancing:	4,504.40
Borrower:	4,504.40
Total Bank Financing:	480.00
IBRD	480.00
IDA	
New	
Recommitted	
Note: This table presents the estimated financing sources for the Family Allowances and SCE systems in Argentina. However, in the pari-passu for this project, the Bank financing is 100 percent.	

Client Information

Recipient: Argentine Republic
Responsible Agency:
 Contact Person: Gabriela Costa
 Telephone No.: (54-11) 4349-6200
 Fax No.: (54-11) 4349-5516
 Email: gacost@mecon.gov.ar

AF Estimated Disbursements (Bank FY/US\$m)

FY	2011	2012	2013	2014	2015	
Annual	141.20	237.60	97.50	3.20	0.50	
Cumulative	141.20	378.80	476.30	479.50	480.00	

Project Development Objective and Description

Original project development objective: The Project Development Objectives are to increase the effectiveness of Argentina's income transfer programs for the unemployed and families with children, by improving selected design features, transparency and accountability of the Family Allowances and *Seguro de Capacitación y Empleo* (SCE) Program, and by expanding coverage and transferring beneficiaries from other, less effective schemes and programs, to the Family Allowances Program and the SCE Program.

Revised project development objective: No changes have been made to the original PDO.

Project description: The proposed additional loan would help finance the costs associated with the scale-up of the supported policies to include poor and informal beneficiaries in the family allowances program. This coverage expansion was enacted by the Argentine Government in late 2009. This policy is also in line with what the World Bank promoted during the preparation and supervision of Loan 7703. The additional financing would leave to the same three components already designed for the original project: (i) Support to the provision of SCE benefits, a program run by the Ministry of Labor to provide basic income and training to unemployed workers; (ii) support to the provision of Family Allowances benefits, by including children of unemployed and informally employed workers as beneficiaries of this program; and (iii) provide technical assistance to the implementing agencies to ensure a successful implementation and strong monitoring system for both programs.

Safeguard and Exception to Policies

Safeguard policies triggered:	
Environmental Assessment (OP/BP 4.01)	[] Yes [x] No
Natural Habitats (OP/BP 4.04)	[] Yes [x] No
Forests (OP/BP 4.36)	[] Yes [x] No
Pest Management (OP 4.09)	[] Yes [x] No
Physical Cultural Resources (OP/BP 4.11)	[] Yes [x] No
Indigenous Peoples (OP/BP 4.10)	[x] Yes [] No
Involuntary Resettlement (OP/BP 4.12)	[] Yes [x] No
Safety of Dams (OP/BP 4.37)	[] Yes [x] No
Projects on International Waterways (OP/BP 7.50)	[] Yes [x] No
Projects in Disputed Areas (OP/BP 7.60)	[] Yes [x] No

Does the project require any waivers of Bank policies? Have these been endorsed or approved by Bank management?		[] Yes [x] No [] Yes [x] No
Conditions and Legal Covenants:		
Financing Agreement Reference	Description of Condition/Covenant	Date Due
Loan Agreement Schedule 2, Section 1.A.4.(a)	Prior to the carrying out of the Second National Social Security and Social Protection Survey under Part 3.A of the Project, the Borrower shall, through the Ministry of Labor, enter into an agreement with one or more Surveyor Entities (the Survey Agreements) under terms and conditions acceptable to the Bank (as these are detailed in the Operational Manual), for the purpose of assisting the Ministry of Labor in the carrying out said Part of the Project.	Prior to the start of fieldwork for Component 3.a, planned for February 1, 2013
Loan Agreement Schedule 2, Section 1.A.5.(a)	For purposes of assisting the Borrower in the carrying out of Part 3.C of the Project, the Borrower, through ANSES, may enter into logistical assistance agreements (“Participating University Agreements”) with selected national universities (“Participating Universities”) under terms and conditions acceptable to the Bank (as these are further detailed in the Operational Manual).	Prior to the start of fieldwork of Component 3.c in each region. First agreement is expected on March 1, 2011

<p>Loan Agreement Schedule 2, Section 1.C.1</p>	<p>(a) carry out, and shall cause the IPPF Entities to carry out, the IPPF and prepare and carry out each IPP in accordance with such IPPF and IPP; and</p> <p>(b) (i) prior to providing any SCE Grant and/or any AF Grant (under the Non-Contributory Scheme) in the jurisdiction of any Province or any Participating Municipality where the IPPF applies, enter into an agreement (the IPP Agreement) with the respective Province and/or Participating Municipality setting forth their respective obligations in the implementation of the IPPF and IPPs (any such IPP Agreement could be part of the pertinent Implementation Agreement); and</p> <p>(ii) except as the Bank shall otherwise agree, not amend, waive or fail to enforce any such agreements or provisions thereof.</p>	<p>Prior to consider SCE or AF Grants in the particular jurisdictions as eligible expenditures. Covenant has been complied in 12 out of 14 jurisdictions, the two remaining are expected to be completed by February 28, 2011.</p>
<p>Loan Agreement Schedule 2, Section 2.C.1.(a)</p>	<p>Under terms of reference and with a minimum coverage satisfactory to the Bank, verify as part of the annual audits [...] that the SCE Beneficiaries and the AF Beneficiaries are eligible for receiving the SCE Grants and the AF Grants as per the eligibility criteria of the SCE Beneficiaries and the AF Beneficiaries set forth in Schedule 4 to the Loan Agreement and the Operational Manual.</p>	<p>On an annual basis</p>
<p>Loan Agreement Schedule 2, Section 4.B.</p>	<p>Disbursement for Components 1 and 2 of the Project will be linked to expected progress in a set of indicators, as described in Paragraph 21 of this Project Paper (and Section 4.B of Schedule 2 of Loan Agreement)</p>	<p>Prior to process disbursement requests for Components 1 and 2</p>

I. Introduction

1. This Project Paper seeks the approval of the Executive Directors to provide an additional loan in an amount of US\$480 million to the Argentine Republic for the Basic Protection Project-P115183 (Loan 7703-AR).

2. The proposed additional loan would help finance the costs associated with scaling up the policies supported by the Project. The additional financing would continue to provide financial support to the three components designed for the original project: (i) support to the provision of *Seguro de Capacitación y Empleo (SCE)* benefits, a program run by the Ministry of Labor to provide basic income and training to unemployed workers; (ii) support for the provision of Family Allowances benefits, by including children of unemployed and informally employed workers as beneficiaries of this program; and (iii) provide technical assistance to the implementing agencies to ensure successful implementation and a strong monitoring system for both programs.

3. By including more beneficiaries in these core social protection programs supported by the project and expanding technical assistance activities to support this process, the loan will accelerate progress towards the Project Development Objective (PDO): to increase effectiveness of Argentina's income transfer programs for the unemployed and families with children. As of late 2009, Argentina had a strong set of income transfer programs, that had evolved from a traditional Social Insurance scheme and a more recent Social Assistance scheme created as a response to the economic crisis in 2001-2002. However, access to these programs was limited and many unemployed and informal workers, together with their families, were excluded. The Family Allowances program provided a monthly transfer to low income formal salaried workers with children, while the *SCE* program offered training services and a basic income to unemployed workers that had enrolled in the emergency workfare program Heads of Households, created in 2003.

