BASIC INFORMATION

A. Basic Project Data

<table>
<thead>
<tr>
<th>Country</th>
<th>Project ID</th>
<th>Project Name</th>
<th>Parent Project ID (if any)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Argentina</td>
<td>P166935</td>
<td>Metropolitan Buenos Aires Urban Transformation Project Additional Financing</td>
<td>P159843</td>
</tr>
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</table>

<table>
<thead>
<tr>
<th>Parent Project Name</th>
<th>Region</th>
<th>Estimated Appraisal Date</th>
<th>Estimated Board Date</th>
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</table>

<table>
<thead>
<tr>
<th>Practice Area (Lead)</th>
<th>Financing Instrument</th>
<th>Borrower(s)</th>
<th>Implementing Agency</th>
</tr>
</thead>
</table>

Proposed Development Objective(s) Parent

The Project Development Objectives are to improve housing conditions and access to selected basic services and infrastructure in selected disadvantaged neighborhoods in the Buenos Aires Metropolitan Area (AMBA), and strengthen the institutional capacity for urban management at the metropolitan level.

Components

- Urban and social integration of Barrio 31 in CABA
- Habitat improvement of disadvantaged neighborhoods in Greater Buenos Aires
- Strengthening institutional capacities for metropolitan urban management
- Project Management and Monitoring – CABA
### PROJECT FINANCING DATA (US$, Millions)

#### SUMMARY

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Project Cost</td>
<td>125.00</td>
</tr>
<tr>
<td>Total Financing</td>
<td>125.00</td>
</tr>
<tr>
<td>of which IBRD/IDA</td>
<td>100.00</td>
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<tr>
<td>Financing Gap</td>
<td>0.00</td>
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</table>

#### DETAILS

**World Bank Group Financing**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
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</thead>
<tbody>
<tr>
<td>International Bank for Reconstruction and Development (IBRD)</td>
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**Non-World Bank Group Financing**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
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<tr>
<td>Counterpart Funding</td>
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</tr>
<tr>
<td>Borrower/Recipient</td>
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**Environmental Assessment Category**

<table>
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<tr>
<th>Category</th>
<th>A-Full Assessment</th>
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</thead>
<tbody>
<tr>
<td>Decision</td>
<td>The review did authorize the team to appraise and negotiate</td>
</tr>
</tbody>
</table>

**Other Decision (as needed)**

### B. Introduction and Context

**Country Context**

1. **Argentina has been engaged in a reform agenda to transform its economy, while confronting the challenge of unwinding macroeconomic imbalances and mitigating the social costs of the transition.** In December 2015, the Government of Argentina (GoA) faced the challenge of pervasive macroeconomic imbalances, large microeconomic distortions, and a weakened institutional framework: large fiscal deficits, financial repression, monetization of the deficit, high inflation, and low investment, were accompanied by price controls, large and regressive subsidies, trade restrictions, and the rationing of foreign currency. The Government eliminated foreign exchange controls and moved to a flexible exchange rate regime, put in place an inflation-targeting framework for monetary policy, initiated the process of realigning utility prices and reducing subsidies,
and improved official statistics. The Government also initiated structural reforms to strengthen the competitiveness of the economy and remove distortions holding back private sector-led growth, including reducing export taxes and easing import controls. However, the country remained vulnerable to market sentiment and changes in global financial conditions.

2. Despite the reforms put in place by the GoA, the tightening of global financial conditions in the first part of 2018 brought to the fore Argentina’s underlying vulnerabilities. Continued macroeconomic imbalances, with a primary deficit of 4.2 percent of GDP and inflation of 24.8 percent at end-2017, combined with high external financing needs given a current account deficit of 4.7 percent of GDP in 2017, made Argentina vulnerable to global financial turmoil. Accordingly, Argentina’s financial markets came under sudden pressure in April 2018, with a large depreciation of the peso and a rise in the sovereign risk premium. The severe drought’s impact on agricultural production and exports, together with a tightening of global financial conditions (U.S. dollar appreciation and an upward shift in U.S. interest rates) and a heightened increase in the perceived riskiness of the more vulnerable emerging markets were the initial drivers behind this turmoil. Events prompted the Government to seek IMF financial support in May 2018.

