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**The World Bank**

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INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

PROJECT PAPER

ON A

PROPOSED ADDITIONAL LOAN

IN THE AMOUNT OF  
US\$50 MILLION EQUIVALENT

TO THE  
PROVINCE OF BUENOS AIRES

WITH A GUARATEE FROM THE ARGENTINE REPUBLIC

FOR A  
SOCIAL SAFETY NETS FOR VULNERABLE POPULATIONS IN THE PROVINCE OF BUENOS  
AIRES PROJECT

AUG 29, 2022

Social Protection & Jobs Global Practice  
Latin America And Caribbean Region

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**CURRENCY EQUIVALENTS**  
(Exchange Rate Effective August 5, 2022)

Currency Unit = AR\$  
AR\$ 132.64 = US\$ 1  
US\$ 1.32 = SDR 1

**FISCAL YEAR**  
January 1 - December 31

Regional Vice President: Carlos Felipe Jaramillo

Country Director: Jordan Z. Schwartz

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## ABBREVIATIONS AND ACRONYMS

AMBA	Buenos Aires Metropolitan Area <i>(Área Metropolitana de Buenos Aires)</i>
AUH	Universal Child Allowance <i>(Asignación Universal por Hijo)</i>
CABA	Autonomous City of Buenos Aires <i>(Ciudad Autónoma de Buenos Aires)</i>
DLI	Disbursement-linked indicator
DPOMFB	Provincial Directorate of Multilateral Organizations and Bilateral Financing <i>(Dirección Provincial de Organismos Multilaterales y Financiamiento Bilateral)</i>
DSS	Directorate of Subsidies and Subventions
ENRE	National Regulatory Agency for Electricity Sector <i>(Ente Nacional de Regulación de la Energía Eléctrica)</i>
EPH	Permanent Household Survey <i>(Encuesta Permanente de Hogares)</i>
ESA	Environmental and Social Assessment
ESCP	Environmental and Social Commitment Plan
FM	Financial Management
GRS	Grievance Redress System
IFR	Interim Financial Report
IPP	Indigenous Peoples Plan
OCEBA	Energy Control Agency of the Province of Buenos Aires <i>(Organismo de Control de la Energía de la Provincia de Buenos Aires)</i>
PBA	Province of Buenos Aires <i>(Provincia de Buenos Aires)</i>
PDO	Project Development Objective
PMV	Más Vida Program <i>(Programa Más Vida)</i>
SEP	Stakeholder Engagement Plan
SINTyS	National Tax and Social Identification System <i>(Sistema de Identificación Nacional Tributario y Social)</i>
SSE	Sub Secretariat of Energy

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**BASIC INFORMATION – PARENT (Social Safety Nets for Vulnerable Populations in the Province of Buenos Aires - P170329)**

Country	Product Line	Team Leader(s)		
Argentina	IBRD/IDA	Marcela Ines Salvador		
Project ID	Financing Instrument	Resp CC	Req CC	Practice Area (Lead)
P170329	Investment Project Financing	HLCSP (9343)	LCC7C (6297)	Social Protection & Jobs

Implementing Agency: Provincial Directorate of Multilateral and Bilateral Financing

Is this a regionally tagged project?	
No	

Bank/IFC Collaboration
No

Approval Date	Closing Date	Expected Guarantee Expiration Date	Environmental and Social Risk Classification
05-Sep-2019	29-Feb-2024		Moderate

**Financing & Implementation Modalities**

<input type="checkbox"/> Multiphase Programmatic Approach (MPA)	<input type="checkbox"/> Contingent Emergency Response Component (CERC)
<input type="checkbox"/> Series of Projects (SOP)	<input type="checkbox"/> Fragile State(s)
<input checked="" type="checkbox"/> Performance-Based Conditions (PBCs)	<input type="checkbox"/> Small State(s)
<input type="checkbox"/> Financial Intermediaries (FI)	<input type="checkbox"/> Fragile within a Non-fragile Country
<input type="checkbox"/> Project-Based Guarantee	<input type="checkbox"/> Conflict
<input type="checkbox"/> Deferred Drawdown	<input type="checkbox"/> Responding to Natural or Man-made disaster
<input type="checkbox"/> Alternate Procurement Arrangements (APA)	<input type="checkbox"/> Hands-on Expanded Implementation Support (HEIS)

### Development Objective(s)

Support the transition of the electricity ST scheme from the federal to the Buenos Aires provincial level, and the delivery of select social safety net programs targeting the vulnerable population in the PBA, as part of the COVID 19 emergency response

### Ratings (from Parent ISR)

	Implementation					Latest ISR
	25-Jun-2020	21-Dec-2020	18-Jun-2021	21-Dec-2021	27-May-2022	21-Jul-2022
Progress towards achievement of PDO	MS	MS	MS	MS	MS	MS
Overall Implementation Progress (IP)	MS	MS	MS	MS	S	S
Overall ESS Performance	MS	MS	MS	S	S	S
Overall Risk	S	S	S	S	S	S
Financial Management	S	S	S	S	S	S
Project Management	MS	MS	MS	MS	MS	MS
Procurement	S	S	MS	MS	MS	MS
Monitoring and Evaluation	MS	MS	MS	MS	MS	MS

### BASIC INFORMATION – ADDITIONAL FINANCING (Additional Financing for the Social Safety Nets for Vulnerable Populations in the Province of Buenos Aires Project - P178628)


Project ID	Project Name	Additional Financing Type	Urgent Need or Capacity Constraints
P178628	Additional Financing for the Social Safety Nets for	Scale Up	No

	Vulnerable Populations in the Province of Buenos Aires Project		
Financing instrument	Product line	Approval Date	
Investment Project Financing	IBRD/IDA	20-Sep-2022	
Projected Date of Full Disbursement	Bank/IFC Collaboration		
31-Dec-2024	No		
Is this a regionally tagged project?			
No			

**Financing & Implementation Modalities**

<input type="checkbox"/> Series of Projects (SOP)	<input type="checkbox"/> Fragile State(s)
<input checked="" type="checkbox"/> Performance-Based Conditions (PBCs)	<input type="checkbox"/> Small State(s)
<input type="checkbox"/> Financial Intermediaries (FI)	<input type="checkbox"/> Fragile within a Non-fragile Country
<input type="checkbox"/> Project-Based Guarantee	<input type="checkbox"/> Conflict
<input type="checkbox"/> Deferred Drawdown	<input type="checkbox"/> Responding to Natural or Man-made disaster
<input type="checkbox"/> Alternate Procurement Arrangements (APA)	<input type="checkbox"/> Hands-on Expanded Implementation Support (HEIS)
<input type="checkbox"/> Contingent Emergency Response Component (CERC)	

**Disbursement Summary (from Parent ISR)**

Source of Funds	Net Commitments	Total Disbursed	Remaining Balance	Disbursed	
IBRD	150.00	134.99	15.01		90 %
IDA					%
Grants					%

**PROJECT FINANCING DATA – ADDITIONAL FINANCING (Additional Financing for the Social Safety Nets for Vulnerable Populations in the Province of Buenos Aires Project - P178628)**

**FINANCING DATA (US\$, Millions)**

**SUMMARY (Total Financing)**

	Current Financing	Proposed Additional Financing	Total Proposed Financing
<b>Total Project Cost</b>	150.00	50.00	200.00
<b>Total Financing</b>	150.00	50.00	200.00
<b>of which IBRD/IDA</b>	150.00	50.00	200.00
<b>Financing Gap</b>	0.00	0.00	0.00

**DETAILS - Additional Financing**

**World Bank Group Financing**

International Bank for Reconstruction and Development (IBRD)	50.00
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**COMPLIANCE**

**Policy**

Does the project depart from the CPF in content or in other significant respects?

