

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

ARGENTINA

**PROGRAM TO SUPPORT THE NATIONAL EARLY CHILDHOOD PLAN
AND THE POLICY FOR UNIVERSALIZATION OF EARLY CHILDHOOD EDUCATION II
(AR-L1355)**

**SECOND INDIVIDUAL OPERATION UNDER THE CONDITIONAL CREDIT LINE FOR
INVESTMENT PROJECTS (CCLIP) FOR THE PROGRAM TO SUPPORT THE
NATIONAL EARLY CHILDHOOD PLAN AND THE POLICY FOR UNIVERSALIZATION
OF EARLY CHILDHOOD EDUCATION
(AR- 00003)**

LOAN PROPOSAL

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8.	Environmental and social action plan
9.	Cost-benefit analysis
10.	Environmental and social evaluation filter

ABBREVIATIONS

ADMNI	Aulas Digitales Móviles del Nivel Infantil [Mobile early childhood digital classrooms]
CCLIP	Conditional Credit Line for Investment Projects
COVID-19	Disease caused by the SARS-CoV-2 coronavirus
CRF	Corporate Results Framework
DGI	Dirección General de Infraestructura [Bureau of Infrastructure]
DGPEyCI	Dirección General de Proyectos Especiales y Cooperación Internacional [Bureau of Special Projects and International Cooperation]
DGMPPSE	Dirección de Gestión y Monitoreo de Programas y Proyectos Sectoriales y Especiales [Bureau of Management and Monitoring of Sector and Special Projects and Programs]
DNEIEE/SEIE	Dirección Nacional de Evaluación, Información y Estadística Educativa [National Bureau of Educational Evaluation, Information, and Statistics]
ECERS	Early Childhood Environment Rating Scale
EPI	Espacio de Primera Infancia [Early childhood facility]
ICB	International competitive bidding
ITERS	Infant/Toddler Environment Rating Scale
MICS	2019–2020 National Survey of Children and Adolescents
PNPI	Plan Nacional de Primera Infancia [National Early Childhood Plan]
RENEPI	Registro Nacional de EPI [National Registry of Early Childhood Facilities]
SAE	Secretaría de Asuntos Estratégicos [Secretariat for Strategic Affairs]
SDO	Specific development objective
SOFR	Secured Overnight Financing Rate
SSGA	Subsecretaría de Gestión Administrativa [Undersecretariat for Administrative Management]

PROGRAM SUMMARY

ARGENTINA

PROGRAM TO SUPPORT THE NATIONAL EARLY CHILDHOOD PLAN AND THE POLICY FOR UNIVERSAL EARLY EDUCATION II (AR-L1355)

SECOND INDIVIDUAL OPERATION UNDER THE CONDITIONAL CREDIT LINE FOR INVESTMENT PROJECTS (CCLIP)

FOR THE PROGRAM TO SUPPORT THE NATIONAL EARLY CHILDHOOD PLAN AND THE POLICY FOR UNIVERSALIZATION OF EARLY CHILDHOOD EDUCATION (AR-O0003)

Financial Terms and Conditions				
Borrower:			Flexible Financing Facility^(a)	
Argentine Republic			Amortization period:	25 years
Executing agencies:			Disbursement period:	4 years
The borrower, through the Ministry of Social Development and the Ministry of Education			Grace period:	5.5 years ^(b)
Source	Second operation (US\$)	%	Interest rate:	SOFR-based
IDB (Ordinary Capital)^(d)	200,000,000	99.6	Credit fee:	(c)
			Inspection and supervision fee:	(c)
Local:	750,000	0.4	Weighted average life:	15.25 years
Total:	200,750,000	100	Approval currency:	United States dollar
Program at a Glance				
Project objective/description: The general development objective of the second individual loan operation under the CCLIP is to increase the coverage and quality of institutions and public care and education services aimed at promoting the development of physical, language and communication, cognitive, social, and affective skills of children ages 0 to 5. The specific development objectives are to: (i) expand access to quality early childhood facilities for children ages 0 to 4; (ii) improve the quality of care provided in early childhood facilities; (iii) expand early childhood education coverage for children ages 3 to 5; and (iv) strengthen teaching and learning experiences for children ages 3 to 5 centered on play and digital literacy, with a gender perspective.				
Special contractual conditions precedent to the first disbursement of the loan: (i) for Component 1, approval of the program Operating Regulations for Component 1 to the satisfaction of the Bank; and (ii) for Component 2, approval of the program Operating Regulations for Component 2 to the satisfaction of the Bank (paragraph 3.8).				
Strategic Alignment				
Challenges:^(e) SI <input checked="" type="checkbox"/> PI <input type="checkbox"/> EI <input type="checkbox"/>				
Crosscutting themes:^(f) GE <input checked="" type="checkbox"/> and DI <input type="checkbox"/> CC <input checked="" type="checkbox"/> and ES <input type="checkbox"/> IC <input type="checkbox"/>				

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

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

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

^(d) In accordance with document AB-2990, disbursement of the loan proceeds will be subject to the following thresholds: (i) up to 15% during the first 12 months; (ii) up to 30% during the first 24 months; and (iii) up to 50% during the first 36 months. All of these periods will be counted as of the date that the loan was approved by the Board of Executive Directors

^(e) SI (Social Inclusion and Equality); PI (Productivity and Innovation); and EI (Economic Integration).

^(f) GE (Gender Equality) and DI (Diversity); CC (Climate Change) and ES (Environmental Sustainability); and IC (Institutional Capacity and Rule of Law).

I. DESCRIPTION AND RESULTS MONITORING

A. Background, problems addressed, and rationale

- 1.1 **Macroeconomic and social context.** Argentina, like other countries in the Latin American and Caribbean region, sustained significant setbacks to its economy as a result of the COVID-19 pandemic. Although gross domestic product (GDP) recovered 10.3% in 2021, it remains 5.2% below its 2017 level. Annual inflation reached 50.9% in 2021 and is projected to be 76% for 2022. The primary fiscal deficit, which amounted to 6.4% of GDP in 2020, was reduced to 3% in 2021 and is forecast at 2.5% in 2022. An estimated 37.3% of the population were living in poverty in the second half of 2021, while the unemployment rate declined to 7% in the first quarter of 2022. In March, a new agreement was signed with the International Monetary Fund to refinance the maturities of the previous program and provide additional financing. The first review of the program was approved in June.
- 1.2 Investments during the early childhood are crucial because the rapid physical and neurological development that occurs at that stage lays the foundation for, and has critical complementarities with, investments in human capital in later stages of life [1][2]. The physical, cognitive, and socioemotional development that children attain in that period will affect their school and work careers [3]. These foundational characteristics mean that investments in early childhood development yield higher rates of return than later interventions, making them justifiable from both a rights-based and an economic perspective [4].
- 1.3 Childhood development is a gradual, cumulative process. Developmental disparities identified at a particular age originate from shortcomings at earlier ages, as do the effects on later development [5]. Estimates based on the 2019 National Survey of Children and Adolescents (MICS) conclude that 86% of children ages 3 and 4 in Argentina reach the expected level of development for their age [6]. The “literacy and numeracy” dimension of the MICS child development indicator points to particularly high deficits. On average, 40% of children achieve adequate development; that percentage drops to 27% among those who do not attend any education or care facility. A 2018 study conducted in the Greater Buenos Aires area provides a measure of development among children ages 3 and 4 in more socioeconomically vulnerable settings. The study concludes that only 33.7% of this group reaches a “receptive language” level appropriate to their age.¹ Although there is not yet any evidence available in the country regarding cognitive losses suffered during the COVID-19 pandemic, judging from the evidence of other countries in the region, it is expected to have significantly affected early childhood development in Argentina.
- 1.4 Childhood development is multicausal [7]. In addition to biological factors, health and nutritional status, and the level of stimulation and responsiveness provided in the home, a key determinant of early childhood development—the primary focus

¹ Based on the standardized Bayley test. Receptive language is a dimension of early childhood development that is highly correlated with other dimensions, particularly with cognitive development [9].

- of this operation—is access to quality early childhood care and education services.^{[7][8]}² There is strong evidence of the positive impact of school attendance in all children ages 4 to 5 ^[10], and growing evidence for 3 year-olds, particularly in socioeconomically vulnerable settings ^[11]. The literature analyzing the impact of attending a child care facility between ages 0 and 2 recommends that public policy efforts concentrate on child populations in the most socioeconomically vulnerable environments. It also emphasizes that the quality of services provided at such facilities should be high, in order to avoid adverse impacts on some developmental dimensions (particularly socioemotional aspects) and to generate lasting positive impacts over time ^{[12][13]}.
- 1.5 Consistent with this evidence, Argentina’s Early Childhood Education Act (Law 27,045) has made early childhood education attendance declared compulsory for 4- and 5-year-olds since 2014. The law also introduced the obligation of the national and subnational jurisdictions to universalize education services offerings from age 3. The National Early Childhood Plan (PNPI), established by National Decree 574/2016 with a view to its implementation by the Ministry of Social Development, includes among its objectives ensuring early stimulation for children ages 0 to 4 who attend early childhood facilities (EPIs). These are non-school facilities that offer free social services and care, promote early childhood development, and are mainly attended by populations in vulnerable socioeconomic contexts ^{[14][15]}. To that end, the PNPI envisages, among other measures, strengthening the 2,452 EPIs currently in operation, which it covers, and building new EPIs to expand coverage for that population. Approximately 76% of the 21,000 preschools at the early childhood education level operating in Argentina are public facilities, and their management and operational funding are the responsibility of the education ministries of subnational governments. EPIs are a mixed bag in terms of their management and financing: according to the National Registry of Early Childhood Facilities (RENEPI), 43% are managed by civil society organizations, 41% by municipal governments, 13% by provincial governments and the Autonomous City of Buenos Aires, and 3% by the national government through the Ministry of Social Development.
- 1.6 Although Argentina is among the countries of the region with the highest coverage of early childhood education services, it still faces challenges. Coverage of children ages 3 to 5 was estimated at 71.5% in 2019, which was high for 4- and 5-year-olds (90.7% and 98% respectively), but dramatically lower for 3-year-olds (43%) ^[16]. Coverage of five-year-olds corresponds almost exclusively to preschools, while it is estimated that about 10% and 25% of the coverage of 4-year-olds and 3-year-olds, respectively, is furnished by EPIs.³ According to the 2019 MICS, for 2-year-olds, the rate of attendance at any early childhood care or development service offered is 32% for the highest income quintile, and just 7% for the lowest.

