

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

ARGENTINA

COMPREHENSIVE EARLY CHILDHOOD DEVELOPMENT PROGRAM

(AR-L1409)

LOAN PROPOSAL

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LINKS
REQUIRED: <ol style="list-style-type: none">1. Multiyear execution plan/annual work plan2. Monitoring and evaluation plan3. Environmental and social review summary4. Procurement plan
OPTIONAL: <ol style="list-style-type: none">1. Economic analysis of the project2. Architectural overview of the interoperability model3. Program Operating Regulations4. Climate change annex5. Bibliography6. Cash transfer programs in Argentina7. Preliminary outline of milestones for financing Component 2

ABBREVIATIONS

AGN	General Audit Office of Argentina
ANSES	National Social Security Administration
CBP	Center-based Program
CCTP	Conditional Cash Transfer Program
CDC	Child Development Center
CHCA	Comprehensive Health Care Allowance
CNCPS	National Council for the Coordination of Social Policies
DGPYPSYE	Dirección General de Programas y Proyectos Sectoriales y Especiales (Bureau of Sector and Special Projects and Programs)
EBC	Effective Basic Coverage
ECD	Early Childhood Development
FSP	Family Support Program
ISIS	Integrated Social Information System
MCH	Ministry of Human Capital
MINSAL	Ministry of Health
PNPI	Plan Nacional de Primera Infancia (National Early Childhood Plan)
SNA	Supplemental Nutrition Allowance
SNNAYF	National Secretariat for Childhood, Adolescence, and Family
UCB	Universal Child Benefit
UEPEX	External Loan Execution Unit
UPB	Universal Pregnancy Benefit

PROJECT SUMMARY

ARGENTINA COMPREHENSIVE EARLY CHILDHOOD DEVELOPMENT PROGRAM (AR-L1409)

Financial Terms and Conditions							
Borrower:			Flexible Financing Facility^(a)				
Argentine Republic			Amortization period:		25 years		
Executing agency:			Disbursement period:		5 years		
The borrower through its Ministry of Human Capital			Grace period:		5.5 years ^(b)		
Source¹		Amount (US\$)	%	Interest rate:		SOFR-based	
IDB (Ordinary Capital):		700,000,000	100	Credit fee:		^(c)	
Total:		700,000,000	100	Inspection and supervision fee:		^(c)	
				Weighted average life:		15.25 years	
				Approval currency:		U.S. dollars	
Project at a Glance							
<p>Project objective/description: The general objective of the program is to help promote the early childhood development of vulnerable children. The specific objectives are to: (i) improve the effectiveness and efficiency of transfer programs targeting pregnant women and children up to 48 months old; and (ii) expand access to quality childhood development services for children up to 48 months old.</p> <p>Special contractual conditions precedent to the first disbursement of the loan: The borrower, through the executing agency, has provided evidence of: (i) the approval and entry into force of the program Operating Regulations, including the definition of administrative/fiduciary procedures; and (ii) the assignment of key personnel from the Dirección General de Programas y Proyectos Sectoriales y Especiales (Bureau of Sector and Special Projects and Programs) (DGPYPSYE), including the General Coordinator, and those responsible for administrative and financial management and for procurement, in accordance with the terms of reference agreed on with the Bank (paragraph 3.3).</p>							
Exceptions to Bank policies: None							
Strategic Alignment							
Objectives:^(d)		O1 <input checked="" type="checkbox"/>		O2 <input type="checkbox"/>		O3 <input type="checkbox"/>	
Operational Focus Areas:^(e)		OF1 <input type="checkbox"/>	OF2-G <input checked="" type="checkbox"/> OF2-D <input checked="" type="checkbox"/>	OF3 <input checked="" type="checkbox"/>	OF4 <input checked="" type="checkbox"/>	OF5 <input type="checkbox"/>	OF6 <input checked="" type="checkbox"/> OF7 <input type="checkbox"/>

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

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

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

(d) O1 (Reducing Poverty and Inequality); O2 (Addressing Climate Change); and O3 (Bolstering Sustainable Regional Growth).

(e) OF1 (Biodiversity, natural capital, and climate action); OF2-G (Gender equality); OF2-D (Inclusion of diverse population groups); OF3 (Institutional capacity, rule of law, and citizen security); OF4 (Social protection and human capital development); OF5 (Productive development and innovation through the private sector); OF6 (Sustainable, resilient, and inclusive infrastructure); OF7 (Regional integration).

¹ The project will have US\$500 million in parallel financing from the World Bank Group.

I. PROJECT DESCRIPTION AND RESULTS MONITORING

A. Background, problem addressed, and rationale

1. The impact of poverty on childhood development

- 1.1 **Children in low-income households face developmental lags that jeopardize their future.** The physical, cognitive, socioemotional, and language development that takes place during the first four years of life is critical. This developmental process is cumulative and lays the foundation for skill acquisition in subsequent stages of life. Poverty is a risk factor for this process because it increases the likelihood of exposure to environments less conducive to early childhood development (ECD), which are characterized by high levels of family stress, food insecurity, and a lower availability of play materials [1]. In many countries, significant lags in ECD levels have been documented in children from lower-income households; such lags emerge even before the first year of life and persist into the school stage [2].² A measurement in vulnerable children between 6 and 24 months old in the City of Buenos Aires showed that 41% presented with a delay in one of the developmental areas assessed [3].
- 1.2 **Poverty levels in Argentina are at historically high levels, particularly for the under-five population.** Accelerating inflation—rising from an annual average of 60% between 2019 and 2022 to 211% in 2023—together with the persistent stagnation of economic activity (real per capita GDP fell by more than 10% between 2011 and 2023) have contributed to the population’s deteriorated living conditions in recent years. In the first half of 2024, 52.9% of the population was poor and 18.1% indigent. The situation is highly critical among children under five years old: poverty and indigence rates of 64% and 3%, respectively, were recorded.
2. **Transfer programs: a key tool to mitigate the impact of poverty on child development that can be improved**
- 1.3 **The degree of effectiveness of conditional cash transfer programs (CCTPs) varies depending on their design.** CCTPs have a two-fold objective: to protect the income of vulnerable households and to enhance the human capital of their children by making the transfer conditional on the timely use of public health and education services. Their effectiveness depends on factors including the amount of the transfer, the design of the coresponsibility and monitoring thereof, their level of coverage and targeting, and the possibility of accessing public services of an adequate quality. The amount of the transfer should be high enough to alleviate poverty, yet balanced so as to not generate undesired effects on the labor supply [4]. Coresponsibilities must be relevant (have room for improvement and an impact on human capital accumulation), and fulfillment should be monitored and promoted [5] but not entail such a significant cost for households that it becomes a factor of exclusion for the poorest [6]. Eligibility criteria must be appropriate to provide coverage to those who need the benefits and minimize the inclusion of those who are not a priority population [7]. It is the State’s coresponsibility to ensure that the quality and relevance of the public services that

² In the region, gaps have also been documented in Indigenous populations, where children at age five have one-year language delays compared to those in non-Indigenous groups [1].

- it promotes are adequate so that access translates into enhanced human capital [8].
- 1.4 **The Argentine CCTPs have broad coverage of the child population and are well targeted.** The universal child benefit (UCB) and universal pregnancy benefit (UPB) target unemployed workers, informal workers, and domestic workers. These programs' beneficiaries receive a monthly transfer per child or pregnant woman that is currently equivalent to 59% of the basic basket of food items per equivalent adult. Every month, 20% of this transfer (incentive) is withheld and accumulated for payment once a year following verification of compliance with health and vaccination controls and, starting at five years old, of school attendance as well. The UCB currently reaches 93% of its eligible population [9], and 86% of recipients are poor and 95% below 1.5 times the poverty line.³ The UPB is estimated to cover 70% of its eligible population.⁴ Together, the budget for both programs represents 0.5% of GDP.
- 1.5 **Households with pregnant women or children under three years old that receive the UPB or UCB also receive two additional allowances.** To expand the level of protection during this critical stage of the life cycle, two additional allowances were created in 2020 for this population group: the supplemental nutrition allowance (SNA) and the comprehensive health care allowance (CHCA). The SNA is paid monthly and, upon creation, represented 6.2% of the basic basket of food items (per equivalent adult).⁵ Amounting to the equivalent of one month of the UCB, the CHCA is paid once a year to households with children under three years old that can demonstrate compliance with the vaccination and health control plan. In practice, this coresponsibility is identical to that of the UCB.
- 1.6 **There is room for improvement to make these programs more effective.** There is evidence that the UCB has a significant impact on reducing extreme poverty [10] and increasing access to health services [11]. However, there are opportunities to improve the transfer mechanism, the coresponsibility verification process, and the mechanism for registering allowance beneficiaries, which could improve their effectiveness, both in terms of protecting the income and promoting the human capital accumulation of their beneficiaries.
- 1.7 **The incentive to fulfill coresponsibilities loses value.** At present, an automatic adjustment for inflation protects the purchasing power of these allowances. However, the portion withheld each month and paid the following year for fulfillment of the coresponsibility is not subject to any adjustment. In Argentina's inflationary context, this reduces the incentive's purchasing power and, therefore, its effectiveness, both in terms of protecting income and of promoting the use of health or education services. In 2023, the value of this incentive declined by 33%.⁶ This is also evidence that long payment periods give rise to a disconnect between the incentive and the desired behavior, which decreases its effectiveness [12].

³ Estimates prepared by the authors based on the Permanent Household Survey for the first quarter of 2024.

⁴ World Bank estimates based on information on live births with exclusive public health coverage from the Statistics and Health Information Department of the Ministry of Health (MINSAL).

⁵ In May 2024, this value represented 2.6% of the basic basket of food items.

⁶ Based on monthly inflation through August and the market projection for the rest of the year, the value of the incentive payment will fall by an estimated 26.6% during 2024.