4. A major reform to the Family Allowances program was adopted in October 2009, when a new benefit, aimed at children of unemployed and informal workers, was introduced. This reform resulted in a major shift in social protection policies, as it created a permanent, non-emergency related transfer program that provides income support to those outside the formal labor market. Also, the *SCE* program was opened to new beneficiaries in 2010. These two reforms will result in significant expansion of coverage among vulnerable households. Nearly 3.5 million children have already joined the Family programs since the reform, and approximately 150,000 new beneficiaries are expected to join *SCE* in 2011.

II. Background and Rationale for Additional Financing in the amount of US\$480 million:

5. The proposed scaled-up activities are fully consistent with the current World Bank Group Country Partnership Strategy (Report 48476-AR) discussed by the Executive Directors on June 9, 2009, as they contribute to the goal of promoting social inclusion, one of the three pillars in the CPS. The expansion of the supported programs is expected to have an important impact on poverty incidence, particularly due to the inclusion of new beneficiaries in the Family Allowances

program. Ex-ante analyses prepared by independent experts¹ indicate that extreme poverty could decline by more than half as a result of these reforms, while total poverty would decline by approximately two to four percentage points. Income distribution should also be affected (with Gini declining by as much as 2 points), at a fiscal cost that would be below 1 percent of GDP if the program reaches all eligible beneficiaries.

6. The original loan (LN 7703-AR) was in the amount of US\$450 million, of which 99 percent has been disbursed as planned. It was approved on June 9, 2009 and became effective on June 12, 2009. The original Loan supported the implementation of two core social protection programs in Argentina, aimed at providing income protection to the unemployed and low income families. The original Project Development Objective was to “*Increase the effectiveness of Argentina’s income transfer programs for the unemployed and families with children, by improving selected design features and the transparency and accountability of the Family Allowances and SCE Programs, and by transferring beneficiaries from other, less effective schemes and programs, to the Family Allowances Program and the SCE Program.*” This PDO remains unaltered for the additional financing.

7. The project performance since its approval has been good. The project's disbursement indicators reached their target levels at the expected dates, and most of the indicators are progressing satisfactorily. The project has three PDO indicators, of which two have progressed faster than expected while the third reached the expected level, as it was affected by the slowdown in formal employment growth produced by the financial crisis. The situation is similar for the Intermediate Results Indicators, which have progressed rapidly in most cases, while advances have been slower in others due to causes outside the control of the implementing agencies. Implementation of Safeguard Policies triggered by the Project (OP 4.10, Indigenous Peoples) is also satisfactory.

8. Advances regarding accountability have been important since the approval of the original project. Particularly, the implementation of *Sistema Unico de Asignaciones Familiares* (SUAF), the direct payment system of family allowances, has progressed faster than expected, improving the governance of the whole system and increasing transparency in the beneficiary identification system. Also, the social and economic impact of the programs is important. Almost 20 percent of all workers that have participated in the *SCE* program found a job in the formal labor market, and the expanded family allowances system is expected to have an important impact on welfare, as discussed below. A survey is being collected and an impact evaluation study of *SCE* is being prepared by the Ministry of Labor, Employment and Social Security (MTESS), in order to produce a rigorous assessment of these programs and identify possible reforms to increase their impacts.

9. The supported programs are clearly sustainable beyond the financing by this proposed Loan. As shown in Table 3, the funding provided by this Loan represents approximately 10 percent of the total expenditures in the programs planned by the Government. Furthermore, both programs have ample political support, and they are funded through the Federal Budget.

¹ See “*El Impacto de la Asignación Universal por Hijo en Argentina*” Agis et al (2010) and “*Las Asignaciones Universales por Hijo: Impacto, Discusión y Alternativas*” Gasparini and Cruces (2010).

Box 1. The Family Allowances and SCE programs

Family allowances were first introduced in Argentina's legislation in the 1930s, when a maternity benefit was created. By 1940, commercial banks' employees received a child benefit, paid directly by their employers. The number of benefits slowly expanded and the system currently includes nine different programs. The system was expanded to all private sector employees in 1991, and financed collectively by employers through a compensatory scheme. Civil servants also receive benefits, but these are paid directly from the Federal, Provincial, or Municipal budgets, and retired workers (and those receiving unemployment benefits) are also eligible to receive family allowances, financed directly by the Social Security Administration (ANSES).

Since 1996, private sector workers receive a benefit per child as long as their salary is below a cut-off level. The system was slowly centralized, as the ANSES began to pay benefits directly to workers and collect contributions instead of managing and supervising the compensatory scheme, which was thought to be too open to fraud and evasion. By late 2009, nearly 3.6 million children (out of a 12.5 million population) were covered by the "contributory" scheme. While the benefit was not targeted to the poorest population (since those unemployed or informally employed were excluded), its impact on welfare was significant. By 2007, it was estimated that this was the second most important public program in terms of poverty reduction, after the pension system (World Bank, 2009)

Seguro de Capacitación y Empleo (SCE) is a much younger program, created in 2006 to promote the return to the labor market of beneficiaries of the workfare program Heads of Household. The goal was to use SCE as an exit strategy from the social assistance system, providing financial support (for a limited time), training and employment services. While income transfers were managed centrally by the Ministry of Labor, Employment and Social Security, services were provided at the municipal level. By July 2010 nearly 200,000 workers had participated in the program, through more than 300 employment offices across the country. The successful performance of both programs led authorities to seek alternatives to expand them. In late 2009 the Family Allowances system was reformed to include a new benefit, called Universal Child Allowance ("*Asignación Universal por Hijo*" – AUH²). AUH offers a flat monthly transfer of AR\$220 for children under 18 years old (or older, if disabled) of unemployed or informally employed workers with low income.

The program was rapidly implemented, and by November 2009, nearly 3.3 million children were receiving the grant. Enrollment continued to expand since then, and by September 2010 had reached almost 3.45 million. Considering the number of children receiving benefits through the traditional Family Allowances program, this represents a rapid increase in coverage of nearly 70 percent, mainly because the implementation of AUH builds on the existing ANSES organizational structure, professional staff, policies and procedures, information systems and control framework. However, the potential number of beneficiaries for the new scheme has been estimated by independent analysts³ at 4.5-4.8 million children, leaving a significant space for further improvements in coverage.

While no significant normative changes have been introduced in the SCE program, the profile of beneficiaries has changed since 2009, as many participants have completed their two or three year term of program eligibility, others left the program earlier to join the formal labor market and, in recent months, some 7,000 participants have resigned from the program, in many cases to enroll in the AUH scheme. On the other hand, Ministry of Labor authorities have advanced in their strategy to include other target groups in the program and almost 100,000 new participants have enrolled in the last 12 months. Authorities expect to continue expanding the number of beneficiaries to reach approximately 160,000 by late 2012.

² Created by Decree 1602, of October 29, 2009

³ See "*El Impacto de la Asignación Universal por Hijo en Argentina*" Agis et al (2010) and "*Las Asignaciones Universales por Hijo: Impacto, Discusión y Alternativas*" Gasparini and Cruces (2010).

III. Project Design and Changes

10. No changes are proposed for the Project Development Objectives or the basic design of the project, including its disbursement mechanism. However, some changes to the indicators are proposed to facilitate the monitoring of the scaled up programs, and in other cases to improve methodological aspects, as described in the following sections.

