Project Information Document (PID)

Concept Stage | Date Prepared/Updated: 29-Jun-2021 | Report No: PIDC32072
# BASIC INFORMATION

## A. Basic Project Data

<table>
<thead>
<tr>
<th>Country</th>
<th>Project ID</th>
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<td>P176781</td>
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<td>Promoting Better Jobs through Integrated Labor and Skills Programs in Argentina (P176781)</td>
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<td>Argentine Republic</td>
<td>Ministry of Labor, Employment and Social Security</td>
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**Proposed Development Objective(s)**

Improve employment opportunities for disadvantaged adults and strengthen training and employment services in Argentina.

## PROJECT FINANCING DATA (US$, Millions)

### SUMMARY

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### DETAILS

**World Bank Group Financing**

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Environmental and Social Risk Classification | Concept Review Decision

Jun 15, 2021
B. Introduction and Context

Country Context

1. **The Argentine economy is characterized by high levels of volatility, macroeconomic imbalances, and vulnerability to shocks, leading to persistent challenges of poverty and inequality.** Efforts to reduce poverty and inequality have largely remained ineffective as macroeconomic instability has led to frequent crises and recurrent fiscal deficits cause chronic inflation problems. Macroeconomic instability has led to at least fifteen such episodes since 1950. Argentina has spent roughly one-third of the ensuing years in recession. This has led to poor market outcomes with a stagnant and recently negative performance of real wages and resulting worsening of welfare conditions.

2. **Since 2018, in particular, the deterioration in economic conditions resulted in rising poverty, reversing the gains observed in preceding years.** High inflation in 2018 and 2019 had a strong negative impact on the vulnerable and the middle class. An erosion of real labor incomes drove down average household incomes (per equivalent adult) across all the deciles of the income distribution during 2019, but the poorest decile was also impacted by a fall in male employment.

3. **The COVID-19 pandemic has hit Argentina particularly hard.** Early in the pandemic, Argentina implemented stringent measures to restrict mobility and enforce physical distancing, measures that were eased over time. Despite this, the country ranked third in the Americas and ninth in the world in the number of confirmed cases as of June 9, 2021. The country is currently facing a third wave of infections. This new surge has brought the highest infection rates seen since the start of the pandemic. In the first week of June 2021 the average intensive care unit (ICU) bed occupancy rate was 78 percent, with close to 8,000 COVID-19 patients in ICU beds.

4. **The economic contraction resulting from COVID-19 has been unprecedented with severe impacts on employment and poverty.** Between the first semester of 2019 and 2020, real income fell for all percentiles of the income distribution, but especially for those at the bottom. This fall was mainly driven by the labor income. Although the whole population suffered losses -on average of 7.5 percent on their real per equivalent adult income- those at the bottom of income distribution registered a larger fall. Lower wages and falling employment contributed to this reduction, with a larger contribution of men compared to women’s employment and salaries. The fiscal emergency measures did help mitigate the impact of the economic crisis on the most vulnerable. Notwithstanding, poverty and extreme poverty – at 42.0 and 10.5

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1 WHO COVID-19 Dashboard.
percent of the population in the second semester of 2020, respectively – reached their highest levels in recent years.

5. **Real GDP is projected to partially recover by 6.4 percent in 2021.** Economic recovery has gradually picked up as containment measures are progressively lifted, building on the economy’s ample idle capacity. Uncertainty, as well as price and capital controls, might limit investment growth, while the imperative to bring down the fiscal deficit limits the scope for demand stimulus. The rebound is expected to be only partial in 2021, and the economy is not projected to reach 2019 GDP levels before 2023. There are important downside risks to this baseline scenario, notably related to inflation, which ended 2020 at an annual rate of 36.1 percent, almost 18 p.p. lower than in 2019, yet has shown some signs of acceleration in the first months of 2021.

6. **Economic recovery and sustained improvements of welfare conditions would require strongly positive labor market outcomes.** Low productivity growth limits the ability of the Argentine economy to create quality employment opportunities for all, sustain long-term poverty reduction and income growth. These impediments have negative implications for the ability of households to generate income and risk feeding the cycle of limited growth and persistent poverty. These risks are particularly high for poorer households that tend to work in lower productive jobs in the informal sector. These are the same households that have been most negatively affected by COVID-19.

**Sectoral and Institutional Context**

7. **After the severe economic crisis at the turn of the 21st century, Argentina experienced remarkable inequality and poverty reduction since 2004, followed by a persistent slowdown of progress since 2011.** From 2011 to 2019, family incomes across the whole distribution stagnated, as a result of contraction in labor incomes. The meagre 1.1 percent annual employment creation during this period was driven mainly by public employment and self-employment, whereas wage employment in large firms remained almost at the same level. This slowdown in job creation reflected the limitations of a demand-driven development strategy, in a context of less favorable terms of trade than in the previous years, which resulted in the decline in labor productivity. Manufacturing contracted by around 11 percent between 2011 and 2019, and the main employment gains came from the expansion of services (including public sector) and commerce. Rising inflation also reduced the real value of wages, with the largest losses seen among self-employed and small-firm wage employees.