- 1.8 **The coresponsibility verification process is inefficient, is not traceable, and places an additional burden on the time women spend on caregiving tasks.** To document fulfillment of coresponsibilities, UCB recipients—of which 96% are women—and UPB recipients must submit a form to the National Social Security Administration (ANSES) offices, which is completed by health centers and schools with a delay. For pregnant women and children under three years old with exclusive public health coverage, this mechanism does not guarantee that health controls or the vaccination schedule for their age have been fulfilled in full, since comprehensive information on consultations is not yet commonly available in public health centers. For example, the form does not detail fulfillment of the vaccination schedule, which is a critical health objective given that coverage is below optimal levels [13]. In addition, this procedure is redundant, since MINSAL does have an electronic record of the reasons for consultation through its [SUMAR+](#) program. The cost of carrying out this procedure may be creating cases where compliance is met without the incentive being paid, since the distance to ANSES offices negatively affects the probability of receiving the conditional payment [14]. In 2019, 18.6% of beneficiaries reported difficulties in obtaining or submitting the form. In 2022, only 60% of UCB beneficiaries received the incentive.⁷
- 1.9 **UPB payments do not start until at an advanced stage of gestation.** In order to receive the UPB, pregnant women must submit to the ANSES a pregnancy certificate signed by a health professional. The medical criteria for certifying pregnancy varies and may require an ultrasound, thus generating a barrier to or delay in receiving the benefit for those who access health centers that lack the equipment to perform ultrasounds. According to information from the ANSES, at present 60% of women who receive the UPB only do so in the third trimester (on average, in week 24), while the gestational age of the first prenatal consultation recorded by the health services for the population with exclusive public coverage is 15.8 weeks—demonstrating that there is room for improvement in the timeliness of income support. There is evidence that economic support in the early stages of pregnancy translates into improvements in maternal and child health indicators [15] [16].
- 1.10 **It is unclear to beneficiaries how the amount they receive each month is broken down.** Monthly transfers of the UCB, UPB, SNA, and (in one of the months of the year) CHCA are deposited in the beneficiaries' accounts in an indistinguishable manner. The automatic monthly adjustment to the amount of the transfers, the 20% withholding, the annual deferred payment for the incentive upon fulfillment of the coresponsibilities, and overlapping benefits mean that recipients have little clarity as to how much they should receive each month and in what connection they should receive it [17]. The literature on CCTPs concludes that the lack of clarity on conditions and transparency in the amounts received can reduce their effectiveness by discouraging beneficiaries from fulfilling the conditions, especially in contexts of low levels of education [18].

⁷ [Optional link 6](#) provides further information on CCTPs in Argentina.

3. ECD services: low coverage of quality programs for children from vulnerable environments

- 1.11 **High-quality ECD services are another tool for children’s social protection and development and contribute to closing the gaps for low-income children.** Although it is not their primary objective, CCTPs have shown indirect impacts on making the family environment more conducive to ECD by increasing the resources available for nutrition and stimulation [19]. However, evidence suggests that programs specifically designed to improve the care environment achieve significant impacts on cognitive skills and language development if they are of high quality [20]. They also promote gender equality, since access to high-quality ECD services leads to a more equitable distribution of care tasks in the household [1].
- 1.12 **The effectiveness of ECD services depends primarily on how high their quality is.** ECD services include family support programs (FSPs), which seek to improve the parenting practices of primary caregivers at home, and center-based programs (CBPs), where care, nutrition, and stimulation are provided. For both types of interventions, experts distinguish between structural quality and process quality. The latter dimension covers aspects such as the number of children per caregiver, the educational level of the caregivers, and the availability of materials and equipment. This dimension is important for children’s wellbeing, but is not by itself associated with significant impacts on ECD. Process quality relates to the interactions between caregivers, children, parents, and/or home visitors and are key to CBP and FSP effectiveness. Quality interactions are understood to be stimulating, affectionate, frequent, and rich in language and respond to the specific needs of children and/or families. Training and support for caregivers in the centers is essential to improve processes and provide higher quality services. In terms of FSPs, it is essential to: (i) build a relationship of trust with the caregivers and actively involve them in the sessions through demonstrations, as the aim is to change their behavior; (ii) guarantee a sufficient number of visits; (iii) ensure intervention fidelity by maintaining a structured curriculum of activities; and (iv) deliver appropriate training, supervision, and support to those implementing the program (facilitators) before and during the intervention [21].
- 1.13 **The process of strengthening CBP quality in Argentina still needs to be consolidated.** According to the 2019-2020 Child and Adolescent Survey, 19% of children under three years old attend childcare and child development centers (CDCs, also called kindergartens).⁸ This figure decreases significantly for younger, lower-income children and in areas with a higher percentage of Indigenous people. Although there are no recent estimates on CDC quality at the national level, representative studies at the regional level indicate that the centers that serve the most vulnerable population exhibit significant deficits both structurally and in the interactions between caregivers and children [22]. Launched in 2016, the Plan Nacional de Primera Infancia (National Early Childhood Plan) (PNPI) is the main national policy promoting ECD. Overseen by the National Secretariat for Childhood, Adolescence, and Family (SNNAYF) under the Ministry of Human Capital (MCH), this plan includes support for opening new CDCs and improving existing CDCs. The support consists of an initial subsidy, which ranges from

⁸ The CDCs may be publicly or privately managed. Of the 2,400 CDCs in SNNAYF’s administrative databases, 44% are managed by municipal governments, 18% by provincial governments, and 38% by civil society organizations.

US\$1,000 to US\$2,000 depending on whether it is for opening or strengthening an existing space,⁹ plus a monthly transfer of US\$3 per child served, which barely covers 2% of a center's estimated operating costs. The accountability mechanisms for these subsidies focus on administrative matters, without considering the quality of the services provided.

- 1.14 **Access to quality FSPs for vulnerable children is highly limited.** Created in 2016, SNNAYF's "First Years" program is the national government's only FSP and was implemented in agreement with the municipal authorities in towns with a high degree of socioeconomic vulnerability. Although it follows a curriculum, the program is run through group sessions that are held for less time than programs that have proven to be effective [23]. The program has never reached a significant scale. In 2023, it benefited 18,000 families nationwide.

4. Cross-sector coordination of interventions to promote child development: a pending task

- 1.15 **To boost the effectiveness of ECD promotion policies, coordination among the government agencies responsible for their implementation is crucial.** These policies include health, nutrition, care environments, and social protection. In a federal country like Argentina, coordination with subnational governments, which manage and finance most health services, is also essential. Since these interventions involve multiple national and subnational agencies, effective coordination is necessary to avoid duplication and inconsistencies and ensure policy coherence and efficiency. Evidence indicates that interagency coordination improves targeting, reduces chronic child malnutrition, and optimizes cognitive and motor development and learning readiness [24].
- 1.16 **The National Council for the Coordination of Social Policies (CNCPS) needs to strengthen its management capacity.** Created in 2002, the CNCPS has a mandate to promote social policy coherence and effectiveness by integrating efforts among different ministries and government agencies at the national and subnational levels. However, it faces limitations in its role as coordinator due to the lack of timely and integrated information on the programs it coordinates. At present, the information it handles is fragmented and outdated and lacks systematic quality controls. This deficiency limits its ability to adequately monitor the targeting and impact of social policies and to make informed recommendations to public agencies. Implementing integrated information systems would allow agencies to share data in real time, thus fostering the comprehensiveness of interventions and avoiding duplication, in addition to improving program monitoring and evaluation [25] [26] [27].
- 1.17 **Protecting the vulnerable population from climate shocks.** Argentina is undergoing an increase in the frequency of extreme weather events. These events have a particularly adverse impact on the most vulnerable, who, because of their lower levels of savings and access to credit, have fewer resources to prepare for and recover from shocks [28]. There is ample evidence that extreme weather events and disasters, like other shocks, can lead poor households to adopt negative coping strategies, such as selling productive assets, refraining from medical checkups, or pulling children out of school [29]. CCTP beneficiaries

⁹ Throughout the document, the exchange rate used is Arg\$1,000 to US\$1.

residing in areas of high climate risk are more resilient to extreme events than in a scenario in which they lack such income support.

- 1.18 **The Bank's programmatic approach and added value.** The programmatic approach to ECD promotion in Argentina has sought to expand access to quality services for vulnerable children. Through three loan operations—Strengthening of Policies on Childhood, Adolescence, and Family ([2607/OC-AR](#)); and the first ([4229/OC-AR](#)) and second ([5585/OC-AR](#)) operations under the Conditional Credit Line for Investment Projects for the Program to Support the National Early Childhood Plan and the Policy for Universalization of Early Childhood Education ([AR-O0003](#))—the Bank has supported investments to improve CDC quality through works to expand and renovate infrastructure and acquire equipment. The approach included the adoption of a quality standard that encompasses the infrastructure's structural and sustainability dimensions.¹⁰ Through its operations, the Bank has also been promoting technical cooperation projects, sector work, and improvements in the quality of interactions between children and caregivers in CDCs, including the development of measurement instruments and caregiver training toolkits that have not yet been implemented at scale. This operation expands this programmatic approach to include the strengthening of the administrative governance of ECD policy, thus fostering the role of subnational governments as the entities responsible for CDC coverage and quality, leaving federal stewardship to the national government.¹¹ It is also expanded by implementing explicit targeting criteria, scaling up quality FSPs, and fostering coordination among government agencies responsible for ECD. Through the project, the Bank will also contribute to the knowledge agenda by evaluating the impact of a set of innovations: (i) a personalized communication strategy (based on behavioral science precepts) that encourages timely fulfillment of CCTP core responsibilities; (ii) a model for improving interactions between caregivers and children in CDCs that responds to specific competency gaps drawn from a diagnostic assessment tool applicable at scale; and (iii) interventions aimed at improving parenting practices at scale—an Argentina-specific knowledge gap. During project execution, the Bank will promote the strengthening of the MCH's technical competencies to implement and evaluate these innovations.
- 1.19 This operation is part of the set of operations in the Bank's 2024 program that support the Government of Argentina's efforts to consolidate its fiscal balance and achieve economic sustainability, mitigating the negative effects of this process on the most vulnerable population to be affected in the short term. Specifically, the project aims to protect the income and enhance the human capital of vulnerable households at a critical moment in the life cycle, in line with the indicative target of the arrangement in force between Argentina and the International Monetary Fund relating to maintaining the cumulative floor on social assistance spending. In the medium term, the operation also seeks to boost the effectiveness of social spending by targeting ECD services in the country's most at-risk departments and fostering coordination among government agencies that implement social policies in general and, in particular, among agencies dedicated to ECD.

