



# Program Information Document (PID)

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Concept Stage | Date Prepared/Updated: 29-Oct-2018 | Report No: PIDC171524

**BASIC INFORMATION****A. Basic Program Data**

Country Argentina	Project ID P168911	Parent Project ID (if any)	Program Name Improving Inclusion in Secondary and Higher Education
Region LATIN AMERICA AND CARIBBEAN	Estimated Appraisal Date 12-Feb-2019	Estimated Board Date 30-Apr-2019	Does this operation have an IPF component? Yes
Financing Instrument Program-for-Results Financing	Borrower(s) Ministerio de Hacienda	Implementing Agency Ministerio de Educacion, Cultura, Ciencia y Tecnologia	Practice Area (Lead) Education

**Proposed Program Development Objective(s)**

The objectives of the program are to reduce dropout rates in basic and higher education for the most vulnerable nationwide and to strengthen student, teacher and institutional evaluation systems.

**COST & FINANCING****SUMMARY (USD Millions)**

<b>Government program Cost</b>	1,380.00
<b>Total Operation Cost</b>	300.00
Total Program Cost	290.00
IPF Component	10.00
<b>Total Financing</b>	300.00
<b>Financing Gap</b>	0.00

**FINANCING (USD Millions)**

<b>Total World Bank Group Financing</b>	300.00
World Bank Lending	300.00



## B. Introduction and Context

### Country Context

1. **The Government of Argentina (GoA) has engaged in core reforms to transform and modernize the economy, while aiming to improve fiscal management and advance social protection.** Between 2004 and 2008, Argentina was the regional champion in reducing poverty, but deteriorating fiscal conditions limited further improvements. By 2011-2015, wide macroeconomic imbalances, paired with economic distortions, led to high inflation, low investment, and lack of access to external financial markets.<sup>i</sup> During the first years in office (2016-2017), the current administration launched reforms that aimed to substantially change the country's economic structure, which included the unification of the exchange rate, the modernization of the import regime, cuts in government spending, debt agreements with foreign creditors, and a reform of the national statistics system. Also, social programs were revisited to improve targeting and efficiency while increasing coverage. The simultaneous and gradual adjustments on these multiple fronts posed pressures to growth and led to a recession in 2016, followed by a slow recovery in 2017.

2. **In April 2018, a deep currency crisis threatened these reform efforts, but a recent agreement with the International Monetary Fund (IMF) is expected to set the pace for fiscal consolidation.** In June 2018, the IMF approved an exceptional access stand-by credit for US\$57 million aiming: to i) restore market confidence; ii) protect the most vulnerable; iii) strengthen the credibility of the inflation targeting framework; and iv) alleviate pressures on the balance of payments.<sup>ii</sup> The Government's adjustment plan includes deep reforms in economic management, with the goal of balancing the budget in 2019 and achieving federal government primary balance.

3. **Social investment commitments are at the heart of the GoA's priorities and a central part of the agreement with the IMF.** The stand-by agreement includes a social safeguard that protects the level of social spending (1.3 percent of GDP) and grants resources to prioritized social assistance programs. The focus will be on programs that protect children through the universal child allowance (*Asignación Universal por Hijo*, AUH, and *Asignación por Embarazo*, APE), as they have proven effective in producing positive socioeconomic outcomes and are well-targeted to those in need. The context of austerity and worsening of economic conditions calls for measures to ensure sustainability and efficiency of social expenditure. Efforts are focused on integrating social services to avoid overlapping and duplication, reducing administrative costs, and improving targeting.

4. **Accumulation of human capital in Argentina is key to increase productivity.** The return to a path of growth in Argentina requires not only capital accumulation, innovation, and job creation, but also increasing productivity.<sup>iii</sup> The underperforming education system does not prepare students for future insertion in high-productivity jobs. In this line, reforms and programs that efficiently boost human capital are central for long-term growth and shared prosperity.

### Sectoral and Institutional Context of the Program

5. **A federal education system shapes education policy in Argentina: provinces are responsible for the financing and management of initial, primary, secondary, and tertiary non-university levels, and the federal government for the tertiary University level and for formulating general education guidelines and norms and providing financial and technical assistance to the provinces to support certain policies, reforms and compensatory programs.**<sup>iv</sup> In 2016-2017, the system had 11,389,209 students in the *Educación Común* modality (Initial, Primary, Secondary and Tertiary levels),<sup>v</sup> 1,232,470 in Adult education, and 1,939,419 in University.<sup>vi</sup> Primary school, compulsory for all children, comprises 6 grades in 12 jurisdictions, and 7 grades in the rest. Since 2006, secondary is compulsory and lasts 6 years in the former and 5 years in the latter. Secondary school is divided into lower (3 years, *Ciclo Básico*) and upper secondary (2 or 3 years



depending on the jurisdiction, *Ciclo Orientado*). Basic education comprises primary and secondary levels. The tertiary non-university level is composed by institutes for teacher training (*Institutos de Formación Docente*), and technical-professional institutions. By 2015, there were 2,239 institutions in the tertiary non-university level (47 percent public), of which 59 percent offered teacher training courses. Most of the enrollment in this level involves teacher training courses (58 percent). Argentina's public tertiary education is free, and institutions grant unrestricted admission to high school graduates. Public universities are also characterized by a high level of institutional autonomy. In terms of quality assurance, the well-established *Comisión Nacional de Evaluación y Acreditación Universitaria* (CONEAU) is responsible for external evaluation and accreditation of programs and institutions at the university level. For non-university institutes, the GoA will create a new accreditation system starting in 2019.

