



Program Information Documents (PID)

Appraisal Stage | Date Prepared/Updated: 18-Apr-2019 | Report No: PIDA175007

**BASIC INFORMATION****A. Basic Program Data**

Country Argentina	Project ID P168911	Program Name Improving Inclusion in Secondary and Higher Education	Parent Project ID (if any)
Region LATIN AMERICA AND CARIBBEAN	Estimated Appraisal Date 23-Apr-2019	Estimated Board Date 31-May-2019	Practice Area (Lead) Education
Financing Instrument Program-for-Results Financing	Borrower(s) Ministerio de Hacienda	Implementing Agency Ministerio de Educacion, Cultura, Ciencia y Tecnologia	

Proposed Program Development Objective(s)

The objectives of this Operation are to (i) reduce dropout rates in basic and higher education for the most vulnerable; and (ii) strengthen the Borrower's education evaluation systems.

COST & FINANCING**SUMMARY (USD Millions)**

Government program Cost	1,093.00
Total Operation Cost	341.00
Total Program Cost	300.00
IPF Component	40.15
Other Costs	0.85
Total Financing	341.00
Financing Gap	0.00

FINANCING (USD Millions)

Total World Bank Group Financing	341.00
World Bank Lending	341.00



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 rationing of foreign currency. The GoA eliminated foreign exchange controls and moved to a flexible exchange rate regime, put in place an inflation-targeting framework, initiated the process of realigning utility prices and reducing subsidies, and improved official statistics. The GoA also initiated 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. **An unprecedented increase in public expenditure was the main driver of Argentina's macroeconomic woes.** The federal spending-to- Gross Domestic Product (GDP) ratio almost doubled between 2006 and 2016 (from 13.7 percent to more than 26 percent of GDP), while general government spending (federal government plus provinces) grew from 26 percent to more than 41 percent of GDP in the same period. The increase in federal spending was dominated by a rise in current expenditures, of which more than two-thirds were due to an expansion of pensions and economic subsidies, followed by an increase in the wage bill. In this context, and despite strong growth in tax pressure, Argentina's overall fiscal deficit has progressively widened, reaching 7.0 percent of GDP in 2017 (of which the federal deficit was 6.3 percent of GDP), making fiscal consolidation unavoidable. Following an initial expansion, the new administration curbed the primary deficit into a decreasing path.

3. **Despite the reforms put in place, 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, 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. These events prompted the GoA to seek financial support from the International Monetary Fund (IMF) in May 2018.

4. **In June 2018, the GoA reached an agreement with the IMF for a Stand-by Arrangement (SBA) of US\$50 billion, which was expanded in October 2018, based on a strengthened set of economic policies.** After a short period of relative calm following the initial SBA approval, global financial volatility returned in August 2018, leading to a widespread depreciation of emerging market currencies, which the Argentine Peso was hit hard by. In this context, the GoA requested a revision of the SBA program to restore market



confidence. The First Review of the SBA in October 2018 increased financing to US\$56.3 billion 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.

5. In the context of declining federal spending, federal education spending is being reduced.

Although the reduction in federal expenditure is mainly driven by subsidies and public investment, expenditure in education is also being affected, falling from 1.6 percent of GDP in 2015 to 1.4 in 2018. The Federal Budget for 2019 foresees further reductions in education spending to 1.1 percent of GDP, a reversion to 2006 levels. The proposed operation would thus account for over a quarter of federal expenditure in education in 2019. The declining trend is mirrored at the subnational level, for an overall fall of general government expenditure in education from 6.1 percent of GDP in 2015, the maximum since the approval of the Educational Financing Law, to 5.6 percent in 2017.¹

6. Although social investment commitments are at the heart of the GoA's priorities, fiscal consolidation could put pressure on programs not explicitly protected under the SBA. The SBA includes a social safeguard that protects the level of social spending (1.3 percent of GDP) and grants resources to prioritized social assistance programs. The focus will be on programs that protect children through the universal child allowance (*Asignación Universal por Hijo*, AUH, and *Asignación por Embarazo*, APE), as they have proven effective in producing positive socioeconomic outcomes and are well-targeted to those in need.² The context of austerity and worsening economic conditions calls for measures to ensure sustainability and efficiency of social expenditure. Efforts are focused on integrating social services to avoid overlapping and duplication, reducing administrative costs, and improving targeting.

7. Moving forward, accumulation of human capital in Argentina will be key to increase productivity, innovation and job creation.³ Argentina performs below its potential in the Human Capital Index (HCI), with special lags in education quality, allowing children to achieve only 66 percent of their potential productivity as future workers.⁴ Strengthening human capital will be particularly important in view of the additional pressures that climate change will exert on human capital and economic growth. The country's combined vulnerability and readiness ranking according to the Notre Dame Global Adaptation Initiative Index is 69 out of 181 ranked countries.⁵ Natural hazards are a concern, as 85 percent of all economic losses over that last 50 years resulted from hydro-meteorological hazards like floods and droughts.⁶ Such hazards have increased with climate change and stronger El Niño Oscillation events.⁷ Slow-onset impacts of climate change are also a concern for the accumulation of human capital in

¹ Last data available.