Yes  No

Does the project require any other Policy waiver(s)?

Yes  No



**Environmental and Social Standards Relevance Given its Context at the Time of Appraisal**

E & S Standards	Relevance
Assessment and Management of Environmental and Social Risks and Impacts	Relevant
Stakeholder Engagement and Information Disclosure	Relevant
Labor and Working Conditions	Relevant
Resource Efficiency and Pollution Prevention and Management	Not Currently Relevant
Community Health and Safety	Not Currently Relevant
Land Acquisition, Restrictions on Land Use and Involuntary Resettlement	Not Currently Relevant
Biodiversity Conservation and Sustainable Management of Living Natural Resources	Not Currently Relevant
Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities	Relevant
Cultural Heritage	Not Currently Relevant
Financial Intermediaries	Not Currently Relevant

**NOTE:** For further information regarding the World Bank’s due diligence assessment of the Project’s potential environmental and social risks and impacts, please refer to the Project’s Appraisal Environmental and Social Review Summary (ESRS).

**INSTITUTIONAL DATA**

**Practice Area (Lead)**

Social Protection & Jobs

**Contributing Practice Areas**

Energy & Extractives

Poverty and Equity

**Climate Change and Disaster Screening**

This operation has been screened for short and long-term climate change and disaster risks

**PROJECT TEAM**

**Bank Staff**

Name	Role	Specialization	Unit
Marcela Ines Salvador	Team Leader (ADM Responsible)		HLCSP
Antonella Celeste Perila	Procurement Specialist (ADM Responsible)	Procurement Analyst	ELCRU
Maria Elizabeth Grandio	Procurement Specialist	Procurement Specialist	ELCRU
Paula Agostina Di Crocco	Financial Management Specialist (ADM Responsible)	Financial Management Analyst	ELCG1
Elba Lydia Gaggero	Environmental Specialist (ADM Responsible)		SLCEN
Santiago Scialabba	Social Specialist (ADM Responsible)		SLCSO
Carolina J. Cuba Hammond	Environmental Specialist		SLCUR
Catarina Isabel Portelo	Counsel		LEGLE
Evelyn Vezza	Team Member	Consultant	ELCPV
Florencia Pilar Chaves	Team Member	Team Assistant	LCC7C
Francisco Jose Garcia Faure	Social Specialist	Consultant	SLCSO
Lucia Rossi	Environmental Specialist		SLCEN
Lucia Spinelli	Team Member	Senior Energy Specialist	ILCE1
Luciana Garcia	Team Member	Team Assistant	LCC7C
Maria Virginia Hormazabal	Team Member		WFACS

**Extended Team**

Name	Title	Organization	Location
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## I. BACKGROUND AND RATIONALE FOR ADDITIONAL FINANCING

### A. Introduction

1. **This Project Paper seeks the approval of the Executive Directors for an additional IBRD loan in the amount of US\$50 million for the Social Safety Nets for Vulnerable Populations in the Province of Buenos Aires Project (P170329, 'Parent Project').** The objective of the Parent Project is to support the transition of the electricity Social Tariff scheme from the federal to the Buenos Aires provincial level, and the delivery of select social safety net programs targeting the vulnerable population in the PBA, as part of the COVID-19 emergency response. This proposed additional financing is in response to the Government of the Province of Buenos Aires' request to scale up the financing of the selected programs by the Parent Project to alleviate the burden on vulnerable households.

### B. Background and Context

2. **The World Bank supported the transfer of the Electricity Social Tariff Scheme from the federal government to the Province of Buenos Aires (PBA) by financing *social tariff* subsidies as well as strengthening the institutional capacity of PBA to manage, coordinate and monitor these provincial subsidies.** In the context of accelerating the fiscal consolidation process to zero deficit in 2019, the Fiscal Pact signed at the end of 2018 (Law No. 27468) transferred, among others, the regulatory authority, and the financing of the electricity *social tariff* subsidies from the federal government to the provinces. The PBA committed to maintaining these subsidies to reduce the burden of tariff increase on vulnerable households. The Social Tariff Scheme offers discounts for specific residential users to mitigate the effects of tariff increases on vulnerable households.<sup>1</sup> The PBA spent US\$78 million to finance the electricity *social tariff* subsidies in 2021. This amount was equivalent to 9 percent of the PBA social spending, and to 4.9 percent of the federal subsidies allocated to cover 70 percent of the wholesale cost to residential users in PBA.<sup>2,3</sup>

3. **As part of the Bank's efforts to redirect loan resources to COVID-19 emergency response, protection and recovery, the PBA requested to expand the scope to include critical support to the government's food program for highly vulnerable populations.** *Programa Más Vida* (PMV) is a long-standing food assistance program in the PBA that transfers cash to a debit card that eligible families can only use for food purchases. Although PMV focuses mainly on support to pregnant women and young children, it also targets groups with specific nutritional needs like those with celiac, disabilities, the immune suppressed, and the elderly. As of July 2022, more than 114,000 poor people have benefited from these transfers.

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<sup>1</sup> The electricity *social tariff* subsidizes fully the generation cost up to 150 kwh (it covers 100 percent of the generation cost) and 50 percent of the following 150 kwh consumed per user per month - not covering transmission and distribution components of the electricity cost invoiced to customers.

<sup>2</sup> Based on information provided by the Province of Buenos Aires.

<sup>3</sup> The electricity bill has three components: wholesale cost, distribution cost, and tax components. The geographical heterogeneity of electricity tariffs relies on considerations in the last two components, as the wholesale cost of electricity for distributors (CAMMESA's selling price), is the same across provinces and distributors. The electricity subsidies originate at the national level in the wedge between CAMMESA's selling price and electricity generation costs which is in control of the federal government as it sets CAMMESA's selling price to different end users, like the residential ones. CAMMESA's deficit translates into direct fiscal cost in the form of electricity fiscal subsidies as registered in national fiscal accounts.

4. **Climate change is posing additional threats to the recovery, exacerbating the vulnerability of already poor population.** Over the past two decades, Argentina has experienced extreme events and widespread droughts, affecting core agricultural areas. The events that occurred in 2006, 2009 and 2011, resulted in losses of more than US\$4 billion and affected more than one million people directly or indirectly. Floods are expected to cause at least US\$700 million in economic losses every year and approximately 14.2 million people or about a third of the population live in flood-prone areas. The Buenos Aires Metropolitan Area (*Area Metropolitana de Buenos Aires -AMBA*) accounts for almost 35 percent of these losses as a high portion of the population, especially the poor, live in flood prone areas.<sup>4</sup> The extreme weather events are expected to increase in frequency and severity as a consequence of climate change adding stressors to health and food production systems. The elderly, women, and children are particularly vulnerable to climate-related impacts; furthermore, low-income households are particularly vulnerable to price spikes and at highest risk to suffer food insecurity.

### C. Parent Project Implementation Status

5. **The original US\$150 million loan (IBRD 9007-AR) was approved by the Board of Directors in September 2019 and became effective in October 2019.** The current closing date is February 29, 2024. As of July 2022, the overall Project has disbursed 90 percent of the total US\$150 million, mainly through the components that reimburse for expenditures on electricity subsidies for poor households under the Social Tariff Scheme, linked to Disbursement-linked Indicators (DLIs<sup>5</sup>), and *Programa Más Vida* (PMV) cash transfers for food.

