



RESTRUCTURING PAPER  
ON A  
PROPOSED PROJECT RESTRUCTURING  
OF  
INTEGRATED HABITAT AND HOUSING PROJECT  
APPROVED ON FEBRUARY 27, 2017  
TO

REPUBLIC OF ARGENTINA

SOCIAL, URBAN, RURAL AND RESILIENCE GLOBAL PRACTICE

LATIN AMERICA AND CARIBBEAN

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## ABBREVIATIONS AND ACRONYMS

DiGePPSE	Directorate General for Sectoral and Special Programs and Projects ( <i>Dirección General de Programas y Proyectos Sectoriales y Especiales</i> )
MIOPV	Ministry of Interior, Public Works and Housing ( <i>Ministerio del Interior, Obras Públicas y Vivienda</i> )
PE	Participating Entity
SIU	Secretary of Urban Infrastructure ( <i>Secretaria de Infraestructura Urbana</i> )
SV	Secretary of Housing ( <i>Secretaria de Vivienda</i> )
UEC	Central Executing Unit ( <i>Unidad Ejecutora Central</i> )



**BASIC DATA**

**Product Information**

Project ID P159929	Financing Instrument Investment Project Financing
Original EA Category Partial Assessment (B)	Current EA Category Partial Assessment (B)
Approval Date 27-Feb-2017	Current Closing Date 31-Aug-2022

**Organizations**

Borrower Republic of Argentina	Responsible Agency Secretaria de Vivienda y Habitat, Ministry of Interior, Public Works and Housing
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**Project Development Objective (PDO)**

Original PDO

The proposed Project's development objectives are to: (i) increase access to formal housing for eligible households; and (ii) improve living conditions for households in selected precarious urban settlements.

**Summary Status of Financing**

Ln/Cr/Tf	Approval	Signing	Effectiveness	Closing	Net Commitment	Disbursed	Undisbursed
IBRD-87120	27-Feb-2017	17-Aug-2017	14-Dec-2017	31-Aug-2022	200.00	12.50	187.50

**Policy Waiver(s)**

Does this restructuring trigger the need for any policy waiver(s)?

No



## I. PROJECT STATUS AND RATIONALE FOR RESTRUCTURING

### A. Project Description

1. The Project has four components: (1) Increased access to formal housing (US\$ 45 million, 100 percent IBRD financing); (2) Integrated habitat improvement (US\$ 145 million, 100 percent IBRD financing); (3) Institutional Strengthening. (US\$11 million, of which US\$9 million IBRD financing and US\$2 million Borrower contribution); and (4) Project Management (US\$4.5 million, of which US\$0.5 IBRD financing and US\$4 Borrower contribution)

### B. Project Status

2. The Loan Agreement was signed on August 17, 2017 and Project effectiveness was declared on December 14, 2017. The last supervision mission was conducted on November 12-16, 2018. The loan is currently disbursed by 3.54% through implementation of Component 1 and Component 3. Component 2 is making progress in the preparation of the first group of 5 sub-projects and a pipeline of 46 sub-projects has been presented. However, implementation of this component is behind its schedule.

### C. Project Performance

3. Progress towards achieving the Project Development Objective is rated Satisfactory and overall Implementation Performance is rated Moderately Satisfactory. The Project has a satisfactory track record on safeguards implementation and is in compliance with the loan covenants. There are no overdue audit reports.

### D. Rationale for Restructuring

4. The Ministry of Treasury has requested changes to the Project implementation arrangements. As part of a ministerial restructuring, the Secretary of Housing and Habitat was divided into the Secretary of Housing (*Secretaria de Vivienda, SV*) and the Secretary of Urban Infrastructure (*Secretaria de Infraestructura Urbana, SIU*). In addition, the Central Executing Unit (*Unidad Ejecutora Central, UEC*), which was responsible for fiduciary activities and safeguards, was transformed into the Directorate General for Sectoral and Special Programs and Projects (*Dirección General de Programas y Proyectos Sectoriales y Especiales, DiGePPSE*). In addition, in response to fiscal constraints, the Ministry of Treasury has requested changes to the implementation of Component 2 to allow for sub-projects to be implemented through subsidiary loans with municipalities and provinces in addition to grants.

