Combined Project Information Documents / Integrated Safeguards Datasheet (PID/ISDS)

Appraisal Stage | Date Prepared/Updated: 01-Aug-2018 | Report No: PIDISDSA25344
## BASIC INFORMATION

### A. Basic Project Data

<table>
<thead>
<tr>
<th>Country</th>
<th>Project ID</th>
<th>Project Name</th>
<th>Parent Project ID (if any)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Argentina</td>
<td>P167851</td>
<td>Additional Financing Children and Youth Protection Project</td>
<td>P158791</td>
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</table>

<table>
<thead>
<tr>
<th>Parent Project Name</th>
<th>Region</th>
<th>Estimated Appraisal Date</th>
<th>Estimated Board Date</th>
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<tbody>
<tr>
<td>Children and Youth Protection Project</td>
<td>LATIN AMERICA AND CARIBBEAN</td>
<td>23-Jul-2018</td>
<td>20-Sep-2018</td>
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</table>

<table>
<thead>
<tr>
<th>Practice Area (Lead)</th>
<th>Financing Instrument</th>
<th>Borrower(s)</th>
<th>Implementing Agency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social Protection &amp; Labor</td>
<td>Investment Project Financing</td>
<td>Republic of Argentina</td>
<td>ANSES - Administracion Nacional de la Seguridad Social, Ministerio de Desarrollo Social</td>
</tr>
</tbody>
</table>

### Proposed Development Objective(s) Parent

The Project Development Objectives are to: (i) expand coverage of the Family Allowances programs; and (ii) improve transparency of social protection programs implemented by ANSES.

### Components

- Universal Child Allowance program financing
- Closing the coverage gaps of the Universal Child Allowance program
- Institutional Strengthening of ANSES in information procedures and transparency and Project Management
- Institutional Strengthening of the Ministry of Social Development and Project Management

## PROJECT FINANCING DATA (US$, Millions)

### SUMMARY

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
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<tbody>
<tr>
<td>Total Project Cost</td>
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<td></td>
</tr>
<tr>
<td>Total Financing</td>
<td>450.00</td>
<td></td>
</tr>
<tr>
<td>of which IBRD/IDA</td>
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<tr>
<td>Financing Gap</td>
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</table>

### DETAILS

World Bank Group Financing
B. Introduction and Context

Country Context

1. The current macroeconomic context in Argentina is characterized by marked financial volatility emerging from a combination of domestic and external factors. Since taking office in December, 2015 the Government has been implementing important reforms to eliminate existing distortions in the economy. Given the ambition of the reform program, and in order to maintain the social consensus needed to ensure sustainability over time, the government adopted a gradual approach to the reforms, including the fiscal and monetary adjustments. However, tightening global financial conditions led in April to an increase in anxiety in the markets which in turn resulted in loss of appetite for the country’s bonds, and pressures on the peso. The Government response to the market volatility has included a tightening of the fiscal and monetary policy stances supported by an IMF program.

2. The macroeconomic outlook presents substantial downside risks that could have an impact on job creation and poverty reduction. Employment in Argentina has remained stable since 2011, losing its role as the main driver of household income increase in the previous eight years. Conscious of the vulnerable status of many households, the current administration expanded several social benefits, including child allowances and unemployment insurance, and prepared a plan to settle pension-related lawsuits. Income transfer policies, including the pension and family allowances systems, have become a critical determinant of income levels and equity. While poverty decline over the 2004-2008 was mostly explained by labor income gains, the role of non-labor income is more relevant from 2009 onward.¹

3. The Government’s response to the financial pressures is supported by the multilateral institutions. The World Bank is preparing a set of operations, both Development Policy and Investment Project Financing (DPF and IPF), which are part of a broader package being prepared by other international partners, including the Interamerican Development Bank (IADB), and the Development Bank of Latin America (CAF). The Bank program focuses on supporting the Government’s reform agenda to accelerate growth and protect the most vulnerable. This last objective is consistent with the IMF-supported program

¹ See World Bank Policy Note for Argentina (2015), Social Protection and Labor chapter.
which ringfences social protection expenditures at the federal level by establishing a social spending floor agreed, and allows some well-targeted social assistance transfer programs to even expand if needed. Against this background, the Government has requested Bank support to reinforce social protection policies that will provide effective protection to the most vulnerable through the universal child allowance program **Asignación Universal por Hijo** (AUH). The World Bank has financed the implementation and expansion of AUH through previous loans (P115183 and P120622 - Argentina Basic Protection Project); as well as the loan currently under implementation (P158791 - Children and Youth Protection Project). Therefore, the Bank is well positioned to rapidly respond to the Borrower’s new request by providing additional financing under the current operation.