6. **Argentina stands out in the region in terms of education coverage and public expenditure in education.** Coverage rates are the highest in the region (together with Chile and Uruguay). Net enrollment rates in secondary are significantly higher than the regional average and show a long-term positive trend. Additionally, a large expansion of higher education during the last 15 years boosted access, reaching an enrollment of 32 percent (of which 70 percent corresponds to university education). The expansion of coverage in higher education disproportionately benefited students from the poorest quintiles; currently, around 40 percent of higher education students come from the poorest 50 percent of the population. This was all coupled with an increase in educational investments. Between 2006 and 2017, the Education Finance Law (2005) resulted in a budget increase from 4.5 to approximately 6 percent of Gross Domestic Product (GDP), well above the regional average of about 5 percent, and similar to the investment made by members of the Organisation for Economic Co-operation and Development (OECD), also averaging about 6 percent of GDP.

7. **Despite these efforts, a significant share of the youth drops out of school without basic skills.** Overall, there is access to secondary schooling in terms of inputs (i.e. facilities and teachers), but quality of service delivery is poor. The main drivers of dropout are demand-side factors. Although access to secondary education is almost universal, the enrollment rate starts to fall significantly after 15 years of age—as the opportunity cost of staying in school grows—especially for boys and low-income students. By this same age, the learning deficits are deep with more than two-thirds of youth not being able to solve simple math problems, and half without being able to interpret basic texts.<sup>vii</sup> Around half of students that start secondary do not complete it, and only one third of the poorest do so, leaving the educational system without key competences. One in five youth are not in employment, education or training, and one in five study and work simultaneously.

8. **While economic reasons and limited financial aid stand out as the top reasons for dropouts in Argentina, there are other interacting factors affecting the decision to leave school.** The 2014 National Youth Survey reports that 33.7 percent of 15 to 29-year-olds that dropped out in secondary needed to work or did not have resources to attend school; 20 percent did not like to study or consider it useful; 15.8 percent left school because of pregnancy; and 15.4 percent self-reported learning deficits. Financial aid, improving the returns to education (e.g. by boosting quality and relevance of education), and comprehensive support—many times involving the articulation of multiple ministries—are critical to tackle the dropout challenge in Argentina.

9. **In addition to financial aid, early prevention and targeting programs to students at risk are also critical to reduce dropout cost-effectively.** The decision to drop out of school often results from a longer process of frustration and disengagement, which usually begins many years before the actual decision is made.<sup>viii</sup> Global evidence indicates that this process generally shows “early warnings” in terms of poor academic performance, high absenteeism, and behavioral problems. In Argentina, according to APRENDER tests, approximately one third of children finish primary education lack basic math and Spanish skills. Consequently, many students struggle with the more complex curriculum of secondary education, and repetition and overage rates spike in the first grades of this level. This is usually accompanied by a



continuous growth in the absenteeism rate and behavior problems. Evidence shows that all these variables can be used to accurately predict the risk of dropout and to intervene more cost-effectively.<sup>ix</sup>

10. **For those who complete secondary, access to higher education expanded significantly over the last decades, but efficiency indicators are also poor in this level.** The dropout rates are particularly high in the first years, and the system has one of the lowest completion rates in the region (just 29 graduates out of 100 new entrants), and one of the largest time-to-degree ratios. The expansion of coverage disproportionately benefited students from the poorest quintiles, who in many cases need work part-time to support themselves, are the first generation in their families to access higher education, had limited support to select their field of study, and are not academically prepared to succeed in this level; therefore, they are much more likely to drop out. 46 percent of higher education students graduate from Humanities, Arts, Social Sciences, Business and Law programs, and only around 14% graduate in STEM fields, limiting the transition to the labor market.

11. **There are gender imbalances across the education trajectory.** Secondary dropout for females starts at age 15, and while it is lower than male dropout, only 85 percent of 17-year-old females study. The main reason for dropping out of school is pregnancy (29.8 percent), in line with an adolescent fertility rate that is three times higher than in the OECD. Financial barriers and learning deficits are also reported as relevant causes of school dropout (18.7 percent each). 25 percent of female youth in Argentina are not in employment, education or training, one of the highest rates among peer countries. Access to higher education is significantly higher for women (40 percent vs. 28 percent for men), and they are 15 percent more likely to graduate. Finally, females are much less likely to enroll and graduate from STEM programs.

12. **A set of ongoing programs are part of the GoA's national strategy to support the most vulnerable students to improve the quality of their learning trajectories and help them overcome the barriers they face for completing their education (Table 1).** The strategy includes an early warning system (ASISTIRÉ), financial aid throughout primary to higher education (AUH and PROGRESAR scholarships), programs aimed to improve the marginal benefit of staying in school (e.g., by remediating learning deficits with Escuelas FARO, or improving the relevance of the curriculum with Secundaria 2030), and programs to support vulnerable students in their transition to higher education (e.g. Nexos). The GoA also created the Secretariat of Education Evaluation (*Secretaría de Evaluación Educativa*, SEE), committed to strengthen evaluation and monitor the education sector to improve learning outcomes. In 2016, it began the implementation of APRENDER—a census-based student learning assessment that covers the last grades of primary and secondary education – and in 2017 of ENSEÑAR, a standardized non-compulsory assessment of candidates for the teaching career.