² Empirical evidence shows that AUH improved school attendance rates, in particular among eligible males aged 7 to 17 years old (6 percentage points) and had a smaller significant impact on boys aged 12 to 14 years old. It also reduced intra-annual dropout among girls aged 12 to 14. For both boys and girls, AUH improved primary school completion rates. See Edo and Marchioni (2018).

³ World Bank "Argentina - Systematic Country Diagnostic." Washington, D.C.: World Bank Group (2018)

⁴ World Bank Human Capital Index, available online [<http://www.worldbank.org/en/publication/human-capital>]

⁵ The ND-GAIN Country Index summarizes a country's vulnerability to climate change and other global challenges, in combination with its readiness to improve resilience. It aims to help governments, businesses, and communities better prioritize investments for a more efficient response to the immediate global challenges ahead.

⁶ Swiss-Re (2016), "Staying Afloat: Flood Risk in Argentina."

⁷ Capriolo, A.D. and O.E. Scarpati (2010), "Extreme Hydrologic Events in North rea of Buenos Aires Province (Argentina)," (<http://dx.doi.org/10.5402/2012/145081>)



Argentina through the effects on nutrition, health, migration,⁸ and structural employment shifts. In this line, the institutional strengthening of the education programs to efficiently boost human capital are central for long-term growth and shared prosperity. Furthermore, fostering human capital will be particularly important in view of the additional pressures that climate change will exert on human capital and economic growth.

Sectoral and Institutional Context

8. **A federal system shapes education policy in Argentina.** Provinces are responsible for the financing and management of initial, primary, secondary, and higher non-university levels, and the Federal Government for the university level, formulating education guidelines and norms, and providing financial and technical assistance to the 23 provinces to support policies, reforms and compensatory programs.⁹ By 2017, the system had 11.4 million students in the *Educación Común* modality;¹⁰ 1.2 million in Adult education; and 1.9 million in University.¹¹ By 2015, there were 2,239 institutions in the higher non-university level, of which 47 percent were public and 59 percent offered teacher training courses. Most of the enrollment in higher education involves teacher training courses. Argentina's public higher education is free with unrestricted admission to high school graduates. Public universities are characterized by a high level of institutional autonomy. In terms of quality assurance, the *Comisión Nacional de Evaluación y Acreditación Universitaria* (CONEAU) is responsible for external evaluation and accreditation of programs and institutions at the university level. There is no quality assurance system for non-university higher education institutes.

9. **Education spending in Argentina, currently at nearly 6 percent of its GDP, is well above those of its regional peers.** However, outcomes are below what would be expected, which can be partly explained by weaknesses in the system's service delivery, such as poor governance and lack of transparency, which have hindered the implementation of effective policies that would help reduce dropout and increase quality. Argentina stands out in the Latin America and Caribbean (LAC) region in terms of public expenditure in education. Between 2006 and 2017, the Education Finance Law (2005) resulted in a budget increase from 4.5 to approximately 6 percent of GDP. This amount was above the regional average of about 5 percent, and similar to investments made by members of the Organization for Economic Co-operation and Development (OECD), also averaging about 6 percent of GDP. While coverage rates in education are in line with these fiscal efforts, key outcomes like dropout and learning are well below the predicted levels, indicating important inefficiencies in the implementation of education policies. Despite large investments in education, a large share of students does not achieve the expected outcomes in terms of timely graduation or math skills.

10. **A significant share of youth drops out of school without basic cognitive skills.** Although access

⁸ World Meteorological Organization (2014). The Impact of Climate Change: Migration and Cities in South America. <https://public.wmo.int/en/resources/bulletin/impact-of-climate-change-migration-and-cities-south-america>

⁹ 2006 National Education Law

¹⁰ Students in Initial: 1.8 million; Primary: 4.8 million; Secondary: 3.8 million; and higher education non-university: 0.9 million.