4. **Over the last fifteen years, social protection in Argentina has significantly improved, and today is better prepared to deal with the social effects that may result from the materialization of either the baseline or the adverse scenario considered under the IMF program**. According to the baseline scenario, economic growth would be 1.5 percent in 2019, with stagnant employment. If the adverse scenario considered were to materialize, negative growth rates would occur, with consequences in the labor market, including both higher unemployment and informality, as well as an increase in poverty rates. In this context, the social protection (SP) system, and especially the social safety net (SSN) are increasingly relevant and are ready to alleviate the social and poverty consequences resulting from either scenario.

5. **The major economic crisis of 2002 represents an inflexion point for the SP system in Argentina.** It revealed the limited ability to counteract the social consequences of poverty and unequal income distribution, because the truncated welfare state model was based exclusively on eligibility programs and contributory funding. Since then, the SP system has moved towards an integrated and coordinated system of income transfer programs and policies, which reduced poverty and improved income distribution by expanding coverage and public social spending. The improvements in the SP system can be summarized in two milestones that improve the coverage at both ends of the life cycle. First, since 2005 the coverage of pensions increased to levels observed in the OECD, favoring the poorest sectors, correcting regressive problems associated with the deficit contributory scheme. Second, the implementation of the AUH in 2009 provides complementary coverage to children under 18 years of age who were not included in the contributory family allowance program.

6. **The Family Allowances (FA) programs currently run by ANSES (National Administration of Social Security) comprise a contributory and a non-contributory program that operates as an automatic cushion for the negative impact of employment losses among families with children.** Significant

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2 The program established a floor for spending on social assistance by the Federal Government, at 1.3 percent of GDP in 2018, to be adjusted in 2019 and 2020 according to existing indexation rules. Furthermore, the targeted fiscal deficit can be adjusted by as much as 0.2 percent of GDP if “economic conditions worsen such that the government judges either the benefits under the universal child allowance program to be insufficient or the level of enrollment becomes higher than expected” (Quote from the IMF Country Report No. 18/219, published in July 2018).

3 Both the IMF program and the WB DPF operation consider alternative scenarios to describe the macroeconomic outlook. The baseline scenario considers a slow-down of growth (1.5 percent growth for 2019). The adverse scenario estimates zero growth for 2019, with more negative effects on other variables such as unemployment, etc.

4 If a formal worker (with children) loses her/his job she/he stops receiving a benefit of the contributory FA program.
improvements have been introduced over the last 2 years: introduction of a new benefit indexation mechanism that updates FA benefits 4 times a year (increasingly relevant in an inflationary context); unification of parameters of the FA system (income thresholds, benefit amounts, etc); and extension of FA coverage to children of formal self-employed (monotributistas). Coverage of both FA programs expanded by almost 2 million children since 2010, half of which over just the last two years. Coverage of the FA programs run by ANSES is 9 million, which represents 70 percent of all children under 18 years of age in Argentina.5

7. **Within the social safety net, AUH is intended to mitigate the social impact of adverse macroeconomic conditions.** On top of strengthening the formation of human capital through the co-responsibilities in health and education, this program is designed to automatically expand during downturns when fewer people are in formal jobs making contributions to Social Security. The periodic adjustments of the benefit amount allow the program to avoid losses in purchasing power in times of high inflation. The fact that AUH is highly targeted to low income families reinforces the importance of maintaining the purchasing power. The scalability of this program would allow policy makers to temporary increase benefit amounts in times of crisis or even natural disasters.7

8. **Nevertheless, AUH is perfectible.** This non-contributory FA program was launched using the administrative records of ANSES, which implied that no enrollment or registration process was required. People have been informed via mail, SMS, email, etc. of their eligibility, and payments made through debit cards. Among other requisites, for a child to become a beneficiary, both parents need to be either unemployed or informal.8 The latter implied that if the information linking the ID of both parents with the ID of the child was missing in ANSES records, the child could not be included in the eligibility process. This World Bank Children and Youth Protection project supported the closing of that coverage gap, by supporting ANSES actions towards obtaining those missing links and allowing children to enter the

The automatic cushion implies that the following month the person would receive a benefit from the non-contributory program AUH. Moreover, given the implicit redistribution of the contributory FA program, the benefit amount is smaller (or even equal to zero) the larger the salary of the employee. This means that in the hypothetical example above, the worker losing the job could move from a situation where she/he was not receiving a benefit from the contributory FA program, to another where she/he receives a benefit from AUH, that is flat across beneficiaries. Of course, the reverse case operates when a beneficiary of the AUH finds a formal job.  