11. **Component 1: Provision of SCE Grants:** Following the scheme designed under the original project, the World Bank will provide financial support for the operation and scaling up of *SCE* during 2010 (under retroactive financing), 2011 and 2012. The component will finance Grants to eligible participants, including:

- (a) Per Diem: Arg\$225 per person per month for activities already carried out by the SCE Beneficiary;
- (b) SCE Payment: Arg\$225 per person per month; and
- (c) Incentives, if and when the incentives are approved by the Bank.

12. Eligibility criteria for this program continue to be those defined under the original project, except for the elimination of a requirement to have been a recipient of the *Jefes* program benefit prior to enroll in *SCE*. Thus, to qualify to receive the Grants beneficiaries,

- (a) must be unemployed;
- (b) cannot be a beneficiary of other income transfer programs, including national or subnational workfare, retirement, or other non-contributory schemes;
- (c) must be registered in the database of the Ministry of Labor; and
- (d) must sign an agreement to join the program with: (I) the Ministry of Labor (when the enrollment of the SCE Beneficiary was made directly through an Employment Office established by the Ministry of Labor); or (II) a Participating Municipality (or related Province), whereby the SCE Beneficiary agrees to:
 - (i) accept job offers received through the Employment Office;
 - (ii) participate in interviews and job placement workshops organized by the Employment Office; and
 - (iii) join training activities (both basic and professional) offered to them by the Employment Office.

13. A SCE Beneficiary is excluded from the SCE Program when:

- (a) he or she finds a formal job;
- (b) he or she receives the benefit for a period of, unless otherwise agreed by the Bank, two years;
- (c) he or she rejects job offers without justification; and/or
- (d) he or she fails to comply with the conditions set in the agreement referred to in paragraph 11 (d).

14. With respect to SCE Grants for SCE Beneficiaries residing in a Province or Participating Municipality for which the Indigenous Peoples Planning Framework (IPPF) applies, the SCE Grants shall not be deemed eligible for Loan financing unless:

- (a) the Indigenous Population Plan (IPP) Agreement has been signed with the IPPF Entity or Entities, as the case may be; and

(b) the IPP has been approved by the Bank.

15. Disbursement mechanisms would be similar to those of Loan 7703, as described below. The estimated amount to be financed by this component is US\$75 million.

16. **Component 2: Provision of Family Allowances Grants:** As the Family Allowances (AF) system was expanded in late 2009 with the passage of Decree 1602/09, which creates the new AUH benefit, the focus of Component 2 in the Additional Financing Loan will shift towards supporting the new AUH grants, when paid to children under 18 years old.⁴ Thus, the World Bank will provide financial support for the operation and scaling up of AUH during 2010 (under retroactive financing), 2011 and 2012. The component will continue to finance Grants to eligible participants of the Contributory Family Allowances program, and will include eligible participants of the new AUH (Non-Contributory Family Allowances) program; in both cases Grants will be paid directly through transfers to beneficiaries' bank accounts.⁵ These Grants include:

- (a) For those AF Beneficiaries under the Contributory Scheme:
 - (i) for AF Beneficiaries with monthly salaries between Arg\$100 and Arg\$ 2,400: Arg\$220 per child per month
 - (ii) for AF Beneficiaries with monthly salaries between Arg\$2,400 and Arg\$ 3,600: Arg\$166 per child per month; and
 - (iii) for AF Beneficiaries with monthly salaries between Arg\$3,600 and Arg\$ 4,800: Arg\$111 per child per month.

The amount of an AF Grant for AF Beneficiaries living in less advantaged regions will be increased in the proportion set forth in the Operational Manual.

- (b) For those AF Beneficiaries under the Non-Contributory Scheme (up to a maximum of five children per family) the amount of the AF Grant shall be Arg\$220 per child per month.

17. To receive an AF Grant, the AF Beneficiary must comply with the following conditions:

- (a) For AF Beneficiaries under the Contributory Scheme:
 - (i) must be a worker, formally employed as salaried by a private firm registered in SUAF;
 - (ii) must provide family information, including date of birth and tax number identification for all children, as registered in ANSES' data system;
 - (iii) must have children younger than 18 years old who live in Argentina who are single and under the AF Beneficiary's care; and
 - (iv) must have a gross monthly salary of up to Arg\$4,800.
- (b) For those AF Beneficiaries under the Non-Contributory Scheme:
 - (i) must be unemployed or informally employed, with a monthly income below the Legal Minimum Wage;

⁴ The new AUH benefit also includes children older than 18 years, if disabled. However, to ensure consistency of the in the project, the World Bank financing will be solely focused on regular benefits paid to children younger than 18.

⁵ Almost 14 percent of the beneficiaries' benefits are paid at post-offices where no banking infrastructure is available.

- (ii) may not receive benefits from any other social program at the national, provincial or municipal level, including those from social insurance and social assistance systems;
- (iii) must have children younger than 18 years old living in Argentina and single, under their care, including natural, adopted, and/or foster children;
- (iv) his or her family information, including date of birth and tax number identification for all his or her children, is registered in ANSES' data system;
- (v) his or her children must be Argentine citizens, or foreigners with at least three years of legal residence in Argentina; and
- (vi) his or her children must receive regular health check-ups and vaccinations, and attend public schools if older than five years old.

18. With respect to AF Grants (under the Non-Contributory Scheme) for AF Beneficiaries residing in a Province or Participating Municipality for which the IPPF applies, the AF Grants (under the Non-Contributory Scheme) shall not be deemed eligible for Loan financing unless:

- (a) the IPP Agreement has been signed with the IPPF Entity or Entities, as the case may be; and
- (b) the IPP has been approved by the Bank.

19. Disbursement mechanisms would be similar to those of the original operation, as described below. The estimated amount to be financed by this component is US\$375.1 million.

20. **Component 3: Technical Assistance for the Social Protection System:** The technical assistance (TA) component will support capacity building within the implementing agencies (MTESS and ANSES), particularly in relation to the implementation and monitoring of the supported programs. The component will include the following activities:

- (a) **Design, implementation and analysis of the Second National Social Security and Social Protection Survey** (following up on the first Survey financed by the original operation), as well as carrying out studies on social protection policies. This subcomponent will be carried out by the Undersecretariat of Labor Studies and Technical Planning of MTESS (estimated amount: US\$4.5 million); and
- (b) **Establishment of an alternative data center (including minor refurbishing works) to ensure an efficient and safe management of SCE Beneficiaries' information**, to be carried out by the Undersecretariat of Labor Studies and Technical Planning of MTESS with the technical coordination of the Secretariat of Employment of MTESS and the General Directorate of Information and Technology Innovation, of the Undersecretariat of Coordination of MTESS(estimated amount: US\$7 million);
- (c) **Design and implementation of a registration process (including planning, dissemination and field work activities), aiming at identifying and enrolling potential beneficiaries into the AF Program.** ANSES will launch a national process to identify potential beneficiaries and enroll them, through a targeted field work program. To achieve this, the TA will include several activities, including

planning, dissemination, and the actual field work, to be carried out by ANSES, with support by National Universities. The field work will include visits to neighborhoods with high concentration of potential beneficiaries to collect their information and transmit it to ANSES registry system, in real time. (estimated amount: US\$17.2 million);