3. The Government reached an agreement with the IMF for a Stand-by Arrangement (SBA) of $50B in June 2018, expanded in October 2018, based on a strengthened set of economic policies. After a short period of relative calm after the initial SBA approval in June 2018, global financial volatility returned in the second half of August 2018, leading to a widespread depreciation of emerging market currencies, which the Argentine Peso hit hard. In this context the Government requested the IMF a revision of the SBA program to restore market confidence. The First Review of the SBA in October 2018 increased financing to $56.3B, and frontloaded disbursements from 2020-2021 to 2018-2019. The revised SBA includes: (i) the acceleration of fiscal consolidation to achieve a primary balance in 2019 and a primary surplus in 2020; and (ii) the shifting from inflation targeting to a tight targeting of the monetary base and a commitment to a floating exchange rate within a wide non-intervention zone.

4. The GoA is committed to address the key macroeconomic imbalances with the objective of creating an environment conducive to economic growth and employment creation. Going forward, Argentina aims to continue building a growth enabling policy framework to enhance credibility and support broad based growth and quality employment. In particular, the following policies will be important to permanently reduce inflation and put Argentina on a sustainable growth path: (a) increase public spending efficiency as well as its efficacy and reduce the fiscal deficit in line with SBA targets; (b) continue fostering the credibility of the Central Bank so that monetary policy can further anchor inflation expectations; (c) strengthen competitiveness and productivity through an improved business environment and investments in infrastructure and increasing competition in markets and improving the regulatory framework in sectors; (d) continue strengthening the credibility of official statistics; (e) continue improving the provision of public goods (including transportation, health, and education) and reducing regional disparities; and (f) expand and prioritize well targeted social assistance programs.

Sectoral and Institutional Context

5. The housing deficit combined with domestic and international migration to urban centers in Argentina has led to the proliferation of informal settlements with limited access to basic services. According to the last census from 2016, there are approximately 4,416 informal settlements (“Barrios populares”) in the country with a total population of 4 million people. Half of these settlements have originated since the year 2000. This trend
contrasts with many other countries in the region that have managed to increase housing supply and contain the proliferation of informal settlements. To address this issue, the Government of Argentina (GoA) approved in October 2018 Law 27.453 on the Land Titling Regularization Regime for the Social and Urban Integration to be applied in informal settlements.

6. The lack of affordable housing in the Buenos Aires Metropolitan Area (AMBA) is acute, and the proliferation of informal settlements has been increasing in the past decade. AMBA registered one of the highest population growth rates in the country, at an annual rate of 1.3 percent between 2001 and 2010, driven mostly by growth in the peri-urban area. Population growth has been accompanied by a low-density expansion pattern with a negative impact on the efficiency of public infrastructure and public service provision, reinforcing social and economic segregation. It is estimated that 25 percent of the population in AMBA lives in poverty. But there is a significant difference in poverty rates between the Autonomous City of Buenos Aires (CABA) and the average in the municipalities that constitute the metropolitan area (11.2 and 31.9 percent of people respectively). There are 53 informal settlements in CABA, and 1,062 in the rest of the metropolitan area. There are also significant differences in access to basic services between core and periphery of the AMBA.

7. A new initiative aims to upgrade eight emblematic informal settlements in the AMBA and to strengthen the institutional setting at the Provincial level not only to guarantee a successful implementation of this initiative but also to set the stage for the implementation of similar actions in the rest of the informal settlements in the PBA. The PBA approved on December 2017 the Socio-Urban Integration of Informal and Precarious Settlements Plan, which promotes the right to dignified and sustainable housing and habitat following Provincial Law 14,989 from 2012 (Just Access to Habitat Law). The Plan was created with the objective of "integrating into urban life the most vulnerable social sectors in terms of land tenure, access to infrastructure, essential public services, and adequate housing." There is an emphasis on strategic planning as an important tool for decision making, moving away from a model in which government actions are fragmented and bureaucratic. The interventions also aim to increase resilience of low-income communities to climate change and incorporate climate mitigation measures when feasible. In a first phase, the Plan aims to upgrade eight emblematic vulnerable neighborhoods in the PBA, including Villa Itati and Villa Azul in the Municipality of Quilmes (20,000 inhabitants) and Carlos Gardel in the Municipality of Moron (8,400 inhabitants).

C. Proposed Development Objective(s)

Original PDO
The Project Development Objectives are to improve housing conditions and access to selected basic services and infrastructure in selected disadvantaged neighborhoods in the Buenos Aires Metropolitan Area (AMBA), and strengthen the institutional capacity for urban management at the metropolitan level.

Current PDO
The Project Development Objectives are to improve housing conditions and access to selected basic services and infrastructure in selected disadvantaged neighborhoods in the Buenos Aires Metropolitan Area (AMBA), and strengthen the institutional capacity for urban management at the metropolitan level.

Key Results

1. Number of people (of which females) provided with improved access to selected basic services.
2. Number of people (of which females) provided with improved housing.
3. Metropolitan Information System (AMBA-DATA) developed and operational.