6. **The Project has been restructured twice.** The first restructuring was in December 2020 to include a new component, Component 4 “*Emergency Food Assistance*”, for the financing of cash transfers to a debit card for food purchases by eligible families under the PMV, and to expand the coverage of the *social tariff* subsidies by including community electricity meters. The Project Development Objective (PDO) was adjusted accordingly to include these new activities, and the results framework included specific indicators and monitoring and evaluation arrangements to track the performance of the PMV and the number of beneficiaries reached by Project interventions. A new core PDO indicator linked to the Component 4 was added: *Beneficiaries of social safety net programs: “Number of Programa Más Vida beneficiaries” with gender breakdown*, and an intermediate indicator: *“Programa Más Vida cardholders crosschecked with beneficiaries of social tariff subsidies”*, also linked to Component 4. Finally, the restructuring revised the DLIs to account for the new commitments and adjust some of the original targets.

7. **The second restructuring, in May 2022, extended the closing date to February 29, 2024, from June 30, 2022, reallocated funds and changed the name of Project from “Supporting the Electricity Social Tariff Transition in the Province of Buenos Aires” to read “Social Safety Nets for Vulnerable Populations in the Province of Buenos Aires”.** This amendment aimed at improving the performance and to complete the strengthening of the Social Tariff Scheme and ensure the PDO is achieved. The new Project title better reflects the scope of activities, including the emergency food component, which focus on reducing the vulnerability of poor families.

8. **Currently, the Project has four components.** Component 1, Institutional Capacity Building on the Implementation of the Social Tariff Scheme, and Energy Efficiency and Social Programs, seeks to strengthen the PBA capabilities to manage and monitor the *social tariff* subsidies and social programs from the institutional and operational angles. Component 2, Social Tariff Scheme Financing, supports the improvements in the management and financing of the subsidies for eligible residential users and community meters. Component 3, Project

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<sup>4</sup> The World Bank Group (2021). Climate Risk Profile: Argentina.

Management, Monitoring and Evaluation, strengthens the capabilities to monitor and evaluate the Social Tariff Scheme including fiduciary activities. Component 4, Emergency Food Assistance, included in the first restructuring, supports the cash transfers for food purchases under the PMV and allows the PBA to better respond to the pandemic and lockdown.

9. **Progress towards the achievement of the PDOs is rated Moderately Satisfactory.** Overall Implementation Progress (IP), Components 2 and 4, and Financial Management are rated Satisfactory. Other Key Project Ratings are rated Moderately Satisfactory. The Project has been moderately successful in achieving the institutional PDO indicator related to the institutional structure of the Social Tariff Scheme that requires data sharing agreements between agencies at the national and subnational level, coordination between electricity regulatory agencies and operational procedures in the implementation of the Program. Component 1 has already accomplished five out of six institutional DLIs. Due to changes in authorities that led to delays in attainment, this institutional progress has translated into partial improvements in the quantitative PDO indicators for the Social Tariff Scheme. These institutional milestones are expected to be completed by the new closing date, included in the second restructuring. Regarding the strengthening of the analytical capabilities to assess *social tariff* policies and draw policy recommendations, there are advances on technical proposals to carry out the energy efficiency activities and evaluation studies which have started in May 2022. The Energy Census in neighborhoods with community electricity meters and the measurement of Energy Poverty, i.e., access to energy services below the standard to address consumption needs, are expected to be completed prior to the new closing date. Both studies will collect sex-disaggregated data to assess the specific needs and priorities of women and men as energy users, for instance in relation to affordability for transitioning from community to individual meters.

10. **The financing of *social tariff* subsidies under Component 2 reached around 1.5 million electricity users and covered at least 186,785 dwellings through 1,200 community electricity meters<sup>6</sup> in highly vulnerable neighborhoods.** There also has been good progress with the delivery of select social safety net programs targeting the vulnerable population in the PBA, as part of the pandemic response. Under Component 4, the cash for food transfers under the PMV benefitted 114,481 people in July 2022, including pregnant women, children up to six years old, elderly people and individuals with preexisting health conditions, such as disabilities, immunosuppression, and celiac disease. The drop in beneficiaries of PMV is due to the implementation of a national program (*Tarjeta Alimentar*) that overlaps partially with the PMV (children),<sup>7</sup> and receiving both is not allowed. The technical activities to support the government's food program, such as the strengthening of the data system, the training of staff and the preparation of guidelines on nutrition are being implemented and the cash transfers are already fully disbursed. Component 3 has no committed Project resources up to date as the PBA has dedicated their own staff and structure to handle the management and monitoring activities, thus component funds were reduced in the second restructuring.

11. **Legal Covenants.** The Parent Project is in compliance with the legal covenants of the Parent Project.

12. **Fiduciary Performance.** Procurement Performance Rating for the Project is Moderately Satisfactory considering overall implementation of procurement activities and minor recommendations derived from the latest Procurement Post Review conducted in April 2022, which were opportunely discussed with the PMT

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<sup>6</sup> 266 community meters of EDESUR, 506 of EDENOR, and 428 of EDELAP.

<sup>7</sup> The national program was created in 2020 and those that qualified were automatically shifted to the *Tarjeta Alimentar*, that provides a more generous benefit than PMV.

procurement unit. The financial management performance is Satisfactory and there are no unresolved fiduciary issues, including overdue audits or interim financial reports.

13. **Environmental and Social Standards Performance is satisfactory.** Environmental and social risks management have been rated as moderately satisfactory and satisfactory during Parent Project implementation. The PBA advanced in the development and implementation of the Environmental and Social Assessment (ESA), the Indigenous Peoples Plan (IPP) and the Stakeholder Engagement Plan (SEP) as foreseen and in compliance with the Environmental and Social Commitment Plan (ESCP). Between June 2020 to June 2021 the performance was rated moderately satisfactory given some delays the PBA team had in consulting and completing the final versions of the ESA, IPP and SEP. These delays were caused by both a change in administration (which promoted a project restructuring to add the Component 4, Emergency Food Assistance) and the COVID-19 sanitary emergency restrictions. After the restructuring, the ESCP was updated and disclosed in April 2021; and the E&S instruments (ESA, IPP and SEP) were updated and consulted between April and May 2021. The final and current versions of such instruments were disclosed in October 2021 and are being implemented satisfactorily.

#### **D. Rationale for Additional Financing and Strategic Context**

14. **The PBA has been hard-hit by the pandemic and the slow recovery from the unprecedented decline in economic activity.** Poverty and extreme poverty rates have remained high since the start of the pandemic in March 2020. Poverty rates increased to 42 percent in the second semester 2020. One and a half year later, according to the latest official estimates, 37.3 percent of urban Argentines remained poor, and 8.2 percent were extremely poor.<sup>8</sup> This represents 10.8 million poor, of which 6 million live in the PBA. Women have suffered a greater impact compared to men due to pre-existing gender inequalities in access to economic opportunities.<sup>9</sup> In AMBA, 64.1 percent of households reported that women were mostly responsible for unpaid domestic work during the lockdown, including basic care (70.3 percent) and the provision of schooling support (74.2 percent) in households with children.<sup>10</sup> Moreover, women also accounted for most of the workers who experienced more difficulties to get back to work in Argentina after the lockdown.<sup>11</sup>

15. **The social tariff subsidies and food support programs continue to be relevant in the current economic context.** The *social tariff* subsidies and cash transfers for food are targeted to the bottom deciles of the income distribution. Beneficiaries must be eligible for social programs and cash transfers like the Universal Child Allowance (*Asignacion Universal por Hijo -AUH*), along with other entitlements (for instance, pensioners, users with disability certificate, etc.) for targeting in the case of *social tariff*, and social vulnerability criteria in the case of PMV.