² The provision of such services is considered a critical policy in promoting gender equity ^[17]. Women devote 6 hours per day to caregiving, compared to 3.8 hours for their male counterparts ^[18]. This has a negative impact on female labor participation. Evidence shows that access to care/educational services is positively associated with higher female labor participation ^[19].

³ Although the population cohort surveys available for Argentina do not distinguish between types of coverage for the population under 5, those are the coverages inferred by cross-referencing the general coverage statistics and those of the RENEPI registry for 2015.

At present there is no nationally representative information on the attendance of children between 0 and 1 year of age.

- 1.7 To enhance the impact of assistance to care and education facilities and sustain it over time, they must provide quality services. The primary determinant of that quality is the facility's ability to provide learning experiences focused on developing the skills of the children who attend them in an age-appropriate way [20]. It is critical that such learning experiences be play-based, which, during early childhood, is key to stimulating children's physical, social, emotional, and cognitive development, encouraging their imagination and creativity, enhancing problem-solving skills, and preparing them for learning [21]. In addition, through play they interact with their environment and build social and emotional bonds, an ideal opportunity for parents and caregivers to unite and commit to their children. Another dimension of the quality of these services is compliance with quality standards, which include structural dimensions (e.g. situation of premises and presence of adequate educational materials), and process-related considerations having to do with the interactions between the caregivers or teachers and the children [22].
- 1.8 Regarding the situation of premises and the quality of teaching processes in preschools, since 2004, the Ministry of Education has consistently prioritized the construction of new buildings and room expansions in recent years.⁴ Likewise, the provision of school toy libraries and playground equipment in outdoor areas is a priority for the Ministry of Education, both at new facilities and at those already in operation. The toy libraries contain different materials to support play-based pedagogical practices. Since 2011, the bidding documents for infrastructure projects for the construction of new preschools have included technical specifications for the procurement and installation of playground equipment as part of the construction project. It is estimated that 50% of the playground equipment available in preschools needs to be totally or partially renewed [23]. The Ministry of Education estimates that, at present, only 36% of government-run preschools have toy libraries. On the other hand, the Priority Learning Cores for Digital Education, Programming and Robotics [Núcleos de Aprendizaje Prioritarios (NA) de Educación Digital, Programación y Robótica] (CFE Resolution 343/18) establish a regulatory framework in Argentina that guides the design of teaching plans for all levels of compulsory education, with technology regarded as a tool for children's cognitive development and education.⁵ Thus, this policy enables play-based learning and using digital technologies starting from early childhood. The policy also guides programs for the development of cognitive skills through introductory knowledge of programming and robotics and pre-literacy, and the inclusion of the subject in teacher training. Within the framework of program 4229/OC-AR, the Ministry of Education is conducting a first national assessment to gather information on the quality of learning inputs at preschools.⁶ A significant

⁴ National educational infrastructure plans have received funding from domestic sources and external lenders, including, for example, CCLIP AR-X1011 and loans from the World Bank and Andean Development Bank (CAF).

⁵ The Priority Learning Cores are national curricular guidelines covering the expected learning for each educational level in different disciplines.

⁶ The pilot assessment will be carried out during the 2022–2023 period and expanded nationally with resources from the second CCLIP operation.

number of the EPIs in operation do not meet all the minimum structural quality standards and face the challenge of making process improvements, particularly with regard to the quality of interaction between caregivers or teachers and children. Based on information gathered in the framework of the first Program to Support the National Early Childhood Plan and the Policy for Universalization of Early Childhood Education (4229/OC-AR), the 220 EPIs that have been or are being refurbished met, on average, 72% of these minimum standards prior to the intervention.⁷ Regarding the quality of interactions between caregivers and children attending EPIs, the above-cited study found that, while high levels of quality are reported in terms of warm and responsive care practices (the items “positive climate” and “behavior guidance” on the Infant/Toddler Environment Rating Scale (ITERS) scored 5.40 and 5.65 out of 7, respectively), lower levels were observed for learning support. Of the EPIs evaluated, the scores obtained for the items “facilitation of learning” (2.45), “feedback quality” (2.06), and “linguistic modeling” (2.94) were low [24].

- 1.9 **CCLIP.** In July 2017, the IDB Board of Executive Directors approved the CCLIP for the Program to Support the National Early Childhood Plan and the Policy for Universalization of Early Childhood Education (AR-O0003; PRINI), for US\$1.2 billion under Multisector Modality II,⁸ to be executed over 10 years, with the Ministry of Social Development and Ministry of Education as executing agencies, and the Secretariat for Strategic Affairs (SAE) of the Office of the President of the Republic as the liaison institution.⁹ The multisector objective of the CCLIP is to help increase the number of children ages 0 to 5 with age-appropriate physical, language and communication, and socioemotional skills.
- 1.10 **First individual operation under the CCLIP.** Along with the approval of the CCLIP, the first individual operation (4229/OC-AR) was also approved for US\$200 million. Its general objective is to increase the coverage and quality of institutions and public care and education services aimed at promoting the development of physical, language and communication, cognitive, social, and affective skills of children ages 0 to 5. The specific objectives of the operation are to: (i) increase access to quality early childhood development services and the universalization of early childhood education; (ii) improve the quality of early childhood development and early childhood education services; and (iii) strengthen the skills of early childhood education technical staff, teachers, principals, and supervisors. The program has two components: Component 1, “Strengthening nonformal education interventions to promote early childhood development”; and Component 2, “Improving the education system’s performance in early childhood education,” the latter to be executed by the Ministry of Education. The SAE acts as liaison institution between the two executing agencies.

⁷ It is estimated that all of these EPIs will meet these standards by the end of the program.

⁸ Per modifications approved for CCLIPs in October 2016 (document GN-2246-9).

⁹ The Office of the Chief of Cabinet was designated as the liaison institution in the Agreement for the Establishment of the CCLIP and in its first operation. This function was modified by Amendment Decision 1 of 12 August 2021. That Agreement is expected to be amended, in order to replace the SAE as the CCLIP’s liaison institution with the Ministry of the Economy, in response to the Government of Argentina’s formal request to the Bank (Note 2022-88580281-APN-SSRFID#MEC), owing to a realignment of the areas of responsibility assigned to the various ministerial jurisdictions in August 2022.

- 1.11 **Main progress and execution status of the first individual operation under the CCLIP.** The program has been implemented under two government administrations and the pace of its implementation was heavily impacted by the pandemic. However, it has committed 95% and disbursed 80.4% of its loan proceeds. The operation attained disbursement eligibility in May 2018. Due mainly to restrictions on the availability of budget credit for infrastructure, the project's level of execution as of year-end 2019 was low (9%). In light of this situation, in October 2019, a first extension to the execution deadline until October 2022 was approved. Within the framework of the IDB Governance Response to the COVID-19 Pandemic Outbreak (document GN-2996), in June 2020 the Bank approved the reformulation of nine loan contracts, including PRINI, to redirect available and uncommitted balances to finance the implementation of the Global Credit Program for Reactivation of the Productive Sector (5057/OC-AR).
- 1.12 This reformulation resulted in an amendment to the loan contract of the first operation¹⁰ with: (i) a reduction in the amount of financing for Component 1 (from US\$100 million to US\$80 million) and Component 2 (from US\$100 million to US\$55 million); and (ii) a modification to the outcome and output indicators, in line with the program's new financing framework. This modification included, on the one hand, reducing the number of EPIs to be refurbished, due to the increase in quality standards to be achieved—and, consequently, a higher unit cost of refurbishment—and lower availability of financing; and, on the other, postponing for the second operation of the CCLIP teacher training products at the early childhood education level and the improvement of teaching-learning processes.
- 1.13 The impact of the health emergency, particularly on the most vulnerable sectors, led to a prioritization of social investment and education in the public agenda to support processes of return to care and early childhood education facilities, together with measures to make up for lags, particularly in learning. This led to an accelerated pace of execution, with the commitment of almost all the resources allocated to the construction and refurbishment of EPIs (92%) and the construction of preschools (100%), with substantial progress made in physical execution. The current output targets for these activities are expected to be substantially achieved by year-end 2022. In May 2022, the Bank approved a second 12-month extension of the program's execution deadline (October 2023) to complete the construction work already under way.
- 1.14 **Compliance with CCLIP eligibility criteria.** Pursuant to the modifications approved for CCLIPs in October 2016 (document GN-2246-9), in effect for CCLIP AR-O0003, this second operation is eligible for financing in both sectors involved in its implementation inasmuch as: (i) both are contemplated in the sectors and components of the CCLIP; (ii) the development objectives of the second operation contribute to the multisector objective of the CCLIP; (iii) the second operation is included in the 2022 Operational Program Report (document GN-3087); and (iv) the second operation has the same executing agencies as the first operation, with no deterioration in their performance, according to the institutional capacity analysis. Additionally, this second CCLIP operation is also eligible since the first operation has: (i) overcome an adverse context of fiscal constraint and health

¹⁰ Modification 5 of 10 September 2021.

emergency, and has achieved a satisfactory level of performance, given its level of execution and the likelihood that it will satisfactorily achieve its development objectives; (ii) committed more than 75% and disbursed more than 50% in both sectors and with the same executing agencies; (iii) complied with the contractual conditions of the loan and the Bank's disbursement and procurement policies for goods and services, both by the borrower and the executing agencies; and (iv) prepared and submitted its audited financial statements in a timely manner, with an acceptable level of quality in terms of financial management and operational control of the project.