¹⁰ The Complex Vulnerability Index reflects the quality standard and is applied to determine the eligibility of infrastructure improvement interventions and to measure their outcome.

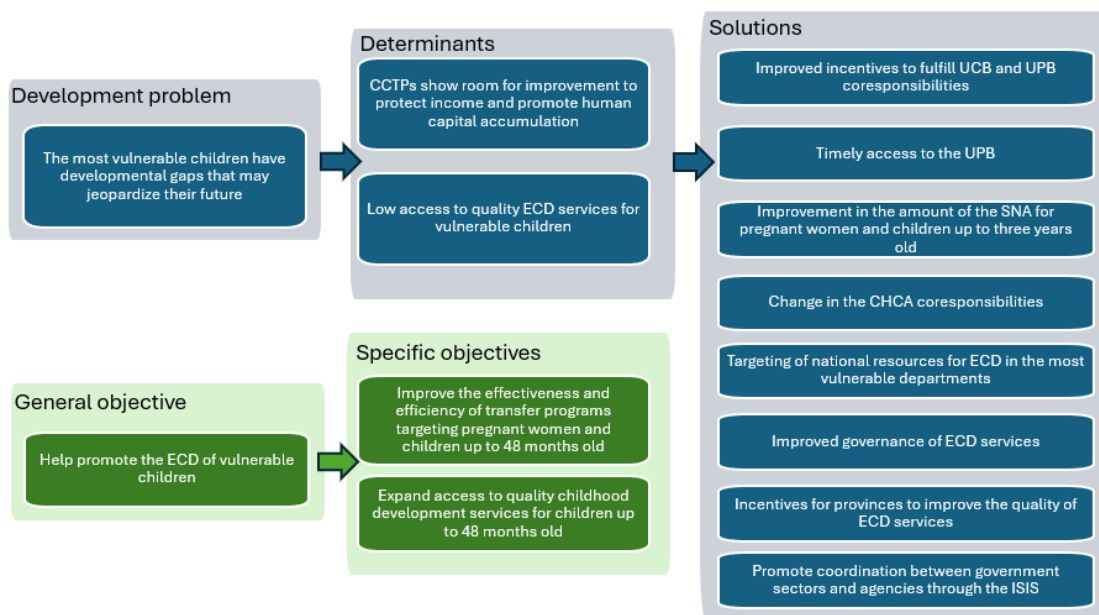
¹¹ At present, the national government implements the PNPI through agreements signed directly with the CDC managers.

- 1.20 **Project strategy.** This project is designed as part of the implementation of a fiscal reform process undertaken by the Government of Argentina to secure macroeconomic stabilization and fiscal sustainability, which are essential for long-term growth. The experience of other fiscal consolidation processes suggests that these measures can have an adverse impact on the real incomes of the most vulnerable people by exacerbating poverty in the short term, particularly when countries lack effective social safety nets [30]. It is crucial to protect the income of the most vulnerable groups—particularly in a period as sensitive for ECD as gestation and the first three years of life—both because of the loss of wellbeing to which they are exposed and because of the need to avoid poverty hysteresis and the intergenerational transmission of poverty. There is evidence that well-targeted CCTPs are the most cost-effective vehicle for this objective [31].
- 1.21 Within the framework of a parallel financing arrangement with the World Bank, the project will focus on improving the effectiveness of ECD promotion policies in Argentina through three courses of action. First, it will do so by encouraging the implementation of improvements in the CCTPs targeting pregnant women and children under three years old in order to optimize their impact. The Bank will finance transfers under optimized design structures. Second, it will do so by supporting the strengthening (relaunch) of the PNPI, with two new interventions targeting the departments with the highest risk to ECD:¹² (i) the implementation of a CBP focused on improving the quality of interactions between caregivers and children; and (ii) structured FSPs. The governance structure of these interventions provides incentives for subnational governments to take responsibility for their implementation, while the national government plays an oversight role, providing technical support and cofinancing to the jurisdictions. Lastly and third, it will do so by promoting coordination between and within government ministries and agencies through the development of the Integrated Social Information System (ISIS),¹³ which in its first stage will focus on the longitudinal monitoring of pregnant women and children from zero to three years old and which, through its subsequent implementation phases, will enable actions that improve the effectiveness of social spending in general. The program's theory of change is outlined in Figure 1.1.

¹² This targeting will use the Child Risk Index, which weighs four variables: infant mortality rate, percentage of live births to mothers under 20 years old, percentage of live births weighing less than 2,500 grams, and percentage of children under 18 years old who are UCB beneficiaries.

¹³ Created through Resolution 652/2024.

Figure 1.1. Vertical logic outline



1.22 Improvements to the design of the CCTPs targeting pregnant women and children are:

- (i) the use of the SUMAR+ program's information system to automatically register pregnant women with exclusive public coverage for the UPB and verify fulfillment of the pregnancy controls that enable receipt of the 20% withheld, thus facilitating quicker access to the transfer and reducing costs for beneficiaries;¹⁴
- (ii) the use of SUMAR+ bases to verify UCB coresponsibilities in children under four years old, thus improving fulfillment through incentives linked to payments made closely in time to the health action performed and reducing verification costs. Effective basic coverage (EBC) refers to the receipt of at least one priority health service in the last 12 months, as defined by MINSAL and the jurisdictions. Through interoperability with SUMAR+, the ANSES will be able to verify on a monthly basis whether the child has EBC, which will enable payment of the 20% withheld each month. This monthly, rather than annual, verification will facilitate seamless and personalized communication between the ANSES and the beneficiaries, making it possible implement nudges toward the fulfillment of coresponsibilities;
- (iii) the modification of CHCA coresponsibilities, moving from a general coresponsibility that is difficult to verify objectively to a compliance-specific coresponsibility on the age-based vaccination schedule, managed through the Registro Federal de Vacunación Nominalizado (Nominalized Federal Vaccination Registry). Payment will be made annually at 12 or 24 months

¹⁴ Implementing improvements (i) and (ii) requires updating Agreement 18079310 between the ANSES and MINSAL for the electronic exchange of information.

of age following verification of vaccination against measles, mumps, and rubella, as well as the pentavalent vaccine;¹⁵ and

- (iv) the 500% increase in the amount of the SNA and its monthly adjustment, guaranteeing the minimum coverage of the basic basket of food items for pregnant women and children up to 36 months old and preserving the value of the allowance over time.¹⁶

1.23 **Lessons learned.** The Bank has built up extensive experience in CCTP design, implementation, and evaluation, including the design of coresponsibility, verification, and payment arrangements (Program to Support Social Protection Reforms ([4613/BL-HQ](#)) and the Social Inclusion and Development Program ([3512/OC-PN](#))), from which it has been found that the use of administrative information improves CCTP efficiency and effectiveness. This experience has served as the basis for the design of Component 1. Also, based on its technical and operational knowledge in ECD policies (GN-2966-2), the Bank recommends: (i) targeting interventions to boost their effectiveness; (ii) considering the organizational and institutional structures in which services operate and coordinating the actions of the different levels of government; (iii) strengthening the caregiver skills to ensure service quality; and (iv) measuring ECD and service quality. These four lessons are incorporated into the design of Component 2. In particular, structural and process quality measurement instruments and CDC registration instruments were developed in loans [4229/OC-AR](#) and [5585/OC-AR](#) and also incorporated into the design of this component. For many years the Bank has been building up experience in developing and strengthening information systems for social program targeting (Creating Knowledge for the Implementation of Digital Transformation in Health and Social Protection ([ATN/OC-19449-RG](#))) and the implementation of personal data interoperability structures (Social Inclusion and Development Program Phase II ([5734/OC-PN](#))). These lessons were incorporated into the design of Component 3.

1.24 **Coordination with the World Bank.** The World Bank will provide parallel financing to this program through a US\$500 million investment loan operation. Both operations were prepared jointly to ensure alignment of the interventions, even though each institution will negotiate its loan contract independently with the Government of Argentina. Both operations will have identical specific objectives and a standardized and consistent Results Matrix and will provide parallel financing for the same budget items in percentages proportional to the amount of the respective operations, with a similar structure and budget distribution by component. Given the nature of the program and, specifically, with respect to procurement processes, a single procurement strategy was designed (mandatory for the World Bank) on the basis of which the procurement plan of both banks was prepared. In addition, joint work with the World Bank analyzed the executing agency's institutional capacity, thereby complementing the requirements of each bank for this evaluation. Regarding the program's external audit, it was agreed with the World Bank to use the same external auditor and the same deadlines for submission of the audited financial statements. Although each operation will have its own Operating Regulations, the two sets of regulations will stipulate that any

¹⁵ Requires execution of a collaboration agreement within the framework of the project between MINSAL and the MCH.

¹⁶ Approved in May 2024 through MINSAL Resolution 1062.