16. **The extension of the parent project approved by the second restructuring, will provide time to adequately complete critical technical activities and help PBA manage the Social Tariff Scheme more efficiently.** The energy poverty survey will inquire on the energy consumption needs in vulnerable households, users' profile

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<sup>8</sup> INDEC. 2022. Incidencia de la pobreza y la indigencia en 31 aglomerados urbanos, segundo semestre de 2021. Technical reports, Vol. 5, No. 60.

<sup>9</sup> World Bank. 2021. Argentina Country Gender Scorecard.

<sup>10</sup> INDEC (2020), "Estudio sobre el impacto de la COVID-19 en los hogares del Gran Buenos Aires. Agosto-Octubre 2020", Primer Informe.

<sup>11</sup> World Bank High Frequency Surveys in Argentina 2020, rounds 1, 2 and 3.

and access to compensatory measures which will allow to reassess both the benefit and targeting accuracy. The pilot survey in a settlement with community meters will gather data on infrastructure needs as well as households' affordability for transitioning from community to individual meters. Moreover, the public disclosure of social tariff data will bring transparency to the social protection policy in a broad sense. Additionally, the analytical activities in place will enable the PBA to assess alternative reforms in the social tariff scheme.

17. **This Additional financing will commit more resources to strengthen the social protection response financing the Social Tariff Scheme and the PMV, both programs serving vulnerable populations.** This additional financing will mainly reinforce the food assistance component in the face of the increasing cost of the food basket. The acceleration in inflation, particularly for foods, makes the cash transfers critical to reduce food insecurity. While the interannual variation of Consumer Price Index in May 2022 was 61.2 percent, prices for food increased 64.5 percent. Additionally, the *social tariff* electricity subsidies for the poor are central to smooth the impact of the reduction of energy subsidies strategy at the national level to assure access to electricity among vulnerable households.

18. **Social protection responses to mitigate these effects on vulnerable households are challenged by the reduced fiscal space.** The PBA needs financial support given provincial resources are overstretched in the face of macroeconomic instability, rising inflation, partially fueled by the global rise in food and energy prices.

19. **In this context, the PBA has requested the World Bank** support to continue providing targeted electricity and food subsidies to deliver effective protection of the most vulnerable.

## II. DESCRIPTION OF ADDITIONAL FINANCING

20. **The proposed additional financing will scale up the financing for Components 2 and 4 up to an amount of US\$50 million** by: (i) allocating US\$12 million to "Social Tariff Community Electricity Meters Subsidies" to reimburse the electricity subsidies in vulnerable urban settlements through the community electricity meters; and (ii) allocating US\$37.875 million to Mas Vida Program (*Programa Más Vida Grants*) to finance cash transfers for food. These activities are consistent with the PDO.

21. **Activities aimed at supporting the transition and strengthening of the Social Tariff scheme and social programs will remain.** Implementation Arrangements, Environmental & Social standards, and Risks will remain the same. Therefore, the additional financing would not change the original design of the Project.

22. The Additional Financing Closing Date will be August 30, 2024. The original Loan Agreement (IBRD 9007-AR) will close on February 29, 2024.

## III. KEY RISKS

23. **The overall risk rating continues to be Substantial.** The overall risk is rated Substantial and is driven by: (i) political and governance, that continues to be considered high The risks rated Substantial are: (ii) macroeconomic risk due to Argentina's ongoing negotiations with the IMF that could result in adjustments to

Government's expenditures that would reduce transfers to provinces and therefore, require more financing to sustain the provincial programs; (iii) institutional capacity for implementation related to the partially developed monitoring systems that might weaken program implementation as the potential adjustments for improving performance changes may affect implementation in some areas and pose a risk to the overall strategy; (iv) sector strategies and policies as the interventions to improve efficiency in the general subsidies scheme at national level, may require changes and adjustments in the role of the province; and (v) fiduciary risk as there are several agencies involved in the payment of the social tariff subsidies and PBA depends on the complex coordination and the flow of information provided by these different agencies. These risks will be mitigated by: (i) the political consensus built around the importance of these social protection policies will mitigate the political and governance as well as the macro risks; (ii) the Government team, with Bank support, would continue working on the design and implementation of the information systems; (iii) the capacity built to manage the *social tariff* scheme will partially mitigate the risk related to sector strategies and policies; and (iv) the provincial authorities, with the Bank's fiduciary teams, would continue setting up and strengthening procedures to ensure a smooth implementation of the social tariff and formalize the roles of the different agencies involved.

#### IV. APPRAISAL SUMMARY

##### A. Technical, Economic and Financial (if applicable) Analysis

24. **The economic analysis was revised** to consider: (i) availability of household surveys that account for poverty increase in 2021; and (ii) changes to electricity tariffs since 2019 (from a tariff freeze to increases below annual inflation). The income effect of the *social tariff* subsidies on household's welfare relies on the expansion of their consumption space for other goods, and the inclusion of PMV reinforces that income effect.

25. **To assess the economic impact of the proposed Project, the effect of the *social tariff* subsidies on income and poverty were estimated.** This analysis relied on the most recent dataset of the Permanent Household Survey (*Encuesta Permanente de Hogares -EPH*) from the first semester of 2021, and actual data on the number of beneficiaries and reductions on their electricity bills. As EPH is an urban survey, the analysis only considers the main urban areas of the PBA.

26. **As the *social tariff* electricity subsidies generate income effects that allows households to expand their possible space of consumption of other goods, it has similar characteristics to an unconditional cash transfer program.** Therefore, the effect of the program was simulated by modifying the income of its beneficiaries. The results of this exercise show that the electricity subsidies of the Social Tariff Scheme reduced extreme poverty by 0.4 percentage points in 2021. Although the effect size is relatively modest, the cost of the residential *social tariff* subsidies is estimated at less than US\$3 per household. In the case of the cash transfer for food, PMV, a female beneficiary single-headed household with two children below six years old, were able to free up resources equivalent to 10 percent of the basic food basket (extreme poverty line) in February 2022.

27. **As *social tariff* beneficiaries are also protected through other social protection programs (including AUH, Non-contributory pensions, scholarships program Progresar, etc.), the total impact or social protection policies is expected to be larger.** AUH, the safety net program with the largest coverage, prioritizes mothers to be entitled to the cash transfer for the children aged below 18 years old. Currently, 94 percent of the debit card holders are the mothers.



28. **Gender.** Women are the main beneficiaries in both PMV and Social Tariff Scheme as eligibility criteria rely mainly on women. Among the beneficiaries of these subsidies, pensioners with benefits below two minimum wages have the largest share (40 percent of the total); followed by users entitled to social programs (34 percent); and workers with earnings below two minimum wages (12 percent). Women are overrepresented in each of these groups: 73, 69 and 59 percent, respectively. As a result, 61 percent of the *social tariff* subsidy beneficiaries are women. In the case of PMV, 93.5 percent of those receiving the cash transfer are women head of households.

29. **Climate change.** Climate extremes have immediate and long-term impacts on livelihoods of poor and vulnerable communities, contributing to greater risks of food insecurity. By strengthening the safety net programs, through *social tariff* support and cash transfers targeted to the most vulnerable populations, the project is contributing to increase the adaptive capacity and food access of these groups, and thus, increasing their ability to cope with additional stressors from climate change.