## II. DESCRIPTION OF PROPOSED CHANGES

### A. Changes to Implementing Agency

5. The Ministry of Interior, Public Works and Housing (*Ministerio del Interior, Obras Públicas y Vivienda, MIOPV*) will be responsible for overall Project implementation. The SV will implement Component 1, the SIU will implement Component 2, and they will jointly implement Component 3. The DiGePSSE will continue to be responsible for fiduciary activities. DiGePSSE will also continue to be responsible for overseeing the implementation of safeguard policies with the support from SIU for the implementation of Component 2. Proposed changes to the legal covenants in Part IV of this restructuring paper reflect these changes to the implementation arrangements. The fiduciary aspects of the Project will be under the responsibility of the MIOPV, which will ensure that the Project is at all times assisted by professional staff (including, a Project coordinator, a financial management specialist and a procurement specialist) and administrative staff



that will work under the same structure. To avoid future changes, it is proposed that the loan agreement refers to the MOIPV and all details regarding the responsibilities of each Secretariat and Directorate are specified in the Operations Manual.

**B. Other Changes**

6. Sub-projects under Component 2 - Integrated habitat improvement will be implemented either through grants from the National Government to the Participating Entity, as originally designed, or through subsidiary loans between both parties. In both cases, the MIOPV and the Participating Entity will first sign the Framework Agreement approved by the Bank that establishes the obligations and rights of each party to ensure that implementation of the subproject follows the terms established in the Loan Agreement. In the case of subsidiary loans, the parties will separately sign a Subsidiary Loan Agreement that will make reference to the Framework Agreement.

7. The changes are proposed to have a retroactive effect from December 4, 2018 prior to the signature of the first subsidiary loan with the Province of Mendoza.

**III. SUMMARY OF CHANGES**

	Changed	Not Changed
Implementing Agency	✓	
Legal Covenants	✓	
Other Change(s)	✓	
DDO Status		✓
Project's Development Objectives		✓
Results Framework		✓
Components and Cost		✓
Loan Closing Date(s)		✓
Cancellations Proposed		✓
Reallocation between Disbursement Categories		✓
Disbursements Arrangements		✓
Disbursement Estimates		✓
Overall Risk Rating		✓
Safeguard Policies Triggered		✓
EA category		✓



Institutional Arrangements		✓
Financial Management		✓
Procurement		✓
Implementation Schedule		✓
Economic and Financial Analysis		✓
Technical Analysis		✓
Social Analysis		✓
Environmental Analysis		✓

**IV. DETAILED CHANGE(S)**

**IMPLEMENTING AGENCY**

Implementing Agency Name	Type	Action
Secretaria de Vivienda y Habitat	Implementing Agency	Marked for Deletion
Ministry of Interior, Public Works and Housing	Implementing Agency	No Change

**LEGAL COVENANTS**

Loan/Credit/TF	Description	Status	Action
IBRD-87120	Project Implementation Unit. Section I.A.1 of Schedule 2 to the Loan Agreement. The Borrower, through SVH, shall establish, and thereafter operate and maintain, at all times during Project implementation, a Project implementation unit ("PIU"), with structure, functions and responsibilities acceptable to the Bank, as set forth in the Operational Manual.	Complied with	Revised
	Safeguards. Section I.F.1 of Schedule 2 to the Loan Agreement. The Borrower, through SVH, shall, and shall cause each Participating Entity, to implement the parts of the Project under their responsibility in accordance with the Environmental and Social Management		



Framework (ESMF), the Resettlement Policy Framework (RPF) and the Indigenous Peoples Planning Framework (IPPF).

Environmental/social management plan. Section I.F.2 of Schedule 2 to the Loan Agreement. Upon the definition of detailed technical designs in respect of each investment (involving works) under any given Subproject (including, if applicable, the definition of detailed technical designs for the construction of houses in the event that, as part of Resettlement compensation under any given Subproject, it is determined by the Borrower that construction of houses will be required, as provided for in Part 2 (e) (ii) of the Project), and prior to the carrying out of each said works, the Borrower, through SVH, shall or shall cause each Participating Entity to: (a) carry out and/or cause to be carried out an environmental/social assessment of the pertinent works, and based on the results of said assessment as determined by the Bank, approve and/or cause to be approved an environmental/social management plan, acceptable to the Bank, for each said works (which plan shall be based on the results of the environmental/social assessment mentioned herein, and the Bank's comments on the results of said assessment, if any), all in accordance with the provisions of the Environmental and Social Management Framework; and (b) immediately after said approval, implement and/or cause to be implemented (as the case may be) the corresponding environmental/social management plan in accordance with its terms, and in a manner acceptable to the Bank.