Table 1. Project Costs

Project Component	Original Project			Proposed Scale Up		
Component and/or Activity	Government US\$ million	Bank US\$ million	Total US\$ million	Government US\$ million	Bank US\$ million	Total US\$ million
<i>Component 1: SCE, Employment Benefit and Training Program</i>	55.0	80.0	135.0	127.5	75.0	202.5
<i>Component 2: Family allowances' child benefits (through SUAF or AUH)</i>	765.0	363.9	1,128.9	4,376.9	375.1	4,752.0
<i>Component 3: Technical assistance component for the Social Protection System</i>	0	5.0	5.0	0	28.7	28.7
<i>Front-end Fee</i>	0	1.1	1.1	0	1.2	1.2
Total	820.0	450.0	1,270.0	4,504.4	480.0	4,984.4

Table 2. Financing Sources⁶

Financing Source	Original Project	Proposed Scale up	Total Revised Project
	<i>In US\$ Million</i>		
Borrower	820.0	4,504.4	5,324.4
Bank	450.0	480.0	930.0
TOTAL	1270.0	4,984.4	6,254.4

21. **Disbursement conditions for component 1 and 2:** Following the same scheme applied for the original project, the World Bank will disburse:

- (a) Disbursements for Grants from the loan account for Components 1 and 2 (including retroactive disbursements) will be authorized only when the Disbursement Indicators have reached the target levels indicated for the “first disbursement level” in Table 3;
- (b) Disbursements for Grants after the loan disbursed US\$135 million from the loan account for Components 1 and 2 will be authorized when the Disbursement Indicators have reached the target levels indicated for the “second disbursement level” in Table 3, and never before six months after effectiveness;

⁶ Table 2 presents the estimated financing sources for the Family Allowances and SCE systems in Argentina. However, in the pari-passu for this project, the Bank financing is 100 percent.

- (c) Disbursements for Grants after the loan disbursed US\$247.5 million from the loan account for Components 1 and 2 will be authorized when the Disbursement Indicators have reached the target levels indicated for the “third disbursement level” in Table 3, and never before twelve after effectiveness;
- (d) Disbursements for Grants after the loan disbursed US\$360.1 million from the loan account for Components 1 and 2 will be authorized when the Disbursement Indicators have reached the target levels indicated for the “fourth disbursement level” in Table 3, and never before eighteen months after effectiveness.

22. There will be no disbursement conditions for Component 3.

23. Up to 20 percent of the loan amount (US\$96 million) will be available to finance eligible retroactive expenditures for any component, provided that (a) the activities financed were included in the project description; (b) the payments are for items procured in accordance with applicable World Bank procurement procedures; and (c) the payments were made by the borrower not more than 12 months before the expected date of Loan Agreement signing.

24. In order to implement the disbursement strategy described in the preceding paragraphs, seven disbursement categories will be defined, as described in Table 4.

Table 3. Disbursement Indicators for the Additional Financing

Disbursement Indicators	Baseline (date)	Target Level			
		First Disbursement	Second Disbursement	Third Disbursement	Fourth Disbursement
Disbursement will be authorized not before...		Effectiveness	6 months after effectiveness	12 months after effectiveness	18 months after effectiveness
Accumulated disbursements for Components 1 and 2 will not exceed (US\$ million)		\$135.0	\$247.5	\$360.1	
a. Average of the monthly percentage of beneficiaries of the <i>SCE</i> Program receiving Employment and Training Services of the total number of beneficiaries of the <i>SCE</i> Program, during the 12 month period preceding the date in which the Disbursement Indicator is measured.	26% (Sept 2010)	26%	27%	30%	32%
b. Number of beneficiaries registered in the <i>SCE</i> Program	121,000 (Oct 2010)	131,000	141,000	151,000	161,000
c. Number of Employment Offices authorized for delivery of Employment and Training Services through agreements signed between the Borrower, through the Ministry of Labor, and the respective Municipality or Province.	296 (Oct 2010)	300	310	330	350
d. Average of the monthly percentage of payments made through <i>SUAF</i> of the total payments made under the <i>AF</i> Program to salaried workers in the private sector during the 12 month period preceding the date in which the Disbursement Indicator is measured.	82.2% (July 2010)	90%	95%	98%	98%
e. Number of four-monthly statistical reports on <i>AUH</i> prepared and published through <i>ANSES'</i> website	0 (Sept 2010)	1	2	4	5
f. Number of children under 18 years old that have been registered at <i>ANSES'</i> ADP data base and are receiving a family allowance benefit from <i>ANSES</i> or are excluded due to reasons indicated in the legislation (in thousands)	9,700 (Aug 2010)	9,866	9,950	10,101	10,157

Table 4. Disbursement Categories for the Additional Financing

Category	Amount of the Loan Allocated (expressed in Dollars)	Percentage of Expenditures to be financed (inclusive of Taxes)
(1) SCE Grants and AF Grants	135,000,000	100% of the amount of the Grants (subject to paragraph 20.a above)
(2) SCE Grants and AF Grants	112,500,000	100% of the amount of the Grants (subject to paragraph 20.b above)
(3) SCE Grants and AF Grants	112,600,000	100% of the amount of the Grants (subject to paragraph 20.c above)
(4) SCE Grants and AF Grants	90,000,000	100% of the amount of the Grants (subject to paragraph 20.d above)
(5) Goods, works, Non-consultant Services, consultants' services and Operating Costs for Part 3 of the Project	28,700,000	100%
(6) Front-end Fee	1,200,000	Amount payable pursuant to Section 2.03 of this Agreement in accordance with Section 2.07 (b) of the General Conditions
(7) Premia for Interest Rate Caps and Interest Rate Collars	0	Amount due under Section 2.07 (c) of this Agreement
TOTAL AMOUNT	480,000,000	

25. The proposed additional activities are expected to be completed by September 30, 2014, three years after the original closing date (September 30, 2011). While Components 1 and 2 are expected to be fully disbursed by mid 2012, and fully executed by the mid of 2013, activities planned for Component 3 will be completed by September 30, 2014.

26. Institutional arrangements will be similar to those of the original project. Thus, the National Directorate of Projects with International Credit Organizations (DNPOIC) of MEFP will continue to have overall responsibility for achieving Project goals, coordinating activities with the specific agencies responsible for the implementation of Project's components: MTESS, through the Secretariat of Employment (Component 1) and the Under Secretariat of Labor Studies and Technical Planning (Subcomponents 3.a and 3.b), and ANSES (Component 2 and Subcomponent 3.c).

27. For the implementation of Subcomponent 3.a, the Under Secretariat of Labor Studies and Technical Planning will enter into an agreement with one or more Surveyor Entities under terms and conditions acceptable to the Bank (as these are detailed in the Operational Manual). For the implementation of Subcomponent 3.c ANSES may enter into logistical assistance agreements with selected national universities under terms and conditions acceptable to the Bank (as these are further detailed in the Operational Manual).

28. Communication arrangements to process procurement documents will be simplified for the Additional Financing, to facilitate a more direct interaction between the executing units and the World Bank team, eliminating the requirement to transfer all communications through DNPOIC. Given the specificity of the procurement processes, the Government has indicated that it prefers that the Bank interacts directly with each implementing agency. Thus, each agency will have its own technical and procurement unit that will carry out the procurement procedures and its coordinator will be responsible for the technical and procurement oversight of their Subcomponent and the interaction with the World Bank Team. Special procurement provisions apply, as indicated in Section III.E of Schedule 2 of the Loan Agreement. A Procurement Plan was submitted to the Bank on February 3, 2011, as detailed in Annex 3.