30. **Citizen Engagement.** The Project is active on citizen engagement under the implementation of both the Social Tariff Scheme and Program Mas Vida. A set of ESF instruments, including a Stakeholders Engagement Plan (SEP) have been prepared to ensure the access of all stakeholders to the relevant information to ensure access to Project's benefits and to the corresponding beneficiary feedback mechanisms available. The Provincial Directorate of Multilateral Organizations and Bilateral Financing (*Dirección Provincial de Organismos Multilaterales y Financiamiento Bilateral* DPOMFB) is implementing the SEP that incorporated inputs from a series of consultations with different stakeholders during preparation and will be implemented until the Project is closed. Stakeholders include municipal consumer information offices, electric cooperatives, consumer associations, Civil Society Organizations (CSO), trade unions, sport clubs and the Provincial Ombudsman for the *social tariff* activities and municipalities, community workers, and CSO for the *Programa Más Vida*. The SEP includes activities to engage CSO representing identified vulnerable groups (retirees, people with disabilities, Indigenous Peoples, Afro-descendants, Roma people, LGBTIQ community). The assessment of regulatory agencies' grievance mechanisms associated with the *social tariff* scheme was made following the Bank's checklist and the results showed that they were well developed. Opportunities for improvement were also identified and enhancement actions are being implemented. Nevertheless, the performance of the grievance mechanisms is being monitored and assessed by Project Management Unit under DPOMFB on a systematic basis to strengthen and improve the mechanisms as necessary.

## **B. Financial Management**

31. **The project's Financial Management (FM) arrangements will remain unchanged.** The DPOMFB, through the Ministry of Treasury and Finance of PBA, will continue to be responsible for the FM of the project. The February 2022 FM supervision mission, that included an update of the FM assessment dated March 1, 2022, confirmed that the DPOMFB continues to have acceptable FM arrangements in place for project implementation. It has administrative capacity and experience managing World Bank-financed activities. The system for Project Implementation Units of International Loans (UEPEX) will continue to be used, to prepare the project's financial statements following public sector accounting standards. The DPOMFB will continue to prepare the semiannual Interim Financial Reports (IFR) —adjusted to include the Additional Financing— and submit them to the World Bank within 45 days after the end of each semester.

32. **Financial audit.** There are no overdue audits or FM issues affecting the DPOMFB. The accounts of the original loan, and this Additional Financing will be audited on an annual basis. The external audit reports, including

the Management Letter, will be submitted to the World Bank within six months after the end of each fiscal year (i.e., by June) and thereafter with the exception for the Management Letter, will be publicly disclosed.

33. **Disbursement.** Disbursement arrangements for the Additional Financing will follow the same arrangements for the original project. The DPOMFB will continue submitting withdrawal applications to the World Bank and will handle all disbursement issues. The loan proceeds of the Additional Financing will only be disbursed using the reimbursement basis. The project’s Operational Manual will be updated to include the new format of IFR and audit financial statements.

34. **The loan will have a disbursement deadline of four months after the closing date.** The proceeds of the Additional Financing will be disbursed against the disbursement categories listed in Table 1.

**Table 1 Disbursement categories (US\$, millions)**

Category	Amount of the Loan Allocated (US\$ Million)	Percentage of Expenditures to be financed (incl. Taxes)
(1) Social Tariff Community Electricity Meters Subsidies under Part 2.2 of the Project	12.00	100%
(2) PMV Grants	37.875	100%
(3) Front-end Fee	0.125	Amount payable pursuant to Section 2.03 of this Agreement in accordance with Section 2.07 (b) of the General Conditions
(4) Interest Rate Cap or Interest Rate Collar premium	0	Amount due pursuant to Section 4.05 (c) of the General Conditions
<b>TOTAL AMOUNT</b>	<b>50.00</b>	

35. Retroactive financing for up to US\$10 million will be allowed for eligible expenditures up to one year prior to the Signature Date of the Additional Financing.

### C. Procurement

36. Procurement activities to be implemented under the additional financing will follow the Procurement arrangements of the Parent Project. The procurement unit of the Project Management Team at the DPOMFB, was opportunely evaluated through a capacity assessment conducted under the Parent Project in July 2019, which concluded that the unit has adequate experience and staff to carry out the procurement responsibilities and also counts on previous experience implementing Bank financed Projects. The unit, with five specialized professionals, continues implementing the procurement activities of the Project according to the World Bank Procurement Regulations for Investment Project Financing (IPF), dated July 2016 and last revised in November 2020. The project has a Project Procurement Strategy for Development (PPSD) and an updated procurement plan which is monitored through the Systematic Tracking of Exchanges in Procurement (STEP).

### D. Legal Operational Policies

	Triggered?
Projects on International Waterways OP 7.50	No

Projects in Disputed Areas OP 7.60	No
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## E. Environmental and Social

37. **As the proposed Additional Financing will scale up the financing of existing components, the E&S instruments remain valid as well as the commitments established in the Environmental and Social Commitment Plan (ESCP).** Environmental and social risks have been rated as moderately satisfactory and satisfactory during Project implementation.

38. **The social risk rating is Moderate.** The main environmental and social impacts associated with the Project are positive. The *social tariff* promotes efficient use of energy together with economic savings for those that receive the benefit. A set of ESF instruments, including a SEP have been prepared to ensure the access of all stakeholders to the relevant information to ensure they can have access to all beneficiary feedback mechanisms available. In the case of *Programa Mas Vida*, social impacts are also all positive. Main risks are those associated to inadequate communication and dissemination of information to eligible beneficiaries. This risk is being addressed through actions defined in the SEP.

39. **Sexual exploitation and Abuse and Sexual Harassment Risk for this project is Low.** The legal framework in Argentina is focused on Gender Based Violence (GBV) prevention and there is a referral pathway protocol for GBV service provision at the national level and within the Province of Buenos Aires.

40. **The environmental risk rating is Low.** This operation does not entail risks to the environment. The Parent Project and the Additional Financing neither finance nor support any physical intervention. No rehabilitation or construction of new infrastructure or other actions having an impact on the environment will be financed through the Project. In this sense, the overall risks to potential adverse impacts on the environment are likely to be minimal or negligible. Furthermore, the Project would entail valuable outcomes and recommendations for decision making related to the improvement in consumption behaviors in social tariff beneficiaries' households.

## V. WORLD BANK GRIEVANCE REDRESS

41. **Communities and individuals who believe that they are adversely affected by a World Bank supported project may submit complaints to existing project-level grievance redress mechanisms or the World Bank's Grievance Redress Service (GRS).** The GRS ensures that complaints received are promptly reviewed in order to address project-related concerns. Project affected communities and individuals may submit their complaint to the World Bank's independent Inspection Panel which determines whether harm occurred, or could occur, as a result of World Bank non-compliance with its policies and procedures. Complaints may be submitted at any time after concerns have been brought directly to the World Bank's attention, and Bank Management has been given an opportunity to respond. For information on how to submit complaints to the World Bank's corporate GRS, please visit <http://www.worldbank.org/en/projects-operations/products-and-services/grievance-redress-service>. For information on how to submit complaints to the World Bank Inspection Panel, please visit [www.inspectionpanel.org](http://www.inspectionpanel.org).