Resettlement plan. Section I.F.3 of Schedule 2 to the Loan Agreement. Upon the definition of detailed technical designs and precise siting alignments in respect of each investment (involving works) under any given Subproject (including, if applicable, the definition of detailed technical designs and precise siting alignments in respect of the construction of houses in the event that, as part of Resettlement compensation under any given Subproject, it is determined by the Borrower that construction of houses will be required, as provided for in Part 2 (e) (ii) of the Project), if it is determined by the Bank that Resettlement will be involved, the Borrower shall, or shall cause the



Participating Entity to, prior to the carrying out of each said works: (a) prepare and furnish to the Bank, a resettlement plan, acceptable to the Bank (which plan shall be consistent with the pertinent provisions of the Resettlement Policy Framework); and (b) immediately thereafter, implement said resettlement plan in accordance with its terms and in a manner acceptable to the Bank.

Indigenous Peoples Plan. Section I.F.4 of Schedule 2 to the Loan Agreement With respect to the carrying out of any given activity under Part 2 of the Project (including, the construction of houses in the event that, as part of Resettlement compensation under any given Subproject, it is determined by the Borrower that construction of houses will be required, as provided for in Part 2 (e) (ii) of the Project), and when so determined by the Bank as set forth in the IPPF, the Borrower, through SVH, shall, or shall cause the Participating Entity to, prior to the carrying out of any said activities and/or works (as the case may be): (a) prepare and/or cause to be prepared and furnish to the Bank, an indigenous peoples' plan, acceptable to the Bank (which plan shall be consistent with the pertinent provisions of the IPPF); and (b) thereafter, adopt and implement (and/or cause to be adopted and implemented) said indigenous peoples' plan in accordance with its terms and in a manner acceptable to the Bank.

Technical Assistance. Section I.F.5 of Schedule 2 to the Loan Agreement The Borrower, through SVH, shall ensure that the terms of reference for any consultancies related to the technical assistance provided under Part 3 of the Project, shall be acceptable to the Bank following its review thereof and, to that end, such terms of reference shall duly incorporate the requirement of the Bank's Safeguard Policies then in force, as applied to the advice conveyed through such technical assistance.

Proposed

Section I.A.1 of Schedule 2. The Borrower, through MIOPV, shall establish, and thereafter operate and maintain, at all times during Project implementation, an organizational structure for the Project with staff, functions and responsibilities acceptable to the Bank, as set forth in the OM, including, inter alia, the

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	responsibility to implement, monitor and supervise the carrying out of the Project.		
IBRD-87120	Section I.E.2 of Schedule 2. Upon the definition of detailed technical designs under any given Subproject, and prior to the carrying out of each said works, the Borrower shall: (a) carry out an environ/social assessment of the pertinent works and approve an environ/social management plan, all in accordance with the provisions of the Environ and Social Mgmt Framework and (b) implement the plan.	Complied with	New
IBRD-87120	Section I.E.4 of Schedule 2. With respect to the carrying out of any given activity under Part 2, and when so determined by the Bank as set forth in the IPPF, the Borrower shall prior to the carrying out of any said activities and/or works: (a) prepare and furnish to the Bank, an indigenous peoples' plan (consistent with the pertinent provisions of the IPPF); and (b) adopt and implement said plan.	Not yet due	New
IBRD-87120	Section I.E.1 of Schedule 2. The Borrower, through MIOPV, shall, and shall cause each Participating Entity, to implement the parts of the Project under their responsibility in accordance with the Environmental and Social Management Framework (ESMF), the Resettlement Policy Framework (RPF) and the Indigenous Peoples Planning Framework (IPPF).	Complied with	New
IBRD-87120	Section I.E.3 of Schedule 2. Upon definition of detailed technical designs and precise siting of each investment, if it is determined by the Bank that Resettlement will be involved, the Borrower shall: (a) prepare and furnish to the Bank, a resettlement plan (consistent with the pertinent provisions of the Resettlement Policy Framework); and (b) immediately thereafter, implement the plan.	Not yet due	New
IBRD-87120	Section I.E.5 of Schedule 2. Borrower shall ensure that ToRs for any consultancies related to the technical	Complied with	New



assistance provided under Part 3, shall be acceptable to the Bank following its review thereof and, to that end, such terms of reference shall duly incorporate the requirement of the Bank's Safeguard Policies then in force, as applied to the advice conveyed through such technical assistance.