5 The children of those filing income tax (on the right end of the income distribution), and the children of public employees in provincial governments are not covered by ANSES’ programs. Adding those 2 million children, the coverage rate would add up to 85% of the children under 18 years of age in Argentina.  

6 A shortfall of designing the SP system with a life cycle approach is that poor households with neither children nor elderly are not covered by these programs with almost universal coverage. A more thorough description of this short fall is presented in the Annex to this Project Paper.  

7 Before adopting an indexation mechanism AUH benefits were updated on a discretionary basis. Between 2015 and 2017, the benefit amount was updated periodically, twice a year. In times of sudden increase in consumer prices, lump sum payments have been granted (normally in the month of December), on top of the monthly payments. Finally, as an adaptive response to natural disasters, AUH was used as the vehicle to inject additional resources to those affected by, flooding, volcanic ashes, etc.  

8 The verification process implied that if both mother and father (unless the children was registered by a single mother/father) were not contributing to Social Security as formal workers, or receiving a benefit from ANSES (pension, survival pension, etc.), the person was implicitly assumed to be unemployed or informal.
eligibility screening process. This structural improvement has not only expanded the coverage by letting in those children previously excluded, but has also improved the mitigation capacity of the SSN: the majority of the million children who were screened for eligibility into the AUH did not end up as beneficiaries because it was verified that one or both parents made the child ineligible. Nevertheless, the employment situation of a child’s parents may change in the future, making the child a potential beneficiary, a condition that unfortunately they did not enjoy due to the missing links in ANSES ID records.

9. A second area where the AUH could be improved is in the verification of the co-responsibilities. AUH pays a monthly benefit equivalent to 80 percent of the total benefit amount, and accumulates the remaining 20 percent to be paid as a lump sum once compliance with the co-responsibility is verified. This process is carried out once a year at ANSES offices (UDAIs), when the beneficiary attends the scheduled appointment and presents copies of school attendance, vaccination records or health checks, depending on the age of the child. Due to transaction costs and information barriers a significant number of beneficiaries fail to show proof of compliance and therefore lose their right to receive the accumulated 20 percent of the benefit, or are later suspended from the payment of the monthly benefit. Most of the suspended beneficiaries show proof of compliance with the co-responsibility a short time after payments are halted.

10. The innovative activities to be included in this AF are aimed at scaling up the impact of the project, by directly supporting the intervention to address this second identified area of structural improvement of AUH. The first activity to be implemented is aimed at exploiting the advances in technology to reduce the transaction costs associated with the cumbersome paper-work to prove compliance. The second activity is oriented towards knocking down information barriers through a series of early alerts directed to beneficiaries and service providers. The third activity seeks to develop an alternative mechanism to verify compliance in a systemic way, relieving the beneficiaries from the responsibility of doing so. On top of these two innovations, the Project continues to be aimed at closing the coverage gap of those excluded from the eligibility process.

11. The rationale of this AF is based on the country’s macroeconomic context and risks, potential social consequences resulting from the expected macroeconomic downturn, and the readiness of the SP system to cushion the likely negative social effects on the most vulnerable. The recent volatility of the main financial variables has resulted in a riskier macroeconomic outlook. A fall in economic activity is likely to impact employment, household income and poverty. Given the context, the Government has sought support from the World Bank and from community of international finance institutions, who are fully aligned with the strategy of correcting imbalances while protecting social expenditures. The country’s social protection system has evolved in recent years and is capable of providing a timely response to a rise in unemployment and informality through the Family Allowances programs. The World Bank has supported the strengthening of the Social Protection system in Argentina, in particular, the non-

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9 As explained earlier in the text, the original target population (children with missing ID links on ANSES administrative records) was 1.5 million children and the project originally aimed at reaching 537,000. After two years of implementation, ANSES included in the eligibility process more than 1 million children and is committed to find 250,000 more in the next two years.
contributory FA program, through a series of projects with ANSES that helped to successfully reduce coverage gaps in record time, and is therefore, well-suited to providing support to the Government in this effort.