42. There were no complaints submitted to the GRS related to the Parent Project.



## VI SUMMARY TABLE OF CHANGES

	Changed	Not Changed
Results Framework	✓	
Components and Cost	✓	
Implementing Agency		✓
Project's Development Objectives		✓
Loan Closing Date(s)		✓
Cancellations Proposed		✓
Reallocation between Disbursement Categories		✓
Disbursements Arrangements		✓
Legal Covenants		✓
Institutional Arrangements		✓
Financial Management		✓
Procurement		✓
Implementation Schedule		✓
Other Change(s)		✓

## VII DETAILED CHANGE(S)

### COMPONENTS

Current Component Name	Current Cost (US\$, millions)	Action	Proposed Component Name	Proposed Cost (US\$, millions)
Institutional capacity building on Social Tariff implementation, Energy Efficiency and Social Programs	3.00		Institutional capacity building on Social Tariff implementation, Energy Efficiency and Social Programs	3.00
Project Management, Monitoring and Evaluation	0.12		Project Management, Monitoring and Evaluation	0.12
Social Tariff Scheme Financing	115.50	Revised	Social Tariff Scheme Financing	127.50



Emergency Food Assistance	31.00	Revised	Emergency Food Assistance	68.87
<b>TOTAL</b>	<b>149.62</b>			<b>199.49</b>

**Expected Disbursements (in US\$)**

Fiscal Year	Annual	Cumulative
2020	46,589,735.77	46,589,735.77
2021	44,422,897.32	91,012,633.09
2022	39,483,987.88	130,496,620.97
2023	37,903,379.03	168,400,000.00
2024	24,600,000.00	193,000,000.00
2025	7,000,000.00	200,000,000.00

**SYSTEMATIC OPERATIONS RISK-RATING TOOL (SORT)**

Risk Category	Latest ISR Rating	Current Rating
Political and Governance	● High	● High
Macroeconomic	● Substantial	● Substantial
Sector Strategies and Policies	● Substantial	● Substantial
Technical Design of Project or Program	● Moderate	● Moderate
Institutional Capacity for Implementation and Sustainability	● Substantial	● Substantial
Fiduciary	● Substantial	● Substantial
Environment and Social	● Moderate	● Moderate
Stakeholders	● Moderate	● Moderate
Other	● Moderate	● Moderate
Overall	● Substantial	● Substantial



**LEGAL COVENANTS – Additional Financing for the Social Safety Nets for Vulnerable Populations in the Province of Buenos Aires Project (P178628)**

**Sections and Description**

No information available

**Conditions**

Type	Financing source	Description
Disbursement	IBRD/IDA	Schedule 2, Section III B1. No withdrawal shall be made for payments made prior to the Signature Date, except that withdrawals up to an aggregate amount not to exceed USD10,000,000 may be made for payments incurred prior to this date, but on or after the date falling one year prior to the Signature Date, for Eligible Expenditures.



**VIII. RESULTS FRAMEWORK AND MONITORING**

**Results Framework**

**COUNTRY: Argentina**

**Additional Financing for the Social Safety Nets for Vulnerable Populations in the Province of Buenos Aires Project**

**Project Development Objective(s)**

Support the transition of the electricity ST scheme from the federal to the Buenos Aires provincial level, and the delivery of select social safety net programs targeting the vulnerable population in the PBA, as part of the COVID 19 emergency response

**Project Development Objective Indicators by Objectives/ Outcomes**

Indicator Name	PBC	Baseline	Intermediate Targets			End Target
			1	2	3	
<b>Support the transition of the ST scheme from the federal to the Buenos Aires provincial level</b>						
Institutional arrangements and regulations on ST administration approved by the provincial government (Text)	PBC 1, 1		Bipartite agency to regulate electricity distribution in the AMBA created and the Board members for the newly created agency are duly appointed by PBA and CABA. Data sharing agreements between the MoFT and OCEBA and ENRE respectively signed, and reports with the exchanged data issued by DSS.	Instruction for re-surveying (re-empadronamiento) unidentified users issued by SSE and communicated to the regulatory agencies for its implementation. Data sharing agreement between MoFT and SINTyS signed, and reports with exchanged data issued by DSS. Protocols with unified criteria and defined procedures to assess	Data sharing agreement between MoHF and SINTyS signed, and report with exchanged data issued by DSS	Integrated electricity users' database created, and standard reports based on the database published in a public official website of the PBA.





Indicator Name	PBC	Baseline	Intermediate Targets			End Target
			1	2	3	
				ST inclusion by claims and ad hoc mechanism elaborated by SSE and officially communicated to the regulatory agencies		
Percentage of users with incomplete information in the database (Percentage)	PBC 3, 3	28.00	26.00	24.00		18.00
Percentage of users with ST included by claims and ad hoc additional assessments mechanisms (Percentage)	PBC 2, 2	18.30	17.00	15.00		10.00
<b>delivery of select social safety net programs targeting the vulnerable population in the PBA</b>						
Beneficiaries of social safety net programs (CRI, Number)		188,443.00				139,000.00
Beneficiaries of social safety net programs - Female (CRI, Number)		135,767.00				104,250.00

**Intermediate Results Indicators by Components**

Indicator Name	PBC	Baseline	Intermediate Targets		End Target
			1	2	
<b>Institutional capacity building on ST implementation, Energy Efficiency and Social Programs</b>					
Percentage of ST users included via social programs (Percentage)		39.00	40.00	45.00	50.00



Indicator Name	PBC	Baseline	Intermediate Targets		End Target
			1	2	
<b>Action: This indicator has been Revised</b>					
Number of distribution companies updating information on electricity users (Number)		0.00	5.00	20.00	50.00
<b>Action: This indicator has been Revised</b>					
Social Tariff assessments (Text)		-			Social Tariff Assessment Report
<b>Action: This indicator has been Revised</b>					
Energy-efficiency studies (Text)		-			Efficiency Strategy Report
<b>Action: This indicator has been Revised</b>					
Percentage of ST users with information on electricity consumption in the integrated database (Percentage)		69.00	79.00	90.00	100.00
<b>Action: This indicator has been Revised</b>					
Number of users with missing identification data (Number (Thousand))		831,254.00	760,000.00	630,000.00	550,000.00
<b>Action: This indicator has been Revised</b>					
Number of users with missing socio-economic data (Number (Thousand))		834,778.00	770,000.00	630,000.00	560,000.00
<b>Action: This indicator has been Revised</b>					
Consolidated grievance mechanism in place for the whole ST Program (Text)		No Consolidated System	The operational manual for the GM has been developed and	The GM system's main channels are functional and the monitoring	The GM system is fully functional and uses the monitoring system to



Indicator Name	PBC	Baseline	Intermediate Targets		End Target
			1	2	
			approved, and the development of the associated monitoring system has been defined	system is being developed	manage grievances
<i>Action: This indicator has been Revised</i>					
<b>Social Tariff Scheme Financing</b>					
Information on settlements with community meters updated with the latest neighborhood censuses available” (Yes/No)		No			Yes
Number of households cover by the Electricity Social Tariff (Number)		1,430,000.00			1,430,000.00
<b>Emergency Food Assistance</b>					
Programa Mas Vida cardholders crosschecked with beneficiaries of ST subsidies (Yes/No)		No			Yes

**Monitoring & Evaluation Plan: PDO Indicators**

Indicator Name	Definition/Description	Frequency	Datasource	Methodology for Data Collection	Responsibility for Data Collection
Institutional arrangements and regulations on ST administration approved by the provincial government		Milestone (it happens once)	PBA Government	Published Official Gazette	PBA Government
Percentage of users with incomplete information in the database		Quarterly	Sub Secretariat of	Administrative data	Directorate of Subsidies and Subventions



			Energy		
Percentage of users with ST included by claims and ad hoc additional assessments mechanisms		Quarterly	OCEBA and ENRE / Bipartite Agency	Administrative data	Sub Secretariat of Energy
Beneficiaries of social safety net programs		Monthly	Ministry of Community Development	Administrative reports	Ministry of Community Development
Beneficiaries of social safety net programs - Female		Monthly	Ministry of Community Development	Administrative reports	Ministry of Community Development