D. Project Description

8. The parent Project has five components (i) Urban and Social Integration of Barrio 31 in City of Buenos Aires; (ii) Habitat Improvement of Disadvantaged Neighborhoods in Greater Buenos Aires; (iii) Strengthening Institutional Capacities for Metropolitan Urban Management; (iv) Project Management and Monitoring – CABA; and (v) Project Management and Monitoring – PBA. The proposed AF in the amount of US$100 million to the PBA would support the scaling up of activities under Component 2, financing activities of the same nature as the parent Project that contribute to the achievement of the PDO.

9. The geographic scope of Component 2 would be expanded under the proposed AF to include Villa Itati and Villa Azul, two neighboring informal settlements located in the Municipality of Quilmes in the southern area of AMBA. Villa Itati has approximately 17,000 inhabitants. Villa Azul, located across the Southeast Access Highway from Villa Itati, has approximately 3,000 inhabitants. The socioeconomic situation in Villa Itati and Villa Azul is critical – it is estimated that 83 percent of the population has unsatisfied basic needs and the unemployment rate is around 14 percent (almost double the AMBA average). There is no sewerage and drainage network, and access to water and electricity is informal and precarious. Activities in the vulnerable neighborhood already targeted by the parent Project – Barrio Carlos Gardel, located in the Municipality of Moron – will also be scaled up under the AF.

10. The AF has the same components as the parent Project. The description of Component 2 has been revised and presented in four subcomponents to provide more details of activities to be financed to ensure an integrated approach. In addition, compared to the parent Project, additional activities related to institutional strengthening and social management and community development will be included.

Component 2 – Habitat Improvement of Disadvantaged Neighborhoods in Greater Buenos Aires

Subcomponent 2.1 Integrated Planning and Institutional Strengthening: This subcomponent focuses on strengthening the integrated planning of socio-urban programs for informal neighborhoods within the public administration. It includes the execution of activities and the preparation of studies that generate accurate data and information to better define the planned interventions. At the same time, it includes activities to increase the provincial capacity to conduct integrated planning in other informal neighborhoods in the Province as well as replicate models of intervention in other neighborhoods with similar characteristics.

Subcomponent 2.2 Infrastructure, Habitat and Resettlement Housing: Based on the diagnostics conducted under Subcomponent 2.1, physical interventions will be defined and implemented, including completion and improvement of infrastructure networks, construction of housing for resettlement, construction of community facilities, and public space improvements.

Subcomponent 2.3 Housing Improvement and Land Tenure Regularization: This subcomponent aims to improve the living conditions of households. The expansion, reconstruction and/or improvement of residential units affected partially by works and/or those households with a deficit are foreseen according to the results of the Household Survey. This subcomponent will also include the household connections to basic infrastructure and activities to enable land tenure regularization.
**Subcomponent 2.4 Social Management and Community Development**: This subcomponent will finance initiatives related to community participation, social development initiatives, and social, human capital and socio-productive strengthening initiatives.

**Component 5 – Project Management and Monitoring**: This component will support the implementation of the Project in such a way as to guarantee and optimize resources, as well as to carry out an evaluation of its execution.

**E. Implementation**

Institutional and Implementation Arrangements

11. **The Provincial Organization for Social and Urban Integration (OPISU) will continue to implement Components 2 and 5**, being responsible for the Project’s financial, procurement, environmental and social management, reporting, monitoring and evaluation, and will ensure compliance with the World Bank’s policies. The OPISU team is responsible for carrying out managerial, technical, territorial and administrative tasks, including procurement and environmental and social risk management. At the local level, the OPISU team is completed by a neighborhood leader and a project leader, assigned to each vulnerable neighborhood and other social staff. At the same time, the OPISU has an Administrative General Directorate (DGA), which includes the areas of: legal and human capital, accounting and procurement, and a support area in the control of management and communication. OPISU will have support from the Ministry of Infrastructure and Public Services (MISP), as sub-executor responsible for procurement and contracting of works, and supervision tasks. The Provincial Ministry of Economy will be responsible for financial management.

12. **OPISU will also coordinate with the corresponding municipalities for the design and implementation of the Project interventions**. The municipalities could act as sub-executor agencies to implement small works. For the implementation of the original loan in Carlos Gardel, a Cooperation Agreement was signed with MISP. A Cooperation Agreement with the Municipality of Quilmes will be required.