29. The scaled-up project activities are expected to continue using the same financial management (FM) arrangements in place. Acceptable FM arrangements in compliance with World Bank requirements continue in place in the DNPOIC along with an adequate control framework operating in ANSES and MTESS over the proposed expanded project activities. FM performance has been rated satisfactory since project inception as evidenced by World Bank supervision. An acceptable audit report was received by the World Bank for the period ended on December 31, 2009. This report contained an unqualified opinion on the eligibility of program expenditures. The audit scope for the project will continue being widened to examine payment procedures and eligibility of beneficiaries. FM monitoring will continue through supervision missions; IFRs and audit reports review and ad hoc support as needed.

30. Flow of funds under Components 1 and 2. As in the case of the ongoing project, loan proceeds will be disbursed into a Designated Account under control of DNPOIC. Based on program implementation and payment of eligible expenditures made by MTESS and ANSES, DNPOIC will reimburse the Government from the advance to the DA to the Single Treasury Account (CUT) managed by the National Treasury Office (TGN). By submitting a withdrawal application to the World Bank, the Borrower will state that loan proceeds are used to finance eligible expenditures. Advances will be made on the basis of three-month forecasts of project eligible expenditures, supported by Interim Financial Reports (IFRs).

31. Flow of Funds under Component 3. As in the case of the ongoing project, funds will be deposited in the DA managed by DNPOIC. For Subcomponents 3.a and 3.b, payments for eligible expenditures (consultants, non-consultants, works, operational costs, and goods) incurred will be made from an operative bank account in local currency under control of the MTESS. In addition, payments related to eligible expenditures incurred for Subcomponent 3.c, will be made from an operative bank account under control of the ANSES Project Coordinating Unit (PCU).

32. ANSES Institutional Framework. The World Bank has been supporting the in-depth transformation of ANSES since 1996 with a Technical Assistance Project (Loan 4131-AR, so-called ANSES I, US\$20 million of World Bank financing, closing date June 30, 2005). World Bank support to ANSES continues through the ongoing Institutional Strengthening II TAL 7318-AR (US\$25 million loan). An assessment of the capacity of the ANSES PCU to implement procurement actions for the Subcomponent 3.c of the project was carried by the World Bank's procurement team under the mentioned project. FM performance under the TA Loan to ANSES (Loan 7318-AR) has also been rated satisfactory and acceptable audit reports were received by the World Bank since project commencement.

33. Project's outcome indicators and intermediate outcome indicators will continue to be monitored as during the original project supervision. Two indicators will be modified (due to a methodological problem detected with their original definition) and two other indicators (one PDO and one intermediate) will be added to monitor the implementation of new activities. Also, the tables of disbursement indicators and results monitoring were updated to include target values for the extended period of implementation, to reflect the scaling up of project activities:

- (a) The indicator showing the percentage of *SCE* beneficiaries receiving employment and training services, that was defined as a six-month moving average in the original project, will be replaced by a twelve-month moving average, as analysis during supervision shows an unexpected level of short term volatility and seasonality affecting it.
- (b) The indicator showing the Amounts claimed to ANSES for reimbursement when allowances to be compensated exceed expected contributions, that was defined as a monthly figure, will be replaced by a twelve-month moving average, as analysis during supervision shows an unexpected level of short term volatility and seasonality affecting it.
- (c) One new Project Outcome Indicator will be included, to reflect advances in the inclusion of beneficiaries in the Family Allowances program. This indicator will show the number of children under 18 registered in ANSES' Individuals Management Database (ADP), who are beneficiaries of a family allowances (including the traditional contributory and non contributory schemes and the new AUH) or are not receiving it because of reasons established in the legislation. This indicator is expected to reflect advances by ANSES in registering all potential beneficiaries, and verifying eligibility.
- (d) In addition, an intermediate indicator will be added to monitor the project's implementation. The number of regular statistical reports on AUH prepared and published through ANSES' website will be monitored, to assess advances in transparency and accountability of AUH implementation.

IV. Appraisal Summary:

34. The economic analysis prepared for the original project remains relevant. This analysis presented the expected social and economic impacts of the supported programs, including a simulation of potential impact of an expansion of coverage, in line with the reforms implemented in late 2009 and supported by the Additional Financing. In this sense, the economic justification of the project is stronger than before, since its impact is expected to be larger and more efficient in terms of costs over the main social indicators in Argentina. The available simulations indicate that, at a cost close to 0.7 percent of GDP in the short term, the expanded programs will help reduce extreme poverty by more than half, and also reduce total poverty and inequality.

35. There are no new relevant issues with regards to technical design and fiduciary arrangements that require a new appraisal, since processes will continue to be applied as in the original project.

36. The scaled-up project activities would not raise the environmental category of the Project which was classified as C. No new safeguard policies are triggered, and the Indigenous Peoples

Policy continues to be triggered. There are no unresolved safeguard issues and negative impacts are not expected.

37. The Indigenous Peoples Planning Framework (IPPF) prepared for the original Project was disclosed on the program's webpage (www.trabajo.gob.ar). Given that the new AUH benefit will affect families in indigenous communities, the IPPF has been updated to provide the framework for carrying out actions to ensure that these indigenous communities fully benefit from the new benefits to be supported by the proposed Additional Financing. The updated IPPF was disclosed on the MTESS and ANSES webpages (www.anses.gob.ar), on October 15, 2010, and published on the World Bank external webpage on December 30, 2010.

38. The design of this project was informed by extensive consultations on the role and design of income transfers. The consultations found that there is a consensus that the income support programs are necessary in Argentina, regardless of whether there is a social or economic crisis. Starting soon after AUH was created in late 2009, ANSES began discussing its design and implementation with indigenous communities. In 2009, the program was discussed with members of the *Consejo de Participación Indígena* (CPI) in several regional meetings and a collaboration agreement was signed with INAI and, in 2010, the program was consulted at the National Meeting of Integration and Articulation of INAI, where 400 indigenous peoples representatives participated. Furthermore, a series of specific consultations were held with individual communities, including:

- the Diaguita-Calchaqui community in Salta;
- the Wichi community in Salta and Chaco;
- the Diaguita-Calchaqui communities in Catamarca, and
- the Mbya-Guarany community in Misiones.

39. As in the original project, OP 4.10 will be triggered in 14 provinces, where indigenous communities live in 112 municipalities. The location of activities for *SCE* depends on the location of the employment offices. After a screening carried out in coordination with the World Bank, the Government estimated, as of August 2010 that about 13,400 *SCE*'s participants (63 percent are women) reside in 87 municipalities where the OP 4.10 is triggered.

40. For the original loan an IPPF was prepared and disclosed, as well as IPPs for the participant provinces, and planned activities were executed. The MTESS has completed Social Evaluations and the Plans for Indigenous Populations in 12 of the 14 provinces identified under OP 4.10 (Tucumán, Salta, Jujuy, Chaco, Formosa, Misiones, La Pampa, Mendoza, Rio Negro, Chubut, Neuquén and San Juan). The two remaining IPPs, for Santiago del Estero and Tierra del Fuego, have been prepared, and are expected to be submitted to the Bank for their review by the end of February 2011. Following the provisions of the IPPF, the IPPs incorporated culturally appropriate strategies of promotion and communication, adequate for indigenous communities in order to guarantee their full understanding of *SCE*. Valuable feedback was received from these communities. Among those, the following proposals were adopted:

- In the provincial IPPs, at the suggestion of indigenous communities, brochures about the project were placed in sites of the easy accessibility such as schools, municipal offices, employment offices, indigenous organizations, etc.;
- Brochures were translated to original languages;
- A bilingual video for Guarany communities were prepared;

- The Beneficiary Register System of the MTESS was modified to allow indigenous people to self identify. The enrollment forms include the question “*Do you belong to an Indigenous People?*” since September 23, 2009 and, by January 2011, 472.180 people who have been interviewed in Employment Offices have responded, 4.371 of them affirmatively; and
- A large set of training courses was approved and is under implementation, in accordance with the interests expressed by the communities.