12. Financial support to the AUH becomes even more relevant in the context of fiscal consolidation and potential poverty impact of an economic downturn or more adverse scenarios. A slowdown of the economic activity is likely to have a negative impact on fiscal revenues, in times of budget reviews aimed at bringing down fiscal deficits. Financial support to the SSN through the AUH is expected to cushion the impact of potentially resulting poverty increases. The prioritization of this financial support is in line with the social spending floor included in the IMF program.

13. Besides financial support, it is equally relevant to improve the quality of the SP delivery system in Argentina, particularly the SSN. This World Bank project is aimed at helping ANSES to complete existing structural improvements as well as introducing new ones as part of an evolving process that goes beyond coverage expansion of existing or new programs. The mitigation capacity of the SSN in the face of an increase in poverty will be directly linked to the depth of the structural improvements. These activities are aligned with the Government’s shift towards the AUH which is aimed at achieving faster outreach to lower the costs, thus resulting in better systems.

14. The proposed AF is well aligned with the Country Partnership Strategy (CPS) for Argentina FY15-FY18, as revised by its Performance and Learning Review (PLR) dated January 13, 2017. The project fits squarely with the poverty and shared prosperity focus of the PLR, especially its second pillar on Increasing access and quality of social infrastructure & services for the poor. The child benefit contributes to this pillar through various channels: first, by avoiding households to fall into poverty during a time period of economic transition, the child benefit is a crucial support for vulnerable households to meet their most important needs and not forgo vital access to basic services. Second, by linking the income transfer effectively on the completion of health and education services, the program presents an important building block to breaking the inter-generational transmission of poverty through human development. Also, the transparency focus of this operation is aligned with the cross-portfolio approach to governance.

15. The World Bank Group is developing a new Argentina Country Partnership Framework (CPF) FY19-FY22, which is expected to build on the current CPS program and focus on achieving the WBG twin goals through four interdependent focus areas closely linked to the priorities areas identified by the recent Argentina Systematic Country Diagnostic: putting the macroeconomic and fiscal fundamentals in place; improving competitiveness and productivity; fostering an inclusive economy; and strengthening environmental sustainability and harnessing natural capital for growth.

C. Proposed Development Objective(s)

Original PDO
The Project Development Objectives are to: (i) expand coverage of the Family Allowances programs; and (ii) improve transparency of social protection programs implemented by ANSES.
Current PDO

PDO remains unaltered

Key Results

D. Project Description

1. **The proposed Additional Financing (AF) would increase funding for the Children and Youth Protection Project in the amount of US$450 million, to scale up the impact of current project activities and continue supporting the AUH program.** The proposed AF would scale up the program’s activities by: (i) speeding up the expansion of AUH to uncovered children; and (ii) further supporting the system integration to improve program transparency. The project complies with the following conditions to process an AF: a) The ISR ratings for IP and DO have been consistently rated as “Satisfactory” since effectiveness; and b) the Borrower has substantially complied with key Loan covenants.¹⁰

2. **The proposed AF activities are consistent with the PDO and are strategically aligned with the Argentina current Country Partnership Strategy (CPS) and the CPF FY19-FY22.** The Additional Financing would: (i) allocate additional resources to Component 1 (financing the Universal Child Allowance); (ii) set new DLI targets for Component 1 to reflect the parent Project’s implementation, which was faster than expected; (iii) incorporate innovative activities to be carried out under Sub-component 3.1, using savings resulting from successful implementation; (iv) include new indicators to reflect both the activities mentioned in point (iii) above, as well more concretely defining the already existing strategies to include children and youth in the program; and (v) adopt the Bank’s new procurement framework. The inclusion of these new activities, as well as the adoption of the new procurement framework implies a Level 2 restructuring, which will be reflected in the loan agreement. Proceeds of the AF loan would be allocated solely to Component 1. Except for the innovative activities to be included in Sub-component 3.1, no further changes are proposed for Components 2, 3 and 4. Implementation arrangements, safeguards, social accountability and citizen engagement, and risks will remain unaltered.