**Monitoring & Evaluation Plan: Intermediate Results Indicators**

Indicator Name	Definition/Description	Frequency	Datasource	Methodology for Data Collection	Responsibility for Data Collection
Percentage of ST users included via social programs		Quarterly	Directorate of Subsidies and Subventions	Administrative data	SINTyS
Number of distribution companies updating information on electricity users		Quartely	Directorate of Subsidies and Subventions	Progress Report	Provincial Directorate of Public Services
Social Tariff assessments		Once	Directorate of Subsidies and Subventions	Finalized analytical studies	Directorate of Subsidies and Subventions



Energy-efficiency studies		Once	Directorate of Subsidies and Subventions	Finalized analytical studies	Provincial Directorate of Public Services and Directorate of Subsidies and Subventions
Percentage of ST users with information on electricity consumption in the integrated database		Quarterly	Directorate of Subsidies and Subventions	OCEBA and ENRE administrative data	Provincial Directorate of Public Services
Number of users with missing identification data		Quarterly	Directorate of Subsidies and Subventions	Statistical Report	SINTyS
Number of users with missing socio-economic data		Quarterly	Directorate of Subsidies and Subventions	Statistical Report	Directorate of Subsidies and Subventions
Consolidated grievance mechanism in place for the whole ST Program		Annual	DPOMFB	The DPOMFB will generate a report based on information provided by the Directorate of Subsidies and Subventions	Directorate of Subsidies and Subventions
Information on settlements with community meters updated with the latest neighborhood censuses available”		Once	SSE		SSE
Number of households cover by the Electricity Social Tariff	Number of households receiving the ST individual subsidy.	Monthly	SSE	Administrative records	SSE



Programa Mas Vida cardholders crosschecked with beneficiaries of ST subsidies		quarterly	MoCD - DSS		DPOMFB
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**Performance-Based Conditions Matrix**

<b>PBC 1</b>	Institutional arrangements and regulations on ST administration approved by the provincial government				
<b>Type of PBC</b>	<b>Scalability</b>	<b>Unit of Measure</b>	<b>Total Allocated Amount (USD)</b>	<b>As % of Total Financing Amount</b>	
Outcome	No	Text	80,500,000.00	0.00	
Baseline	-				
October 2019	Instruction for re-surveying (re-empadronamiento) unidentified users issued by SSE and communicated to the regulatory agencies for its implementation. Data sharing agreement between MoFT and SINTyS signed, and reports with exchanged data issued by DSS. Protocols with unified criteria and defined procedures to assess ST inclusion by claims and ad hoc mechanism elaborated by SSE and officially communicated to the regulatory agencies		30,000,000.00		
December 2019			22,100,000.00		
December 2020			10,000,000.00		
December 2020			10,000,000.00		



June 2021		5,000,000.00	
December 2021		3,400,000.00	
December 2021		0.00	
December 2021		0.00	

**Action: This PBC has been Revised. See below.**

<b>PBC 1</b>		<i>Institutional arrangements and regulations on ST administration approved by the provincial government</i>		
<b>Type of PBC</b>	<b>Scalability</b>	<b>Unit of Measure</b>	<b>Total Allocated Amount (USD)</b>	<b>As % of Total Financing Amount</b>
<i>Outcome</i>	<i>No</i>	<i>Text</i>	<i>80,500,000.00</i>	<i>37.27</i>
<i>Baseline</i>	-			
<i>October 2019</i>	<i>Instruction for re-surveying (re-empadronamiento) unidentified users issued by SSE and communicated to the regulatory agencies for its implementation. Data sharing agreement between MoFT and SINTyS signed, and reports with exchanged data issued by DSS. Protocols with unified criteria and defined procedures to assess ST inclusion by claims and ad hoc mechanism elaborated by SSE and officially communicated to the regulatory agencies</i>		<i>30,000,000.00</i>	
<i>December 2019</i>			<i>22,100,000.00</i>	
<i>December 2020</i>			<i>10,000,000.00</i>	



December 2020		10,000,000.00	
June 2021		5,000,000.00	
December 2021		3,400,000.00	
December 2021		0.00	
December 2021		0.00	

<b>PBC 2</b>		Percentage of users with ST included by claims and ad hoc additional assessments mechanisms		
Type of PBC	Scalability	Unit of Measure	Total Allocated Amount (USD)	As % of Total Financing Amount
Outcome	No	Percentage	2,500,000.00	0.00
Baseline	18.30			
October 2019	15.00		0.00	
December 2019			0.00	
December 2020			0.00	
December 2020			0.00	
June 2021			0.00	
December 2021			0.00	
December 2021			0.00	
December 2021			2,500,000.00	

**Action: This PBC has been Revised. See below.**





<b>PBC 2</b>				
<i>Percentage of users with ST included by claims and ad hoc additional assessments mechanisms</i>				
<b>Type of PBC</b>	<b>Scalability</b>	<b>Unit of Measure</b>	<b>Total Allocated Amount (USD)</b>	<b>As % of Total Financing Amount</b>
<i>Outcome</i>	<i>No</i>	<i>Percentage</i>	<i>2,500,000.00</i>	<i>0.00</i>
<i>Baseline</i>	<i>18.30</i>			
<i>October 2019</i>	<i>15.00</i>		<i>0.00</i>	
<i>December 2019</i>			<i>0.00</i>	
<i>December 2020</i>			<i>0.00</i>	
<i>December 2020</i>			<i>0.00</i>	
<i>June 2021</i>			<i>0.00</i>	
<i>December 2021</i>			<i>0.00</i>	
<i>December 2021</i>			<i>0.00</i>	
<i>December 2021</i>			<i>2,500,000.00</i>	
<b>PBC 3</b>				
<i>Percentage of users with incomplete information in the database</i>				
<b>Type of PBC</b>	<b>Scalability</b>	<b>Unit of Measure</b>	<b>Total Allocated Amount (USD)</b>	<b>As % of Total Financing Amount</b>
<i>Outcome</i>	<i>No</i>	<i>Percentage</i>	<i>2,500,000.00</i>	<i>0.00</i>
<i>Baseline</i>	<i>28.00</i>			
<i>October 2019</i>	<i>24.00</i>		<i>0.00</i>	



December 2019		0.00	
December 2020		0.00	
December 2020		0.00	
June 2021		0.00	
December 2021		0.00	
December 2021		0.00	
December 2021		2,500,000.00	70%

**Action: This PBC has been Revised. See below.**

<b>PBC 3</b>		<i>Percentage of users with incomplete information in the database</i>		
<i>Type of PBC</i>	<i>Scalability</i>	<i>Unit of Measure</i>	<i>Total Allocated Amount (USD)</i>	<i>As % of Total Financing Amount</i>
<i>Outcome</i>	<i>No</i>	<i>Percentage</i>	<i>2,500,000.00</i>	<i>0.00</i>
<i>Baseline</i>	<i>28.00</i>			
<i>October 2019</i>	<i>24.00</i>		<i>0.00</i>	
<i>December 2019</i>			<i>0.00</i>	
<i>December 2020</i>			<i>0.00</i>	
<i>December 2020</i>			<i>0.00</i>	
<i>June 2021</i>			<i>0.00</i>	
<i>December 2021</i>			<i>0.00</i>	