13. **The proposed Project would provide direct support to three of the key ongoing Government programs: ASISTIRÉ, PROGRESAR, and SEE programs, and will provide technical assistance to some of the key complementary initiatives listed above.** ASISTIRÉ is the main national program for dropout prevention in secondary schools.<sup>x</sup> It is an early warning system to identify students at risk and implement a set of preventive actions (remedial education, counseling, etc.) in coordination with other social assistance programs. PROGRESAR scholarships provide financial support to students between 18 and 24 years of age from the poorest socioeconomic households to complete basic education, and to access and complete higher education. The program includes additional financial incentives for strategic careers and a merit-based component for top performers. The SEE support includes strengthening student (APRENDER), teacher and institutional evaluation systems.



**Table 1. GoA National Programs to Reduce Dropout**

Program	Implementation	Description	Objective/Rationale	Supported through other Bank projects	Supported in this operation
ASISTIRÉ	Provincial level	Early warning system to prevent dropout of at-risk students at the secondary level	Offer comprehensive support to prevent dropout in secondary		X
AUH <sup>xi</sup>		Conditional cash transfer to the most vulnerable households with co-responsibilities in health and education	Provide financial aid from primary to higher education	X	
PROGRESAR Scholarships		Financial support to students from the poorest socioeconomic households to complete basic education, and to access and complete higher education			X
Escuelas FARO <sup>xii</sup>		Provides intensive teacher and principal training aimed at closing gaps in basic skills and reducing repetition particularly in lower secondary in the most vulnerable schools. They represent 30 percent of all secondary public schools	Improve the marginal benefit of staying in school		X
Secundaria 2030	Provincial level	Reform aiming to revamp secondary education by updating the curriculum and structure of the secondary level	Improve relevance of secondary level curriculum	X	
NEXOS	Provincial level	Support vulnerable students in the transition to higher education	Improve transition between secondary and higher education		

Relationship to CAS/CPF

14. **The proposed operation is consistent with the priorities of the Argentina Country Partnership Strategy (CPS) for the period FY15-18 (Report No. 81361-AR) and with the binding constraints identified within the framework of the 2018 Argentina Systematic Country Diagnostic (SCD), where disparities in educational attainment are identified as one of the strongest barriers to equal opportunities and to the improvement of employability for youth.** The 2015-2018 CPS sustains that one of the main challenges for sustained poverty reduction in Argentina are educational gaps, pointing at the negative trends in learning outcomes and the substantial proportion of student-to-student variation in test scores because of socioeconomic conditions in PISA. The SCD identifies the inefficiency of investment in human capital in Argentina as one of the binding constraints for development. Children from lower socioeconomic strata are disproportionately affected by low efficiency indicators such as dropout rates and repetition, and subsequently have less success in the labor market as adults. Supporting vulnerable youth for the achievement of higher educational achievement thus becomes a crucial step to reduce inequality, aligned with the objective of “Improving employability of Argentina’s youth” and directed towards the constraint in the area “Investing in Human Capital.”

Rationale for Bank Engagement and Choice of Financing Instrument

15. **Rationale for Bank Engagement.** There is a strategic rationale for the Bank to engage in the proposed operation, as it is consistent with the Bank’s twin goals of eliminating extreme poverty and boosting shared prosperity by supporting programs targeted towards students at risk of dropout and repetition, who overwhelmingly come from vulnerable backgrounds. The operation is aligned with the social spending floor agreed with the IMF, as well as with the commitment to ensuring sustainability and improved efficiency of priority education programs. Additionally, the Bank has a history of engagement with Argentina, through which it has acquired in-depth knowledge of both the education sector and the federal nature of the country. Given that this federal nature could present bottlenecks to implementation due to varying political will and implementation capacity among provinces, the Bank is well-positioned to rapidly respond to the



Borrower's request for support of programs that are carried out (or expected to be scaled up) nationwide by drawing on and incorporating lessons learned from previous and ongoing operations into their design. Furthermore, the Bank's vast experience on improving information management systems, evaluation, and decision-making in the sector can be a great value added in the form of technical assistance, as it can draw from international experience and best practices to improve government systems.

16. **Choice of Financing Instrument.** Three financing options were explored and analyzed with the GoA during the identification phase: Investment Project Financing (IPF); Program for Results (PforR); and a hybrid PforR/IPF operation, with a hybrid operation ultimately deemed as the best option. The PforR instrument would be used for the largest portion of the loan, given that it would help finance the improvement and implementation of existing programs in the education sector. Using this instrument would allow the teams to focus on building capacity within the implementing institutions to not only improve of current programs, but also ensure that they achieve lasting results. Furthermore, given that loan resources would not represent additional funding to the Ministry of Education, Culture, Science and Technology's (*Ministerio de Educación, Cultura, Ciencia y Tecnología, MECCyT*) existing budgetary lines, it would be ideal to use them to strengthen existing government systems to improve implementation and ensure sustainability of the programs, rather than focusing on traditional execution of resources.

17. Another important element considered in the selection of the instrument is the Government's interest in ensuring that loan resources can be disbursed in a timely fashion. The PforR instrument allows greater flexibility in working with the different units executing the PROGRESAR, ASISTIRÉ, and APRENDER programs, outlining specific results to be achieved by each and thus reducing the risk of hindering disbursements if they implement at a different pace. Emphasizing achievement of these results-based objectives would also serve to foster flexible, independent problem-solving on the part of the involved units. The PforR also allows disbursement of up to 25 percent of the total loan upon signing (or a total of 30% upon signing when combined with achievement of Disbursement Linked Indicators), giving the Borrower flexibility for disbursement in a context of financial constraints.

18. The inclusion of an IPF component was the most suitable to finance technical assistance to build greater capacity for information management systems and evaluation.