41. Safeguard actions were prepared and are being implemented by a MTESS team with experience in indigenous issues and broad availability to travel.

42. No major changes from the Original Project are proposed in terms of project objectives, design, approach, and implementation arrangements. Given the nature, objectives and focus of the Additional Financing, and taking into account the implementation experience of the Original Project, no negative impacts are expected on indigenous communities. Since implementation of the IPPs has been satisfactory and no new issues have emerged in the context of the original Project, the existing IPPs will be also updated to continue providing the framework for the activities envisaged during the Additional Financing. The proposed extension of the closing date of the project to September 30, 2014 would facilitate follow-up of the IPPs activities initiated in 2009-2010. Given the progress made so far and the experience with implementation of the original project, it is expected that the following would be the main areas of focus within the IPPs. In several areas, activities would build on work completed under the original Project, including:

- Special field arrangements and management of benefits and services in indigenous communities’ areas.
- Training workshops on social security for indigenous leaders designed by the community.
- Training on the ANSES webpage use to allow them make consultations and procedures with no need to go to ANSES offices.
- Dissemination of the social security’s rights in indigenous languages (oral, digital or any other appropriate format)
- Inclusion of Social Security contents in indigenous radios programs (in indigenous languages) and non indigenous that reach indigenous community areas, as well as other type of suitable telecommunication.
- Agreements and implementation of joint actions with Government agencies, NGOs, Universities, Unions, Schools and other organizations that can contribute to the project.

43. Both MTESS and ANSES have mechanisms and instruments to receive feedback from stakeholders, including programs’ beneficiaries. Nevertheless, the Additional Financing IPPF and the IPPs for the Additional Financing aim at improving the communication with the indigenous population and, therefore, improve the programs’ impact in indigenous population with respect to coverage and compliance with co-responsibilities. In particular, several activities started under the original Project will be followed-up: (a) the use of existing material in the original language; (b) training of local agents to register participants in these communities; (c) promotion and communication campaigns; (d) mechanisms to provide information and respond to complaints, at the national as well as the provincial level; (e) training for tutors to work with the participants

from these communities; and (f) a specific modality to offer the services in each indigenous community.

ANNEX 1

REVISED RESULTS FRAMEWORK AND MONITORING INDICATORS

Revisions to the Results Framework		Comments/ Rationale for Change
PDO		
<i>Current (PAD)</i>	<i>Proposed</i>	
The project development objective is to increase the effectiveness of Argentina's income transfer programs for the unemployed and families with children, by expanding the number of participants and improving design features, transparency and accountability in two core social protection programs		No Changes proposed
PDO indicators		
<i>Current (PAD)</i>	<i>Proposed change*</i>	
Number of <i>SCE</i> beneficiaries exiting into formal employment	No methodological or target changes, target values extended until 2014	
Percentage of beneficiaries of <i>SCE</i> participating in training, education, or employment support activities. (6-month moving avg)	Revised to 12-month average. Projected value for end-2010 reduced from 30% to 26% as a consequence of this change, and projected targets extended until 2014	Seasonal effects made indicator volatile
Percentage of spending on Family Allowances paid through the direct payment system. (12-month moving avg).	No methodological changes. Values for end-2010 and 2011 increased (from 70% and 80% to 80% and 90%) because of performance higher than expected, and target values extended until 2014	Performance in indicator has been better than expected
Number of children under 18 registered in ANSES' ADP database, who are either receiving Family Allowance Benefits from ANSES or are not receiving them due to reasons established in the legislation	New	Included to reflect advances in implementation of AUH
Intermediate Results indicators		
<i>Current (PAD)</i>	<i>Proposed change*</i>	
Number of beneficiaries of <i>SCE</i> ⁷	No methodological changes. Value for end-2010 increased from 110,000 to 140,000 and for end 2011 from 140,000 to 150,000. Target values extended until 2014	Values for 2010 and 2011 increased as performance was better than expected
Number of Employment Offices providing <i>SCE</i> services	No methodological or target changes, target values extended until 2014.	
Number of firms registered in SUAF	No methodological or target changes, target values extended until 2014	

⁷ This indicator reflects the performance of *Seguro* in terms of its coverage of the potential beneficiary population. Given that the number of potential beneficiaries (around 1.5 million unemployed workers) is quite larger than the number of actual beneficiaries, increases in coverage reflect a better performance in reaching them.

Revisions to the Results Framework		Comments/ Rationale for Change
Amounts claimed to ANSES for reimbursement when allowances to be compensated exceed expected contributions (12 month moving average)	Revised to 12-month average. Values for end 2010 and end 2011 changed as a consequence, from AR\$1.3 million and AR\$0.6 million, to AR\$6 million and AR\$2.1 million. Target values extended until 2014	Seasonal effects made indicator volatile
Number of child allowance benefits paid by ANSES through SUAF	No methodological or target changes, target values extended until 2014.	
Number of SUAF beneficiaries receiving their transfers directly in their bank accounts	No methodological or target changes, target values extended until 2014.	
Social protection survey is designed and implemented.	No methodological or target changes, target values extended until 2014.	
Number of regular statistical reports on AUH prepared and published through ANSES' website	New	Indicator to reflect transparency in AUH

* Indicate if the indicator is Dropped, Continued, New, Revised, or if there is a change in the end of project target value

REVISED PROJECT RESULTS FRAMEWORK

Project Development Objective (PDO):

The project development objective is to increase the effectiveness of Argentina's income transfer programs for the unemployed and families with children, by expanding the number of participants and improving design features, transparency and accountability in two core social protection programs

PDO Level Results Indicators ⁸	Core	UOM ⁹	Baseline Original Project Start (2008)	Progress To Date (2010) ¹⁰	Cumulative Target Values ¹¹				Frequency	Data Source/ Methodology	Responsibility for Data Collection	Comments
					2011	2012	2013	2014				
1. Number of <i>SCE</i> beneficiaries exiting into formal employment	<input type="checkbox"/>	Beneficiaries /year	8400	9000	9000	11000	11000	11000	Monthly	<i>SCE's</i> MIS	Secretariat of Employment, MTESS	
2. Average of the monthly percentage of beneficiaries of the <i>SCE</i> Program receiving Employment and Training Services of the total number of beneficiaries of the <i>SCE</i> Program, during the 12 month period preceding the date in which the Disbursement Indicator is measured.	<input type="checkbox"/>	Percent of beneficiaries	24.1%	26%	27%	32%	35%	35%	Monthly	<i>SCE's</i> MIS	Secretariat of Employment, MTESS	
3. Average of the monthly percentage of payments made through SUAF of the total payments made under the AF Program to salaried workers in the private sector during the 12 month period preceding the date in which the Disbursement Indicator is measured.	<input type="checkbox"/>	Percentage of payments	57%	82.2%	95%	98%	98%	98%	Monthly	ANSES' finance director resolution and AFIP's <i>Informe Gerencial</i>	ANSES AFIP	
4. Number of children under 18 registered in ANSES' ADP database, who are either receiving family allowance benefits from ANSES or are not receiving it because they fail to met one of the eligibility criteria	<input type="checkbox"/>	Thousands of Children	n/a	9700	9950	10157	10300	10400	Four-monthly	ANSES' AUH Statistical Report	ANSES	

⁸ Please indicate whether the indicator is a Core Sector Indicator (for additional guidance – please see <http://coreindicators>).