- amendment will be communicated to the other institution. In addition, joint supervision missions will be carried out to ensure alignment and monitoring of the project as a whole. If necessary during the implementation of operations, the Bank may enter into an agreement with the World Bank to coordinate actions and ensure alignment of both operations.
- 1.25 **Strategic alignment.** The program is consistent with the IDB Group Institutional Strategy: Transforming for Scale and Impact (CA-631) and is aligned with the objective of reducing poverty and inequality by combating poverty, protecting the most vulnerable, and delivering human capital training services. The program is aligned with the objective of addressing climate change by strengthening the resilience of vulnerable populations located in high climate risk areas. Lastly, it is also aligned with the following operational focus areas: (i) gender equality and inclusion of diverse population groups; (ii) institutional capacity, rule of law, and citizen security; (iii) social protection and human capital development; and (iv) sustainable, resilient, and inclusive infrastructure.
- 1.26 The operation is consistent with the still-effective IDB Group Country Strategy with Argentina 2021-2023 (GN-3051), specifically with the strategic objective of poverty reduction. The operation is also consistent with: (i) the Social Protection and Poverty Sector Framework Document (GN-2784-12), by supporting cash transfers to structurally poor households experiencing gaps in human capital accumulation and by developing social or unified registries that facilitate dynamic targeting and frequent beneficiary entry and exit; (ii) the Early Childhood Development Sector Framework Document (GN-2966-7), by financing access to quality CBPs and family work programs for vulnerable populations; and (iii) the Climate Change Sector Framework Document (GN-2835-13), by strengthening the resilience of vulnerable populations located in high climate risk areas.
- 1.27 **Gender and diversity.** The project contributes to gender equality because it improves the opportunity for poor pregnant women to access CCTPs that protect their income and connect them to health services (see paragraph 1.9) at an early stage of gestation and because it frees up time for women in vulnerable households with children by reducing the burden of paperwork, helping to close the gender gap in time spent on caregiving. Women in Argentina spend more than twice as much time as men on such tasks.¹⁷ In addition, the program's actions to improve the quality of ECD services will be focused on the country's departments with the highest Child Risk Index score (quartiles 3 and 4 of the distribution of this indicator), where 70% of the country's Indigenous population lives according to the most recent census (2022). SNNAYF will guide and agree with the jurisdictions on the cultural adaptation of the services to serve this group, since available evidence suggests that the cultural dimension often stands as a barrier to access different social programs and services [31].¹⁸ It will also guide jurisdictions on how to foster male participation in the FSPs.
- 1.28 **Climate finance.** Climate finance accounts for 18.51% of the resources provided by the IDB, according to the [joint methodology of the multilateral development banks for tracking climate finance](#). These resources will be used to increase the

¹⁷ [Encuesta Nacional de Uso del Tiempo \(National Time Use Survey\) \(2021\)](#).

¹⁸ The IDB Group's work with Indigenous populations in Panama and Honduras has shown that cultural adaptation is vital to building more inclusive ECD services [1].

resilience of vulnerable populations located in areas of high climate risk ([optional link 4](#)).

- 1.29 **Paris alignment.** This operation has been analyzed using the [Joint Multilateral Development Bank Assessment Framework](#) for Paris Alignment and the [IDB Group Paris Alignment Implementation Approach](#) (GN-3142-1). It has been found to be: (i) aligned with the adaptation target of the Paris Agreement and (ii) aligned with the mitigation target of the Paris Agreement based on a specific analysis. Alignment was based on consideration of the following issues: (i) the cloud service is not inconsistent with the country's decarbonization targets; and (ii) the cloud service procurement documents will include a requirement that they achieve a power usage effectiveness equal to or less than 1.5 or meet Energy Star or equivalent criteria. Accordingly, no risks of committed emissions or transition risks have been identified.

B. Objectives, components, and cost

- 1.30 **Objectives.** The general objective of the program is to help promote the early childhood development of vulnerable children. The specific objectives are to: (i) improve the effectiveness and efficiency of transfer programs targeting pregnant women and children up to 48 months old; and (ii) expand access to quality childhood development services for children up to 48 months old.
- 1.31 **Component 1. Improved financial assistance policies and programs for households with pregnant women and children up to 48 months old (US\$572.1 million).** This component will promote implementation of a series of improvements in the design of the UPB, UCB, SNA, and CHCA, targeting pregnant women and children under four years old, as detailed in paragraph 1.22.
- 1.32 This component will finance: (i) the UPB granted automatically based on administrative information from SUMAR+, during 2025 and 2026, for a maximum amount of US\$84.6 million, without exceeding US\$16.1 million in 2025; (ii) the UCB for children up to 48 months old to whom the EBC is automatically verified every month through SUMAR+ to meet the coresponsibility requirement, during 2025 and 2026, for a maximum amount of US\$370.1 million, without exceeding US\$194.7 million in 2025; (iii) the CHCA, including a new compliance-specific coresponsibility on the age-based vaccination schedule, for a maximum amount of US\$35 million in 2026; and (iv) the SNA, with an adjusted and variable amount (e.g. with automatic inflation adjustment mechanisms), for a maximum amount of US\$81.6 million.
- 1.33 The component will also finance consulting and nonconsulting services to procure the following outputs: (i) a qualitative study on the understanding of the coresponsibilities in the benefits and allowances and the difficulties in fulfilling them, to be conducted in two stages (in the program's first and third years) so as to enable comparisons over time, while reflecting the country's regional and cultural diversity; (ii) a strategic plan to promote the understanding and fulfillment of the coresponsibilities, through ANSES messages based on behavioral science principles; (iii) software to manage the messages, with an interface for the ANSES's Beneficiary and Settlement System; and (iv) the design and implementation of a randomized controlled trial to evaluate the impact of the messages on fulfillment of the UCB and CHCA coresponsibilities.

- 1.34 **Component 2. Improved access to early childhood services for the vulnerable population (US\$118.9 million).** This component will support the relaunching of the PNPI (or the name of the plan replacing it). Through a federal management arrangement, SNNAYF may enter into agreements with the 24 jurisdictions (23 provinces and the Autonomous City of Buenos Aires) to transfer resources directly to the jurisdictions and to the CDCs on behalf of the jurisdictions, following independently verified fulfillment of the milestones. The milestones will be used to fund jurisdictional teams working on: (i) improving the quality of CDC care services (CBPs) in districts prioritized on the basis of their level of risk for child development, through: (a) a description thereof, (b) the diagnostic assessment of the quality of interactions between children and their caregivers, (c) caregiver training based on these assessments, and (d) overall CDC monitoring; and (ii) implementing an FSP model that promotes parenting skills conducive to greater ECD. The component will also finance transfers to the prioritized CDCs to partially finance the centers' estimated per capita cost based on a quality care model.¹⁹
- 1.35 The component will also finance consulting and other services aimed at: (i) strengthening SNNAYF's core technical team for implementation of the component; (ii) developing IT solutions to facilitate project management; (iii) advising on the cultural adaptation of interventions in areas with Indigenous populations and fostering male participation in family support interventions; (iv) independently verifying fulfillment of the milestones that frame the component; and (v) evaluating the component's interventions.
- 1.36 **Component 3. Improved monitoring of early childhood policies and programs (US\$6 million).** The program will finance the development and implementation of the ISIS—a platform for standardization, integration, and analysis of data on current or potential beneficiaries of social policies; this will help to ensure policy decisions are made in a more informed and agile manner. The preliminary ISIS architecture ([optional link 2](#)) emphasizes information security and privacy and is designed as a decentralized cloud-based system, which will not require high storage capacity since only the necessary information from the institutions will be used to perform one-off and anonymized analyses, and no copies of the institutions' databases will be stored locally. Each institution will remain the custodian of its own data. In an initial stage, the ISIS will integrate information from the MCH itself and will later include other government agencies that have data on beneficiaries of social policies or programs.
- 1.37 This component will finance consulting and nonconsulting services to: (i) map the supply of social programs and the information available in each of the institutions involved; (ii) develop the interoperability platform (bus) that will be the basis of the ISIS; (iii) standardize data and adapt computer systems to enable information interoperability, including support for institutions that will interoperate with the ISIS; (iv) design analytical models, classification algorithms, and licenses and develop data exploitation tools; (v) design citizen's portal, a geoportal with geospatial information related to social policy; (vi) implement a change management strategy;

¹⁹ [Optional link 7](#) provides a preliminary outline of the milestones that frame Component 2, including the eligibility criteria at the departmental level, as well as the scope of the milestones and their estimated cost structure, timing, and verification mechanisms. This outline will be included in the program Operating Regulations.

- (vii) design cybersecurity protocols and implement ethical hacking; and (viii) pay for infrastructure-as-a-service services (e.g. cloud services).
- 1.38 **Program administration (US\$3 million).** These activities will finance the costs associated with program planning, implementation, and supervision, including the human resources required to staff the executing agency, as well as annual financial audits.
- 1.39 **Beneficiaries.** The project's direct beneficiaries are: (i) 810,000 pregnant women who are unemployed, employed in the informal sector or in private homes and are UPB and SNA beneficiaries; (ii) 1,800,000 children under 48 months old who are UCB beneficiaries, 75% of whom also benefit from the SNA and the CHCA; (iii) 129,444 children who over the project's lifetime attend the 1,875 CDCs in vulnerable, PNPI-prioritized departments that implement plans to improve service quality; and (iv) 110,000 families who participate over the project's lifetime in support programs to improve parenting practices for 12 months. All beneficiaries of social programs will benefit indirectly from improved information management by the CNCPS.