### C. Program Development Objective(s) (PDO) and PDO Level Results Indicators

#### Program Development Objective(s)

19. The objectives of the program are to reduce dropout rates in basic and higher education for the most vulnerable nationwide and to strengthen student, teacher and institutional evaluation systems.

#### PDO Level Results Indicators

20. The expected Project Development Objective indicators are:
- i. Dropout rate in secondary education (*Escuelas Faro*)
  - ii. Completion rates in adult education (18 to 24-year-olds)
  - iii. Access rate to higher education for the most vulnerable
  - iv. Completion rate in higher education for the most vulnerable (2<sup>nd</sup> or 3<sup>rd</sup> year)
  - v. Percentage of teachers who take the new teacher evaluation
  - vi. Dissemination and use of APRENDER (TBD)



## D. Program Description

### PforR Program Boundary

21. **Policy Context.** Improving inclusion and quality of secondary and higher education are key priorities for the GoA, as stated within the objectives of the MECyT core documents, *Plan Estratégico Nacional 2016-2021, Argentina Enseña y Aprende*, and the *Marco de Organización de los Aprendizajes (MOA) Aprendizaje 2030*. Long-term objectives contained in these strategic policy papers are: (i) universalization of completion of the secondary level, giving the opportunity to poorest students; (ii) improvements in completion rates and internal efficiency in higher education; (iii) improvements in the quality and relevance of learning; and (iiii) promotion of higher productivity for sustainable growth through enhanced access to employment for youth and lifelong learning. These objectives seek a substantial decrease in existing outcome inequalities among Provinces and socioeconomic groups, and among genders.

22. **Operation Scope.** The scope of the proposed Operation will be to support a subset of Government Programs (GP), clustered around two results areas under a PforR component (US\$290 million) and a Technical Assistance Component (US\$10 million) that would use the IPF instrument.

23. **The PforR Program Scope.** The scope of the PforR Program supports two Results Areas of the GP, selected as priorities by the MECyT to foster access and completion at the secondary and higher education levels and to strengthen the student, teacher and institutional evaluation systems in the education sector. To reach these objectives, MECyT is implementing three programs, which together conform the PforR Program: (i) the ASISTIRÉ dropout prevention program at the secondary level; (ii) the PROGRESAR Scholarship program for 18 to 24-year-olds; and (iii) the APRENDER student learning assessment system and the teacher training evaluation for recent graduates. These sub-programs are financed under MCCyT's core budget, currently representing around half of the total. A continuation of their implementation is envisaged for at least the next five years (see Results Chain in Annex 2).

### Results Area 1. Supporting programs to reduce dropout at basic and higher education

24. **Results Area 1.1 Supporting the expansion, strengthening and evaluation of the ASISTIRÉ school dropout prevention program.** ASISTIRÉ is the largest national program aimed at preventing dropout in lower secondary education. In 2018, the program was piloted in 220 public secondary schools in the Province of Buenos Aires (PBA), reaching almost 50,000 students. The schools were selected based on their dropout rates and are mostly located in the poorest areas of the Province. The plan for the next five years is to gradually roll out the program to all the provinces, reaching up to approximately 2,200 schools. The schools will be selected from *Escuelas Faro*, identified as the most vulnerable in the country in terms of socioeconomic status and learning gaps.

25. **The program has two cornerstones to fight dropout that are based on best international practices: (i) the identification of students at risk using ICT technology; and (ii) the provision of targeted support to these students through two trained ASISTIRÉ facilitators per school, who act together with local councils.** The key intuition behind the design of the program is that it is more cost-effective to act early to prevent dropout, and that dropout is a multi-causal problem that usually requires close follow-up, integral solutions, and the articulation of multiple actors and ministries.

26. **The identification of students at risk of dropout relies on simple rules and the use of real-time administrative data.** Currently, ASISTIRÉ promoters combine online attendance records (using tablets with connectivity and a software developed by the program) with different cutoffs for consecutive absences generating alerts at the student level. These alerts—together with complementary information such as overage, repetition history, etc.—are reported through a control panel to key actors in the education system (school principal, supervisors, ASISTIRÉ facilitators, etc.). As explained





below, the early warning system could be enhanced by considering additional predictors (e.g. academic performance) and more sophisticated algorithms.

27. **The program provides tailored support to risk-flagged students through the ASISTIRÉ facilitators.** There are two facilitators for every five schools, who are responsible for following up on the alerts triggered by the early warning system. In general, one of the facilitators has a pedagogical background and the other a social work background. Their main responsibilities include identifying the reasons behind the absences, contacting the students' families, and devising and monitoring a joint action plan with the school team (which sometimes involves direct pedagogical and socioemotional support to the students by the facilitators). The facilitators work together with local councils or roundtables (*Mesas de Inclusión Educativa*), which comprise the school principals and teams and representatives from local governments and non-governmental organizations. The main objectives of these councils are to map the local programs or resources (tutoring programs, counseling, transport subsidies, etc.) and to articulate the different actors and ministers to devise an integral plan of action for students at risk.<sup>xiii</sup>

28. **In the mid-term, the program aims to improve the accuracy of the early warning system, expand its geographical coverage, and evaluate and adjust the program's design.** The objectives of the program for the 2019-2022 period are: (i) to gradually expand the program in all provinces to reach up to 2,200 of the most vulnerable schools in the country; (ii) to improve the precision of the early warning system by enriching the data used to identify students at risk (e.g. complete academic history of students) and exploring more accurate algorithms (e.g. machine-learning methods); and (iii) to carry out both a process and an impact evaluation to identify strengths and weaknesses of the program, and use the results to improve the design and implementation of the different components of ASISTIRÉ. The TA component of the operation would be used to further complement ASISTIRÉ by, for instance, strengthening the available toolkit to prevent dropout (e.g. identify, design, and/or pilot complementary interventions). The budget of the program is about US\$40 million for the 5-year period of the Operation (2019-2023), out of which about 45 percent (US\$18 million) would be financed with Bank resources. Bank support in this area would include firm consultancies and the purchase of goods.