8. **Labor market outcomes for women were particularly disappointing.** At 48.6 percent, the female participation rate in Argentina is the third lowest among all peer countries, and significantly lower than the average in Organization for Economic Co-operation and Development (OECD) countries (54.2 percent). The participation gap between women and men is particularly large among less educated workers (29 percentage points), a difference that closes to 10 percentage points for those who finished university degrees. Significant levels of informality, especially among the less educated, reduced

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2 With the recent surge of infections, new restrictions of mobility were announced first in April and then May 2021.
opportunities to access better paying jobs, and limited access to affordable childcare services are among the reasons behind this gap (Beccaria, Maurizio, and Vázquez 2017). Women earn on average 29 percent less than men; the difference is driven by the fact that they are more typically employed in low-paying jobs (more informal, part-time, and in low-paid activities) as opposed to being paid differently for the same job.

9. A large proportion of 15 to 24-year-olds are not employed or in school, particularly affecting young girls and those in the poorest regions of the country. One in seven young adults are not in employment, education, or training (NEET); and more than a quarter of women are NEET, one of the highest rates among peer countries. Because many youths drop out of school before finishing upper secondary levels, they lack the necessary skills to secure a formal sector job and settle, instead, with informal unstable employment (De Hoyos, Rogers, and Székely 2016). Indeed, among youth in wage employment, 63 percent are informal. Youth employment has become a central concern for the Government. The high unemployment and informality rates not only represent a serious social problem, but also one that can constrain economic productivity in both the short and medium term. If young workers cannot access quality jobs, which provide them with a career path, social insurance coverage, on-the-job training, and other productivity enhancing benefits typical of quality jobs, their probability of making significant contributions to economic growth in the medium term will be limited.

10. While labor market outcomes are better for older (more experienced) men, workers over 45 years old are at greater risk from technological change. For example, cross-country evidence suggests that workers between 36 and 55 are most at risk of job loss from automation. Unemployment of these workers can have poverty effects. More than 70 percent of households with unemployed male heads of household in this age group are in poverty. Unemployment rates for this group went from 6 percent in 2018 to 9.5 percent in 2020.

11. Over the last decade, the Ministry of Labor, Employment, and Social Security (MTESS, in its Spanish acronym), has made efforts to provide qualifications to specific groups of workers in skills recognized by, and demanded by the labor market. MTESS, supported by the World Bank, developed a labor competency-based certification system\(^3\). The certification system, which is based on international best practice, covers 594 occupations, including the definition and validation of competency-based standards, the alignment of accredited competency-based training and the issuing of competency-based certification. The system was driven in close coordination with the employers and unions representing the sectors with the participation of their workers. This has resulted in the certification of more than 224,000 workers. Notwithstanding, in recent years the Government had not further developed the system nor prioritized its use. The Government has now identified this as a priority as part of the post-COVID-19 recovery process. It has a vision of a renewed and expanded approach to support sectors with competencies in high demand (digital and technological skills, green jobs, jobs in the care economy and other qualifications demanded by regional industries) and to ensure that the pandemic does not lead to

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\(^3\) Competency standards are used by professions and governments to define the qualifications required for professionals to practice in a profession or discipline. They are usually listed at different levels according to the capabilities of the individual and are defined independently of the education standards, the assumption being that a combination of education and experience will enable professional to progress through the various levels of competency.
long-term scarring for those vulnerable to losing access to productive jobs. As part of the recovery, training and labor market services will have to be redirected towards their medium-term objectives: accompanying the move of workers towards emerging specializations and sectors and new working methods (e.g. digital literacy).

12. Yet, the current distribution of training opportunities in Argentina is fragmented and unequal. Vocational training services have a complex institutional framework in Argentina. They are offered by a wide range of institutions, including publicly financed (by national or provincial governments), private institutions that are subsidized by the public sector, public and private associative institutions, and private unsubsidized institutions. Generally, only formal employees have on-the-job training opportunities. There is a need to expand public efforts to reduce large productivity disparities between formal and informal workers by improving basic competencies, as well as technical skills. There are also shortfalls in training quality and insufficient links with employers. Although the number of youth and adults participating in training in Argentina has increased, employers complain of excessively academic and insufficiently practical curricula.