3. **Additional funding will finance AUH grants to AUH beneficiaries.** As in the original Loan, disbursements will be approved to reimburse grant payments, with a schedule that links them to achievements in two target indicators. The AF includes retroactive financing of US$ 90 million upon

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¹⁰ Only one legal covenant has not been complied with, and is expected to be completed before Board Approval of this AF. It states that “Not later than six months after the Effective Date, and for purposes of validating the actual achievement of the Outputs, the Borrower, through ANSES, shall hire an independent auditor(s) under terms of reference and experience acceptable to the Bank.” This legal covenant is linked to the technical assistance component number two (that represents 5 percent of the Project) and would not affect the disbursements of the AF which will be entirely allocated to component one. Moreover, in light of the overdue 2017 audited financial statement, the team obtained a clearance from FM and WFA to proceed negotiations notwithstanding the overdue audit report.
Project effectiveness, six additional disbursements of US$ 50 million, and a seventh and last disbursement of US$ 58.875 million minus the front-end fee will total US$ 450 million. As in the first loan, except for the retroactive financing, the disbursements cannot take place before 3, 6, 9, 12, 18, 21 months from signature day, respectively.

4. **Current estimations indicate that approximately 500,000 children’s eligibility for AUH benefits are still being excluded from this assessment due to lack of adequate information.** ANSES is planning to reduce this figure by approximately 250,000 children by the end of AF implementation, in December 2020. To reach this goal, ANSES will accelerate its work with civil registries and other agencies, as well as the implementation of its territorial strategy to collect missing information. Moreover, in line with the PDOs of the project on transparency, ANSES will increase the publication frequency of the public reports, from quarterly to monthly.

5. **Particular focus will be placed on the evidence collection process regarding compliance with education and health requirements for AUH beneficiaries.** AUH requires beneficiaries to follow the mandatory vaccination calendar, undergo regular health check-ups, and attend school at both primary and secondary levels. As previously described, the system currently requires beneficiaries to obtain evidence of their compliance by downloading forms from the ANSES webpage, obtaining certifications from schools or health service providers, and bringing them back to ANSES offices. This cumbersome mechanism creates information barriers and transaction costs that result in a large number of beneficiaries having their benefits reduced or suspended, in most cases due to difficulties with the certification paperwork, but not necessarily with actual compliance. Thus, ANSES is developing a series of actions to improve information exchanges between ANSES and beneficiaries through internet based applications, as well as advancing coordination with health and education providers (which are the jurisdiction of provinces) to simplify and speed up information flows.

6. **The first activity to be implemented is aimed at exploiting the advances in technology to increase the citizen engagement, and to reduce the transaction costs associated with the cumbersome paper-work to prove compliance.** A smartphone application is currently under development to allow beneficiaries to download and upload forms remotely, eliminating the need to schedule appointments and to bring evidence to an ANSES office.

7. **The second activity consist of sending early alerts to beneficiaries at risk of suspension via radio, mobile text messages, voice recorded messages, web banners, personalized emails, and messages printed in the payment orders (those getting paid via post offices).** In addition, ANSES has recently launched a new and more active strategy consisting of sending early alerts to the provinces, who are responsible for delivering education and health services, in the form of confidential lists of beneficiaries at risk due to lack of proof of compliance.

8. **The third activity seeks to develop an alternative mechanism to verify compliance in a systemic way, relieving the beneficiaries from the responsibility of doing so.** ANSES is working to develop a system that would allow provinces to inform about school attendance and health controls, inverting the burden of proof in the process. In the case of health requirements, ANSES is also exploring the use of data generated by *Plan Sumar*, a national non-contributory health insurance scheme.
E. Implementation

Institutional and Implementation Arrangements

9. The scaled-up project activities will not trigger new safeguards policies. The parent Project and this proposed Additional Financing trigger OP 4.10 (Indigenous Peoples). Nevertheless, no additional work regarding OP 4.10 is required to process the AF. A National Indigenous Peoples Plan was prepared for the parent Project and is being implemented through Sub-component 2.3 by ANSES and the Ministry of Social Development (MDS), to improve access to AUH for indigenous populations. These activities require close coordination with local indigenous organizations and other public institutions (e.g. provinces and municipalities) and both ANSES and MDS are working coordinately, to make sure the Project will reach its targets. The project social safeguard performance is Satisfactory.

10. The AF is rated as Category C for environmental assessment purposes consistent with the provisions of OP 4.01 and as under the parent Project. The AF does not trigger any of the World Bank environmental safeguards policies, as none of the AF-supported activities are linked to carrying out physical works/interventions. The parent Project has not implied any environmental safeguard issue, and the AF is neither expected to imply any environmental risk or lead to any adverse environmental impacts. There are no unresolved safeguard issues and negative impacts are not expected. The project’s social safeguard performance is rated Satisfactory.