¹¹ Initial education is compulsory for 4 and 5-year-olds. Primary school is compulsory for all children and comprises 6 grades in 12 jurisdictions, and 7 grades in the rest. Since 2006, secondary is compulsory and lasts 6 years in the former and 5 years in the latter. Secondary school is divided into lower (3 years, *Ciclo Básico*) and upper (2 or 3 years depending on the jurisdiction, *Ciclo Orientado*). Basic education comprises primary and secondary. The non-university higher education level is composed by institutes for teacher training (*Institutos de Formación Docente*), and technical-professional institutions.



to secondary is almost universal, the enrollment rate starts to fall significantly after 15 years of age—when the opportunity cost of staying in school raises— especially for boys and low-income students.¹² At this age, the learning deficits are deep, with more than two-thirds of youth not being able to solve simple math problems, and half unable to interpret basic texts.¹³ Around half of students that start secondary do not complete it on time, and only one third of the poorest do so, leaving the educational system without key competences. One in five youth aged 15-24 are not in employment, education or training, and one in five study and work simultaneously, which raises to 25 percent for women, one of the highest rates among peer countries.¹⁴

11. While economic issues stand out as the main reasons for dropout, other interacting factors affect the decision to leave school. The 2014 National Youth Survey reports that 33.7 percent of 15 to 29-year-olds secondary dropouts needed to work or did not have the resources to attend school; 20 percent did not like to study, nor did they consider it useful; 15.8 percent left due to pregnancy; and 15.4 percent self-reported learning deficits. For girls, the main reason for dropping out of school is pregnancy (29.8 percent), in line with an adolescent fertility rate three times higher than in the OECD. Overall, offering financial aid, ensuring high private returns to education (e.g. by boosting quality and relevance of education), preventing teenage pregnancy, and providing comprehensive support are critical to tackle the dropout challenge in Argentina. In addition, the multidimensional nature of these challenges often requires the strong articulation of multisectoral policies to address them properly.

12. Global evidence shows that it is more cost-effective to tackle these challenges early on, and that administrative data can be used to accurately target interventions to at-risk students. The decision to drop out of school often results from a process of frustration and disengagement, which usually begins years before the actual decision to drop out is made.¹⁵ Evidence indicates that this process shows “early warnings” in terms of poor academic performance, high absenteeism, and behavioral problems; the dynamic is similar in Argentina. National standardized tests show that approximately one third of children that finish primary education lack basic math and Spanish skills. Many of these students struggle with the more complex curriculum in secondary, and repetition and overage rates spike in the first grades of this level. This is usually accompanied by a continuous growth in the absenteeism rate and behavior problems. Evidence shows that all these variables can be used to accurately predict the risk of dropout, act early on, and improve the cost-effectiveness of preventive interventions.¹⁶

13. While most school dropouts enter the informal labor market or face unemployment or inactivity, some return to education systems through adult education programs. In Argentina, this modality is offered through “*adult education programs*,”¹⁷ designed for adults and out-of-school youth

¹² Dropout is structurally higher for students from vulnerable groups identified through the social assessment: (i) indigenous peoples, (ii) afro-descendants, (iii) people with disabilities and (iv) LGBTIQ people (in particular trans students). In all cases, completion rates both for secondary and higher education are 30 percent lower than for the general population.

¹³ By age 15, according to PISA, the median Argentine performs in math an equivalent of 2.5 years below the average of OECD countries, and within Argentina, low-income students are 2 years behind high-income ones. Females outperform males in language (1 additional year of education). Test scores have stagnated at the same time as spending was increasing, indicating important inefficiencies. Learning outcomes are below the expected for Argentina’s GDP per capita.

¹⁴ World Bank (2018)

¹⁵ Oreopoulous (2016), Adelman (2015)

¹⁶ Knowles, 2015; Adelman et al, 2016.

¹⁷ *Educación Permanente de Jóvenes y Adultos*.



completing their basic education studies or attending technical professional training. Most adult schools offer night shift programs and alternatives to complete pending subjects for graduation. Public adult schools served 1.1 million students in 2017 (13 percent in primary, 44 percent in secondary, and 43 percent in technical professional training¹⁸). Despite having lower school dropout rates, women account for 55 percent of adult education students; 83 percent of the students completing secondary in adult schools are between 17 and 19 years old.¹⁹

14. **A large share of students who manage to complete secondary education has access to higher education, but efficiency indicators are quite modest, particularly for the most vulnerable.** A large expansion of higher education during the last 15 years boosted access, reaching an enrollment of 32 percent (of which 70 percent corresponds to university education). The expansion of coverage in higher education disproportionately benefited students from the poorest quintiles; currently, around 40 percent of higher education students come from the poorest 50 percent of the population. However, the dropout rates are particularly high in the first years, and the system has one of the lowest completion rates in the region (just 29 graduates out of 100 new entrants), and one of the largest time-to-degree ratios. These indicators are also highly correlated with socioeconomic background; for instance, completion rates for students coming from the richest quintile almost triple those from the poorest quintile.²⁰ 66.3 percent of non-university higher education and 78.4 percent of university students attend public institutions.

15. **Vulnerable students face financial and non-financial barriers to complete higher education, including limited economic resources, inadequate support to make informed career decisions, and critical skill deficits.** Students from poor backgrounds face important economic challenges to study in this level. They often need to work to make a living and are more vulnerable to climate shocks.²¹ Furthermore, the opportunity costs of being out of the market grows at the fastest rate at this age. More than 20 percent of those who manage to keep studying have full or part-time jobs, and work on average more than 24 hours per week.²² Furthermore, many of these students are the first generation in their family to reach higher education, and hence have limited help to make informed career decisions.²³ Finally, a large share is academically unprepared and lacks key socio-emotional skills needed to succeed in this level.