29. **Results Area 1.2 Improving targeting, monitoring, design, and evaluation of PROGRESAR Scholarships.** PROGRESAR was established in 2014 as subsidy transfer to foster access and completion at all education levels for students aged 18-24 that belonged to the poorest households.<sup>xiv</sup> The program was managed by the National Administration of Social Security (*Administración Nacional de la Seguridad Social*, ANSES) and was conceived as a continuation of the AUH, which covers up to 17-year-olds. 80 percent of the monthly transfer was contingent on age and income, and 20 percent on regular attendance to a public education institution at any level. By 2017, the program reached 1 million beneficiaries, but monitoring of eligibility and attendance was carried out poorly.

30. **In 2018, the program was transferred to the MECCyT and was modified from a transfer to a scholarship program: PROGRESAR Scholarships.** The main objectives of this change were to align benefits with education outcomes, to promote more inclusion and merit-based benefits, and to close the gap between education and labor markets by promoting strategic careers in higher education. The program offers four types of scholarships (Figure 2) that focus on i) students completing primary or secondary education; and ii) students accessing and completing higher education.



Figure 2. PROGRESAR Scholarships, 2018

	PROGRESAR Basic education	PROGRESAR Technical professional training	PROGRESAR Tertiary non-university	PROGRESAR Tertiary University
Age	18 - 24	18-24	18-30	18-30
Education level	Primary and secondary	Technical	Higher	Higher
Institution of enrollment	Adult education schools	Technical training schools	Teacher training institutes, non-university institutes	Public universities
Yearly scholarship ARS (USD)	12,500 (350)	12,500 (350)	16,000 - 26,000 (420 - 690)*	16,000 - 49,000 (420 - 1.300)
Percentage of SMVM	7	7	8.4 - 13.8	8.4 - 26
Beneficiaries** (percent)	259,380 (43)	***	151,000 (25)	195.000 (32)
Share of beneficiaries below the poverty line (US\$ 500/month)	79	77	69	60

\*For teacher training, the benefits are higher and correspond to between 40 and 70 percent of the minimum teacher salary.

\*\*63 percent of the beneficiaries in PROGRESAR Scholarships are women.

\*\*\*Beneficiaries included in Basic Education.

31. **The scholarships target vulnerable students with income and age eligibility requirements,<sup>xv</sup> and include design features to align incentives to education outcomes:** i) increased monitoring and evaluation of eligibility requirements: ensuring compliance with conditions of eligibility through administrative data and the certification of regular attendance at the end of the school year. Because of this “cleaning” process, beneficiaries decreased to 606,000,<sup>xvi</sup> of which 43 percent correspond to youth completing primary and secondary education; ii) differentiated and higher benefits: changes in the amounts of the scholarships by education level and strategic careers;<sup>xvii</sup> iii) stronger academic requirements: from 2 subjects passed per year to 50 percent of the theoretical study plan passed (3 subjects, on average); iv) incentives for permanence and completion: benefits increasing in trajectory,<sup>xviii</sup> and eligibility up to 30 years of age for advanced higher education students; v) merit-based component: beneficiaries that pass all the theoretical study plan with a minimum academic average of 8/10 receive twice the scholarship benefits, vi) evaluation for teacher training applicants: test as a condition of eligibility for students applying to teacher training (*Compromiso Docente* scholarship).

32. The annual budget of the program is about US\$240, which makes it US\$1.2 billion for the five-year period of the proposed Operation (2019-2023), out of which about 23 percent (US\$260 million) would be financed with Bank resources. Bank support in this area would correspond to scholarship transfers.

33. **Important challenges remain in terms of improving the targeting, management, monitoring and efficiency of the program. Therefore, the objectives for the coming five years, to be supported by the PforR are:**

- i. Improve monitoring and availability of timely information on eligibility requirements, mainly attendance. In the short term, the objective would be to increase the frequency of control of attendance (quarterly report by the institutions of enrollment, attendance, and subjects passed).<sup>xix</sup> In the medium run, it would be to develop a “nominal” information system where each student’s attendance can be monitored in real time;
- ii. Develop alternative eligibility options in view of possible fiscal constraints, by ensuring targeting to the poorest students;



- iii. Evaluate the program, including the effects of the incentives, such as scholarship amount, priority programs, continuation, minimum academic requirements, etc;
- iv. Develop strategies, jointly with provinces, universities and institutions, to support student success (i.e. behavioral interventions to reduce non-financial barriers to complete the studies).

34. **Results Area 2. Supporting the implementation of the national standardized student learning assessment APRENDER and the evaluation of teaching training institutes’ recent graduates.** APRENDER was created in 2016, jointly with the SEE, with the purpose of creating a “culture of quality and equity improvement,” for which permanent and standardized information on student learning at the primary and secondary levels is required to: (i) measure trends in education quality over time; (ii) use the information to design focused strategies to improve quality; and (iii) share the results with provincial authorities, school directors and the general public to inform on performance. The census-based<sup>xx</sup> assessment started in 2016 and covers the last years of primary and secondary public schools in rotating subjects. The results are reported at the national, province and school level, with information on cognitive results, associated factors, gender, urban/rural and other key variables, notably to measure equity. The SEE has actively adopted several strategies for widespread dissemination of APRENDER results, via an open online platform<sup>xxi</sup> that allows for basic data analysis, providing tables and graphs,<sup>xxii</sup> and through proactive communication with school directors, who have access to a school-specific report.