- 1.15 **Lessons learned.** The design of this operation incorporates lessons learned from several others that the Bank has supported in Argentina and other countries of the region: (i) socioeconomic gaps in early childhood development are more pronounced in language and socioemotional skills (operation [2725/BL-NI](#)), taking into account for the impact indicator of the results matrix; (ii) the effectiveness of early childhood education teachers, principals, and managers requires specific training for this level (operation [3079/OC-BR](#)), leading to the inclusion of training devices in digital education, programming, and robotics in early childhood education, as envisaged in Subcomponent 2.2; (iii) effective execution of projects involving transfers to subnational entities or civil society organizations requires training and intensive monitoring in fiduciary matters by the central level (operation [2607/OC-AR](#)), taking into account in the identification of fiduciary risks in Component 1; (iv) economic and political cycles can negatively impact the pace of execution of infrastructure investment projects and so it is therefore critical that the planning of bidding processes anticipates this risk and takes steps to mitigate it, bearing in mind the identification of risks mentioned in paragraph 2.7; and (v) support of the team of social infrastructure experts in the preparation and implementation of projects with infrastructure components ensures the incorporation of actions for improving management and inclusion of climate change mitigation and adaptation measures in operations (operation [4229/OC-AR](#)), resulting in the inclusion of the Bank's Social Infrastructure Group in this operation to design and support the implementation of the activities included in Subcomponents 1.1. and 2.1.
- 1.16 **Strategic alignment.** The operation is consistent with the second Update to the Institutional Strategy 2020-2023 (document AB-3190-2). It is strategically aligned with the development challenge of social inclusion and equality, as its objective is to promote child development, with a priority on children in vulnerable households. It is aligned with the crosscutting issues of: (i) gender equality, by focusing on (a) interventions that can relieve the burden of care that falls disproportionately on women; (b) promoting co-responsibility for care between genders at the family level; (c) promoting the development of digital skills and scientific thinking at an early age with a gender perspective; and (ii) climate change, by including green building measures (energy and water efficiency), in that (a) all building infrastructure works comply with Environmental Design Guide for Evaluation (EDGE) certification criteria, and (b) at least 90% of preschools comply with EDGE certification requirements. It is estimated that 41.28% of program resources are invested in climate change mitigation activities, according to the multilateral development banks' joint methodology for estimating climate finance ([optional link 6](#)). These resources will support the IDB Group's goal of having 30% of all

approvals targeted to climate change by year-end 2022. Additionally, the program will contribute to the Corporate Results Framework (CRF) 2020–2023 (document GN-2727-12), through its expected impact on the development indicator “*Number of students benefiting from education projects*” and on auxiliary indicator 2 “*Children receiving early childhood development services targeted to the poor.*”

- 1.17 The program is aligned with the objectives of the IDB Group Country Strategy with Argentina 2021–2023 (document GN-3051), specifically with the strategic objective of poverty reduction and social protection of the most vulnerable. It is consistent with the Gender and Diversity Sector Framework Document (document GN-2800-8) and the Climate Change Sector Framework Document (document GN-2835-8). It is also consistent with the Skills Development Sector Framework Document (document GN-3012-3) and the Early Childhood Development Sector Framework Document (document GN-2966-2) in that it finances strategies that ensure the sufficiency and relevance of infrastructure, technology, inputs and human resources required to expand the coverage of quality public services for early childhood development. The operation is aligned with the document Sustainable Infrastructure for Competitiveness and Inclusive Growth: IDB Infrastructure Strategy (document GN-2710-5) by contributing to the maintenance of socially and environmentally sustainable infrastructure. The program is included in updated Annex III of the 2022 Operational Program Report (document GN-3087). In addition, it is aligned with the thematic area “talent development” of the Employment Action Framework with Gender Perspective (document GN-3057), by developing training profiles for skills and certifications of existing competencies and knowledge for caregivers and teachers, with a view to improving their career trajectories by enabling them to access quality jobs and progress in the labor market.
- 1.18 Lastly, the program is also aligned with Vision 2025 (document AB-3266), especially with the digital, gender, and climate change pillars.

B. Objectives, components, and cost

- 1.19 **Objectives** The general development objective of the second individual loan operation under the CCLIP is to increase the coverage and quality of institutions and public care and education services aimed at promoting the development of physical, language and communication, cognitive, social, and affective skills of children ages 0 to 5. The specific development objectives (SDOs) are to: expand access to quality early childhood facilities for children ages 0 to 4 (SDO 1);¹¹ improve the quality of care provided in early childhood facilities (SDO 2);¹² expand early childhood education coverage for children ages 3 to 5 (SDO 3); and strengthen teaching and learning experiences for children ages 3 to 5 centered on play and digital literacy (SDO 4), with a gender perspective.

¹¹ In this document, “access” and “coverage” are used interchangeably, according to the term used institutionally by each executing agency.

¹² They include the quality of interactions between caregivers and children, the main determinant of the quality of care services, as well as the promotion of positive care, protection, stimulation, and formation that are conducive to children’s integral development by their family members and, in a crosscutting manner, the strengthening of EPI management.

- 1.20 **Component 1. Supporting early childhood care policies (IDB: US\$100 million).** This component will be executed by the Ministry of Social Development. It is organized into two subcomponents focusing on non-school-based interventions to promote early childhood development for children ages 0 to 4 who attend EPIs in vulnerable areas, prioritized based on social and building criticality criteria, as well as federal equity.
- 1.21 **Subcomponent 1.1. Strengthening EPI building standards (IDB: US\$86 million).** This subcomponent focuses on compliance with SDO 1 and SDO 2. It will finance the construction and remodeling of EPIs within the framework of minimum building quality standards.¹³ [Optional link 6](#) provides more details on the building projects. The subcomponent will also finance a pilot project for the construction of modular EPIs, which are semi-mobile, scalable, and adaptable solutions for areas with indigenous populations where, under the domestic legal regulations in force, ownership of the land precludes the construction of a new building. Lastly, it will finance an impact study to assess women's use of time in connection with the increase in job vacancies associated with the construction of new EPIs.
- 1.22 **Subcomponent 1.2. Support for the implementation of improvements in the quality of EPI care processes and management (IDB: US\$7.8 million).** This subcomponent focuses on compliance with SDO 2. It will finance activities to improve quality of care at EPIs, particularly interactions between caregivers and children. To achieve this improvement, interventions will be carried out at two levels. At level I, work will be done with all PNPI facilities, with financing provided for: (i) the development of two modules in the Acompañar application,¹⁴ aimed at offering videos and other digital products that inform and show in a practical way the type of interactions that are conducive to the promotion of early childhood development and allow for the monitoring of its different dimensions by early childhood development personnel;¹⁵ (ii) the development of intervention protocols at EPIs or referral to the competent providers in critical situations that impact child development (e.g. malnutrition, domestic violence, or orphanhood), developed with the relevant authorities at the provincial level; and (iii) kits containing books, toys, and computer equipment (tablets) to facilitate use of the Acompañar application.
- 1.23 Given the heterogeneity of management and financing models, local contexts, and human and physical resources available to the EPIs, level II will more intensively address work with EPIs that have already undergone building improvements under PRINI I or the program,¹⁶ applying an intervention prototype designed using agile methodologies to develop a flexible and scalable model according to a typology of EPIs. The prototype will start with a situational and participatory diagnostic assessment, which will also validate the instruments used to assess classroom

¹³ Under the program, the number of EPIs expected to be built and remodeled is 30 and 113, respectively.

¹⁴ The architecture of the Acompañar application is being developed with PRINI I resources. It is a platform in which the Undersecretariat for Early Childhood, an agency of the Ministry of Social Development, and EPI personnel interact.

¹⁵ Consult the economic analysis for references related to the effectiveness of this type of intervention.

¹⁶ The number of EPIs for this activity is estimated at 155.

interactions.¹⁷ The diagnostic assessment will identify opportunities for improvement with a view to implementing an action plan that may include the provision of different training materials and activities financed as part of the program. It will also include the design and implementation of structured activities aimed at improving childrearing guidelines for households through interventions that result from the diagnostic assessment. EPI improvement plans will be monitored and evaluated on an ongoing basis to make any necessary adjustments. The main lines of work include strengthening institutional capacities, enhancing the pedagogical capacities of teams of caregivers for interacting with children, and support for families, with an emphasis on the participation of male members of households. The procurement of information technology, play-related, and educational inputs are envisaged to accompany these activities.