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

The parent Project is located in the Metropolitan Area of Buenos Aires (AMBA), one of the largest urban agglomerations in Latin America. It is composed of the Autonomous City of Buenos Aires (CABA) and the surrounding municipalities belonging to the Province of Buenos Aires (PBA). The AF will scale up the parent Project’s interventions in the neighborhood of Carlos Gardel located in the Municipality of Moron in the western area of AMBA, and by adding two new informal settlements, Villa Itati and Villa Azul in the Municipality of Quilmes in the southern area of AMBA. Villa Itati has approximately 17,000 inhabitants. Its land area of 56 ha belongs to the National Government and is an area with a high risk of flooding and health impacts from environmental degradation. This is particularly the case in the area known as “La Cava”, where land was extracted for road construction in the 1970s and which represents 20 percent of the territory. Villa Azul, located across the Southeast Access Highway from Villa Itati, has approximately 3,000 inhabitants. The baseline situation implies overall high environmental, social and health risks to residents of the targeted neighborhoods and particularly in La Cava area in Villa Itati.
G. Environmental and Social Safeguards Specialists on the Team

Santiago Scialabba, Social Specialist  
Tuuli Johanna Bernardini, Environmental Specialist  
Carlos Alberto Molina Prieto, Social Specialist

<table>
<thead>
<tr>
<th>SAFEGUARD POLICIES THAT MIGHT APPLY</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Safeguard Policies</strong></td>
</tr>
<tr>
<td>-----------------------</td>
</tr>
</tbody>
</table>
| Environmental Assessment OP/BP 4.01 | Yes | Planned interventions under the AF include: i) diagnostic studies and preparation of investment plans, ii) small-to-medium scale basic infrastructure, improvements of public space and construction of public buildings, iii) housing improvements and land tenure regularization, and iv) social intervention programs, socio-productive strengthening initiatives, and strengthening of neighborhood institutions.  

This Policy is triggered since AF activities are expected to have environmental and social impacts (both positive and negative, some of them significant) in highly sensitive areas from a social perspective.  

The AF will provide benefits to low-income inhabitants of the largest metropolitan area of Argentina. It will support interventions aimed at enabling the social and urban integration of the targeted neighborhoods.  

Similar to the parent Project, the AF has been classified as a Category A under OP/BP 4.01, based upon the magnitude and complexity of the interventions in Villa Itati and Villa Azul, where “without-project” situation implies high environmental/health risks to residents of the targeted neighborhoods and the “with-project” situation will require carefully planned and conducted environmental clean-up and solid environmental management to prevent and mitigate potential negative impacts of the subsequent civil
works. Furthermore, social risks are linked to the resettlement of vulnerable households in an area characterized with high rates of urban crime and violence. In this context, interventions under Component 2 supported by the AF have some potential for significant adverse social and environmental impacts, but they are not considered irreversible or non-mitigable. Most of the adverse impacts will be site-specific and non-irreversible and can be readily mitigated. These include e.g. alteration of everyday urban movement, contamination by particulate matter, gaseous emissions, noise and vibration related to the movement and operation of vehicles and machinery, soil excavation, waste generation of different types, issues with workers and/or public health and safety, and accidental damage to objects of personal value.

It is important to highlight that, while a general outline of the comprehensive plan for the transformation of Villa Itati and Villa Azul is being discussed, the specific physical interventions still require detailed designs that will be prepared with Project resources during the implementation of the AF. Therefore, following WB’s safeguards guidelines, OPISU updated, broadened and strengthened the original Environmental and Social Management Framework (ESMF) for Component 2 that already contains specific information for the preparation of the management plans needed for all potential impacts related to additional investments under the AF. The ESMF sets forth the mechanisms OPISU will use for each intervention during AF implementation. The ESMF takes into account the typologies of the foreseen interventions under the AF and includes, among other items, the mechanisms to (i) ensure compliance with pertinent legislation and Bank policies for works of the type considered under the AF; (ii) screen the works to establish the scope of the required environmental studies/assessments and mitigation measures, and (iii) conduct consultations and implement community participation activities during AF implementation.