35. The Operation would support the annual census-based evaluations for the period 2019-2023, with a total cost of approximately US\$46 million, and with the PforR financing US\$12 million (26.1 percent). This Results Area also includes the evaluation of teachers-to-be in their last year, before graduation (through the ENSEÑAR evaluation; this evaluation is optative for teachers, and has already been conducted once, in 2017).<sup>xxiii</sup> The objective of the SEE is to learn from the ENSEÑAR 2017 implementation to progress towards (a) a set of evaluation tools (including class observation tools) that pre-service teacher training institutes can use to self-evaluate their outcomes, and to design and implement strategies for quality improvement; (b) a non-compulsory evaluation for new teachers (optional for all teachers graduated 4 years before the evaluation); and (c) a long-term strategy towards the creation of a government agency for evaluation and accreditation of non-university tertiary institutes (including pre- and in-service teacher training institutes). An adaptation of the Bank’s TEACH classroom observation tool is being considered by the SEE as a crucial element in the self-evaluation toolbox for pre-service teacher training institutes. Bank support in this area would include consultancy services, non-consultancy services, and purchase of goods.

36. **Possible DLIs.** The content, timetable, scalability and amounts of the DLIs would be mainly drawn from the Results Chain (see Table 1 below). A preliminary proposal of DLIs would be:

**Table 1: Results Areas and DLIs**

Results Area	DLIs
<b>Results Area 1.1.</b> Promoting the expansion, strengthening and evaluation of ASISTIRÉ	<ul style="list-style-type: none"> <li>• Number of Agreements with provinces to implement ASISTIRÉ</li> <li>• Percentage of schools with ASISTIRÉ implemented in the selected provinces.</li> </ul>
<b>Results Area 1.2.</b> Improving targeting, monitoring, accountability and evaluation of PROGRESAR Scholarships	<ul style="list-style-type: none"> <li>• Percentage of PROGRESAR beneficiaries that fulfill eligibility requirements, for each of the three educational levels (basic tertiary institutes, and university).</li> <li>• Implementation of a student attendance database (nominal) for Adult education in a pilot group of schools for PROGRESAR.</li> <li>• Development of a strategy of prioritization/targeting of PROGRESAR beneficiaries</li> </ul>
<b>Results Area 2.</b> Supporting the implementation of the standardized student learning assessment APRENDER and the teacher evaluation of recent graduates	<ul style="list-style-type: none"> <li>• Annual APRENDER evaluation is carried out in a timely manner, based on planned scope for each year.</li> </ul>



37. **Technical Assistance to Strengthen the Institutional Capacity of the MECCyT.** The Operation would provide technical assistance to strengthen the institutional capacity of the National Directorate of Scholarships (NDS), the NTA, and SEE including: (i) NDS: improvement of information and management systems; studies; an impact evaluation on the results of the program; (ii) NTA: evaluations; fine-tuning of the EWS; improvement of the digital information system; (iii) SEE: support development of the process of evaluation and accreditation of teacher training technical institutes, including the development of standards, training of external peer reviewers, development of a database, pilot implementation of an external evaluation, and the institutional strengthening of the National Evaluation Commission of Teacher Training Institutes. Moreover, this Component would also support costs related to the implementation of APRENDER.

38. **Expenditure Framework.** The total operation has an estimated outlay of US\$1.296 billion over five years, out of which: (i) US\$1.28 billion is the Program supported by the PforR, financed through fiscal budgetary lines of MECCyT; and (ii) US\$10 million is technical assistance, financed by the Bank (external source). Bank financing for the PforR component would be US\$290 million, roughly 23 percent of the total. This accounts for a total financial requirement of US\$300 million over the duration of the loan.

**Table 2: Expenditure Framework**

Component / Result Area	US\$ Program Amount (Bank financing) In US\$ million					
	2019	2020	2021	2022	2023	Total
<b>Component 1: PforR</b>	<b>252</b> <b>(52)</b>	<b>257</b> <b>(106)</b>	<b>256</b> <b>(57)</b>	<b>261</b> <b>(48)</b>	<b>260</b> <b>(27)</b>	<b>1286</b> <b>(290)</b>
Results Area 1.1. Promoting the expansion of ASISTIRÉ	4 (2)	6 (3)	8 (4)	10 (5)	12 (4)	40 (18)
Results Area 1.2. Improving PROGRESAR Scholarships	240 (50)	240 (100)	240 (50)	240 (40)	240 (20)	1200 (260)
Results Area 2. Supporting APRENDER and teacher evaluation	8 (0)	11 (3)	8 (3)	11 (3)	8 (3)	46 (12)
<b>Component 2. Strengthening MECCyT (TA)</b>	<b>2</b>	<b>3</b>	<b>3</b>	<b>1</b>	<b>1</b>	<b>10</b>
<b>Total</b>	<b>54</b>	<b>109</b>	<b>60</b>	<b>49</b>	<b>28</b>	<b>300</b>

**E. Initial Environmental and Social Screening**

39. Argentina is a multicultural country, with a large and diverse indigenous population, as well as a significant afro-descendant and migrant population, which face barriers that lead to higher dropout rates and underachievement due to structural and direct forms of discrimination. Indigenous people (circa one million people), for example, live mostly in urban areas, the largest concentration of which is in the Buenos Aires Metropolitan Area (AMBA), yet there are important gaps regarding permanence and completion (especially at secondary and tertiary level). These gaps are more pronounced in northern cities, where up to 80 percent of households experience multiple deprivations. Statistics from some provinces with high numbers of rural indigenous population (e.g. Chaco and Formosa) show that, although the number of indigenous



people with primary education is similar to the regional average, they experience much higher dropout rates at the secondary level and are vastly excluded from tertiary education.