C. Key results indicators

- 1.40 **Expected outcomes and impacts.** Under the general development objective, the project will help promote the ECD of vulnerable children. Achievement of this objective will be measured through three indicators: (i) percentage of children between 6 and 24 months old with a developmental delay according to the Ages & Stages Questionnaire, Third Edition (ASQ-3) scale; (ii) percentage of children between 3 and 4 years old who do not pass the Prueba Nacional de Pesquisa (National Screening Test); and (iii) percentage of households in which, in the seven days prior to the measurement, no adult in the household read books or looked at pictures in a book with the child. Indicators (i) and (ii) are recent measures of ECD for vulnerable children, which provide a baseline to evaluate the program's impact. Indicator (iii) captures ECD promotion through the improved quality of parenting environments in the households, in terms of increased parental investments in time and materials. Under specific objective 1, the project will help improve the effectiveness and efficiency of transfer programs targeting pregnant women and children up to 48 months old. This will be achieved through timely access to income support during pregnancy, better designed CCTP coresponsibilities, and intersectoral coordination promoted through the development of the ISIS. The following outcomes are expected: (i) an increase in the average percentage of UCB beneficiaries under 48 months old whose recipients receive the monthly incentive; (ii) a drop in the average number of weeks of gestation when pregnant women sign up for the UCB; (iii) an increase in the percentage of UCB beneficiaries aged 12 months vaccinated against measles, mumps, and rubella (first dose); (iv) an increase in the percentage of UCB beneficiaries aged 24 months who received the pentavaccine (complete schedule); (v) an increase in the average percentage of the reference monthly basket of food items covered by the SNA; and (vi) an increase in the number of people included in the ISIS beneficiary registry.
- 1.41 Under specific objective 2, the project will help expand access to quality childhood development services for children up to 48 months old. This will be achieved by implementing a quality-focused model of care in centers and a family support model aimed at improving parenting practices—models that in both cases target

the most vulnerable departments. The following outcomes are expected: (i) an increase in the number of CDCs with improvement plans based on quality measurement; and (ii) an increase in the number of families participating in FSPs in the prioritized departments. The project contributes to achievement of outcomes relating to the government programs being supported.

- 1.42 **Scale.** The project's outcome targets reflect the expected impact of the improved design of transfer programs targeting pregnant women and children under three years old. To a large extent, these improvements are feasible as a result of the interoperability with MINSAL's SUMAR+ program. However, the outcomes could be broadened were SUMAR+ to provide incentives and support to the jurisdictions such that health information is reported more quickly and efficiently to MINSAL by the jurisdictions. Information reporting currently follows a benefits billing logic, but in the future it could evolve towards an approach of purchasing useful and timely information both to improve both health management and the CCTPs. To set this new development on track, MINSAL and the MCH are expected to sign a cooperation agreement within the framework of this program, thereby facilitating the adoption of improvements that could extend beyond the project's scope.
- 1.43 The project also aims to achieve targets relating to increased access to quality childhood development services for children up to 48 months old from vulnerable environments. To this end, it will support the implementation of a financing mechanism through which the national government will encourage the jurisdictions to systematically take on the function of monitoring and promoting quality in the CDCs within their geographical region. Although the project design is geared to cover all CDCs in departments with a higher Child Risk Index score, this prioritization criterion is not granular enough to identify areas with significant ECD gaps in departments with relatively low Child Risk Index scores. One of the functions of the ISIS will be to generate tools with greater precision to guide future social interventions. In addition, the project will support a new, limited-scope FSP in terms of the number of beneficiary families. Although this intervention will initially be implemented on a small scale, its future expansion will depend on the results obtained and its cost-effectiveness.
- 1.44 **Economic analysis.** An economic analysis of the operation's components was carried out ([optional link 1](#)) using a 5% discount rate.²⁰ The program's expected benefits derive from savings in resources arising from the automated cash transfer coresponsibility verification, a reduction in low birth weight rates due to more timely income support received during pregnancy and newborns' needs to use the health system, and improved job skills for beneficiaries through greater human capital accumulation in cash transfer programs and ECD services. The benefit-cost ratio is 2.07. The operation's net present value amounts to US\$1,177,190,669 considering both the disbursements associated with this transaction and those made by the World Bank. The program's total internal rate of return is 11.83% in the base case scenario. The results of the analysis are robust to the different

²⁰ This rate is considered adequate taking into account the rates used in other Bank operations with similar projects and the literature. In Latin America, the literature on economic evaluations in health and education uses rates of 8% (Martínez and Fernández, 2008), while Heckman et al. (2010) use a discount rate of between 3% and 5% to evaluate ECD programs.

discount rates considered, and the loan maintains its positive net present value in an unfavorable scenario for discount rates up to 6.8%.

II. FINANCING STRUCTURE AND MAIN RISKS

A. Financing instruments

- 2.1 The operation will be structured as a specific investment loan, since its scope and costs are defined and its components cannot be divided without affecting its logic. The operation amount will be up to US\$700 million from the Bank's Ordinary Capital, which will be disbursed over a five-year period. The consolidated budget by component is shown below.

Table 2.1. Estimated program costs (US\$)²¹

Components	IDB (Ordinary Capital)	%
Component 1. Improved financial assistance policies and programs for households with pregnant women and children up to 48 months old	572,072,000	81.72
▪ UPB paid to women who are automatically signed up	116,752,000	16.68
▪ UCB paid to children up to 48 months old for whom EBC is automatically verified on a monthly basis	337,940,000	48.28
▪ CHCAs with new coresponsibility paid	35,000,000	5.00
▪ SNAs with adjusted amount paid	81,600,000	11.66
▪ Evaluations on fulfillment of implemented coresponsibilities	780,000	0.11
Component 2. Improved access to early childhood services for the vulnerable population	118,928,000	16.99
▪ SNNAYF strengthening	2,700,000	0.39
▪ Transfer to jurisdictions following fulfillment of milestones	3,448,961	0.49
▪ Transfers made to CDCs	86,392,096	12.34
▪ FSP	26,386,943	3.77
Component 3. Improved monitoring of early childhood policies and programs	6,000,000	0.86
▪ Mapping of the supply of social programs and services	20,000	0.003
▪ Technical document with recommendations to improve program design	80,000	0.01
▪ ISIS	5,900,000	0.84
Program administration	3,000,000	0.43
Total	700,000,000	100

Table 2.2. Preliminary annual disbursement schedule (US\$)

Source	Year 1	Year 2	Year 3	Year 4	Year 5	Total
IDB	300,000,000	299,048,698	28,545,677	35,398,562	37,007,062	700,000,000
%	42.86	42.72	4.08	5.06	5.29	100

²¹ The amounts at output level for the components are indicative.

B. Environmental and social risks

- 2.2 Pursuant to the Environmental and Social Policy Framework, the program was classified as a Category C operation because it is expected to have minimal or no negative environmental or social impacts. Environmental and Social Performance Standards 1, 2, and 10 were triggered, and actions will be considered during project design as defined in Annex IV.
- 2.3 The analysis performed during the due diligence review confirms the disaster risk and climate change classification as Low; accordingly, the program will comply with national legislation on disaster risk and climate change where applicable and necessary.

C. Fiduciary risks

- 2.4 Decree 862/2024 approved the organizational structure of the first and second operational levels of the MCH. The Dirección General de Programas y Proyectos Sectoriales y Especiales (Bureau of Sector and Special Projects and Programs) (DGPYPSYE) of the Undersecretariat of Administrative Management has the primary responsibility for assisting in actions relating to the operational, administrative, budgetary, and financial-accounting management and execution of programs and projects with external financing sources, including this project.
- 2.5 During preparation, the institutional capacity of the MCH and the DGPYPSYE was evaluated, with a partially satisfactory result. Three medium/high-level fiduciary risks were identified: (i) failure to define governance and coordination mechanisms between the DGPYPSYE and the substantive areas belonging to the ANSES, SNNAYF, and the CNCPS could give rise to delays in execution; (ii) insufficient budget allocation during the program's lifetime for Components 2 and 3 could delay the execution of the corresponding activities, thus affecting the scope of the outcomes or requiring an extension of the execution deadline; and (iii) if the DGPYPSYE lacks sufficient trained personnel and the fiduciary processes are not clearly defined and documented, then implementation could be delayed.
- 2.6 Risk (i) will be mitigated by including in the program Operating Regulations the internal governance and coordination mechanism, as well as the tables of responsibilities, which describe the relationship between the DGPYPSYE and SNNAYF, the ANSES, and the CNCPS; risk (ii) will be mitigated by: (a) comprehensively planning all activities in order to identify the necessary resources in a timely manner, and (b) managing budget allocation requirements with the appropriate authorities in a timely manner; and risk (iii) will be mitigated by including the special contractual conditions precedent to the first disbursement described in paragraph 3.3.

D. Other key issues and risks

- 2.7 Four medium-high risks were identified: (i) if CCTP beneficiaries are not duly informed about the new criteria and mechanisms for verifying coresponsibilities, then the incentive's effectiveness will be reduced, and some project outcomes might not be achieved; (ii) if, as a consequence of the political cycle, tensions arise between the national government and the jurisdictions, then delays may arising in signing agreements with the subnational governments to implement Component 2, thus having an impact on the pace of execution; (iii) if the appropriate technical profiles are not secured or if there is high turnover of the personnel in charge of designing and implementing Component 2 activities, then its execution could be

delayed; and (iv) if the activities planned to create the ISIS give rise to vulnerabilities due to insecure integration between the information systems of different institutions, then the risk of sensitive data leaks or even the spread of malware will increase. The mitigation measures proposed are as follows: (i) develop a strategic plan to foster understanding and fulfillment of coresponsibilities; (ii) perform the following actions: (a) identify a set of "precursor" jurisdictions interested in signing the agreement with the national government and (b) announce the relaunch of the PNPI and keep the jurisdictions regularly apprised of its implementation at the Federal Council for Childhood, Adolescence, and Family; (iii) manage technical cooperation funds for operational support to provide technical support to the executing agency; and (iv) design and implement cybersecurity protocols and ethical hacking.

- 2.8 **Sustainability.** The Government of Argentina is involved in a process of fiscal consolidation, with a view to achieving sustainability in the public accounts (see paragraph 1.19). The CCTPs covered by Component 1 have specific allocations granted in the Budget Law²² and are financially sustainable in the short and medium terms. Even though the design changes to be implemented under the program slightly increase spending due to the expected higher fulfillment of the coresponsibilities and the related higher frequency of payment, total spending is contained by the strong downward trend of the birth rate in Argentina.²³ In addition, this level of spending will be more effective in terms of the improvements achieved in the beneficiaries' human capital. There is no history of cuts in the number of beneficiaries due to budgetary restrictions. The interventions considered in Component 2 will constitute the main operating line of the PNPI relaunch,²⁴ proposed as one of the MCH's priorities for the current administration. The level of PNPI funding is significantly increased through this operation and the parallel financing from the World Bank, but the intervention targets the most vulnerable departments, thus boosting the program's expected effectiveness. The component's maximum annual financial execution is expected to be reached in the last year of project execution, representing less than 1% of SNNAYF's annual budget in respect of the 2025 Draft Budget Law sent by the executive branch to the National Congress.