16. **Furthermore, there is limited variety in the selection of degrees and fields, reflecting some extent of uninformed decision-making by students.** Only one third of higher education students choose a non-university degree, one of the lowest rates among regional peers, despite the larger completion rates for this degree, and the often higher economics returns, particularly for women and the poor.²⁴ Among

¹⁸ Technical education programs

¹⁹ Relevamiento Anual 2017.

²⁰ Own estimations based on *Encuesta Permanente de Hogares 2017* (EPH). The calculations ignore the potential “sorting” income effects associated with completing the level, but similar patterns are observed when taking this potential into account.

²¹ According to World Bank (2016), climate change affects food security for the poor in LAC by affecting their food prices by 3-12 percent. Before enrolling in the Program, about 67,448 student families are below the extreme poverty line (defined as a set of minimum food expenditures) and face major nutritional challenges. Their food consumption and nutrition outcomes are affected by climate change impacts such as droughts and uncertain rain patterns.

²² Own estimations based on EPH. Back of the envelope calculations suggest that access to scholarships reduces part-time work and hours worked by 25 percent.

²³ World Bank (2016)

²⁴ Non-university graduation rates more than double that of university degrees for students in the bottom 40 percent, and the average returns for completing a Non-university degree are (at least) 50 percent larger than the ones corresponding to an incomplete university degree for women and the poorest students.



those who chose a university degree, traditional careers predominate: 46 percent of higher education students graduate from Humanities, Arts, Social Sciences, Business and Law programs, and only around 14 percent graduate in Science, Technology, Engineering and Mathematics (STEM) fields, limiting the transition to the labor market. The skew towards humanities and law degrees also generates shortages for some skills in the labor market, especially for technicians, skilled trades and engineers.²⁵ While women outperform men in terms of access (by 12 percentage points) and graduation rates (by 15 percentage points), they are much less likely to enroll in and graduate from STEM programs.

17. The GoA has a comprehensive strategy to tackle exclusion and dropout, especially for the most vulnerable students, and to improve their learning trajectories (

18. Table 1). The strategy is multidimensional and includes financial aid throughout primary and higher education (AUH and PROGRESAR scholarships), programs to improve the marginal benefit of staying in school (e.g., by remediating learning deficits with *Escuelas FARO*, or improving the relevance of the curriculum with *Secundaria 2030*), an early dropout prevention program (ASISTIRÉ), and programs to support vulnerable students in their transition to higher education (e.g. *Nexos*).²⁶ The strategy is carried out by the Ministry of Education, Culture, Science and Technology (*Ministerio de Educación, Cultura, Ciencia y Tecnología*, MECCyT). In 2016, the GoA created the Secretariat of Education Evaluation (*Secretaría de Evaluación Educativa*, SEE), within the MECCyT, with the objective of strengthening evaluation and monitoring of both students and teachers. In 2016, the SEE launched APRENDER—a census-based student learning assessment that covers the last grades of primary and secondary education in public and private institutions. In 2017, it launched ENSEÑAR, a one-time standardized noncompulsory assessment of candidates for the teaching career.²⁷ In 2018, a self-evaluation tool for teacher training institutes was launched in 17 Provinces, data collection instruments were applied, and the process will continue with analysis of outcomes and workshops on improvement strategies in 2019 (see Table 1 for a summary of the GoA’s strategy).²⁸

19. Within this strategy, the PROGRESAR Scholarships and the national education evaluation system reflect the GoA’s efforts to institutionalize and strengthen service delivery capacity and effective policy-making in the education system—two of the critical institutional bottlenecks identified in the Country Partnership Framework (CPF) for the period FY19-22 (Report No. 131971–AR, to be discussed by the Board of Executive Directors on April 25, 2019). First, the PROGRESAR Scholarship program is a key instrument to provide financial aid and incentives for the most vulnerable youth to continue their education trajectories. It serves over 600,000 students (scholars, hereafter) from the poorest socioeconomic households. It migrated from a monetary transfer to an education scholarship with incentives to enter and complete education programs. This was paired with an increase in transparency

²⁵ INET (2016)

²⁶ These programs cover students attending public institutions.

²⁷ The Second Rural Education Improvement Project (PROMER II, P133195, Loan 8452-AR) provided support to the pilot of *Secundaria 2030* in 300 rural schools and included initiatives to enhance school trajectories for indigenous students. APRENDER and ENSEÑAR have been technically and financially supported by PROMER and by the analytical work under the Supporting Evidence-Based Policy Interventions task (P164061), including the support for workshops on the use of APRENDER for 1,500 school principals in the Province of Buenos Aires. The workshops integrated lessons learned through activities in the provinces of Salta and La Rioja, under the analytical tasks Effects of Student Assessments on Learning Outcomes in La Rioja and Salta (P157235 and P157237).