December 2021		0.00	
December 2021		2,500,000.00	70%

**Verification Protocol Table: Performance-Based Conditions**

<b>PBC1</b>	Institutional arrangements and regulations on ST administration approved by the provincial government
<b>Description</b>	
<b>Data source/ Agency</b>	DPOMBF
<b>Verification Entity</b>	Non-scalable DLIs will be subject to Task Team verification of compliance
<b>Procedure</b>	<p>DLI 1.1: DPOMBF sends the Bank the document with the Governmental Decree / legislation approval creating the bipartite agency approved and published in the Official Gazette. The sent package must include the respective legal instruments for PBA and CABA and the evidence that have been duly published.</p> <p>DLI 1.2: DPOMBF sends the Bank the document with the Regulatory Agencies signed data sharing agreements and the agreed reports delivered by the DSS with the exchanged data. The description of the report will be established at the OM.</p> <p>DLI 1.3: DPOMBF sends the Bank the document with the instructions issued by SSE and the evidence of that the standard modules to collect data are developed and installed and the instructions have been officially communicated to the regulatory agencies.</p> <p>DLI 1.4: DPOMBF sends the Bank the document with the SINTyS signed data sharing agreements and the agreed reports delivered by the DSS with the exchanged data. The description of the report will be established at the OM.</p> <p>DLI 1.5: DPOMBF sends the Bank the document with the Protocols with unified criteria and defined procedures to assess ST inclusion by claims and ad hoc mechanisms elaborated and issued by SSE and the evidence of that protocols have been officially communicated to the regulatory agencies.</p> <p>DLI 1.6: DPOMBF sends the Bank the report with complete data on electricity users and the link where the standard are periodically published in a public official website. The description of the report will be established at the OM.</p>



<b>PBC1</b>	Institutional arrangements and regulations on ST administration approved by the provincial government
<b>Description</b>	
<b>Data source/ Agency</b>	DPOMFB
<b>Verification Entity</b>	Non-scalable DLIs will be subject to Task Team verification of compliance
<b>Procedure</b>	<p>DLI 1.1: DPOMFB sends the Bank the document with the Governmental Decree / legislation approval creating the bipartite agency approved and published in the Official Gazette. The sent package must include the respective legal instruments for PBA and CABA and the evidence that have been duly published.</p> <p>DLI 1.2: DPOMFB sends the Bank the document with the Regulatory Agencies signed data sharing agreements and the agreed reports delivered by the DSS with the exchanged data. The description of the report will be established at the OM.</p> <p>DLI 1.3: DPOMBF sends the Bank the document with the instructions issued by SSE and the evidence of that the standard modules to collect data are developed and installed and the instructions have been officially communicated to the regulatory agencies.</p> <p>DLI 1.4: DPOMFB sends the Bank the document with the SINTyS signed data sharing agreements and the agreed reports delivered by the DSS with the exchanged data. The description of the report will be established at the OM.</p> <p>DLI 1.5: DPOMFB sends the Bank the document with the Protocols with unified criteria and defined procedures to assess ST inclusion by claims and ad hoc mechanisms elaborated and issued by SSE and the evidence of that protocols have been officially communicated to the regulatory agencies.</p> <p>DLI 1.6: DPOMFB sends the Bank the report with complete data on electricity users and the link where the standard are periodically published in a public official website. The description of the report will be established at the OM.</p>
<b>PBC2</b>	Percentage of users with ST included by claims and ad hoc additional assessments mechanisms
<b>Description</b>	
<b>Data source/ Agency</b>	DSS - DPOMBF



<b>Verification Entity</b>	DLIs will be subject to external entity verification
<b>Procedure</b>	The DLI will be accomplished when the DPOMBF sends the Bank a report which includes data collected on the total number of electricity users with ST benefits with the breakdown showing the mechanisms of inclusion, and the percentage of ST users included by claims and ad hoc mechanisms meets the established targets for DLI 2.1
<b>PBC2</b>	Percentage of users with ST included by claims and ad hoc additional assessments mechanisms
<b>Description</b>	
<b>Data source/ Agency</b>	DSS - DPOMFB
<b>Verification Entity</b>	DLIs will be subject to external entity verification
<b>Procedure</b>	The DLI will be accomplished when the DPOMFB sends the Bank a report which includes data collected on the total number of electricity users with ST benefits with the breakdown showing the mechanisms of inclusion, and the percentage of ST users included by claims and ad hoc mechanisms meets the established targets for DLI 2.1
<b>PBC3</b>	Percentage of users with incomplete information in the database
<b>Description</b>	
<b>Data source/ Agency</b>	DSS - DPOMFB
<b>Verification Entity</b>	DLIs will be subject to external entity verification
<b>Procedure</b>	the DLI will be accomplished when the DPOMBF sends the Bank a report based on data collected by the Regulatory Agencies and from additional databases on users without socioeconomic or identification data already crosschecked by SINTyS meeting the established targets for DLI 5.1
<b>PBC3</b>	Percentage of users with incomplete information in the database



<b>Description</b>	
<b>Data source/ Agency</b>	DSS - DPOMFB
<b>Verification Entity</b>	DLIs will be subject to external entity verification
<b>Procedure</b>	the DLI will be accomplished when the DPOMFB sends the Bank a report based on data collected by the Regulatory Agencies and from additional databases on users without socioeconomic or identification data already crosschecked by SINTyS meeting the established targets for DLI 1.5

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## ANNEX I: Economic Analysis

### COUNTRY: Argentina

#### Additional Financing for the Social Safety Nets for Vulnerable Populations in the Province of Buenos Aires Project

1. Social tariff for electricity and PMV both are analyzed from the perspective of the income effect on beneficiaries. The social tariff and the food grant are equivalent to an increase in disposable income. As such, the Social Tariff produces a positive effect in terms of poverty, albeit small. These effects cannot be assessed for PMV due to the low coverage of the program -targeting vulnerable population with specific nutritional needs- and missing microdata to identify eligibility based on health conditions among the vulnerable population. However, both the Social Tariff and PMV are part of a broader set of policies to protect the vulnerable and the total effect should be considered.
2. As the social tariff is a discount in the electricity bill, it represents a reduction of households' total expenditures. This can be thought as a public transfer which increases the level of income of those households.
3. The effect of the Social Tariff can be obtained by comparing the current situation with a simulated scenario where beneficiaries' income is increased. This simulation was carried out based on the EPH in the first semester 2021 -latest dataset available- considering the largest urban agglomerates in PBA. This dataset allows to identify the socioeconomic conditions to qualify for the Social Tariff though not the effective Social Tariff beneficiaries. According to the electricity Social Tariff criteria and the data availability, the following groups of beneficiaries have been simulated: retirees, pensioners, formal salaried and self-employed workers earning incomes equal or lower than two minimum wages, formal domestic workers, workers included in the "*monotributo social*" regime, and beneficiaries of social programs -such as the AUH, school grants (*Progresar*) and unemployment insurance<sup>12</sup>. Conversely, information about the exclusion criteria for the Social Tariff based on ownership of certain assets is missing<sup>13</sup>. Hence, among those who meet the inclusion criteria requirements listed above, exclusion was simulated by reducing the total number of identified eligible beneficiaries randomly by a percentage defined by the number of users excluded according to administrative records.
4. As a result of the simulation, the Social Tariff reduce extreme poverty by 0.4 percentage points. In other words, it prevents around 60,000 people (around 16,700 households) from falling into extreme poverty. The cost per beneficiary household is estimated at less than US\$3.

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<sup>12</sup> There are three additional groups that should be included (veterans, disabled and electricity-dependent), but they were not considered

<sup>13</sup> Owners of more than one property, plane, boat or a car that is less than ten years.