F. Project location and Salient physical characteristics relevant to the safeguard analysis (if known)

This project would support a nationwide policy applied all over the Argentine territory.

G. Environmental and Social Safeguards Specialists on the Team

Santiago Scialabba, Social Safeguards Specialist
Elba Lydia Gaggero, Environmental Safeguards Specialist
German Nicolas Freire, Social Safeguards Specialist

SAFEGUARD POLICIES THAT MIGHT APPLY

<table>
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<th>Safeguard Policies</th>
<th>Triggered?</th>
<th>Explanation (Optional)</th>
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<tr>
<td>Environmental Assessment OP/BP 4.01</td>
<td>Yes</td>
<td>The parent Project and this proposed Additional Financing (AF) will have largely positive social impacts. The proposed AF would support to reinforce social protection policies that will provide</td>
</tr>
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</table>
effective protection to the most vulnerable, particularly by accelerating the ongoing expansion of coverage of the Universal Child Allowance program (Asignación Universal por Hijo - AUH). The AF would hence allow for a scale up the program’s activities, by: (i) speeding up the expansion of AUH to uncovered children; and (ii) further supporting the system integration to improve program transparency.

None of the AF-supported activities are linked to carrying out any specific investment or physical works/interventions. Therefore, the AF is not expected to lead to any adverse environmental risks and/or impacts.

Given that the parent Project and its AF have a national coverage and Indigenous Peoples, as defined by OP 4.10, are present in Argentina, a National Indigenous Peoples Plan (NIPP) was developed for parent Project, and it will continue to be applied under the AF (see details below).

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<thead>
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<th>Performance Standards for Private Sector Activities OP/BP 4.03</th>
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<th>Natural Habitats OP/BP 4.04</th>
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<tbody>
<tr>
<td>This policy is not triggered since the AF does not require the significant conversion of natural habitats or ecologically important sites. No impact is expected on natural habitats.</td>
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<table>
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<th>Forests OP/BP 4.36</th>
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<td>The policy is not triggered as the proposed AF will not finance any activity that could affect forest, the welfare of forest-dependent communities or the management of forests.</td>
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<table>
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<tr>
<th>Pest Management OP 4.09</th>
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<tbody>
<tr>
<td>This policy is not triggered as the proposed AF will not finance any activity that involve the procurement or use of pesticides.</td>
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<th>Physical Cultural Resources OP/BP 4.11</th>
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</thead>
<tbody>
<tr>
<td>The policy is not triggered because the there are no AF activities that will impact the quality or management of physical cultural resources as defined under the policy.</td>
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</table>

<table>
<thead>
<tr>
<th>Indigenous Peoples OP/BP 4.10</th>
<th>Yes</th>
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</thead>
<tbody>
<tr>
<td>This policy is triggered given that this is a project with national coverage and Indigenous Peoples, as</td>
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defined by OP 4.10, are present in Argentina. Indigenous Peoples are among the most vulnerable groups in the country, and they are being benefited from project activities given the It's focus on the inclusion of vulnerable children and youth in the AUH program.

As a result, a National Indigenous Peoples Plan (NIPP) was developed as part of the parent Project and is under implementation. The design of the NIPP was informed by lessons learned from other NIPPs from previous and ongoing social projects in the country, particularly the Argentina Basic Protection Project and AF, and the Argentina Youth Employment Support Project, as well as from the Bank experience in the country and region. In addition, a Social Assessment was conducted by the client and a public consultation was carried out in March 2016 to present and discuss the Project and particularly the NIPP before the Indigenous Participation Council (Consejo de Participacion Indigena - CPI), an Indigenous People’s leadership’s body under the National Institute of Indigenous Affairs (Instituto Nacional de Asuntos Indigenas - INAI). After consultations, a revised NIPP was published on May 3, 2016.

During this Project implementation, collaboration between ANSES, the National Ministry of Social Development (MDS) and INAI is taking place to aim at improving the efficiency and cultural appropriateness of the specific activities implemented under the parent Project and this AF. These activities included 168 field visits reaching 861 indigenous communities between 2015 and 2017, and 121 additional field visits are being implemented during 2018 to reach the target of 18,000 children under 18 years old that have been identified with the completed socioeconomic survey (ficha social) that live in indigenous communities.