²⁸ A full description of the rationale and theory of change for the GoA’s strategy is available in Annex 9 of the Project Appraisal Document.



through the establishment of strong monitoring and evaluation mechanisms. Second, with the institutionalization of evaluation in the education sector, the GoA established a foundation for tracking, monitoring and improving student and teacher learning trajectories. Then, these two initiatives will constitute an important cornerstone to strengthen the governance, transparency, and accountability of the education system. In addition, the project will further reinforce the service delivery and effectiveness of the education system by improving the procurement and financial management systems of the Ministry, as well as their anticorruption polices.

20. This Operation would provide financial and technical assistance to strengthen the policy implementation capacities of the GoA. Support would be focused on the following programs: PROGRESAR Scholarships, the education evaluation system and ASISTIRÉ. Sustaining these three programs and improving their implementation would be central to support the most vulnerable in their education progression and graduation and would support the GoA’s efforts to strengthen the education system’s capacity and accountability.

Table 1. GoA National Programs to Support Education Trajectories and Learning

Program	Scope	Description	Objective/ Rationale	World Bank Support through
AUH ²⁹	Nationwide	Conditional cash transfer to the most vulnerable households with co-responsibilities in health and education (though basic education)	Provide financial aid from primary to higher education	P158791 and P167851
PROGRESAR Scholarships	Nationwide	Financial support to students from the poorest socioeconomic households to complete basic education, and to access and complete higher education		This operation (PforR and IPF)
Escuelas FARO	Provincial	Provides intensive teacher and principal training aimed at closing gaps in basic skills and reducing repetition, particularly in lower secondary in the most vulnerable schools. Represent 30 percent of secondary public schools.	Improve the marginal benefit of staying in school	-
Secundaria 2030	Provincial	Curricular reform aiming to revamp secondary education by updating the content and structure of the secondary level	Improve relevance of curriculum	P133195
ASISTIRÉ	Provincial	Early warning system to identify at-risk students and intervene to prevent dropout at the secondary level	Comprehensive support to prevent dropout	This operation (IPF)
NEXOS	Nationwide	Interventions to support vulnerable students in the transition to higher education through information, remedial education, and mentoring	Improve transition between secondary and higher education	-
APRENDER	Nationwide	National Standardized Student Test in the last years of primary (6 th / 7 th grade) and secondary education (5 th / 6 th grade)	Improve evaluation	This operation (PforR and IPF) and P133195
ENSEÑAR	Nationwide	Includes a i) National Standardized Test for soon-to-be graduates of the teacher training institutes; ii) a Self-Evaluation Institutional Assessment of teacher training institutes.	Improve evaluation	This operation (PforR and IPF) and P133195

PforR Program Scope

²⁹ AUH covers 3.9 million children in the most vulnerable households. Eligibility: (i) both parents unemployed, informal, or not benefitting from other ANSES programs; (ii) proof of compliance with co-responsibilities of health and education.



21. **Policy Context.** Improving inclusion and quality of secondary and higher education are key priorities for the GoA, as stated within the objectives of the MECCyT’s core documents *Plan Estratégico Nacional 2016-2021*, *Argentina Enseña y Aprende*, and the *Marco de Organización de los Aprendizajes (MOA) Aprendizaje 2030*. Long-term objectives in these strategic policy papers are: (i) universalization of completion of the secondary level, giving greater opportunity to poorest students; (ii) improvements in completion rates and internal efficiency in higher education; (iii) improvements in the quality and relevance of learning; and (iv) promotion of higher productivity for sustainable growth through enhanced access to employment for youth and lifelong learning. These objectives seek a substantial decrease in existing outcome inequalities among Provinces and socioeconomic groups, and among genders.

22. **Operation Scope and Expenditure Framework.** The scope of the proposed Operation would be to support a subset of Government Programs (GP) from 2019 to 2023, clustered around two results areas under a PforR component (US\$300 million) and a Component that would use the IPF instrument (US\$40.1 million). The total cost of the activities under the Operation is estimated at about US\$1.133 billion, of which US\$341 million would be financed through the Bank loan. **Error! Reference source not found. 2** presents the Operation’s cost by component.