The updated ESMF for Component 2 was disclosed in-country on February 13, 2019 and on the World
<table>
<thead>
<tr>
<th>Performance Standards for Private Sector Activities OP/BP 4.03</th>
<th>No</th>
<th>N/A</th>
</tr>
</thead>
<tbody>
<tr>
<td>Natural Habitats OP/BP 4.04</td>
<td>No</td>
<td>This Policy is not triggered since AF interventions will take place in highly dense urban areas where land has already been converted by long-standing anthropogenic physical modifications. The AF does not require significant conversion of natural habitats or critical natural habitats, and will not take place in protected areas or ecologically sensitive sites.</td>
</tr>
<tr>
<td>Forests OP/BP 4.36</td>
<td>No</td>
<td>AF activities will be located in a dense urban area, where land has already been converted. Therefore, this Policy is not triggered since there are no forest areas nor forest-dependent communities that could be affected.</td>
</tr>
<tr>
<td>Pest Management OP 4.09</td>
<td>Yes</td>
<td>The Policy is triggered since diverse construction works in disadvantaged/informal settlements may require preparation of integrated pest management plans, particularly to eliminate rats. The application of this policy is covered under the ESMF. Any use of pesticides under the AF will follow applicable good practices on integrated pest management. The AF will not finance or allow use of pesticides of categories not permissible under OP 4.09 or by national legislation.</td>
</tr>
<tr>
<td>Physical Cultural Resources OP/BP 4.11</td>
<td>Yes</td>
<td>This Policy is triggered given that the AF will involve construction and significant excavations, demolition and soil movements and there is a chance of finding physical cultural resources. The ESMF covers specific procedures to avoid impacting potential chance finds of physical cultural resources.</td>
</tr>
<tr>
<td>Indigenous Peoples OP/BP 4.10</td>
<td>No</td>
<td>Argentina is a multicultural country with a notable presence of indigenous and afro-descendants populations, and the majority of these populations live in urban areas. Indigenous people (2.54 percent of the population) traditionally lived in rural communities in the provinces of Salta, Jujuy, Chubut, Neuquén, Tierra del Fuego, Chaco, Formosa, Santa Fe, Tucuman, and Mendoza. However, more than 80 percent of the indigenous population in Argentina today live in urban areas, with the largest</td>
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</tbody>
</table>
concentration living in the Buenos Aires Metropolitan Area. This is due to numerous factors, including new and improved access to basic services as well as improved market opportunities. For that reason, the Social Assessments prepared by the CABA and PBA teams incorporated some variables on ethnicity to define if the Policy is triggered under the project. Main findings indicate that there are no indigenous peoples as defined by OP 4.10 in any of the targeted neighborhoods. Consequently, OP 4.10 is not triggered.

### Involuntary Resettlement OP/BP 4.12

<table>
<thead>
<tr>
<th>Policy</th>
<th>Triggered Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Involuntary Resettlement OP/BP 4.12</td>
<td>Yes</td>
</tr>
</tbody>
</table>

This Policy is triggered. Besides the resettlement of approximately 1,100 households linked to works under Component 1 of the parent Project, project activities are also expected to generate physical or economic displacement of a number of households and small businesses to be determined in the targeted neighborhoods. Specific housing units affected by activities under Component 2 have not been identified yet. A first group of 19 households to be resettled in the area known as “La Cava” in Villa Itati has been identified, where specific early interventions financed by the Province of Buenos Aires have been sufficiently defined, given the critical need for environmental clean-up and upgrading works in said area. Infrastructure works are expected to start before the AF is approved. OPISU prepared an abbreviated Resettlement Action Plan (RAP) materially consistent with OP 4.12 to handle the resettlement processes linked to these first interventions in “La Cava”, yet the same are not considered an associated facility of the AF. OPISU also updated the parent Project’s Resettlement Policy Framework (RPF) for the rest of the works that will be financed under the AF given that, although OPISU has identified the most significant works that are expected to be carried out in the short, medium and long term based on the needs of the neighborhoods, these works must be validated once the phase of diagnosis and preparation of the Urban Plan is concluded. Preparation of bidding documents and detailed designs of the works will be covered with Project resources and are necessary to determine if/where resettlement is required. Thus, OPISU will complete a census of the people affected by resettlement and prepare and implement one or
more Resettlement Action Plans in accordance with the RPF and OP 4.12, as part of the AF implementation.

The updated RPF for Component 2 was disclosed in-country on February 13, 2019 and on the World Bank external website on February 15, 2019. OPISU carried out respective consultation in February, and the consulted, final RPF was disclosed in-country on April 1 and by the Bank on April 4, 2019.