In addition, 350 community leaders are receiving training to become the link between their communities and the Government.
Finally, inter-ministerial roundtable council were created in five pilot regions in the Provinces of Chaco, Formosa, Misiones, Salta and Neuquén to provide a comprehensive approach to solve IP communities’ challenges. These councils have representatives from ANSES, INAI, the Ministry of Work, Employment and Social Security, the Secretariat of Family Agriculture, the National Institute for Agricultural and Cattle Technology, among other public-sector institutions. During 2018 this pilot will expand to two additional regions in the Provinces of Catamarca and Buenos Aires.

The NIPP will continue guiding national, provincial and municipal level interventions through the implementation of territorial approach for indigenous populations (IPs) to improve access to AUH for IPs.

The Project will continue being implemented at local level including provinces and municipalities with significant IP populations and activities under the NIPP will continue helping implementing agencies to identify and address the specific barriers that IPs face in participating in the AUH and other social programs in Argentina, including regarding the need of targeted and culturally appropriate information and communication.

<table>
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<tr>
<th>Policy Code</th>
<th>Triggered?</th>
<th>Notes</th>
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<tr>
<td>Involuntary Resettlement OP/BP 4.12</td>
<td>No</td>
<td>This policy is not triggered given that the proposed AF will not require land acquisition that would result in the impacts covered under OP 4.12.</td>
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<tr>
<td>Safety of Dams OP/BP 4.37</td>
<td>No</td>
<td>This policy is not triggered as the AF will not finance any dams nor rely on the operations of existing dams.</td>
</tr>
<tr>
<td>Projects on International Waterways OP/BP 7.50</td>
<td>No</td>
<td>This policy is not triggered since the AF will not finance activities that impact international waterways as defined by the policy.</td>
</tr>
<tr>
<td>Projects in Disputed Areas OP/BP 7.60</td>
<td>No</td>
<td>This policy is not triggered given that the AF will not finance activities in disputed areas as defined by the policy.</td>
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KEY SAFEGUARD POLICY ISSUES AND THEIR MANAGEMENT

A. Summary of Key Safeguard Issues

1. Describe any safeguard issues and impacts associated with the proposed project. Identify and describe any potential large scale, significant and/or irreversible impacts:

The indigenous population in Argentina is small and dispersed all over the country representing 2.4 percent of the total population, approximately 955,000 based on the 2010 census. Results from the Indigenous Peoples Survey (Encuesta Complementaria de Pueblos Indígenas - ECPI) of 2004-05, shows that 23.5 percent the households does not cover basic needs. Most of the vulnerability issues faced by indigenous peoples are associated to the lack of access to social services, affecting particularly children and youth. In this context, in 2009 the Government began implementing the AUH in conjunction with other social programs including benefits for indigenous peoples. The parent Project expanded the coverage of the AUH by reaching new beneficiaries, including beneficiaries from indigenous communities. However, there still are gaps to reach universal coverage in the country, and there are still challenges to reach indigenous peoples.

During Project’s implementation, collaboration between ANSES, the National Ministry of Social Development (MDS) and INAI continue to aim at improving the efficiency and cultural appropriateness of the specific activities implemented under the parent Project and this AF. These activities included 168 field visits reaching 861 indigenous communities between 2015 and 2017, and 121 additional field visits are being implemented during 2018 to reach the target of 18,000 children under 18 years old that have been identified with the completed socioeconomic survey (ficha social) that live in indigenous communities.

In addition, 350 community leaders are receiving training to become the link between their communities and the Government.

Finally, inter-ministerial roundtable council were created in five pilot regions in the Provinces of Chaco, Formosa, Misiones, Salta and Neuquén to provide a comprehensive approach to solve IP communities’ challenges. These councils have representatives from ANSES, INAI, the Ministry of Work, Employment and Social Security, the Secretariat of Family Agriculture, the National Institute for Agricultural and Cattle Technology, among other public-sector institutions. During 2018 this pilot will expand to two additional regions in the Provinces of Catamarca and Buenos Aires.
All the field-based activities mentioned above are not only working to reach beneficiaries but are also channels to receive continuous beneficiary feedback through direct interaction with communities and their representatives.

Given the nature of the Project, no negative impacts are expected. On the contrary, the Project aims to reduce access barriers that have historically limited the participation of vulnerable communities, including indigenous peoples in national social programs (Subcomponent 2.3).