Table 2. Cost by Component

Component	US\$ Program (Bank funds)					
	Jun 2019	2020	2021	2022	Jul 2023	Total
Component 1: Support Government Programs (PforR)	240 (70)	244 (117)	244 (64)	244 (49)	122.5 (0)	1093 (300)
Results Area 1: PROGRESAR Scholarships	240 (70)	240 (115)	240 (60)	240 (45)	120 (0)	1080 (290)
Results Area 2: National Student and Teacher Evaluation Systems	0 (0)	4 (2)	4 (4)	4 (4)	1 (0)	13 (10)
Component 2: IPF to Improve Design and Implementation	5 (5)	10 (10)	20 (20)	3 (3)	2 (2)	40.1 (40.1)
<i>Front-end fee</i>	0 (0.85)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0.85)
Total	245 (75)	254 (127)	264 (84)	247 (52)	123 (2)	1133 (341)

23. **The PforR Program Scope.** The scope of the PforR Program supports two Results Areas of the GP, selected as priorities by the MECCyT, to foster access and completion at the secondary and higher education levels and to strengthen the student and teacher evaluation systems in the education sector. To reach these objectives, MECCyT is implementing two programs, which together conform the PforR Program: (i) Results Area 1: the PROGRESAR Scholarship program for 18 to 24-year-olds (US\$290 million); and (ii) Results Area 2: the APRENDER student learning assessment system and the ENSEÑAR teacher training evaluation for recent graduates (US\$10 million). These programs are financed under MECCyT’s core budget, currently representing around half of the total. The analysis of the current program budgetary codes, based on 2019 budget figures, shows that the projected amount of eligible expenditures under these codes (US\$1.133 billion) is enough to reconcile the loan funds (US\$300 million) by Program closing. A continuation of their implementation is envisaged for at least the next five years.



Component 1: Support to PROGRESAR Scholarships, and the National Student and Teacher Evaluation Systems (PforR)

24. **Results Area 1. Improving the management and monitoring of PROGRESAR Scholarships (IBRD: US\$290 million, Total: US\$1.1 billion).** This Results Area would improve the targeting, management, monitoring and efficiency of PROGRESAR through the financing of PROGRESAR scholarships, and the carrying out of program of activities to: (i) ensure that higher education institutions submit on time the academic certification for scholarship applicants, so that their eligibility can be assessed during the inscription period and the conditionality on enrollment can be enforced; (ii) improve the progression of students in their careers; (iii) improve the effectiveness of the strategic career incentives in place in Higher Education; (iv) design and implement an action plan to overcome non-financial barriers for education progression and completion, including the dissemination of tools through a website; and (v) develop an action plan for a phased implementation of an academic certification system for Basic Education scholars.

25. The management and monitoring activities include the coordination of the nationwide annual call for applicants, the application process for the scholarships, the monitoring of eligibility in coordination with ANSES and the education institutions, approval of scholarships, granting of awards based on the incentives scheme, and the coordination of the strategy on non-financial support to scholars. Activities under Component 2 of the Operation would complement this financing to strengthen the design and implementation of the program.

26. **Results Area 2. Supporting the National Student and Teacher Evaluation Systems (IBRD: US\$10 million, Total: US\$13 million).** This Results Area would support the Borrower's national evaluation systems for students, teachers and teacher training institutes, through the financing of annual census-based APRENDER student evaluations for the period 2020-2023, teacher evaluations for teacher training scholarships, and teacher and teacher training institutions evaluations under ENSEÑAR, and the carrying out of a program of activities to: (i) increase the coverage of APRENDER, focusing on the Participating Provinces that report lowest coverage; (ii) support the use of the APRENDER summary reports by school principals to enhance pedagogical practices; and (iii) implement an evaluation system for teacher training institutes.

27. The activities supported include, both for ENSEÑAR and APRENDER assessments, the design of the evaluation instruments, the production and distribution of evaluation materials, training of staff that support and implement evaluations at the national level, software design and development for databases and data processing of the evaluations, design and production of general and specific evaluation reports, design of communication and advocacy materials for dissemination of evaluation outcomes and implementation of that dissemination.

28. **Component 2: Strengthen the Borrower's Institutional Capacity for the Design, Implementation, and M&E of PROGRESAR, ENSEÑAR, APRENDER, and ASISTIRÉ (US\$40.1 million).** The objective of this Component would be to secure the long-term implementation sustainability of the GP supported in Component 1, and to support the scale-up and evaluation of a dropout prevention program. This component would provide support to the MECCyT's existing budget, with the possibility of crowding in resources during implementation. The Component would improve the quality of implementation and support improvements in the programs' design to increase their effectiveness.