⁹ UOM = Unit of Measurement.

¹⁰ For new indicators introduced as part of the additional financing, the progress to date column is used to reflect the baseline value.

¹¹ Target values should be entered for the years data will be available, not necessarily annually. Target values should normally be cumulative. If targets refer to annual values, please indicate this in the indicator name and in the “Comments” column.

Beneficiaries	Core	UOM ¹²	Baseline Original Project Start (2008)	Progress To Date (2010) ¹³	Cumulative Target Values ¹⁴				Frequency	Data Source/ Methodology	Responsibility for Data Collection	Comments
Beneficiaries of <i>SCE de Capacitación y Empleo</i>	<input checked="" type="checkbox"/>	Thousands	78.5	121	141	161	165	165	Monthly	SCE's MIS	Secretariat of Employment, MTESS	
Beneficiaries of <i>Child Allowances paid through SUAF</i>	<input checked="" type="checkbox"/>	Thousands	2570	3020	3260	3450	3600	3700	Monthly	ANSES' Family Allowances Direction	ANSES	
Beneficiaries of AUH	<input checked="" type="checkbox"/>	Thousands	n/a	3451	3600	3700	3800	4000	Monthly	ANSES' AUH Statistical Report	ANSES	

Intermediate Results and Indicators

Intermediate Results Indicators	Core	Unit of Measurement	Baseline Original Project Start (2008)	Progress To Date (2010)	Target Values				Frequency	Data Source/ Methodology	Responsibility for Data Collection	Comments
					2011	2012	2013	2014				
Intermediate Result 1: Expand the <i>SCE</i> program, including the cash benefit and availability of training and basic education services.												
1. Number of Employment Offices providing <i>SCE</i> services	<input type="checkbox"/>	Offices	181	300	310	350	360	370	Monthly	SCE's MIS	Secretariat of Employment, MTESS	
Intermediate Result 2: Shift to direct payment of Family Allowances (by SUAF).												
2. Number of firms registered in SUAF	<input type="checkbox"/>	Firms	491894	580459	627389	678113	732939	792197	Monthly	ANSES' Family Allowances Direction	ANSES	

¹² UOM = Unit of Measurement.

¹³ For new indicators introduced as part of the additional financing, the progress to date column is used to reflect the baseline value.

¹⁴ Target values should be entered for the years data will be available, not necessarily annually. Target values should normally be cumulative. If targets refer to annual values, please indicate this in the indicator name and in the "Comments" column.

Intermediate Results and Indicators

Intermediate Results Indicators	Core	Unit of Measurement	Baseline Original Project Start (2008)	Progress To Date (2010)	Target Values				Frequency	Data Source/ Methodology	Responsibility for Data Collection	Comments
					2011	2012	2013	2014				
3. Amounts claimed to ANSES for reimbursement when allowances to be compensated exceed expected contributions;	<input type="checkbox"/>	AR\$ million	240	6	2.1	0.75	0.27	0.09	Monthly	ANSES' Family Allowances Direction	ANSES	
4. Number of SUAF beneficiaries receiving their transfers directly in their bank accounts		Beneficiaries	805348	1045665	1201259	1380005	1585349	1821247	Monthly	ANSES' Family Allowances Direction	ANSES	
Intermediate Result 3: Improve the availability of data for monitoring social protection programs.												
5. Social protection survey is designed and implemented	<input type="checkbox"/>	Published results			x		X				Under Secretariat of Studies, MTESS	
6. Number of four-monthly statistical reports on AUH prepared and published through ANSES' website	<input type="checkbox"/>	Published reports	n/a	0	3	6	9	12	Every four months	ANSES' Planning Direction	ANSES	

ANNEX 2

OPERATIONAL RISK ASSESSMENT FRAMEWORK (ORAF)

Project Development Objective(s)	
<p>The project development objective is to increase the effectiveness of Argentina’s income transfer programs for the unemployed and families with children, by improving selected design features, transparency and accountability of the Family Allowances and <i>SCE</i> Program, and by and transferring beneficiaries from other, less effective schemes and programs, to the Family Allowances Program and the <i>SCE</i> Program.</p>	
<p>PDO Level Results Indicators:</p>	<ol style="list-style-type: none"> 1. Number of SCE beneficiaries exiting into formal employment 2. Percentage of beneficiaries of SCE participating in training, education, or employment support activities. 3. Percentage of spending in Family Allowances paid through direct payment system. (12-month moving average). 4. Number of children registered by the Family Allowances program, either as beneficiaries or as not qualifying to receive a benefit.

Risk Category	Risk Rating	Risk Description	Proposed Mitigation Measure
Project Stakeholder Risks	Medium-I	Political debates regarding the financial situation and strategy of ANSES (the agency that pays AUH) might impact negatively on the project’s implementation. However, the political risks are limited by the broad support of the program by the Government and political opposition	The Bank team is very active in policy dialogue with stakeholders to explain the support for this program, through regular seminars (“empanada lunches”), participation in technical seminars, etc. The TA component provides for monitoring of program impacts
Implementing Agency Risks (including FM & PR Risks)	Medium-L	The project involves two large programs, with millions of beneficiaries across the country, which could make monitoring systems difficult, but they have a strong record managing similarly large programs. Also, the project requires agencies to innovate in some practices regarding client relations.	The TA component will support institutional innovations required to ensure an adequate control environment and extend coverage to qualifying households, and it will also support strengthening of monitoring and procurement processes

Project Risks			
Design	Medium-I	The planned disbursement model, with advances linked to outputs, will require close coordination between implementing agencies and MEF	Continuous dialogue with implementing agencies to monitor possible deviation from targets Disbursements are linked to progress, instead of fixed dates, to provide flexibility
Social & Environmental	Low	The project will require the implementation of an IPP, according to OP 4.10, failure to do so could result in delays	The implementing agency already has an IP policy in place, and the Bank team is working with them to adapt to OP4.10
Program & Donor	Low	As AUH shares its financial resources with other Social Security programs, potential difficulties in the fiscal sustainability of these programs could affect AUH	There is a large Social Security fund to protect against short term fluctuations
Delivery Quality	Medium-L	Sustainability risks are limited, but a stronger monitoring system is necessary to ensure measurability of results	The loan supports development of a monitoring system, thus generating reliable information that would allow a better financial planning for the programs

Final Decision Meeting Rating:

Appraisal Decision Chair	Risk Rating: Preparation	Risk Rating: Implementation	Date	Comments
Overall Risk	Medium-I	Medium-I	1/31/2011	

ANNEX 3 PROCUREMENT PLAN

Name of the Project: AF ABP Component 3.a

Loan 8017-AR

Procurement Plan: 2011-1

Date.: 03/Feb/2011

Category: Goods

Description	Status	Method	Province	Est./Real	Original Amount in US\$	Prior Review	Contract Signature Date	End of Contract
Method: National Competitive Bidding								
IT Equipment	Planned	NCB	Ciudad de Buenos Aires	Est.	200,000.00	Yes	Nov 1, 2012	Dec 1, 2012
Data Processing Software	Planned	NCB	Ciudad de Buenos Aires	Est.	200,000.00	Yes	March 1, 2012	June 1, 2012
					400,000.00			