III. IMPLEMENTATION AND MANAGEMENT PLAN

A. Summary of implementation arrangements

- 3.1 **Executing agency.** The program's executing agency will be the MCH, through the DGPYPSYE, which reports to the Undersecretariat of Administrative Management, under the Secretariat of Legal and Administrative Coordination. The DGPYPSYE will be the area responsible for the program's administrative coordination and operational, financial, accounting, legal, and budget execution. As regards the substantive areas, ANSES will be responsible in technical terms for Component 1,

²² The UCB took effect in 2009 through Decree 2602. The UPB has been in force since 2011 through Decree 466, and the CHCA and SNA were created in 2020 through Law 27,611.

²³ According to projections by the National Statistics and Census Institute, the population aged 0 to 48 months will decrease by 4% between 2024 and 2040.

²⁴ The PNPI was created by Decree 574 in 2016.

SNNAYF will be in charge of Component 2, and the CNCPS will be in charge of Component 3.

- 3.2 **Program Operating Regulations.** The program Operating Regulations will set out the general terms, conditions, and procedures that will govern project execution, including each actor's specific roles and responsibilities; the coordination mechanism between the executing agency and the various actors; the programming, monitoring, and outcome evaluation arrangements; and the mechanisms for updating the program Operating Regulations. The annexes of the program Operating Regulations will include the text of the agreement to be signed between SNNAYF and the jurisdictions and between the jurisdictions and the CDC managers (in the event that they are managed by municipal governments or civil society organizations) under Component 2.
- 3.3 **Special contractual conditions precedent to the first disbursement of the loan: The borrower, through the executing agency, has provided evidence of: (i) the approval and entry into force of the [program Operating Regulations](#), including the definition of administrative/fiduciary procedures; and (ii) the assignment of key personnel from the DGPYPSYE, including the General Coordinator, and those responsible for administrative and financial management and for procurement, in accordance with the terms of reference agreed on with the Bank.** These conditions are necessary to ensure that the executing agency has a satisfactory execution capacity within the framework of the MCH administrative reorganization and that it has detailed regulations for project execution that set out the necessary guidelines and responsibilities of each of the actors involved in the project.
- 3.4 **Retroactive financing.** The Bank may retroactively finance, against the loan resources, up to US\$81,600,00 (11.7% of the proposed amount of the loan) in eligible expenses incurred by the borrower before the loan approval date for the SNA with the adjusted and variable amount (Component 1), provided that requirements substantially similar to those set out in the loan contract have been met. Such expenditures will have been incurred on or after 11 July 2024 (project profile approval date), but in no case will expenditures incurred more than 18 months prior to the loan approval date be included (see documents GN-2349-15 and GN-2350-15, and the Policy on Recognition of Expenditures, Retroactive Financing, and Advance Procurement (GN-2259-1)).
- 3.5 **Fiduciary agreements and requirements.** The guidelines for financial management and procurement execution that will apply to the program are explained in Annex III.
- 3.6 **Procurement.** Procurement financed with loan proceeds will be conducted in accordance with the Policies for the Procurement of Goods and Works Financed by the Inter-American Development Bank (GN-2349-15) and Policies for the Selection and Contracting of Consultants Financed by the Inter-American Development Bank (GN-2350-15).
- 3.7 **Financial management.** The loan proceeds may be disbursed through advances of funds, reimbursements, and/or direct payments. For advances of funds, disbursements will be made based on a financial plan to cover the program's liquidity needs for up to six months pursuant to document OP-273-12. The minimum percentage required to replenish advances of funds will be 80%.

3.8 **Audit.** The executing agency will submit the program's audited financial statements each year, as required under Bank policies. These audited financial statements will be submitted within 180 days after the end of the fiscal year. Program closing audit reports will be submitted within 180 days after the last disbursement or extensions thereof. The external audit for this operation may be conducted by the General Audit Office of Argentina (AGN) or a Bank-eligible audit firm based on the terms of reference agreed on with the Bank.²⁵

B. Summary of arrangements for monitoring results

3.9 **Monitoring.** Within 60 days of the end of each six-month period, the executing agency will submit a semiannual progress report, including: (i) progress in meeting the objectives and outcomes agreed on in the annual work plans and in the program monitoring report, as well as the analysis and monitoring of risks and the mitigation thereof; (ii) progress in physical and financial execution by output and, if applicable, a quantitative and qualitative analysis of the causes of deviations from the multiyear execution plan/annual work plan and corrective actions; (iii) the status of execution of the procurement plan; (iv) compliance with the respective contractual clauses; (v) the status of financial execution of the project; and (vi) the status of execution of the monitoring and evaluation plan.

3.10 **Evaluation.** The program provides for the following evaluations for Component 1: (i) evaluation of the impact of informational interventions on fulfillment of the UCB conditions; and (ii) impact evaluation of the change in CHCA coresponsibilities on the vaccination rate of children under 12 and 24 months old, respectively. Component 2 will have two other impact evaluations associated with it: (i) evaluation of the FSP impact; and (ii) evaluation of the improvement of quality processes in the centers. The evaluations will be published as annexes to the project completion report.

²⁵ The external audit tasks will be harmonized with the World Bank, which will participate in this program with parallel financing in order to gain efficiencies and exercise joint external control of the entire program.

Development Effectiveness Matrix		
Summary		AR-L1409
I. Corporate and Country Priorities		
Section 1. IDB Group Institutional Strategy Alignment		
Operational Focus Areas	<ul style="list-style-type: none"> -Gender equality and inclusion of diverse population groups -Institutional capacity, rule of law, citizen security -Social protection and human capital development -Sustainable, resilient, and inclusive infrastructure 	
[Space-Holder: Impact framework indicators]		
2. Country Development Objectives		
Country Strategy Results Matrix	GN-3051	Poverty reduction, Prioritize early childhood development, especially within vulnerable groups
Country Program Results Matrix	GN-3207	The intervention is included in the 2024 Operational Program.
Relevance of this project to country development challenges (If not aligned to country strategy or country program)		
II. Development Outcomes - Evaluability		Evaluable
3. Evidence-based Assessment & Solution		10.0
3.1 Program Diagnosis		2.5
3.2 Proposed Interventions or Solutions		3.5
3.3 Results Matrix Quality		4.0
4. Ex ante Economic Analysis		10.0
4.1 Program has an ERR/NPV, or key outcomes identified for CEA		1.5
4.2 Identified and Quantified Benefits and Costs		3.0
4.3 Reasonable Assumptions		2.5
4.4 Sensitivity Analysis		2.0
4.5 Consistency with results matrix		1.0
5. Monitoring and Evaluation		10.0
5.1 Monitoring Mechanisms		4.0
5.2 Evaluation Plan		6.0
III. Risks & Mitigation Monitoring Matrix		
Overall risks rate = magnitude of risks*likelihood		Low
Environmental & social risk classification		C
IV. IDB's Role - Additionality		
The project relies on the use of country systems		
Fiduciary (VPC/FMP Criteria)	Yes	Budget, Treasury, Accounting and Reporting, External Control. Procurement: Information System.
Non-Fiduciary		
The IDB's involvement promotes additional improvements of the intended beneficiaries and/or public sector entity in the following dimensions:		
Additional (to project preparation) technical assistance was provided to the public sector entity prior to approval to increase the likelihood of success of the project		

Evaluability Assessment Note: The document presents a US\$ 700 million investment project, with parallel financing from the World Bank for an additional US\$ 500 million. The general objective is to contribute to the early childhood development of vulnerable children. The specific objectives are to improve the effectiveness and efficiency of transfer programs targeted at pregnant women and children up to 48 months old, and to increase access to quality early childhood development (ECD) services for children up to 48 months old. The project will fund, through its first and main component, income transfers to households with pregnant women and young children through a modernized system that will streamline payments and enhance previous incentives. The second component will expand access for vulnerable families to ECD services through a system of federal transfers. The third component will develop an information system on beneficiaries of social programs to better inform policy decision-making.

The diagnosis is adequate and based on international evidence, highlighting the challenges of the main income transfer system and the provision of ECD services in Argentina. The central issue identified is the existence of significant gaps in the early development of the most vulnerable children, which poses a serious threat to their future.

The results matrix is consistent with the vertical logic of the operation. It presents reasonable impact, outcome, and product indicators, which are well-specified and appropriate for measuring the achievement of the general and specific objectives. The evaluation of results includes four impact evaluations that combine experimental and quasi-experimental methods (difference-in-differences and regression discontinuity). The cost-benefit analysis shows that the investment is socially profitable at a discount rate appropriate for this type of investment.

The project received an Environmental and Social classification of Category C, as the financed interventions are estimated to cause only minimal or no negative environmental and social impacts. The project has a medium-high global risk rating, with a total of four identified risks classified with a medium-high level. These risks include: insufficient information provided to beneficiaries about changes in the transfer system; possible tensions between the national and subnational governments that could delay the signing of agreements necessary to implement Component 2; the potential lack of required technical profiles for the execution of Component 2; and vulnerabilities in the integration of information systems, which could increase the risk of data breaches or malware propagation. Adequate mitigation measures have been proposed.