40. The main problem in assessing the situation of excluded minorities, however, is the lack of reliable data. About 62 thousand households have at least one member that self-identifies as Afro-descendant, for instance, 22 percent of which are concentrated in AMBA. Although there is little information on their socioeconomic status and educational outcomes, according to the National Map of Discrimination, as many as 35 percent of afro-descendants living in AMBA have felt discriminated against because of their skin color (INADI 2013). Anecdotic data suggest that the country does not seem to differ, in fact, from regional data showing that both school attendance and secondary education completion among Afro-descendants are much lower than for others.<sup>1</sup> Completion rates for people with disabilities are even lower; school attendance is at between 20 and 30 percent, while it is close to 90 percent for the general population. Finally, there is no data available regarding LGBTI population school attendance or completion rates at the regional level, but there is evidence that high levels of discrimination and bullying suffered by these students result in higher dropout rates. For example, a 2007 study showed that 45 percent of transgender students dropped out of school by year X, either due to transphobic bullying by their peers or exclusion by school authorities.<sup>2</sup>

41. The Operation has a strong potential to reverse some of these trends, as PROGRESAR aims to help low-income students continue and complete formal education. The Operation would also support the expansion of ASISTIRÉ, the national school retention program, to schools selected from *Escuelas Faro*, the schools identified as the most vulnerable in the country in terms of socioeconomic status and learning gaps. A third component, focused on Technical Assistance, would support the implementation of two standardized tests (APRENDER and an assessment of teachers), which are not expected to have direct impacts on vulnerable populations, but risk further invisibilizing excluded minorities.

42. Nevertheless, it is uncertain if these programs are reaching all excluded minorities, as no disaggregated data is being produced or available. Some current practices also seem to penalize self-adscription to an excluded minority, discouraging self-reporting or imposing barriers for access. For example, although there is a dedicated line of support for indigenous children and youth under PROGRESAR, the amount of the scholarships under this dedicated mechanism is lower than the amount they would receive under the general scholarship, which constitutes a disincentive for self-identification. Furthermore, PROGRESAR does not seem to have a communications or engagement plan to guarantee that scholarships are reaching children from excluded minorities, in culturally appropriate and timely manners. Experience from elsewhere shows that excluded minorities might not be captured under universal schemes.

43. An Environmental and Social System Assessment (ESSA) will be prepared to evaluate the potential range of environmental and social effects that may be relevant to the Program. The Bank will identify and consider if the programs' systems are able to ensure equitable access to the program benefits for indigenous peoples, afro-descendants and other vulnerable groups that might be experiencing difficulties, like students with disabilities or members of the LGBTI community. The assessment will be carried out considering the core principles set in OP 9.00 and will assess the institutional capacity of the implementing agency and the environmental and social applicable regulatory framework to identify any gaps with the core principles and collectively design the measures to close these gaps. This analysis will be conducted in a participatory manner, including all stakeholders from an early stage. The ESSA will be a screening tool for any activity deemed likely to have significant adverse impacts on sensitive and valuable environmental components and processes, in order to adapt or exclude them from operations. The recommended actions that result from this

<sup>1</sup> Date for AD households available in "Freire, German; Diaz-Bonilla, Carolina; Schwartz Orellana, Steven; Soler Lopez, Jorge; Carbonari, Flavia. 2018. Afrodescendientes en Latinoamérica: Hacia un marco de inclusión. World Bank, Washington, DC. © World Bank. <https://openknowledge.worldbank.org/handle/10986/30201> License: CC BY 3.0 IGO."

<sup>2</sup> UNESCO, 2016, Out in the open, Education sector responses to violence based on sexual orientation and gender identity/expression.



participatory process will lead to an action plan that will be agreed with the Government and will also include any further participation actions agreed to be implemented during program implementation.

44. The Program also includes a component for technical assistance to the MECCyT. The ESSA will incorporate the principles laid out in the Interim Guidelines on the Application of Safeguard Policies to Technical Assistance (TA) Activities in Bank-Financed Projects and Trust Funds Administered by the Bank (January 2014) to make sure it is in accordance with the principles and socioenvironmental standards of the Bank. The technical assistance component would include activities that support the institutional capacity-building of both PROGRESAR and ASISTIRÉ and a subcomponent focused on the activities under the SEE, particularly a program that aims to ensure quality of education in tertiary education institutions. During preparation, an assessment will be carried out to determine if the range of these actions might create or exacerbate conflicts with stakeholders, such as student or teacher unions. Based on this assessment, the ESSA will determine the need to define a communication or consultation strategy that may contribute to avoid, minimize or mitigate this risk.

45. The Operation would neither finance nor support any civil works activities. In this sense, the activities supported by the Operation are not expected to have any negative environmental or social impacts. No rehabilitation or construction of new infrastructure or other actions having an impact on the environment would be financed. The Operation would be implemented at the national level, over a diversity of jurisdictions with different environmental, social and institutional settings. However, the overall risks and potential adverse environmental impacts are not considered significant.

Legal Operational Policies	Triggered?
Projects on International Waterways OP 7.50	No
Projects in Disputed Areas OP 7.60	No

Summary of Screening of Environmental and Social Risks and Impacts of the IPF Component

The activities that will be implemented under the Technical Assistance component are not expected to have negative environmental or social impacts.