- 1.24 **Administration, audit, and evaluation (IDB: US\$6.2 million).** This component will finance individual consulting assignments and administrative costs in support of the operational and fiduciary implementation of Component 1, as well as for its financial audit. It will also finance the strategic evaluation of the program with respect to Component 1.
- 1.25 **Component 2. Supporting policies for the universalization of early childhood education (IDB: US\$100 million; local counterpart: US\$750,000).** This component will be executed by the Ministry of Education. It is organized into three subcomponents focusing on school-based interventions for children ages 3 to 5.
- 1.26 **Subcomponent 2.1. Expansion and strengthening of educational infrastructure management (IDB: US\$50 million).** This subcomponent is focused on compliance with SDO 3. Accordingly, it will finance actions to expand job vacancies to contribute to the expansion of early childhood education coverage: (i) construction of new preschools with three to six classrooms ([optional link 6](#)) and the provision of furniture and playground equipment in vulnerable areas with the greatest unmet basic needs;¹⁸ and (ii) strengthening the information system for educational infrastructure management through the acquisition of management system licenses and the development of interoperability with the provinces benefitted by the program.
- 1.27 **Subcomponent 2.2. Transforming learning in early childhood education in the wake of the pandemic (IDB: US\$48.2 million; local counterpart: US\$750,000).** This subcomponent is focused on compliance with SDO 4, benefiting students in preschools in areas ranked as high or critical in the Social Context of Education Index.¹⁹ It will finance educational materials and actions to strengthen early childhood education teaching and learning experiences: (i) procurement of pedagogical equipment for the development of cognitive, communication, motor, social, and affective skills in students (toy libraries for new and operating preschools, and playground equipment for preschools prioritized by jurisdictions without equipment or with equipment that needs replacement);

¹⁷ For example, the Infant/Toddler Environment Rating Scale (ITERS-3). The decision as to the diagnostic tool will be validated during the level II intervention.

¹⁸ Some 63 preschools are expected to be built under the program.

¹⁹ A tool that classifies territories according to different levels of household vulnerability or deprivation from a multidimensional perspective.

(ii) procurement of technological equipment for digital literacy and development of cognitive skills through tools for digital education, programming and robotics for teachers and students (Aulas Digitales Móviles del Nivel Infantil [mobile early childhood digital classrooms] (ADMNI));²⁰ and (iii) teacher training in teaching methodologies in digital literacy and robotics for early childhood education.

- 1.28 **Subcomponent 2.3. Evaluation and monitoring (IDB: US\$800,000).** This subcomponent contributes to the implementation of the actions included in Subcomponents 2.1. and 2.2. and will finance: (i) the design and implementation of a process and impact assessment of the use of educational technologies in early childhood education practices and the development of digital skills; (ii) assessment of the quality of preschool learning environments using the Early Childhood Environment Rating Scale version 3 (ECERS-3); (iii) the development, piloting, and implementation of a school readiness index; and (iv) development of monitoring instruments.
- 1.29 **Administration, audit, and evaluation (US\$1 million).** The component will finance individual consulting assignments and administrative costs supporting its operational and fiduciary implementation of Component 2, as well as for its financial audit. It will also finance the strategic evaluation of the program with respect to Component 2.

C. Keys results indicators

- 1.30 The results of the operation in terms of its general development objective will be measured based on the following indicators: (i) child development rating index in EPIs; and (ii) standard deviations of digital skills score through digital education.
- 1.31 The results of the operation in terms of SDOs will be measured according to the following indicators. For SDO 1: (i) number of children attending an EPI²¹ and (ii) complex vulnerability index.²² For SDO 2: (i) interaction rating index. For SDO 3: (i) number of preschools achieving a minimum score on the ECERS scale; and (ii) number of early childhood education students enrolling in preschools.²³ For SDO 4: (i) number of preschool students participating in activities with inputs for play-based learning with a gender perspective; and (ii) number of preschool students participating in digital education with a gender perspective; and (iii) rate of transformation of pedagogical strategies.²⁴

²⁰ Each ADMNI will have between 10 and 20 tablets, according to the number enrolled at each preschool. A comprehensive technical support service will also be financed that covers all components for 24 months, including spare parts and replacement units.

²¹ In line with CRF Indicator 2.1.

²² The complex vulnerability index measures the percentage of fulfillment of minimum quality standards at EPIs. The dimensions considered are included in the monitoring and evaluation plan ([required link 2](#)), which also sets out the detailed methodology for its development.

²³ In line with the auxiliary indicator of CRF Indicator 2.1.

²⁴ The index will include indicators of classroom social management (space, time, groupings, materials) and teaching strategies oriented toward problem solving: activities organized in didactic sequences, use of games as teaching tools, mathematical contents.

- 1.32 **Beneficiaries.** The direct target population of PRINI II is made up of children age 0 to 5 who are able to attend the early childhood education system and EPIs, with an emphasis on the socially vulnerable. Component 1 is expected to reach approximately 159,000 children age 0 to 4 who attend EPIs of the National Early Childhood Plan, through interventions aimed at improving the quality of care and promotion of early childhood development services that they receive (Subcomponent 1.2). Of this population, 7,230 will attend existing EPIs that will be refurbished to meet quality standards, and 4,200 will attend new EPIs (Subcomponent 1.1). Component 2 is expected to reach 265,550 children age 3 to 5, who will benefit from the fact that their preschools will have equipment and didactic resources to promote learning experiences focused on the development of their skills (Subcomponents 2.1 and 2.2). Of this population, 9,600 will attend 63 new school buildings (Subcomponent 2.1).²⁵
- 1.33 **Cost-benefit analysis ([optional link 1](#)).** An analysis was performed for both components which found that both have a positive net present value using the range of discount rates that the literature suggests using for social projects with potential intergenerational impact (between 3% and 5%). The benefits are estimated from the expected increase in: (i) productivity of children attending quality EPI and preschools, as a result of an increase in their cognitive and socioemotional skills; and (ii) higher income generated from the increase in their mothers' availability to work. Costs include all operating costs. Using a discount rate of 5%, the net present value of the program is estimated at US\$560 million. The estimates are robust in the face of changes in assumptions regarding the extent of the impact of attendance on mothers' cognitive skills and workforce participation, as well as different discount rates.

II. FINANCING STRUCTURE AND MAIN RISKS

A. Financing instrument

- 2.1 This operation is the second individual operation under CCLIP AR-O0003 and will be financed through a US\$200 million investment loan for specific projects, drawn from the Bank's Ordinary Capital resources under the Flexible Financing Facility, with local counterpart resources estimated at US\$750,000. This instrument is considered appropriate since it is an operation with a fully defined scope whose components cannot be divided without undermining its logic. The program disbursement period will be four years (Table 2). This time frame is consistent with the technical and operational lessons learned from the execution of the first operation under the CCLIP (loan 4429/OC-AR) with the type of activities involved in this operation and their expected pace of implementation for the achievement of their results.

²⁵ The program will also strengthen the skills of some 15,900 caregivers and 20,000 teachers. Indirectly, the program will benefit parents—mostly women—responsible for the day-to-day care of the children benefiting from the program.

Table 1. Estimated program costs²⁶ (US\$ millions)

Component	IDB	Local counterpart	Total	%
Component 1. Supporting early childhood care policies	100.0	0.0	100.0	49.8
Subcomponent 1.1 Strengthening EPI building standards	86.0	0.0	86.0	42.8
Subcomponent 1.2 Support for the implementation of improvements in the quality of EPI care processes and management	7.8	0.0	7.8	3.9
Administration, audit, and evaluation	6.2	0.0	6.2	3.1
Component 2. Supporting Policies for the universalization of early childhood education	100.0	0.75	100.75	50.2
Subcomponent 2.1. Expansion and strengthening of educational infrastructure management	50.0	0.0	50.0	24.9
Subcomponent 2.2 Transforming learning in early childhood education in the wake of the pandemic	48.2	0.75	48.95	24.4
Subcomponent 2.3 Evaluation and monitoring	0.8	0.0	0.8	0.4
Administration, audit, and evaluation	1.0	0.0	1.0	0.5
Total	200.0	0.75	200.75	100.0

Table 2. Disbursement projections (US\$ millions)

	Year 1	Year 2	Year 3	Year 4	Total
IDB	30	30	40	100	200
%	15	15	20	50	100

2.2 In accordance with document AB-2990, the disbursement rate of the loan resources will be subject to the following limits: (i) in the first 12 months, a maximum of 15% of the total loan amount may be disbursed; (ii) in the first 24 months, a maximum of 30% of the total loan amount; (iii) in the first 36 months, a maximum of 50% of the total loan amount. These periods will be counted from the date the IDB Board of Executive Directors approves the loan proposal. These limits may not apply to the extent that the requirements set forth in the IDB policy on such limits have been met, provided that the borrower has been notified in writing.

B. Environmental and social risks

2.3 The operation has a Category “B” environmental and social impact rating, given that the negative impacts of the construction/remodeling of EPIs and preschools will be minor, localized, and temporary. For these impacts, mitigation measures and good construction practices will be used to ensure compliance with national, provincial, and local regulations, as well as the IDB’s environmental and social performance standards. The environmental and social risk has been classified as substantial, in particular due to the contextual risk in vulnerable socioeconomic

²⁶ Costs per activity are estimates.

environments and the need to strengthen capacity in the supervision of socioenvironmental management measures by applying the IDB's Environmental and Social Policy Framework. The disaster and climate change risk has been classified as moderate. No increase is expected in current natural hazards or vulnerability of communities or environment as a result of the care and/or educational infrastructure ([required link 3](#)).

- 2.4 Since the present operation is a specific investment loan in which the locations of some elements of the investments are not fully defined, a global environmental and social evaluation (ESE-G) was drawn up in the preparation stage, establishing the eligibility criteria (which exclude projects that cause significant negative impacts), the guidelines for the socioenvironmental impact classification, and the environmental and/or social studies that will need to be conducted during the execution of the operation.
- 2.5 The environmental and social management systems of both executing agencies were assessed during the preparation stage and strengthened to ensure that they are adequate to carry out the activities to be financed with the loan in a manner consistent with the requirements of the environmental and social performance standards. The environmental and social management system incorporates a stakeholder engagement framework that details processes and procedures for carrying out—once the projects are confirmed in the execution phase—meaningful consultations tailored to each project and its contextual risks.
- 2.6 In addition, a virtual public consultation process has been carried out with stakeholders in which more than 100 participants from different sectors, including both institutional and civil society actors, took part. The main concerns raised were related to inconvenience during construction and the need to find an alternative site for the children during the construction phase of the facilities. The [public consultation report](#), together with the final versions of the [global environmental and social evaluation](#) and the [environmental and social management system](#) incorporating the results of the consultation process, were published on 25 July 2022.

