

THE ARGENTINE REPUBLIC**SECOND RURAL EDUCATION IMPROVEMENT PROJECT****Chair Summary*****December 2, 2014**

The Executive Directors approved the loan in the amount of US\$ 250.5 million to the Argentine Republic for the Second Rural Education Improvement Project on the terms set out in the President's Memorandum. The Minutes will reflect that Ms. Aviel and Ms. Hines wished to be recorded as opposed.

Directors appreciated that this first project under the new Country Partnership Strategy aims to reach the poor and vulnerable groups directly, and to continue the World Bank Group's successful and long standing partnership with Argentina on rural education. They underscored the importance of continued targeted engagement with Argentina in order to promote inclusion and equality in light of the World Bank Group twin goals of eliminating extreme poverty and boosting shared prosperity. Concerns were noted with regard to Argentina's macroeconomic situation, and Directors called for continued efforts to normalize relations with the IMF and the country's creditors.

Directors supported the project's development objective to reduce repetition rates in Primary Education and increase completion rates in Secondary Education in Argentina's rural areas. While Directors valued the reforms in the education sector, they encouraged further efforts to address the underlying causes for gender disparity in the education system and to promote successful impacts on indigenous communities. They also stressed tackling the constraints to access quality education, both on the demand and supply side.

Directors recognized the decentralized nature of the implementation arrangements, yet called on more coordination between provinces and central authorities. Directors also noted the risks associated with weak capacity and urged strong mitigation measures to help deliver on the sustainability of the program. In that regard, they highlighted the need for strong monitoring of results, data availability and impact evaluation to ensure the project helps improve human capital and labor markets for the benefit of poor in rural isolated areas.

* This summary is not an approved record.