29. **Subcomponent 2.1: Strengthen PROGRESAR Scholarship Program (US\$11.0 million):** This subcomponent would strengthen PROGRESAR through activities to improve its information management system, support scholarship beneficiaries in their education trajectories with tailored interventions for the most vulnerable, and evaluate results, including but not limited to:
- i. Improving the information and management systems to enhance the application process and monitor eligibility requirements, and the certification of regular attendance of students in Basic Education receiving support from PROGRESAR;
 - ii. Introducing a national helpdesk to support students and institutions in the application process;
 - iii. Carrying out studies to estimate PROGRESAR Scholarships' coverage and develop a prioritization strategy to select beneficiaries;
 - iv. Designing and implementing interventions to close information gaps;
 - v. Carrying out a diagnosis of the main non-financial barriers that students face to progress in their studies and graduate;
 - vi. Developing tools for students to close critical cognitive and non-cognitive skills gaps through evidence-based interventions; and
 - vii. Piloting a mentoring program, jointly with NEXOS.
30. **Subcomponent 2.2: Support the SEE (US\$13.0 million):** The Subcomponent would include institutional strengthening activities of the evaluating units of Participating Provinces that are responsible for local implementation, through technical assistance for, *inter alia*, the following activities:
- i. Implementing APRENDER by SEE and Participating Provinces;
 - ii. Adding new modules to APRENDER to measure, *inter alia*, SES and household and family-related variables;
 - iii. Conducting studies to analyze APRENDER data;
 - iv. Developing tools to assess teaching practices, including tools for self-evaluation and improvement, and the adaptation and piloting of the TEACH Tool for class observation; and
 - v. Designing instruments for self and external evaluation of teaching training institutes.
31. **Subcomponent 2.3: Strengthen the expansion and implementation of ASISTIRÉ (US\$14.4 million)** through, *inter alia*:
- i. Scaling up ASISTIRÉ in selected vulnerable schools nationwide by: (a) strengthening the capacity of the national and provincial-based teams, including hiring and training key staff; and (b) acquiring key inputs for the Program's implementation, such as tablets with connectivity; and
 - ii. Revamping ASISTIRÉ by: (a) improving accuracy of early warning systems; (b) strengthening the delivery and evidence-based content of ASISTIRÉ interventions; (c) strengthening the institutional capacity of stakeholders and SEE staff; (d) reinforcing the channels for family-school communication; and supporting impact and process evaluations.
32. **Subcomponent 2.4: Strengthen the Institutional Capacity of MECCyT (US\$1.7 million).** This Subcomponent would strengthen the institutional capacity of MECCyT to manage, administer, and supervise the implementation of the Operation, including, but not limited to, support on: (a) monitoring



and evaluation; (b) development of a beneficiary feedback mechanism; (c) the carrying out of independent audits for the Operation; and (d) carrying out DLR compliance verification.

33.

C. Proposed Program Development Objectives

34. The objectives of this Operation are to (i) reduce dropout rates in basic and higher education for the most vulnerable; and (ii) strengthen the Borrower's education evaluation systems.

D. Environmental and Social Effects

35. **The Bank's Environmental and Social Systems Assessment (ESSA) evaluated that the capacity of the PforR Program systems is adequate to manage the Identified Risks.** Argentina has a robust legal framework and an extended public and free education system that provides the opportunity for all students to access all levels of education. Implementation of these laws has been irregular and the effectiveness of the system relies on the capacity of the different provincial ministries of education. Nevertheless, this is a National Program that will be implemented at the federal level and MECCyT has assigned a team within the DNB to supervise the implementation of all environmental and social aspects of this Operation. In addition, it is important to highlight that organized civil society is very active in promoting inclusion in the education system, thus providing an additional layer of monitoring to the system.

36. **The ESSA identified groups that have systematically higher dropout rates and lower educational outcomes than the average population.** These groups are indigenous peoples, afrodescendants, students with disabilities, and students that are part of the LGBTIQ³⁰ community. The ESSA was prepared considering the core principles set in OP 9.00. It evaluated the potential range of environmental and social effects that may be relevant to the Operation and also assessed the institutional capacity of the implementing agency and the environmental and social applicable regulatory framework to identify any gaps with the core principles and collectively design the measures to close these gaps. The ESSA did not identify any activity deemed likely to have significant adverse impacts on sensitive and valuable environmental components and processes.

37. **In addition, the GoA Prepared an Environmental and Social Assessment (ESA) to identify environmental and social risks associated with the Technical Assistance component.**³¹ Both analyses were conducted in a participatory manner, including engagement processes with all relevant stakeholders³² from an early stage. Recommended actions resulting from this participatory process helped define a PAP to address issues related to the implementation of the activities under the PforR and an Environmental and Social Commitment Plan (ESCP) to address the risks associated with the activities that would be

³⁰ LGBTIQ is an acronym that includes lesbians, gay men, bisexual women and men, trans, intersex and queer individuals.

³¹ Given that there is no Guidance Note on Technical Assistance under the Bank's ESF, the ESA incorporated the principles laid out in the Interim Guidelines on the Application of Safeguard Policies to Technical Assistance (TA) Activities in Bank-Financed Projects and Trust Funds Administered by the Bank (January 2014) to ensure its compliance with the principles and socioenvironmental standards of the Bank.