C. Fiduciary risks

- 2.7 The institutional capacity analysis conducted for the executing agencies confirmed that the capacity of both is sufficient to execute the program satisfactorily. Nevertheless, two medium-high risks were identified: (i) if there is insufficient budget allocation during the life of the program, project implementation could be delayed, resulting in under-execution of resources; and (ii) if there is no adequate internal control structure for program implementation and effective supervision, resulting in auditors' reports with qualified opinions and ineligible expenditures. To mitigate the first risk, program activities will be comprehensively planned to identify resource needs and manage budget allocation to the appropriate authorities in a timely manner. To mitigate the second risk, mechanisms will be incorporated in the program Operating Regulations to ensure an effective internal control structure for the execution of program activities. Specifically, the Ministry of Education must have a plan of action to address the qualifications and internal control findings disclosed in the audited financial statements of loan 4229/OC-AR corresponding

to fiscal year 2020–2021 and that these be replicated for operation AR-L1355. No fiduciary risks were identified for the Ministry of Social Development.

D. Other risks and keys issues

- 2.8 Three medium-high level risks were identified for Component 1: (i) economic-financial environment: if the execution periods of the EPIs were to be extended beyond that envisaged in the works contracts, their cost in dollars could increase, adversely impacting the achievement of the output targets and their associated outcomes. The mitigation measures identified include, among others: Develop processes for works supervision and monitoring by the executing agency to generate early warnings and information to determine the quality of works supervision; (ii) political environment: If the EPI construction or refurbishment works scheduled to start in 2023 do not begin in the first half of that year, their startup could be postponed until 2024 as a result of the elections, causing a delay in meeting the physical and financial goals for 2023. The mitigation measures identified include: Initiating construction and remodeling processes prior to the change in administration; and (iii) human resources: Should the executing agency lack a technical team with the technical competencies required for the level II interventions of Component 1, including familiarity with the agile methodology, the investments planned at that level would be delayed, impacting the associated physical targets. The mitigation measures identified include: Prior to project start-up; training for the executing agency team in project management with agile methodologies through the massive open online course (MOOC) offered by the Bank, and conduct a Bank-led workshop on programming level II activities under the agile methodology.
- 2.9 In Component 2, a medium-high level risk was identified: economic and financial environment: if the procurement of technological or pedagogical equipment (games) cannot be awarded fully or partially as a result of an increase in international prices, import restrictions, or lack of bidders due to the specificity of the products or other reasons, the achievement of the physical target could be undermined or delayed. The mitigation measures are: (i) planning and periodic monitoring of the international context and price movements, including an exhaustive analysis of the products being offered in the market related to each call for bids; and (ii) promote procurement processes and technical specifications that allow a simple and prompt substitution of the products to be acquired without undermining outcomes, whether for playground equipment, toy libraries, or technological equipment.
- 2.10 **Sustainability.** The sustainability of the outcomes related to Component 1 will benefit from the following actions: (i) investments associated with the construction and refurbishment of EPIs will have a works maintenance protocol that will be submitted by the companies responsible for the works to the site managers, as stipulated in the bidding documents for the works; and (ii) a specific module will be developed for the Acompañar app for building self-diagnostic assessment of the facilities built and refurbished in the first two operations under the CCLIP; and (iii) strengthening the competencies of EPI managers and caregivers through the implementation of improvement projects with a comprehensive approach under Subcomponent 1.2.

- 2.11 For the main investments under Component 2, the following will be ensured: (i) maintenance plans for the preschools built that the jurisdictions must implement according to the commitment assumed in the accession agreements to be signed with the Ministry of Education, in addition to the compliance with the environmental and social action plan provided for in the program; and (ii) evaluation of processes and impact of the use of technologies, providing proposals and improvements for the continuity of investments in digital education and training of teachers in teaching methodologies in digital literacy and robotics, which will help to consolidate innovations and contribute to their better pedagogical use.

III. IMPLEMENTATION AND MANAGEMENT PLAN

A. Summary of implementation arrangements

- 3.1 The Ministry of Social Development will be the executing agency for Component 1, and the Ministry of Education will execute Component 2. Both will be responsible for fiduciary, technical, and monitoring responsibilities in executing their respective components. With regard to the strategic evaluation of the program, the executing agencies will be responsible for fiduciary execution, in coordination with the Ministry of the Economy, through the Undersecretariat of International Financial Relations for Development (SSRFID), which is responsible for the technical and methodological aspects in that regard.
- 3.2 The Ministry of Social Development will act through the Bureau of Special Projects and International Cooperation (DGPEyCI), an agency of the Undersecretariat for Administrative Management (SSGA). Moreover, the Bureau of Management and Monitoring of Sector and Special Programs and Projects (DGMPPSE) will be responsible for operational execution, and the Office of Financial and Budgetary Administration (DAFYP) will be in charge of financial, accounting, and budgetary management, both of which report to the DGPEyCI. In the event of changes in the organizational structure of the Ministry of Social Development, it may act through those areas or subagencies with similar attributions and competencies which, in future, may be replaced for the purposes of this program, with prior approval from the Bank.
- 3.3 The Ministry of Education will act through the Bureau of Infrastructure (DGI), an agency of the SSGA, for Subcomponent 2.1.; the National Directorate of Early Childhood Education, an agency of the Undersecretariat of Administrative Management and Quality, which reports to the Secretariat of Education, for Subcomponent 2.2.; the Secretariat of Educational Evaluation and Information for Subcomponent 2.3.; and the DGMPPSE, an agency of the SSGA, which will be responsible for administrative and financial coordination. In the event of changes in the organizational structure of the Ministry of Education, it may act through those areas or subagencies with similar attributions and competencies which, in future, may be replaced for the purposes of this program, with prior approval from the Bank.
- 3.4 **Operating Regulations.** The execution and coordination arrangements for the participating program areas will be detailed in the program Operating Regulations

- for each executing agency of the program, to include, *inter alia*: (i) the expected outputs of the component under their responsibility; (ii) confirmation of the personnel required for program execution in the teams of each executing agency; (iii) the organizational structure and functions of the areas of the executing agencies in the execution of their components; (iv) the technical and operational arrangements for execution and the eligibility criteria for investments; (v) the programming, monitoring, and evaluation arrangements of the results matrix; (vi) the environmental and social requirements for execution; (vii) the financial, auditing, and procurement procedures; (viii) the mechanisms for updating the program Operating Regulations; and (ix) the annexes detailing aspects of program execution and monitoring. The program Operating Regulations may only be modified with the prior written consent of the Bank.
- 3.5 As set forth in the program Operating Regulations for Component 1, in coordination with the other specific areas of the Ministry of Social Development, as necessary, the DGPEyCI will be responsible for: (i) managing and monitoring the contracts and procurement of works, good, and services; (ii) processing loan disbursements with the Bank; (iii) contracting evaluations; (iv) attending to external audit arrangements; (v) preparing and submitting to the Bank the annual works plans, to include the financial and disbursement plan and the procurement plan; (vi) submitting to the Bank the reports described in the monitoring and evaluation arrangements; and; (vii) monitoring the supervision and inspection of works and service contracts.
- 3.6 As set forth in the program Operating Regulations for Component 2, the DGPPSE, an agency of the Ministry of Education, has a technical team tasked with the component's planning and execution as well as specific operational coordination that will likewise articulate with the relevant area of the Ministry of Education. The DGPPSE will be responsible for: (i) managing and monitoring contracts and the procurement of works, goods, and services; (ii) processing the loan disbursements with the Bank; (iii) contracting evaluations; (iv) attending to external audit arrangements; (v) preparing and submitting to the Bank the annual works plans, to include the financial and disbursement plan and the procurement plan; (vi) submitting to the Bank the reports described in the monitoring and evaluation arrangements (audit, progress, and evaluation reports) and other program documents; and (vii) monitoring the supervision and inspection of works and service contracts.
- 3.7 The DGPPSE will coordinate with the technical areas of the Ministry of Education with primary responsibility for executing the subcomponents: (i) with the SSGA through the DGI, in coordination with the Provincial Coordination Units (on infrastructure), for Subcomponent 2.1; (ii) with the SAE, the National Directorate of Educational Evaluation, Information, and Statistics (DNEI/SSGEC), for Subcomponent 2.2; and (iii) with the Secretariat of Educational Evaluation and Information, through the National Bureau of Educational Evaluation, Information, and Statistics (DNEIEE/SEIE), for Subcomponent 2.3.
- 3.8 **The following will be special conditions precedent to the first disbursement of the loan: (i) for Component 1, approval of the [program Operating Regulations for Component 1](#) to the satisfaction of the Bank; and (ii) for Component 2, approval of the [program Operating Regulations for Component 2](#)**

to the satisfaction of the Bank. The purpose of these conditions is to ensure that the operational processes and procedures are appropriate from the outset of the implementation of each component.