RESULTS MATRIX

Program objective:	The specific objectives for this operation are to: (i) improve the effectiveness and efficiency of transfer programs targeting pregnant women and children up to 48 months old; and (ii) expand access to quality childhood development services for children up to 48 months old. Achieving these objectives will contribute to the general objective of helping promote the early childhood development (ECD) of vulnerable children.
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GENERAL DEVELOPMENT OBJECTIVE

Indicators	Unit of measure	Baseline value	Baseline year	Expected year of achievement	Target	Means of verification	Comments
General development objective: Help promote the ECD of vulnerable children							
Percentage of children between 6 and 24 months old with a developmental delay according to the ASQ-3 scale	%	41	2024	2030	35	Evaluation report	
Percentage of households in which, in the seven days prior to the measurement, no adult in the household read books or looked at pictures in a book with the child	%	53	2024	2030	40	Evaluation report	

SPECIFIC DEVELOPMENT OBJECTIVES

Indicators	Unit of measure	Baseline value	Baseline year	Year 1	Year 2	Year 3	Year 4	Year 5	End of project	Means of verification	Comments
Specific development objective 1: Improve the effectiveness and efficiency of transfer programs targeting pregnant women and children up to 48 months old											
Average percentage of UCB beneficiaries under 48 months old whose recipients receive the monthly incentive	%	0	2024	50	55	60	65	70	70	Report from ANSES	
Average weeks of gestation when pregnant women sign up for the UPB	Weeks	24.12	2024	24	23	22	21	20	20		
Percentage of UCB beneficiaries aged 12 months vaccinated against measles, mumps, and rubella (first dose)	%	81.43	2023	85.5	86	86.5	87	87.5	87.5		
Percentage of UCB beneficiaries aged 24 months who received the pentavaccine (complete schedule)	%	64.2	2023	65	67	67.5	68	69	69		
Average percentage of the reference monthly basket of food items covered by the SNA	%	3	2023	18	18	18	18	18	18		
People included in the ISIS beneficiary registry	People	0	2023	0	0	3,000,000	6,000,000	8,000,000	8,000,000	Beneficiary registry	
Specific development objective 2: Expand access to quality childhood development services for children up to 48 months old											
CDCs with improvement plans based on the quality measurement designed	Centers	0	2023	240	320	420	445	450	1,875	SNNAYF report	
Families participating in FSPs in the prioritized departments	Families	0	2023	17,000	19,200	22,100	25,200	27,000	110,500		

OUTPUTS

Indicators	Unit of measure	Baseline value	Baseline year	Year 1	Year 2	Year 3	Year 4	Year 5	End of project	Means of verification	Comments
Component 1: Improved financial assistance policies and programs for households with pregnant women and children up to 48 months old											
UPB paid to women who are automatically signed up	Transfers	0	2023	700,000	861,000	0	0	0	1,561,000	ANSES report	This indicator contributes to gender alignment
UCB paid to children up to 48 months old for whom EBC is automatically verified on a monthly basis	Transfers	0	2023	2,400,000	2,400,000	0	0	0	4,800,000		This indicator contributes to gender alignment
CHCAs with new coresponsibility paid	Transfers	0	2023	0	500,000	0	0	0	500,000		
SNAs with adjusted amount paid	Transfers	0	2023	2,608,000	0	0	0	0	2,608,000		
Evaluations on fulfillment of coresponsibilities implemented	Evaluation	0	2024	0	0	0	0	1	1		
Component 2: Improved access to early childhood services for the vulnerable population											
Training platform in operation	Platform	0	2023	1	0	0	0	0	1	SNNAYF report	
Management and monitoring system implemented	System	0	2023	1	0	0	0	0	1		
Provinces with an agreement in force	Provinces	0	2023	3	10	16	24	24	24		
Updated provincial registry of centers in prioritized departments	Registries	0	2023	3	10	16	24	24	24		
CDCs under an agreement with the program	Centers	0	2023	240	800	1,300	1,875	1,875	1,875		
Provinces with family support units set up	Family support units	0	2023	3	10	16	21	24	24		

Indicators	Unit of measure	Baseline value	Baseline year	Year 1	Year 2	Year 3	Year 4	Year 5	End of project	Means of verification	Comments
Proposed cultural adaptation of services for Indigenous peoples	Document	0	2023	1	0	0	0	0	1		This indicator contributes to diversity alignment
Evaluation of the Cuidar program	Evaluation	0	2023	0	0	0	0	1	1	Evaluation report	
Component 3: Improved monitoring of early childhood policies and programs											
Consolidated mapping of the supply of social programs and services	Mapping	0	2023	0	0	1	0	0	1	Mapping website	
Technical document prepared with recommendations to improve program design	Document	0	2023	0	0	1	1	1	3	CNCPS report	
ISIS implemented	System	0	2023	0	0	1	0	0	1		

Country: Argentina

Division: SPH

Operation: AR-L1409

Year: 2024

FIDUCIARY AGREEMENTS AND REQUIREMENTS

Executing agency: Ministry of Human Capital (MCH)

Operation name: Comprehensive Early Childhood Development Program

I. FIDUCIARY CONTEXT OF THE EXECUTING AGENCY

1. Use of country systems in the operation¹

<input checked="" type="checkbox"/> Budget	<input checked="" type="checkbox"/> Reports	<input checked="" type="checkbox"/> Information systems	<input type="checkbox"/> National Competitive Bidding (NCB)
<input checked="" type="checkbox"/> Treasury	<input type="checkbox"/> Internal audit	<input type="checkbox"/> Shopping	<input type="checkbox"/> Other
<input checked="" type="checkbox"/> Accounting	<input checked="" type="checkbox"/> External control	<input type="checkbox"/> Individual consultants	<input type="checkbox"/> Other

2. Fiduciary execution mechanism

<input checked="" type="checkbox"/>	Special features of fiduciary execution	<p>The executing agency will be the MCH, through the DGPYPSYE, which reports to the Undersecretariat of Administrative Management, which in turn reports to the Secretariat of Legal and Administrative Coordination (SCLYA).</p> <p>The DGPYPSYE will be responsible for the administrative and fiduciary management of the project. As regards the substantive areas, ANSES will be responsible in technical terms for Component 1, SNNAYF will be in charge of Component 2, and the CNCPS will be in charge of Component 3.</p>
<input checked="" type="checkbox"/>	World Bank parallel financing	<p>The project will have US\$500 million in parallel financing from the World Bank Group, which will enhance the program's expected outcomes. It should be noted that purchases will not be financed jointly; rather, each lender will be responsible for the purchases corresponding to it.</p>

3. Fiduciary capacity

Fiduciary capacity of the executing agency	<p>An analysis using the Bank's Institutional Capacity Assessment Platform determined that the DGPYPSYE has a partially satisfactory institutional capacity for execution. One of the reasons for this classification is that the bureau was recently created by Decree 862 of 27 September 2024, as part of the structural reorganization of the first and second level of the MCH. However, among other functions, this new structure charges the DGPYPSYE with coordinating the</p>
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¹ Any system or subsystem approved subsequently may be used for the operation, under the terms of the Bank's validation.

	<p>management and operational execution of programs with financing from outside the jurisdiction and empowers it to coordinate actions with the substantive areas throughout the project cycle. Accordingly, it should be noted that the DGPYPSYE has delegated powers to execute this program and also to coordinate with the technical areas in charge of Components 1, 2, and 3.</p> <p>It should also be noted that ANSES has experience in executing World Bank projects² and that an unqualified favorable opinion was issued in the latest audit performed by the AGN. See detail of ANSES processes/systems for transfer programs: optional link 6.</p> <p>Lastly, the following recommendations have been identified to contribute to program execution: (i) rapidly strengthen the DGPYPSYE by hiring competent and sufficient personnel to carry out the fiduciary processes; (ii) include the following in the program Operating Regulations: (a) the internal governance and coordination mechanism describing the relationship between the DGPYPSYE and the technical areas; and (b) the procurement and financial management procedures, with the corresponding structure of responsibilities; and (iii) a comprehensive plan of program activities in order to identify resource needs in a timely manner and manage budget allocation requirements with the appropriate authorities in a timely manner.</p>
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4. Fiduciary risks and risk response

Risk taxonomy	Risk	Risk level	Risk response
Project: Governance system	Failure to define governance and coordination mechanisms between the DGPYPSYE and the substantive areas belonging to the ANSES, SNNAYF, and the CNCPS could give rise to delays in execution.	Medium-high	This will be mitigated by: (i) Including in the program Operating Regulations the internal governance and coordination mechanism, as well as the table of responsibilities, which describe the relationship between the DGPYPSYE and SNNAYF, the ANSES, and the CNCPS.
Execution environment: Economic and financial environment	Insufficient budget allocation during the program's lifetime for Components 2 and 3 could delay the execution of the corresponding activities, thus affecting the scope of the outcomes or requiring an	Medium-high	This will be mitigated by: (i) Comprehensively planning all program activities in order to identify the necessary resource in a timely manner; and (ii) Managing budget allocation requirements with the

² World Bank: Children and Youth Protection Project: International Bank for Reconstruction and Development Agreements 8633-AR, 8903-AR, and 9073-AR.

Risk taxonomy	Risk	Risk level	Risk response
	extension of the execution deadline.		appropriate authorities in a timely manner.
Executing agency: Internal processes	If the DGPYPSYE fails to set up a coordination and control mechanism between the fiduciary processes financed by both institutions (the IDB and the World Bank), the expenses/activities could be doubly financed.	Medium-low	<p>This will be mitigated by:</p> <ul style="list-style-type: none"> (i) Requesting the executing agency to copy/notify one lender when submitting justifications of expenditures to the other lender in order to facilitate the monitoring of the expense reports submitted to both institutions (IDB/World Bank); (ii) Coordinating and harmonizing with the World Bank the external audit tasks for both programs (IDB and World Bank) in order to exercise overall control and of the records submitted for each financing operation; and (iii) Implementing one single procurement strategy and scheduling regular meetings on the progress of the procurement processes.
Executing agency: Human resources	If the DGPYPSYE lacks sufficient trained personnel, and the fiduciary processes are not clearly defined and documented, then implementation could be delayed.	Medium-high	<p>This will be mitigated through:</p> <ul style="list-style-type: none"> (i) The approval and entry into force of the program Operating Regulations, including the definition of administrative/fiduciary procedures; and (ii) The assignment of key personnel from the DGPYPSYE, including the General Coordinator, and those responsible for administrative and financial management and for procurement, in accordance with the terms of reference agreed on with the Bank.