Category: Non Consultant Services

Description	Status	Method	Province	Est./Real	Original Amount in US\$	Prior Review	Contract Signature Date	End of Contract
Method: National Competitive Bidding								
National promotion and dissemination of ENAPROSS 2 through radio	Planned	NCB	Ciudad de Buenos Aires	Est.	245,000.00	No	March 1, 2013	July 1, 2013
Method: Shopping								
Publication of preliminary results by province of ENAPROSS 2	Planned	Shopping	Ciudad de Buenos Aires	Est.	15,000.00	No	Sep 1, 2013	Nov 1, 2013
Publication of final results of ENAPROSS 2	Planned	Shopping	Ciudad de Buenos Aires	Est.	25,000.00	No	March 1, 2014	May 1, 2014
Printing (Questionnaires, brochures, posters)	Planned	Shopping	Ciudad de Buenos Aires	Est.	40,000.00	No	Feb 1, 2013	March 1, 2013
					325,000.00			

Category: Training

Description	Status	Method	Province	Est./Real	Original Amount in US\$	Prior Review	Contract Signature Date	End of Contract
Method:								
Final Seminar of results analysis Pasajes, hotelería, catering	Planned	n/a	Ciudad de Buenos Aires	Est.	28,000.00	No	May 1, 2014	June 1, 2014
					28,000.00			

Name of the Project: AF ABP Component 3.a

Loan 8017-AR

Procurement Plan: 2011-1

Date.: 03/Feb/2011

Category: Operational Costs

Description	Status	Method	Province	Est./Real	Original Amount in US\$	Prior Review	Contract Signature Date	End of Contract
Método: ()								
Procurement Announcements Publication	Planned	Following Local regulations	Ciudad de Buenos Aires	Est.	20,000.00	No		Aug 1, 2011
Banking costs	Planned	Following Local regulations	Ciudad de Buenos Aires	Est.	10,000.00	No		June 1, 2011
Tickets and Per Diem	Planned	Following Local regulations	Ciudad de Buenos Aires	Est.	73,000.00	No		Sep 1, 2012
ENAPROSS 2 (includes connectivity costs)- INDEC and/or DPE		DC	Ciudad de Buenos Aires	Est.	2,288,000.00	Yes	Feb 1, 2013	Sep 1, 2013
					2,391,000.00			

Category: Consultant- Firms

Description	Status	Method	Province	Est./Real	Original Amount in US\$	Prior Review	Contract Signature Date	End of Contract
Method: QCBS								
Supervision and Training Special Study	Planned	QCBS	Ciudad de Buenos Aires	Est.	70,000.00	No	Feb 1, 2013	Nov 1, 2013
Study of Social Protection of Children	Planned	QCBS	Ciudad de Buenos Aires	Est.	280,000.00	Yes	Aug 1, 2013	Dec 1, 2013
					350,000.00			

Categoría: Consultant- Individuals

Description	Status	Method	Province	Est./Real	Original Amount in	Prior review for TOR
Método: 3CV (3CV)						
Technical Unit (Design, Analysis, Training, Programming, Operational Control)	Planned	3CV	Ciudad de Buenos Aires	Est.	1,000,000.00	N/A
Translation International Seminar to Analyze Results	Planned	3CV	Ciudad de Buenos Aires	Est.	6,000.00	N/A
					1,006,000.00	

Total component 3.a	4,500,000.00
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Name of the Project: AF ABP Component 3.b

Loan 8017-AR

Procurement Plan: 2011-1

Date.: 03/Feb/2011

Category: Works

Description	Status	Method	Province	Est./Real	Original Amount in US\$	Prior Review	Contract Signature Date	End of Contract	Observations
Method: NCB									
Works on Data Center	Planned	NCB	Ciudad de Buenos Aires	Est.	2,350,000.00	Yes	Nov 1, 2011	Dec 1, 2011	
					2,350,000.00				

Category: Goods

Description	Status	Method	Province	Est./Real	Original Amount in US\$	Prior Review	Contract Signature Date	End of Contract	Observations
Method: ICB									
Hardware for Data Center	Planned	ICB	Ciudad de Buenos Aires	Est.	4,650,000.00	Yes	Aug 1, 2011	Sept 1, 2011	
					4,650,000.00				
Total componente B					7,000,000.00				

Name of the Project: AF / Component 3.c

Loan 8017-AR

Procurement Plan: 2011-1

Date.: 03/Feb/2011

Category: Goods

Description	Status	Method	Est./Rea	Original Amount in US\$	Prior Review	Contract Signature Date	End of Contract
Method: Shopping							
IT Equipment UCP (5 workstations)	Planned	Shopping	Est.	25,000	No	May 1, 2011	May 30, 2011
Uniform for surveyors (caps, t-shirts, coats)	Planned	Shopping	Est.	60,000	No	May 1, 2011	May 30, 2011
Method NCB							
1250 Photo/Video Cameras	Planned	NCB	Est.	312,500	Yes	May 30, 2011	June 30, 2011
12 mobile offices and 12 gazebos	Planned	NCB	Est.	456,000	No	May 30, 2011	June 30, 2011
Method: ICB							
IT equipment for fieldwork (1250 netbooks and 120 notebooks)	Planned	ICB	Est.	769,000	Yes	July 15, 2011	Nov 15, 2011
				1,622,500			

Category: Non Consultant Services

Description	Status	Method	Est./Rea	Original Amount in US\$	Prior Review	Contract Signature Date	End of Contract	Observations
Method: Shopping								
TV and radio spots (up to US\$ 50,000 per contract)	Planned	Shopping	Est.	1400000	Yes*	May 2, 2011	Dec 31, 2012	Several regional shopping processes will be held considering the regional coverage of University Agreements
Printing and exhibition (15 days) of public advertisement posters	Planned	Shopping	Est.	1250000	Yes*	May 2, 2011	Dec 31, 2012	Several regional shopping processes will be held considering the regional coverage of University Agreements
Method ICB								
Rent of Satellite mobile antennas	Planned	ICB	Est.	1,260,000	Yes	July 31, 2011	Nov 15, 2011	
				3,910,000				

* The first shopping process will be submitted to prior review para cada adquisición

Category: Operating Costs- University Agreements

Description	Status	Method	Est./Rea	Original Amount in US\$	Prior Review	Contract Signature Date	End of Contract	Observations
Method: Direct Contracting at regional level (up to 14 Agreements) convenios								
Operating Costs for the fieldwork	Planned	DC	Est.	11,439,500	No (*)	March 1, 2011	Feb 28, 2013	
				11,439,500				

(*) Only an Agreement Model (and possible revisions of this model) to be signed with Participating Universities will be subject to Prior Review

Categoría: Individual Consultant

Description	Status	Method	Est./Rea	Original Amount in US\$	Prior Review	Contract Signature Date	End of Contract	Observations
Method: 3CV								
Organizational Consultant	Planned	3CV	Est.	48,000	No	March 1, 2011	Feb 28, 2013	
Coordination Unit	Planned	3CV	Est.	180,000	No	March 1, 2011	Feb 28, 2013	
				228,000				

total componente 3, 17,200,000