³² The Bank Team and the GoA held a first round of consultations with representatives of afro-descendants (February 12, 2019 and March 2, 2019), indigenous peoples (March ...) people with disabilities (February 22 and March ...) and people from the LGBTIQ community (March ..., 2019), both in the government and civil society organizations.



financed under the IPF component. Finally, the Government also prepared a Stakeholder Engagement Plan, containing the identification of stakeholders, the registry of early consultations, and the proposals for future engagement, which will ensure that the views of stakeholders are taken into account during project preparation and implementation. The final version of both documents was published on the Borrower's website and the Bank's public website on April XX, 2019.

38. Both the ESSA and the ESA confirmed that Argentina is a multicultural country, with a large and diverse indigenous population, as well as a significant afro-descendant and migrant population, which is confronted with barriers that lead to higher dropout rates and underachievement due to structural and direct forms of discrimination, including bullying, sexual and other kinds of harassment.³³ These documents also confirmed that school attendance and completion rates for people with disabilities are even lower, and that although there is no robust data available regarding LGBTIQ populations' school attendance or completion rates at the regional level, there is evidence that high levels of discrimination and bullying suffered by these students also result in higher dropout rates.³⁴

39. The Operation has a strong potential to reverse some of these trends and, for that reason, is expected to have only positive impacts on the targeted population. Nevertheless, it is uncertain if these programs are reaching all excluded minorities, as no disaggregated data is available or being produced. For that reason, one key aspect of the PAP and the ESCP will be to strengthen the Program's outreach strategy and the MECCyT's capacity to implement it to guarantee that the different programs are reaching targeted populations from excluded minorities, in culturally appropriate and timely manners. Experience from elsewhere shows that excluded minorities might not be captured under universal schemes. Several gender gaps were also identified and a plan of activities to address them is available in Annex 10 of the Project Appraisal Document. In particular, the low participation of women in STEM careers will be targeted with specific interventions to close the gender gap. The monitoring of this indicator is included in the Results Framework.

40. The Operation would neither finance nor support any civil works activities. In this sense, the activities supported by the Operation are not expected to have any negative environmental or social impacts. No rehabilitation or construction of new infrastructure or other actions having an impact on the environment would be financed through the Operation. The Operation would be implemented at the national level, over a diversity of jurisdictions with different environmental, social and institutional settings. However, the overall risks and potential adverse environmental impacts are not considered significant.

41. The Operation would have a two-layer Grievance Redress Mechanism (GRM). One layer would focus on PROGRESAR and would be implemented by ANSES in coordination with MECCyT. ANSES has a very active citizen engagement approach and a strong grievance redress mechanism. The team managing scholarship applications has shown flexibility and is open to revising the conditions of application to

³³ Sexual harassment is higher towards afro-descendant female students as a product of oversexualization by other non-afro-descendant students. Migrant students usually face harassment from Argentinean students and some xenophobe groups that express that they do not have the rights to access public education.

³⁴ For example, a 2007 study showed that 45 percent of transgender students dropped out of school, either due to transphobic bullying by their peers or to being excluded by school authorities. UNESCO, 2016, Out in the open, Education sector responses to violence based on sexual orientation and gender identity/expression.



ensure that vulnerable groups do not face conscious or unconscious barriers that might prevent them from benefiting from the program. A second layer GRM would be developed under MECCyT to cover the rest of the activities financed by the Operation. Since MECCyT lacks a formal GRM, the ESCP includes the commitment to create one.

42. In addition, communities and individuals who believe that they are adversely affected as a result of a Bank supported Program-for-Results Financing operation, as defined by the applicable Bank Policy and Directive, may submit complaints to the existing program grievance redress mechanism or the WB’s Grievance Redress Service (GRS). The GRS ensures that complaints received are promptly reviewed in order to address pertinent concerns. Affected communities and individuals may submit their complaint to the WB’s independent Inspection Panel which determines whether harm occurred, or could occur, as a result of WB 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 Grievance Redress Service (GRS), please visit www.worldbank.org/grs. For information on how to submit complaints to the World Bank Inspection Panel, please visit www.inspectionpanel.org.

Legal Operational Policies

Triggered?

Projects on International Waterways OP 7.50

No

Projects in Disputed Areas OP 7.60

No

Summary of Assessment of Environmental and Social Risks and Impacts (With IPF Component for PforR)

The activities that will be implemented under the Technical Assistance IPF are not expected to have negative environmental or social impacts.

Important note: Due to a glitch in the System there is no possibility to say that the Project does not apply FPIC, and is not possible to finalize the ESRS if leaving that field blank. For that reason, we had to select one of the responses to "Project applies FPIC for..." from the drop-down menu (significant impacts on cultural heritage), but this will be changed in a revised version of this ESRS before Appraisal.

Note: To view the Environmental and Social Risks and Impacts, please refer to the Appraisal Stage ESRS Document.

**E. Financing****Program Financing**

Sources	Amount (USD Million)	% of Total
International Bank for Reconstruction and Development (IBRD)	341.00	100.00
Total Program Financing	341.00	

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