2. Describe any potential indirect and/or long term impacts due to anticipated future activities in the project area:

No negative potential indirect and/or long term impacts have been identified.

3. Describe any project alternatives (if relevant) considered to help avoid or minimize adverse impacts.

Due to the fact that Argentina’s main citizen information system does not have ethnic variables to identify indigenous
populations in the country, the Project will use a geographic targeting including municipalities with significant indigenous populations, making the application of the requirements under OP 4.10 relevant to these areas. Thus, geographic targeting was used as an alternative to identify areas of the country where IPs have historically live and it is well documented.

4. Describe measures taken by the borrower to address safeguard policy issues. Provide an assessment of borrower capacity to plan and implement the measures described.

A National Indigenous Peoples Plan (NIPP) was developed under the parent Project. The main component of the NIPP is the implementation of a territorial approach for indigenous populations (IPs) to improve access to AUH for IPs. ANSES and MDS are responsible for developing and executing the NIPP, taking advantage of their experiences in responding to needs and demands of indigenous populations. Both institutions have the technical and human capacity to implement all activities. Nevertheless, the Project includes specific components and activities to improve their institutional capacity to implement all Project’s activities.

5. Identify the key stakeholders and describe the mechanisms for consultation and disclosure on safeguard policies, with an emphasis on potentially affected people.

A public consultation was carried out in March 2016 to present and discuss the project and particularly the scope of the NIPP before the Indigenous Participation Council (Consejo de Participacion Indigena - CPI), an Indigenous People’s leadership’s body under the National Institute of Indigenous Affairs (Instituto Nacional de Asuntos Indigenas - INAI). In addition, during Project’s implementation and the AF, collaboration between ANSES, MDS and INAI would continue to aim at improving the efficiency and cultural appropriateness of the specific activities implemented under this Project.

B. Disclosure Requirements (N.B. The sections below appear only if corresponding safeguard policy is triggered)

<table>
<thead>
<tr>
<th>Environmental Assessment/Audit/Management Plan/Other</th>
<th>For category A projects, date of distributing the Executive Summary of the EA to the Executive Directors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of receipt by the Bank</td>
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<td>21-Apr-2016</td>
<td>02-May-2016</td>
</tr>
</tbody>
</table>

"In country" Disclosure

Argentina

29-Apr-2016

Comments

<table>
<thead>
<tr>
<th>Indigenous Peoples Development Plan/Framework</th>
<th>For category A projects, date of distributing the Executive Summary of the IP Plan to the Executive Directors</th>
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"In country" Disclosure
If the project triggers the Pest Management and/or Physical Cultural Resources policies, the respective issues are to be addressed and disclosed as part of the Environmental Assessment/Audit/or EMP.

If in-country disclosure of any of the above documents is not expected, please explain why:

N/A

C. Compliance Monitoring Indicators at the Corporate Level (to be filled in when the ISDS is finalized by the project decision meeting) (N.B. The sections below appear only if corresponding safeguard policy is triggered)

OP/BP/GP 4.01 - Environment Assessment

Does the project require a stand-alone EA (including EMP) report?

No

OP/BP 4.10 - Indigenous Peoples

Has a separate Indigenous Peoples Plan/Planning Framework (as appropriate) been prepared in consultation with affected Indigenous Peoples?

Yes

If yes, then did the Regional unit responsible for safeguards or Practice Manager review the plan?

Yes

If the whole project is designed to benefit IP, has the design been reviewed and approved by the Regional Social Development Unit or Practice Manager?

NA

The World Bank Policy on Disclosure of Information

Have relevant safeguard policies documents been sent to the World Bank for disclosure?

Yes

Have relevant documents been disclosed in-country in a public place in a form and language that are understandable and accessible to project-affected groups and local NGOs?

Yes
All Safeguard Policies

Have satisfactory calendar, budget and clear institutional responsibilities been prepared for the implementation of measures related to safeguard policies?
Yes

Have costs related to safeguard policy measures been included in the project cost?
Yes

Does the Monitoring and Evaluation system of the project include the monitoring of safeguard impacts and measures related to safeguard policies?
Yes

Have satisfactory implementation arrangements been agreed with the borrower and the same been adequately reflected in the project legal documents?
Yes

CONTACT POINT

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Borrower/Client/Recipient

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