<table>
<thead>
<tr>
<th>Safety of Dams OP/BP 4.37</th>
<th>No</th>
<th>This Policy is not triggered since the activities under the AF will not imply the construction/rehabilitation of dams nor other interventions which rely on the performance of existing dams.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Projects on International Waterways OP/BP 7.50</td>
<td>Yes</td>
<td>This Policy is triggered since the activities in PBA include water supply, sanitation and drainage infrastructure that will make use of water resources from La Plata River Basin. Nevertheless, an exception under the notification requirement to the riparian state applies to the parent project and AF since it falls within the exceptions provided for in paragraph 7(a) of OP 7.50, which states: &quot;For any ongoing schemes, projects involving additions or alterations that require rehabilitation, construction, or other changes that in the judgment of the Bank (i) will not adversely change the quality or quantity of water flows to the other riparians; and (ii) will not be adversely affected by the other riparians' possible water use. This exception applies only to minor additions or alterations to the ongoing scheme; it does not cover works and activities that would exceed the original scheme, change its nature, or so alter or expand its scope and extent as to make it appear a new or different scheme.&quot; Consequently, there is no need to prepare this notification.</td>
</tr>
<tr>
<td>Projects in Disputed Areas OP/BP 7.60</td>
<td>No</td>
<td>The Policy is not triggered because the AF will not be implemented in areas known to involve disputed areas.</td>
</tr>
</tbody>
</table>
KEY SAFEGUARD POLICY ISSUES AND THEIR MANAGEMENT

A. Summary of Key Safeguard Issues

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

Similar to the parent Project, the AF triggers the Bank Operational Policy (OP)/Bank Policy (BP) 4.01 on Environmental Assessment and has been categorized as ‘A’ based upon the magnitude and complexity of the interventions in Villa Itati and Villa Azul where “without-project” situation implies high environmental/health risks to residents of the targeted neighborhoods and the “with-project” situation will require carefully planned and conducted environmental clean-up and solid environmental management to prevent and mitigate potential negative impacts of the subsequent civil works. Furthermore, social risks are linked to the resettlement of vulnerable households in an area characterized by high rates of urban crime and violence.

Thorough management of environmental impacts and worker and community health and safety risks will also be necessary due to the challenging baseline context and high population density of the targeted neighborhoods, including existing water and soil contamination and informal sites for waste dumping. An environmental baseline study conducted in early 2018 on La Cava area identified the most contaminated sites as described in the Environmental and Social Management Framework (ESMF) updated and broadened for the AF. The ESMF covers the required considerations on environmental clean-up before undertaking any construction works.

Small to medium scale infrastructure works for basic services and construction of houses proposed under Component 2 are expected to have impacts that are site-specific, reversible, and possible to prevent and/or mitigate. The major adverse impacts identified are alteration of everyday urban movement, contamination by particulate matter, gaseous emissions, noise and vibration related to the movement and operation of vehicles and machinery, soil excavation, handling of construction materials, temporary air alteration or contamination, potential discharges to groundwater, waste generation of different types, issues with workers and/or public health and safety, and accidental damage to objects of personal value. During the operational stage, potential adverse impacts are linked to the lack of maintenance or incorrect application of management measures.

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

Anticipated long term impact is positive, since it is expected that the AF, as the parent Project, will help to integrate disadvantaged neighborhoods to their surrounding urban environment and contribute to the urban transformation of the territory. The program follows an integrated approach that is expected to improve the overall quality of life and prospects of the direct beneficiaries in long term, given physical investments in infrastructure and housing upgrading are implemented together with strategies that include outreach programs, training, capacity-building and emphasis on continued maintenance. The focus is placed on increasing access to health, education, employment opportunities and quality public spaces, and both the preparation and implementation period apply a strong participatory approach with special attention to the participation of social groups of greater vulnerability (e.g. women, children and adolescents, older adults, people with disabilities). The interventions will cover basic infrastructure, housing and habitat improvements, public spaces, health, education, employment and other measures for the physical and social integration with the urban fabric. Subcomponent 2.4 on Social Management and Community Development covers carrying out/provision of (i) community participation activities and communication campaigns; (ii) social and human capital strengthening initiatives; (iii) technical assistance and carrying out of capacity building activities for local
organizations and local entrepreneurs; and (iv) grants to registered community organizations or cooperatives to strengthen local community organizations and support local entrepreneurship. More in concrete, the following topics, among others, may be addressed: training in trades; execution of community managed subprojects; job training; creation and strengthening of spaces for productive local development; development of enterprises; prevention and eradication of violence with focus on violence against women and girls; prevention of addictions; sports promotion; cultural identity; sexual and environmental education; and citizen security. Social support strategies will be implemented to maximize the interventions’ value added for social development through promotion, implementation and/or strengthening of mechanisms for community participation and consultation on the referred topics. The activities will seek to strengthen existing community participation mechanisms, such as neighborhood forums, neighborhood councils and representatives commission; promote new channels of participation that articulate the demands of the population and propose solutions to them; develop activities for the participatory design of interventions that are identified as necessary for the social and urban integration of the neighborhood; and implement a communication plan.