- 3.9 **Procurement and financial management.** Annex III contains the fiduciary agreements for execution governing disbursement, financial administration, procurement systems, and audit arrangements. The Bank's disbursements are expected to be made using the advance of funds modality. New advances of funds will require justification by each executing agency of at least 80% of funds previously advanced. A Bank-eligible independent audit firm will sign off on the program's annual financial statements, which are to be submitted to the Bank within 120 days after the end of the fiscal year. All contracting of works, procurement of goods, and contracting of consultants financed by the operation will be conducted in accordance with Bank policies (documents GN-2349-15 and GN-2350-15).
- 3.10 **Single-source contracting.** The following single-source contracts and selections have been identified: (i) book purchases totaling US\$537,600²⁷ and the procurement of licenses for the CAPTUDATA works management system, from StartX Software Consulting, in the amount of US\$60,000,²⁸ both sole-source procurements under paragraph 3.7(c) of document GN-2349-15, for the purchase of goods that are proprietary and obtainable only from one source; and (ii) the rehiring of individual consultants previously selected for loan 4229/OC-AR, who will continue to provide their services under this operation, in accordance with paragraph 5.4(a) of document GN-2350-15, which states that an individual consultant may be selected on a sole-source basis for tasks that are a continuation of previous work that the consultant has carried out and for which they were selected competitively.

B. Summary of arrangements for monitoring results

- 3.11 **Monitoring arrangements.** Within 60 days after the end of each semester, each executing agency will submit a semiannual progress report on its component, including information on: (i) progress in achieving objectives and outcomes set out in the annual work plans and in the program's progress monitoring report, including an analysis and monitoring of risks and their mitigation; (ii) progress in physical and financial execution by output and, where applicable, a quantitative and qualitative analysis of the causes of deviations from the multiyear execution plan/annual work plan and corrective actions; (iii) the status of execution of the procurement plan; (iv) fulfillment of the respective contractual clauses; (v) the

²⁷ The team of specialists and pedagogues of the Directorate for Early Childhood Strengthening and Training selects titles for children and for the work of caregivers with children, taking into account the appropriateness of the material for different ages (colors, appearance of letters) and the quality of the edition, with a view to facilitating durability. Once the titles have been selected, they must be purchased from the specific publisher that holds the exclusive right to market them.

²⁸ CAPTUDATA is a differentiated initiative in the market, driven and supported by the Bank, and the tool's developers have customized functions and reports consistent with the specific supervision needs of IDB programs in different projects in the region. In addition, it is being applied on a pilot basis in the first CCLIP operation (4229/OC-AR). The extension of the license for the coming years will enable the consolidation and expansion of the tool's use in the management of the educational infrastructure of the Ministry of Education and subnational jurisdictions.

status of financial execution of the program; (vi) the status of execution of the monitoring and evaluation plan; and (vii) the report on compliance with the environmental and social action plan under the terms to be agreed with the Bank. The liaison institution will organize at least two joint meetings per year for a technical-operational review of the progress of each component and progress in developing the multisector outputs, as well as the program's overall planning and risk mitigation. Each executing agency will submit its annual work plan for the following year and any updates to the multiyear execution plan prior to the end of the year in progress (30 November).

- 3.12 **Results evaluation arrangements.** The program's monitoring and evaluation plan provides for evaluations that are regarded by the executing agencies as key analytical inputs to inform the policy design and accountability process. Component 1 envisages the following evaluations: (i) impact assessment of the new EPI offering on families' use of time; and (ii) evaluation of the process improvements at the EPIs benefited by the program.
- 3.13 For Component 2, the following evaluations will be conducted (i) quality of learning environments in early childhood education (ECERS-3); (ii) measurement of the strengthening of school management and of teaching and learning processes (school readiness index); and (iii) evaluation of processes and impact on the use of educational technologies in early childhood education teaching practices and in the development of early critical thinking and programming skills.
- 3.14 The achievement of the objectives will be verified one year after the close of the operation, in order to allow sufficient time for indicators to detect the outcomes derived from the outputs delivered in the last year of execution, as envisaged in the program's monitoring and evaluation plan.

Development Effectiveness Matrix		
Summary		AR-L1355
I. Corporate and Country Priorities		
Section 1. IDB Group Strategic Priorities and CRF Indicators		
Development Challenges & Cross-cutting Issues	-Social Inclusion and Equality -Gender Equality and Diversity -Climate Change	
CRF Level 2 Indicators: IDB Group Contributions to Development Results	-Students benefited by education projects (#)	
2. Country Development Objectives		
Country Strategy Results Matrix	GN-3051	Poverty reduction and social protection of the most vulnerable
Country Program Results Matrix	GN-3087	The intervention is included in the 2022 Operational Program.
Relevance of this project to country development challenges (If not aligned to country strategy or country program)		
II. Development Outcomes - Evaluability		Evaluable
3. Evidence-based Assessment & Solution	9.3	
3.1 Program Diagnosis	2.5	
3.2 Proposed Interventions or Solutions	3.5	
3.3 Results Matrix Quality	3.3	
4. Ex ante Economic Analysis	10.0	
4.1 Program has an ERR/NPV, or key outcomes identified for CEA	1.5	
4.2 Identified and Quantified Benefits and Costs	3.0	
4.3 Reasonable Assumptions	2.5	
4.4 Sensitivity Analysis	2.0	
4.5 Consistency with results matrix	1.0	
5. Monitoring and Evaluation	10.0	
5.1 Monitoring Mechanisms	4.0	
5.2 Evaluation Plan	6.0	
III. Risks & Mitigation Monitoring Matrix		
Overall risks rate = magnitude of risks*likelihood	Medium Low	
Environmental & social risk classification	B	
IV. IDB's Role - Additionality		
The project relies on the use of country systems		
Fiduciary (VPC/FMP Criteria)	Yes	Financial Management: Budget, Treasury, Accounting and Reporting, External Control. Procurement: Information System.
Non-Fiduciary		
The IDB's involvement promotes additional improvements of the intended beneficiaries and/or public sector entity in the following dimensions:		
Additional (to project preparation) technical assistance was provided to the public sector entity prior to approval to increase the likelihood of success of the project	Yes	Operational support provided by supervision activities of AR-L1254

Evaluability Assessment Note:

The proposal has the objective to increase the coverage and quality of public care and education institutions and services, aimed at promoting the development of physical, language and communication, cognitive, social, and affective skills of girls and boys from 0 to 5 years. To achieve this objective, it proposes four specific objectives: (i) Expand access to quality PPE for girls and boys between 0 and 4 years old; (ii) Improve the quality of care processes developed in EPIs; (iii) Increase EI coverage for girls and boys from 3 to 5 years old; and (iv) Strengthen the teaching and learning experiences of girls and boys from 3 to 5 years old, focused on games and digital literacy, with a gender perspective. This is the second child of a CCLIP.

The diagnosis finds 86% of children ages 3 and 4 years old do not reach the expected development for their age (ENNA, 2020). There are no comparable data for children aged 0 to 2 years or for 5 years, but the diagnosis cites Grantham-McGregor, S, et al. (2007) who shows that developmental abilities are cumulative. Coverage for Early Childhood Spaces is estimated at 72% for children 3 to 5 years old, and there are no data for children 0 to 2 years old (ME, 2021). Regarding quality, 72% of Early Childhood Spaces do not meet minimum standards (DNEI, 2022). There is no data on quality for kindergartens, but the diagnosis highlights the importance of stimulation through play and diagnoses shortcomings in critical infrastructure such as 50% of the playgrounds in need of renovation (ME, 2022). The diagnosis provides evidence of the effectiveness of providing access to high-quality early educational services on child development (Berlinsky et al. 2009; Pianta et al. 2019).

The economic analysis includes all the operation costs and proposes benefits derived from returns to education on the future wages of the benefited children and the additional income to mothers of the beneficiary children to participate in the labor market. The base analysis uses a discount rate of 3% according to Karoly (2012) and finds a positive net present value. Under a discount rate of 12% the project does not reach economic profitability. The estimated rate of return in the baseline scenario is 10%.

Monitoring is based on reports from the executing agency. The methodology for the evaluation of the indicators associated with the specific objectives is reflexive (before and after). Additionally, the proposal includes an experimental evaluation to study the impact of the program on children's digital skills.

The analysis identifies 10 risks to the operation, of which 5 are identified as medium-high and none as high. The medium-high risks include lack of adjudication for technological equipment, delays due to restrictions in budget allocation, to elections, or weaknesses in the technical team, and high costs due to delays in execution.

RESULTS MATRIX

PROGRAM OBJECTIVE	The multisector objective of the CCLIP is to help increase the number of children ages 0 to 5 with age-appropriate physical, language and communication, cognitive, and socioemotional skills. The specific objectives for this operation are to: (i) expand access to quality early childhood facilities for children ages 0 to 4; (ii) improve the quality of care provided in early childhood facilities (EPIs); (iii) increase early childhood education coverage for children ages 3 to 5; and (iv) strengthen teaching and learning experiences for children ages 3 to 5 centered on play and digital literacy, with a gender perspective. The achievement of these objectives will contribute to the general objective of increasing the coverage and quality of institutions and public care and education services aimed at promoting the development of physical, language and communication, cognitive, social, and affective skills of children ages 0 to 5.
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GENERAL DEVELOPMENT OBJECTIVE¹

Indicator	Unit of measure	Baseline	Baseline year	Expected year achieved	Target	Means of verification	Comments
General development objective: Increase the coverage and quality of institutions and public care and education services aimed at promoting the development of physical, language and communication, cognitive, social, and affective skills of children ages 0 to 5							
Child development rating index in EPIs	Points	33.7	2017	2025	34.6	Liaison institution on impact, executing agency	
Standard deviations of digital skills score through digital education	Standard deviations	0	2023	2025	0.05	Liaison institution on impact, executing agency	

¹ Annex A of the monitoring and evaluation plan presents the results matrix with a detailed description of the methodology used to develop the program's impact and results indicators, baseline, and expected targets, as well as how they are to be updated during the execution stage.