5. **Policies and guidelines applicable to the operation:** Financial Management Guidelines for IDB-financed Projects (OP-273-12), Policies for the Procurement of Goods and Works Financed by the Inter-American Development Bank (GN-2349-15), Policies for the Selection and Contracting of Consultants Financed by the Inter-American Development Bank (GN-2350-15), and Policy on Retroactive Financing and Advance Procurement (GN-2259-1/OP-507).
6. **Exceptions to policies and guidelines:** Not applicable.

II. CONSIDERATIONS FOR THE SPECIAL PROVISIONS OF THE LOAN CONTRACT

<p>Special conditions precedent to the first disbursement: The borrower, through the executing agency, has provided evidence of: (i) the approval and entry into force of the program Operating Regulations, including the definition of administrative/fiduciary procedures; and (ii) the assignment of key personnel from the DGPYPSYE, including the General Coordinator, and those responsible for administrative and financial management and for procurement, in accordance with the terms of reference agreed on with the Bank.</p>
<p>Exchange rate: For the purposes of Article 4.10 of the General Conditions, the parties agree that the exchange rate to be used will be the rate stipulated in Article 4.10(b)(i). For the purpose of determining the equivalency of expenditures incurred in local currency chargeable against the local contribution, of expenditures relating to the financing of subsidies provided in Component 1, or of reimbursements for expenditures chargeable against the loan, the agreed upon exchange rate will be the exchange rate in effect on the first working day of the month in which the borrower, executing agency, or any other person or corporation with delegated authority to incur expenditures makes the respective payments to the contractor, vendor, or beneficiary.</p>
<p>Type of audit: The executing agency will submit audited annual financial reports relating to the use of resources in accordance with the terms of reference agreed with the Bank within 180 days after the end of the fiscal year. The project's final financial reports will be submitted within 180 days after the date of the last disbursement. The external audit of the program will be performed by the AGN or an independent audit firm eligible to audit Bank-financed operations, selected and contracted in accordance with the terms of references and model contract previously agreed on with the Bank.</p>

III. AGREEMENTS AND REQUIREMENTS FOR PROCUREMENT EXECUTION

<input checked="" type="checkbox"/>	<p>Bidding documents</p>	<p>For the procurement of goods and nonconsulting services executed in accordance with the procurement policies (GN-2349-15), subject to international competitive bidding, the Bank's standard bidding documents or those agreed on by the executing agency and the Bank for the procurement in question will be used. Moreover, consulting services will be selected and procured in accordance with the policies for the selection of consultants (GN-2350-15), and the standard request for proposals issued by the Bank or agreed on by the executing agency and the Bank for the selection in question will be used. For national competitive bidding and shopping of goods and nonconsulting services, the Bank's standard templates in Argentina will be used together with the corresponding standard evaluation report templates. The project's sector specialist will be responsible for reviewing the technical specifications and terms of reference for procurement during the preparation of selection</p>
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		processes. This technical review may be conducted ex ante and is independent of the procurement review method used.								
<input checked="" type="checkbox"/>	Recurrent costs	The recurring costs required for project implementation will be approved by the Project Team Leader and incurred pursuant to the executing agency's administrative procedures. These procedures will be reviewed and accepted by the Bank, provided they do not violate the principles of economy, efficiency, and competition (see guidelines for the treatment of recurrent expenditures and the expense eligibility policy (GN-2331-5 and updates thereof)).								
<input checked="" type="checkbox"/>	Retroactive financing	The Bank may retroactively finance, chargeable against the loan proceeds, up to US\$81.6 million (11.7% of the proposed loan amount) in eligible expenses incurred by the borrower before the loan approval date for the SNA with the adjusted and variable amount, provided that requirements substantially similar to those set out in the loan contract have been met. Those expenditures will have been incurred on or after 11 July 2024 (project profile approval date) but may in no case include expenditures incurred more than 18 months prior to the loan approval date (see documents GN-2349-15, GN-2350-15, and the Bank policy on recognition of expenditures, retroactive financing, and advance procurement (GN-2259-1)).								
<input checked="" type="checkbox"/>	Procurement supervision	<p>The supervision method will be ex post, except where ex ante supervision is warranted. The (i) ex ante or (ii) ex post method will be determined for each selection process. In addition to the reference amounts for the type of supervision, the first two processes of any selection method will be ex ante, without exception. Ex post reviews will be conducted every year in accordance with the project supervision plan, subject to change during execution. The reference thresholds for the ex post review during program execution are as follows:</p> <table border="1" data-bbox="586 1276 1372 1413"> <thead> <tr> <th>Executing agency</th> <th>Works</th> <th>Goods/Services</th> <th>Consulting services</th> </tr> </thead> <tbody> <tr> <td>MCH</td> <td>N/A</td> <td>US\$100,000</td> <td>US\$200,000</td> </tr> </tbody> </table>	Executing agency	Works	Goods/Services	Consulting services	MCH	N/A	US\$100,000	US\$200,000
Executing agency	Works	Goods/Services	Consulting services							
MCH	N/A	US\$100,000	US\$200,000							
<input checked="" type="checkbox"/>	Records and files	The MCH will be responsible for keeping the original files on procurement and financial management under its responsibility in the framework of project execution.								

Main procurement items

Description of the procurement	Selection method	New procedures / tools	Estimated signing date	Estimated amount US\$
Nonconsulting services				
Cloud maintenance and support	National competitive bidding		October 2025	1,250,000
Firms				
Consulting services to develop the management, financing, and monitoring system – Component 2	Quality- and cost-based selection		May 2025	1,800,000
Consulting firm to develop the ISIS beneficiary/social registry platform – Component 3	Quality- and cost-based selection		April 2025	1,500,000
Consulting firm to develop interoperability – ISIS – Component 3	Quality- and cost-based selection		May 2025	1,000,000
Individuals				
General program coordinator consultant	Selection of individual consultant (3CV)		January 2025	180,000
Expert health and nutrition consultant	3CV		January 2025	98,000

Click [here](#) for the procurement plan for the first 18 months.

Other relevant information for the operation: N/A

IV. AGREEMENTS AND REQUIREMENTS FOR FINANCIAL MANAGEMENT

<input checked="" type="checkbox"/>	<p>Programming and budget</p>	<p>The executing agency will be responsible for the annual budget preparation and programming process and for all procedures to consolidate the annual budget for approval. As the need arises for additions or reallocations of budget line items, the executing agency will request the respective revisions and arrange for their approval. Budget appropriations are executed through quarterly and monthly accrued commitment installments, which are allocated by the National Budget Office (Ministry of the Economy).</p>
<input checked="" type="checkbox"/>	<p>Treasury and disbursement management</p>	<p>Bank accounts: The executing agency will maintain a special account in U.S. dollars and an account in Argentine pesos; they will be separate and identified for accounting and operational purposes and used exclusively for program resources.</p> <p>Financial plan: Disbursements will be made on the basis of a detailed financial plan based on the program's actual liquidity needs.</p> <p>Disbursement method: The Bank will disburse resources under the advance of funds, reimbursement, and/or direct payments modalities (modalities established in the guidelines in document OP-273-12). For advances of funds, disbursements after the first advance of funds may be processed once 80% of the prior advances have been justified.</p> <p>The Client Portal platform will be used to manage disbursements.</p> <p>Accountability: The executing agency will be asked to copy/notify one lender when submitting justifications of expenditures to the other lender in order to facilitate the monitoring of the expense reports submitted to both institutions (IDB/World Bank).</p>
<input checked="" type="checkbox"/>	<p>Accounting, information systems, and reporting</p>	<p>The executing agency will use the External Loan Execution Unit system (UEPEX) as its financial administration system, which will be used by the central execution unit and the subexecution units. The UEPEX system identifies program funds and sources of financing. In accordance with the Bank-approved chart of accounts, the UEPEX system records program investments by component in the cost table. Accounting records will be kept on a cash basis, and International Financial Reporting Standards will be followed where applicable in accordance with established country criteria.</p>
<input checked="" type="checkbox"/>	<p>External control and financial reports</p>	<p>The AGN exercises external control. The AGN is an external control oversight body dependent on and assisting the National Congress in controlling the public sector accounts. Its creation and operation are regulated in Title VII, Chapter I of Law 24,156 on Financial Administration and External Control Systems.</p> <p>The program's audited financial statements may be audited by the AGN or by an independent audit firm based on the terms of reference previously agreed on with the Bank.</p> <p>In order to harmonize the external audit work with the World Bank (an organization that will be participating with parallel financing in this program), priority will be given for the external audit to be conducted by the AGN, which has extensive experience in audits of similar</p>

		World Bank-financed programs (International Bank for Reconstruction and Development programs 8633-AR, 8903-AR, and 9073-AR). In addition, considering this context of harmonization, the audited financial statements will be submitted within 180 days following the closing date of the fiscal year.
<input checked="" type="checkbox"/>	Financial supervision of the operation	The initial financial supervision plan will be based on the risk and fiduciary capacity assessments if the executing agency, via onsite and desk supervision visits, analysis and monitoring of outcomes, and recommendations from audits of the program's annual financial reports.

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

PROPOSED RESOLUTION DE-___/24

Argentina. Loan ___/OC-AR to the Argentine Republic.
Comprehensive Early Childhood Development 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 Argentine Republic, as borrower, for the purpose of granting it a financing to cooperate in the execution of the Comprehensive Early Childhood Development Program. Such financing will be for the amount of up to US\$700.000.000, from the resources of the Bank's Ordinary Capital and will be subject to the Financial Terms and Conditions and the Special Contractual Conditions of the Project Summary of the Loan Proposal.

(Adopted on ___ _____ 2024)