3. Describe any project alternatives (if relevant) considered to help avoid or minimize adverse impacts.
N/A in terms of typical Category A projects. OPISU has analyzed the situation of the numerous vulnerable neighborhoods that would require upgrade within AMBA in the PBA to prioritize those for Bank and other financing to maximize the resulting social benefits. They have selected neighborhoods that represent different typologies in order to extract lessons learned for the future scale up of the program. Villa Itati is the most populous informal settlement in the peri-urban area and Carlos Gardel is one of the most degraded social housing complexes. Regarding the detailed designs of the works, alternatives will be considered to minimize resettlement needs and maximize climate co-benefits both in terms of adaptation and mitigation.

4. Describe measures taken by the borrower to address safeguard policy issues. Provide an assessment of borrower capacity to plan and implement the measures described.
The parent Project has had an overall satisfactory safeguards performance throughout the implementation period. The Provincial Organization for Social and Urban Integration (OPISU) of the Government of the Province of Buenos Aires (PBA) has carried out a Social Assessment (SA) for the extended scope of Component 2 to cover Villa Itati and Villa Azul. The SA identifies the main socio-economic characteristics of the population, the main challenges they face, and how the AF can address some of those challenges through its planned interventions. OPISU has also developed a specific and robust Grievance Redress Mechanism for the broadened intervention area. Main social issues are linked to involuntary resettlement under Component 2. OPISU has updated and broadened the Resettlement Policy Framework (RPF) originally prepared for Component 2 of the parent Project. Furthermore, it has also prepared a Resettlement Action Plan (RAP) for early intervention works to reduce flooding in the La Cava area of Villa Itati, which require the resettlement of 19 households. These works are financed by the PBA and are not considered associated facility for the AF activities as they will take place regardless of the approval of the AF. Nevertheless, OPISU prepared the RAP to be consistent with OP 4.12 and follow the criteria established in the RPF to ensure a common approach to all physical and/or economic displacement processes in the neighborhoods. During AF implementation, once the detailed designs are prepared for the works and the specific location alignments are defined, OPISU will prepare further RAPs as needed in accordance with the RPF.

Framework level Environmental and Social Impact Assessment (ESIA) and Environmental and Social Management Plan (ESMP) were prepared by OPISU to comply with OP 4.01 and are included in the ESMF that was updated, broadened and strengthened based on the ESMF originally prepared for Component 2. The ESMF is robust and covers the principal impact assessment and identification of the main mitigation measures and environmental and social good practices regarding the type of applicable civil works. Work-specific ESMPs will be prepared based on the framework
level ESMP once the detailed designs for the works are ready. The ESMF describes the applicable institutional responsibilities and arrangements and the environmental and social management requirements along the process of design, construction and maintenance of the civil works.

To comply with national EIA requirements, between AF Appraisal and Effectiveness, OPISU will prepare a strategic ESIA at the Urban Plan level based on the ESMF and present it to the applicable environmental authority at the municipal level. In case the municipal environmental authority requires a specific ESIA on any of the civil works, the ESMF includes the Terms of Reference to be applied to any ESIA as needed. Otherwise, OPISU will use a Form for Project Evaluation included in Annex 8 of the ESMF to identify work-specific environmental and social impacts and identify the respective mitigation/management measures as part of the preparation of the environmental and social technical specifications of the bidding documents. Each work will have an ESMP adjusted and detailed for the construction phase based on the ESMP in the ESMF, including the applicable timeline, responsibilities and budget. The choice of ESMF as the safeguards instrument is pertinent as the specific sets of physical interventions will be defined and their specific designs prepared during AF implementation. The environmental and social procedures defined in the ESMF are consistent with the applicable national, provincial and municipal level regulations and the World Bank’s safeguard policies. They provide the mechanisms to screen works, establish the scope of specific studies potentially needed e.g. on soil/groundwater contamination, mitigation measures and consultations and community participation activities during AF implementation.

OPISU has a strong technical team for environmental and social risk management that includes a qualified Environmental Specialist with prior experience in implementing a Bank-financed project and a Director for Social Development who have the technical responsibility for environmental and social management under the AF. Beyond these professionals, OPISU has a broad and satisfactory technical team for environmental and social risk management. Further, the ESMF includes a related capacity building plan and an adequate budget for the overall ESMF implementation. The environmental parts of the ESMF were prepared by a qualified independent consultant with prior experience in implementing the ESMF of Component 1 of the parent project in Barrio 31. Overall, OPISU will maintain qualified environmental and social staff in number and functions as necessary throughout AF implementation to lead the program-level environmental and social management, preparation of subproject-specific ESMPs as part of the bidding documents and supervise and support their implementation by the contractors. OPISU will also prepare and implement the required RAPs with the support from the corresponding municipal government. At the local level, the OPISU team is completed by a neighborhood leader and a project leader, assigned to each vulnerable neighborhood, and other social staff. In addition, OPISU has strong interinstitutional links with entities focused on environmental and social risk management at the provincial, municipal and national levels.