SPECIFIC DEVELOPMENT OBJECTIVES²

Indicator	Unit of measure	Baseline	Baseline year	Year 1	Year 2	Year 3	Year 4	End of program	Means of verification	Comments
Specific development objective 1. Expand access to quality EPIs for children ages 0 to 4										
Children attending EPIs	Number of children	0	2022	1,400	1,680	1,120	0	4,200	Liaison institution, executing agency	Corporate Results Framework (CRF) indicator
Complex vulnerability index	Points	6.35	2022	6.89	7.30	7.59	7.77	7.77	Liaison institution, executing agency	
Specific development objective 2. Improve quality of care provided in EPIs										
Interaction rating index	Points	0.86	2019	0.87	0.88	0.89	0.90	0.90	Liaison institution on impact, executing agency	
Specific development objective 3. Expand early childhood education coverage for children ages 3 to 5										
Preschools achieving a minimum score on the ECERS scale	Preschools	To be measured	2023	0	0	0	0	To be determined	Liaison institution on impact, executing agency	
Early childhood education students enrolling in preschools	Number of students	0	2022	0	0	0	9,600	9,600	Report of the Comprehensive Digital Educational Information System, executing agency	CRF indicator, disaggregated by gender
Specific development objective 4. Strengthen teaching and learning experiences for children ages 3 to 5 centered on play and digital literacy, with a gender perspective										
Early childhood education students in preschools participating in activities with inputs for play-based learning with a gender perspective	Number of students	0	2023	0	47,000	90,000	116,000	253,000	Data from the Computerized Education Management System, executing agency. Access is defined as attendance, verified with administrative data.	CRF indicator, disaggregated by gender
Early childhood education students participating in digital education with a gender perspective	Number of students	0	2022	92,492	83,220	52,288	0	228,000	Data from the Computerized Education Management System, executing agency	CRF indicator, disaggregated by gender

² The achievement of the objectives will be verified one year after the close of the operation, in order to allow sufficient time for indicators to detect the outcomes derived from the outputs delivered in the last year of execution.

Indicator	Unit of measure	Baseline	Baseline year	Year 1	Year 2	Year 3	Year 4	End of program	Means of verification	Comments
Pedagogical strategies transformation index	Points	0	2024	0	0	0	To be determined	To be determined	Instrument developed as part of the process evaluation, executing agency	

Outputs

Indicators	Unit of measure	Baseline value	Baseline year	Year 1	Year 2	Year 3	Year 4	End of program	Means of verification	Comments
Component 1. Supporting early childhood care policies										
Subcomponent 1.1. Strengthening EPI building standards										
Newly built EPIs that meet EDGE green building certification criteria	EPI	18	2023	10	12	8	0	48	EDGE building project and simulation certificates, ³ executing agency	
EPI refurbished and equipped with new furniture and teaching materials	EPI	220	2023	43	37	19	14	333		
Modular EPI pilot project implemented	Project	0	2022	0	1	0	0	1	Liaison institution, executing agency	See the monitoring and evaluation plan for the description of the pilot project.
Impact assessment of the new EPI offering on women's use of time implemented	Report	0	2022	0	0	1	0	1	Liaison institution, executing agency	
Subcomponent 1.2. Support for implementation of improvements in the quality of EPI care processes and management										
Documents establishing protocols for dealing with complex situations at EPIs developed	Protocol	0	2022	7	6	5	6	24	Liaison institution, executing agency	See the monitoring and evaluation plan for the definition of complex situations.
Modules of the "Acompañar" application developed	Module	0	2022	1	0	1	0	2	Liaison institution, executing agency	See monitoring and evaluation plan for module descriptions.
EPIs with priority kits delivered	EPI	0	2022	450	285	285	280	1,300	Liaison institution, executing agency	

³ The Environmental Design Guide for Evaluation ([EDGE](#)) is a tool that facilitates the design and certification of resource-efficient and zero-carbon buildings.

Indicators	Unit of measure	Baseline value	Baseline year	Year 1	Year 2	Year 3	Year 4	End of program	Means of verification	Comments
EPIs with improvement project implemented, including activities to promote co-responsibility in parenting	EPI	0	2022	35	40	40	40	155	Liaison institution on improvement cycles, executing agency.	
EPIs with improvement project implemented in indigenous populations	EPI	0	2022	0	0	2	1	3	Liaison institution on improvement cycles, executing agency	
Evaluation of results of the project to enhance the competencies of managers, caregivers, and parents implemented	Report	0	2022	0	0	0	1	1	Liaison institution, executing agency	
Component 2. Supporting policies for the universalization of early childhood education										
Subcomponent 2.1. Expansion and strengthening of educational infrastructure management										
Preschools built and equipped for early childhood education that meet the Criteria and Basic Standards for School Architecture 68/97	Preschools	0	2022	0	0	0	63	63	Semiannual performance reports, supervisory visits, and audit reports. EDGE green building simulation report, executing agency.	
Educational infrastructure management information system strengthened	System	0	2022	0	1	0	0	1	Liaison institution on impact, executing agency	
Subcomponent 2.2. Transforming learning in early childhood education in the wake of the pandemic										
Preschools equipped with mobile digital classrooms	Preschools	0	2022	1,217	1,095	688	0	3,000	Semiannual performance reports, supervisory visits, and audit reports,	
Preschools equipped with playground equipment	Preschools	0	2022	0	0	3,000	0	3,000		
Preschools equipped toy libraries	Preschools	0	2022	0	650	0	0	650		

Indicators	Unit of measure	Baseline value	Baseline year	Year 1	Year 2	Year 3	Year 4	End of program	Means of verification	Comments
Teachers trained in digital education with a gender perspective	Teachers	0	2022	0	20,000	0	0	20,000	executing agency	
Subcomponent 2.3. Evaluation and monitoring										
Preschools evaluated with the ECERS instrument to identify the quality of learning environments	Preschools	0	2022	0	0	0	63	63	Liaison institution on impact, executing agency	
Learning readiness index implemented	Evaluation	0	2022	0	1	0	0	1	Semiannual performance reports, executing agency	
Monitoring tool developed	Instrument	0	2022	1	0	0	0	1	Semiannual performance reports, executing agency	
Process evaluation of technology use in early childhood education implemented	Evaluation	0	2022	0	0	1	0	1	Liaison institution for process, executing agency	
Impact assessment of technology use in early childhood education implemented	Assessment	0	2022	0	0	1	0	1	Liaison institution on impact, executing agency	

Country: Argentina **Division:** SCL/EDU and SCL/SPH **Operation number:** AR-L1355 **Year:** 2022

FIDUCIARY AGREEMENTS AND REQUIREMENTS

Executing agencies: Ministry of Social Development and Ministry of Education

Name: Program to Support the National Early Childhood Plan and the Policy for Universalization of Early Childhood Education II (PRINI II)

I. FIDUCIARY CONTEXT OF THE EXECUTING AGENCY

1. Use of country systems in the operation¹

<input checked="" type="checkbox"/> Budget	<input checked="" type="checkbox"/> Reporting	<input checked="" type="checkbox"/> Information system	<input type="checkbox"/> National competitive bidding
<input checked="" type="checkbox"/> Treasury	<input type="checkbox"/> Internal Auditor's Office	<input type="checkbox"/> Price comparison	<input type="checkbox"/> Other
<input checked="" type="checkbox"/> Accounting	<input checked="" type="checkbox"/> External control	<input type="checkbox"/> Individual consultants	

2. Fiduciary execution mechanism

<input checked="" type="checkbox"/> Co-executors / Sub-executors	The program will be co-executed by the Ministry of Social Development and the Ministry of Education of the Government of Argentina.
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3. Fiduciary capacity

Fiduciary capacity of the executing agency	The institutional capacity analysis of the executing agencies confirmed that the capacity of both is sufficient to execute the program satisfactorily. In addition, opportunities for improvement and measures to address the gaps detected were identified: (i) strengthen the internal control structure for program execution; (ii) describe in the program Operating Regulations the technical and operational arrangements and coordination bodies for procurement, financial management, internal control, and auditing of the program; (iii) approve internal operational manuals that describe the functions and processes of the areas involved in program management; and (iv) strengthen the teams responsible for financial management and procurement based on the progress of the program. The executing agencies are considered capable of resolving the actions identified in the short term and of executing the operation.
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4. Fiduciary risks and risk response

Risk type	Risk	Risk level	Risk response
Economic and financial	If there is insufficient budget allocation during the life of the program, project implementation could be delayed, resulting in under-execution of resources.	Medium-high	Program activities will be comprehensively planned to identify resource needs and manage budget allocation to the appropriate authorities in a timely manner. In the event that the need for budget modifications or increases during the execution of each year is identified, the necessary steps will be taken in a timely manner
Institutional	If there is no adequate internal control structure for program implementation and effective supervision, auditors' reports could be issued with qualified	Medium-high	Mechanisms will be incorporated into the program Operating Regulations to ensure an effective internal control structure for the execution of program activities. Specifically, the Ministry of Education will have an action plan to address the qualifications and internal control findings disclosed

¹ Any system or subsystem that is subsequently approved may be applicable to the operation, in accordance with the terms of the Bank's validation.

	opinions and ineligible expenditures.		in the audited financial statements of loan 4229/OC-AR corresponding to fiscal year 2020-2021 and that these be replicated for operation AR-L1355.
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5. Policies and guidelines applicable to the operation. The financial management of the Program will use the Financial Management Guidelines for IDB-financed Projects (document OP-273-12 or as amended). For procurements of works and services other than consulting and goods procurement, the Policies for the Procurement of Goods and Works Financed by the Inter-American Development Bank (document GN-2349-15), approved by the Bank on July 2, 2019, will apply. For the selection and contracting of consulting services, the Policies for the Selection and Contracting of Consultants Financed by the Inter-American Development Bank (document GN-2350-15), approved by the Bank on July 2, 2019, will apply.
6. Exceptions to policies and guidelines: Not applicable

II. CONSIDERATIONS FOR THE SPECIAL CONDITIONS OF THE LOAN CONTRACT

Special conditions precedent to first disbursement. N/A
For the purposes stipulated in Article 4.10 of the General Conditions, the Parties agree that the applicable exchange rate will be one indicated in subsection (b)(i) of that article. To determine the equivalence of expenditures incurred in local currency under the local contribution or the reimbursement of expenditures under the loan, the agreed exchange rate shall be that on the first business day of the month of payment in which the borrower, the executing agency, or any other natural or legal person to whom the authority to make expenditures has been delegated, makes the respective payments to the contractor, supplier, or beneficiary. In addition, the exchange rate indicated in paragraph (b)(i) of Article 4.10 of the General Conditions will be used for the recognition of the local contribution of expenditures co-financed with IDB and local resources.
The annual audited financial statements of the program will be submitted to the Bank independently by each executing agency within 120 days following the close of each fiscal year, audited by an independent auditing firm acceptable to the Bank or by the Office of the Auditor General. The final audited financial statements will be submitted within 120 days after the date of the program's last disbursement.