**Note** To view the Environmental and Social Risks and Impacts, please refer to the Concept Stage ESRS Document.

**CONTACT POINT**

**World Bank**

Name :	Helena Rovner		
Designation :	Senior Education Specialist	Role :	Team Leader(ADM Responsible)
Telephone No :	5260+3718 /	Email :	hrovner@worldbank.org
Name :	Francisco Haimovich Paz		
Designation :	Economist	Role :	Team Leader
Telephone No :	202-473-9794	Email :	fhaimovich@worldbank.org



Name :	Marcelo Becerra		
Designation :	Lead Education Specialist	Role :	Team Leader
Telephone No :	5761+8646 /	Email :	mbecerra@worldbank.org

**Borrower/Client/Recipient**

Borrower :	Ministerio de Hacienda		
Contact :	Agustin Mai	Title :	Director Nacional de Financiamiento con Organismos Internaci
Telephone No :	0000	Email :	agustinmai@mfin.gob.ar

**Implementing Agencies**

Implementing Agency :	Ministerio de Educacion, Cultura, Ciencia y Tecnologia		
Contact :	Carla Robiani	Title :	Directora Nacional de Becas Educativas
Telephone No :	000000	Email :	carlarobiani@yahoo.co.uk

**FOR MORE INFORMATION CONTACT**

The World Bank  
 1818 H Street, NW  
 Washington, D.C. 20433  
 Telephone: (202) 473-1000  
 Web: <http://www.worldbank.org/projects>

<sup>i</sup> World Bank "Argentina - Systematic country diagnostic". Washington, D.C.: World Bank Group (2018)

<sup>ii</sup> To be updated following revised agreement.

<sup>iii</sup> Idem

<sup>iv</sup> 2006 National Education Law

<sup>v</sup> Students in Initial education: 1,798,831; Primary education: 4,822,602; Secondary education, 3,791,310 and Tertiary non-university, 976,466.

<sup>vi</sup> Initial education is compulsory for 4 and 5-year-olds.

<sup>vii</sup> By age 15, according to PISA, the median Argentine performs in mathematics an equivalent of 2.5 years below the average of OECD countries, and within Argentina, low-income students are about 2 years behind high-income ones. Females outperform males in language (equivalent to 1 additional year of education). More worrisome, test scores results have stagnated at the same time as spending was increasing, indicating important inefficiencies. Indeed, learning outcomes are well below the level expected for Argentina's GDP per capita.

<sup>viii</sup> Oreopoulous 2016, Adelman 2015

<sup>ix</sup> Knowles, 2015; Adelman et al, 2016.

<sup>x</sup> Not in Adult Education schools.



<sup>xi</sup> AUH covers 3,916,329 million children in the most vulnerable households. Eligibility criteria include: (i) both parents being unemployed, informal, or not benefitting from other ANSES programs; (ii) proof of compliance with co-responsibilities of health and education. Recent empirical evidence shows that AUH effectively improved school attendance rates, in particular among eligible males aged 7 to 17 years old -the group most affected by dropout. AUH improved attendance by 6 percentage points for this group and had a smaller but significant impact on boys aged 12 to 14 years old. Also, AUH also showed a positive impact on diminishing intra-annual dropout among girls aged 12 to 14. For both boys and girls, AUH improved primary school completion rates.

<sup>xii</sup> Escuelas FARO is aimed at closing learning gaps in the most vulnerable schools (covering about one third of secondary public schools).

<sup>xiii</sup> The ASISTIRÉ facilitators also produce regular detailed reports describing for each case the diagnostic, action plan, and follow-up activities. The National Team of ASISTIRÉ (NTA) is responsible for training and supporting the facilitators, provincial officials and stakeholders, as well as for following and monitoring program implementation, including evaluating results and proposing improvements. It is important to note that digital registration of students is a key milestone for the development of a broader School Management Information System (*Sistema de Gestión Escolar*, SGE), a platform where information at the school and student levels can be shared by provincial and federal ministries.

<sup>xiv</sup> With an income up to three times the Minimum Vital Moving Salary (*Salario Mínimo Vital y Móvil*, SMVM). Beneficiaries cannot receive any other national, provincial or municipal benefit, but can receive AUH or AUE.

<sup>xv</sup> The household income eligibility requirement (maximum 3 SMVM, which corresponds to US\$750) implies that the poorest 7 deciles of households are eligible.

<sup>xvi</sup> Estimations of the effect of the scholarship on income show that by receiving the scholarship, 12,000 households overcame the “indigence line” (around US\$ 200 monthly) and 15,000 went out of poverty.

<sup>xvii</sup> Health, Engineering, Architecture & Design, IT, Agriculture, among others.

<sup>xviii</sup> First or last year of the program.

<sup>xix</sup> For tertiary education

<sup>xx</sup> APRENDER includes sample-based assessments for other school years (i.e. 3<sup>rd</sup> grade of primary in 2016)

<sup>xxi</sup> Available at <<http://aprenderdatos.educacion.gob.ar/>>

<sup>xxii</sup> The National Education Law specifically prohibits the identification of schools and individuals within the publicly available data. While it is not obvious that learning outcomes disaggregated at school level would allow for school identification, that has been the interpretation of the law during the last years in Argentina.

<sup>xxiii</sup> The dissemination of ENSEÑAR reports has not yet started, and it is expected to be initiated before the end of the current academic year. National, provincial and specific institute reports will be launched, following the lines of APRENDER dissemination strategy.