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

Since the entrance of OPISU in Villa Itati and Villa Azul, OPISU carries out a broad-based participatory and consultative process with the habitants organized by topics. Preparation of the Social Assessment included a series of consultations with different stakeholders through focus groups and interviews. The findings of these consultations informed the preparation of the ESMF, RPF and the first RAP for early intervention works in the La Cava area of Villa Itati and will be further used as an input to define the detailed designs of the works and the social interventions financed by the AF.

The ESMF and RPF were disclosed by OPISU/PBA for consultation in-country on February 13 and on the World Bank external website on February 15, 2019. The Executive Summary of the ESMF was sent to SECPO on February 15, 2019. OPISU carried out a consultation event on the ESMF and RPF with key stakeholders in Villa Itati and Villa Azul on February 27, 2019. The reception of the instruments was throughout positive, demonstrating that OPISU has been
able to consolidate its position in the target neighborhoods as a legitimate and public actor. The consultation did not raise any need to adjust the instruments. The final safeguards instruments that include description of the consultation were disclosed in-country on April 1 and the ESMF by the Bank on April 3, and the RPF on April 4, 2019.

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

<table>
<thead>
<tr>
<th>Environmental Assessment/Audit/Management Plan/Other</th>
<th>For category A projects, date of distributing the Executive Summary of the EA to the Executive Directors</th>
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<tbody>
<tr>
<td>Date of receipt by the Bank</td>
<td>Date of submission for disclosure</td>
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<tr>
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<td>03-Apr-2019</td>
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"In country" Disclosure
Argentina
05-Apr-2019

Comments
The ESMF is published at:
https://www.gba.gob.ar/economia/organismos_multilaterales_y_financiamiento_bilateral/en_preparacion/procesos_en_preparacionamba

Resettlement Action Plan/Framework/Policy Process

<table>
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<th>Was the document disclosed prior to appraisal?</th>
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<th>Date of submission for disclosure</th>
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"In country" Disclosure
Argentina
01-Apr-2019

Comments
The RPF is published at:
https://www.gba.gob.ar/economia/organismos_multilaterales_y_financiamiento_bilateral/en_preparacion/procesos_en_preparacionamba

Pest Management Plan
If the project triggers the Pest Management and/or Physical Cultural Resources policies, the respective issues are to be addressed and disclosed as part of the Environmental Assessment/Audit/or EMP.

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

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

OP/BP/GP 4.01 - Environment Assessment

Does the project require a stand-alone EA (including EMP) report?
Yes
If yes, then did the Regional Environment Unit or Practice Manager (PM) review and approve the EA report?
Yes
Are the cost and the accountabilities for the EMP incorporated in the credit/loan?
Yes

OP 4.09 - Pest Management

Does the EA adequately address the pest management issues?
Yes
Is a separate PMP required?
No
If yes, has the PMP been reviewed and approved by a safeguards specialist or PM? Are PMP requirements included in project design? If yes, does the project team include a Pest Management Specialist?
NA

OP/BP 4.11 - Physical Cultural Resources

Does the EA include adequate measures related to cultural property?
Yes
Does the credit/loan incorporate mechanisms to mitigate the potential adverse impacts on cultural property?
Yes

OP/BP 4.12 - Involuntary Resettlement

Has a resettlement plan/abbreviated plan/policy framework/process framework (as appropriate) been prepared?
Yes
If yes, then did the Regional unit responsible for safeguards or Practice Manager review the plan?
Yes

Is physical displacement/relocation expected?
TBD

Is economic displacement expected? (loss of assets or access to assets that leads to loss of income sources or other means of livelihoods)
TBD

**OP 7.50 - Projects on International Waterways**

Have the other riparians been notified of the project?
NA

If the project falls under one of the exceptions to the notification requirement, has this been cleared with the Legal Department, and the memo to the RVP prepared and sent?
Yes

Has the RVP approved such an exception?
Yes

**The World Bank Policy on Disclosure of Information**

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

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

**All Safeguard Policies**

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

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

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

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

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Approved By

<table>
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<tr>
<th>Safeguards Advisor:</th>
<th>Noreen Beg</th>
<th>08-Apr-2019</th>
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<tbody>
<tr>
<td>Practice Manager/Manager:</td>
<td>Ming Zhang</td>
<td>08-Apr-2019</td>
</tr>
<tr>
<td>Country Director:</td>
<td>Renato Nardello</td>
<td>09-Apr-2019</td>
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