III. AGREEMENTS AND REQUIREMENTS FOR PROCUREMENT EXECUTION

<input checked="" type="checkbox"/>	Bidding documents	For the procurement of works, goods and nonconsulting services executed in accordance with procurement policies (document GN-2349-15) and subject to international competitive bidding (ICB), the Bank's standard bidding documents or those agreed upon between the executing agency and the Bank for the procurement in question will be used. Likewise, the selection and contracting of consulting services will be carried out in accordance with document GN-2350-15 and the standard request for proposals issued by the Bank or agreed upon between the executing agency and the Bank for the selection process concerned will be used. The program's sector specialist is responsible for reviewing the technical specifications and terms of reference for procurement items during preparation of the selection processes. This technical review can be ex ante and is independent from the procurement review method.
<input checked="" type="checkbox"/>	Single-source contracts and selection	The following single-source contracts and selections have been identified: (i) book purchases totaling US\$537,600 ² and the procurement of licenses for the works management system (CAPTUDATA) for US\$60,000, ³ from the company StartX Software Consulting under paragraph 3.7(c) of document GN-2349-15, which states that this procurement method is appropriate for the purchase of goods that are proprietary and obtainable only from one source. Provision is made, in

² The team of specialists and pedagogues of the Directorate for Early Childhood Strengthening and Training selects titles for children and for the work of caregivers with children, taking into account the appropriateness of the material for different ages (colors, appearance of letters) and the quality of the edition, with a view to facilitating durability. Once the titles have been selected, they must be purchased from the specific publisher that holds the exclusive right to market them.

³ CAPTUDATA is a differentiated initiative in the market, driven and supported by the Bank, and the tool's developers have customized functions and reports consistent with the specific supervision needs of IDB programs in different projects in the region.

		accordance with paragraph 5.4(a) of document GN-2350-15 (which states that an individual consultant may be selected on a sole-source basis for tasks that are a continuation of previous work that the consultant has carried out and for which they were selected competitively), for the rehiring of individual consultants previously selected for loan 4229/OC-AR, who will continue to provide their services under operation AR-L1355.								
<input checked="" type="checkbox"/>	Procurement supervision	<p>The method of supervision will be ex post, except in those cases where ex ante supervision is warranted. For procurements executed through the national system, oversight will be through the country's national oversight system. The choice as to (i) ex ante, (ii) ex post, or (iii) national system method must be determined for each selection process. Ex post reviews will be conducted annually in accordance with the project supervision plan, subject to change during execution. Ex post review reports will include at least one visit.</p> <p>The threshold amounts for ex post review are as follows:</p> <table border="1"> <thead> <tr> <th>Executing agency</th> <th>Works</th> <th>Goods/services</th> <th>Consultant services</th> </tr> </thead> <tbody> <tr> <td>Ministry of Social Development and Ministry of Education</td> <td>US\$25 million</td> <td>US\$1.5 million</td> <td>US\$1 million</td> </tr> </tbody> </table>	Executing agency	Works	Goods/services	Consultant services	Ministry of Social Development and Ministry of Education	US\$25 million	US\$1.5 million	US\$1 million
Executing agency	Works	Goods/services	Consultant services							
Ministry of Social Development and Ministry of Education	US\$25 million	US\$1.5 million	US\$1 million							
<input checked="" type="checkbox"/>	Records and archives	The Ministry of Social Development and the Ministry of Education of the Government of Argentina will be responsible for maintaining the original records of procurement, contracting, and financial management under their responsibility in the framework of the program's execution.								

Major procurement processes

Procurement description	Method of selection	New procedures/ Tools	Estimated date	Estimated amount (US\$)
Goods				
Procurement of 1,217 Mobile Digital Classrooms (ADM)	ICB		Sep-22	14,993,440.00
Procurement of 1,095 ADMs	ICB		Sep-23	13,490,400.00
Procurement of 3,000 playground sets	ICB		Aug-24	9,525,000.00
Procurement of 688 ADMs	ICB		Sep-24	8,476,160.00
Works				
Construction of preschools	Shopping by open invitation		Mar-25	49,800,000.00
EPI construction and refurbishment	Shopping by open invitation		Jun-22	80,563,000.00
Consulting firms				
Management strengthening consultancy	Quality- and cost-based selection		May-23	700,000.00
Individual consultants				
Hiring of specialists and equipment	Selection of individual consultant (3CV)		Jul-22	9,074,000.00

Click link to access the [procurement plan](#).

IV. FINANCIAL MANAGEMENT AGREEMENTS AND REQUIREMENTS

☒	Programming and budget	Each executing agency is responsible for the annual budget formulation and programming process and carries out the appropriate procedures for consolidating the annual budget for approval. As the need for budget extensions or reallocations arises, the executing agencies request the modifications and negotiate their approval. Budget appropriations are executed through accrued quarterly and monthly commitments allocated by the National Budget Office (Ministry of Economy).
☒	Treasury and disbursement management	<p>Bank accounts. Each executing agency will manage and control the bank accounts that will be opened in dollars and local currency for the exclusive and separate management of the loan resources, as well as their bank reconciliation.</p> <p>Financial plan. Each executing agency is responsible for maintaining a financial plan at least 12 months ahead and taking into account the status of the expenditure. Disbursements will be planned on this basis. Disbursement methods. The Bank will disburse funds under the advance of funds modality or another modality established in document OP-273-12 and via the online disbursement platform. The justification percentage is 80% of the balance.</p> <p>In accordance with document AB-2990, the rate of disbursement by the Bank of the loan proceeds from the Ordinary Capital will be subject to the following limits: of the total amount of financing approved by the Bank, a maximum of (i) 15% may be disbursed in the first 12 months; (ii) 30% in the first 24 months; and (iii) 50% in the first 36 months. These periods will be counted from the date the Board of Executive Directors approves the loan operation. These limits may not apply to the extent that the requirements set forth in the Bank's policy on such limits have been met, provided that the borrower has been notified in writing.</p> <p>Program cash flow. Program funds will be deposited into an account at the Central Bank of Argentina dedicated to receiving Bank disbursements, and subsequently transferred into a special account of the executing agency at Banco de la Nación Argentina to manage loan proceeds. No provision is made for the use of the Single Treasury Account.</p>
☒	Accounting, information systems and reporting	The executing agencies will use the external loan executing unit system (UEPEX) as their financial management system, which enables them to identify program funds and sources of financing. The external loan executing unit system records program investments by cost table component in accordance with the chart of accounts approved by the Bank. Cash-basis accounting will be used and the International Financial Reporting Standards followed, where applicable, in accordance with national criteria.
☒	Internal control and internal audit	Internal control is the responsibility of the National Audit Office. Internal auditing is the responsibility of the internal audit unit of each executing agency.
☒	External control and financial reporting	The external audit of the program will be conducted for each executing agency and may be carried out by an acceptable independent auditing firm, selected and contracted in accordance with the terms of reference and model contract previously agreed upon with the Bank. The audit can also be performed by the Office of the Auditor General, as its workload permits, upon prior agreement with the Bank.
☒	Financial supervision of the operation	The financial supervision plan will be based on the risk and fiduciary capacity assessments of the executing agencies and will include field supervision visits and desk reviews, as well as analysis and monitoring of outcomes and recommendations from audits of the program's annual financial statements.

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

PROPOSED RESOLUTION DE-___/22

Argentina. Loan ___/OC-AR to the Argentine Republic. Program to Support the National Early Childhood Plan and the Policy for Universalization of Early Childhood Education II. Second Individual Operation under the Conditional Credit Line for Investment Projects (CCLIP) for the Program to Support the National Early Childhood Plan and the Policy for Universalization of Early Childhood Education (AR-O0003)

The Board of Executive Directors

RESOLVES:

That the President of the Bank, or such representative as he shall designate, is authorized, in the name and on behalf of the Bank, to enter into such contract or contracts as may be necessary with the Argentine Republic, as Borrower, for the purpose of granting it a financing aimed at cooperating in the execution of the Program to Support the National Early Childhood Plan and the Policy for Universalization of Early Childhood Education II, which constitutes the second individual operation under the Conditional Credit Line for Investment Projects (CCLIP) for the Program to Support the National Early Childhood Plan and the Policy for Universalization of Early Childhood Education (AR-O0003), approved by Resolution DE-27/17 on 12 of July of 2017. Such financing will be for the amount of up to US\$200,000,000, from the resources of the Bank's Ordinary Capital, and will be subject to the Financial Terms and Conditions and the Special Contractual Conditions of the Project Summary of the Loan Proposal.

(Adopted on _____ 2022)