13. In recent years, active labor market programs (ALMPs) in Argentina have shifted toward the provision of training and intermediation services and away from the provision of direct employment. ALMPs in general remain limited in Argentina, and spending on these programs is well below the OECD average (0.05 percent compared to 0.15 percent of GDP). The Government is seeking to increase the scope and scale of these programs. Two important components of this approach have been the Municipal Employment Offices (Oficinas de Empleo Municipal, or OEM, by their Spanish acronym) and the program Youth with More and Better Work (Jóvenes con Más y Mejor Trabajo, or JMyMT by its Spanish acronym) for the 18 to 24-year-old population. The JMyMT has represented a particularly promising approach by delivering integrated programming covering the range of barriers youth face to effective labor market integration. JMyMT is implemented by MTESS as part of a larger training and intermediation program that targets all age groups, with the goal of promoting social inclusion of the most vulnerable population and improving the quantity and quality of employment they access. The program assists beneficiaries in finishing mandatory schooling, accumulating experience, and skills. The target population is composed of youth who have not completed their secondary school studies and are unemployed. The program provides monetary benefits, in the form of stipends as well as non-monetary benefits, through access to multiple services. These services include career guidance; employability improvement; employment placement; and sustaining employment. On joining the program all beneficiaries are required to participate in an orientation workshop, where they identify their needs in terms of training and define an individual activity plan that includes basic skills training and more complex technical courses, including information technology. The coverage of the program has expanded and contracted over time. Between 2008 and 2019, about 1.2 million youth participated. Half of the program’s participants were women (53%). While the program expanded rapidly after its creation in 2008, more recently the program has been affected by the changes in administration, the creation of other programs targeting the same population and lately the COVID-19 pandemic. Better use of data for monitoring and impact evaluation is vital for expansion to be of high quality and sustainable impact.
14. The Municipal Employment Offices play a critical role in JMyMT and in labor intermediation more broadly. While the MTESS is responsible for the design and supervision of the JMyMT. The recruitment, enrollment, and monitoring of participants’ activities are the responsibility of the OEM, which have no direct administrative relationship with the MTESS. The employment offices are technical areas within municipal governments whose purpose is to intermediate the demand and supply of labor, and provide information, guidance and referrals on jobs and training to those seeking employment or to improve their employment situation. The OEM are fully responsible for managing the day-to-day relations with participants and training providers. As of 2021, 630 OEMs distributed across all provinces had joined the program although not all of them have the same level of capacity or offer the same services. Since 2015, the OEM network has been able to enroll and provide labor orientation and intermediation services to more than one million youth participants of which 24 percent have been connected to a formal job.

15. While the implementation of JMyMT since its creation has been strong, there are several challenges that the Government needs to address to make the programs more effective and inclusive. The main issues have been to expand the program to more participants, while at the same time ensuring pertinent and carefully coordinated and sequenced services with acceptable standards in a framework of outcome-oriented management. In this context, the Government has requested the World Bank’s support to improve the operation and performance of its employment and skills programs, with particular focus on: i) strengthening the quality, and increasing the coverage of the training and the employment system for adults 18 years or older with the objective of enhancing their employability; ii) strengthening and promoting intermediation services (Employment Offices network and its coordination with the Employment Portal) with special focus on small and medium enterprises; and (iii) strengthening related statistical and information systems, including a new qualification database to systematize the skills demanded by the labor market and support for design and implementation of impact evaluations on selected interventions, including innovative mechanisms for delivering training courses and employment services, and the on-the-job training scheme.

16. Recent meta-reviews of ALMPs in Latin American countries conclude that they are likely to have positive impacts on employment. Training and private sector wage subsidies have larger and higher impacts for individuals as more time passes after the end of the intervention, with improvements in employment of up to 5-12 percentage points. Positive effects are larger for women and long-term unemployed and when different participant groups are matched to specific programs. Although positive results are more difficult to achieve for youth, these programs are more successful in middle and low-income countries; for training; and when the intervention includes multiple services, incentives for participants, profiles and follow-up trainees and targets the poorest. (Escudero et al. 2016; Busso et al. 2017; McKenzie 2017). Simulations show that in Argentina, taking into account labor market earnings, informal employment, labor force participation, and unemployment, the rates of return on training are large for youths and adults.

17. As government’s COVID-19 response programs come to a close, it is imperative that ALMPs are strengthened to support vulnerable populations that will need to reconnect to the labor market. In addition to expanding the coverage of existing social protection programs, the Government launched emergency transfer programs (such as the Emergency Family Income, IFE in its Spanish acronym) to
reduce impacts on the most vulnerable groups. Many countries around the globe, including Argentina, have strengthened their ALMPs, particularly intermediation services and skills training as a way to mitigate the impact of COVID-19. The aim is to reduce the potential for long-term scarring, particularly for vulnerable populations that might otherwise find it difficult to reconnect with the labor market. The scale and effectiveness of these policies in the Argentinian context will therefore be critical for determining how effectively the Government can support the broad-based and inclusive recovery that Argentina needs.

Relationship to CPF

18. The proposed Project is aligned with the Argentina Systematic Country Diagnostic (SCD) and the Country Partnership Framework (CPF) for the period FY19-FY22 (Report No. 131971), which was discussed by the Executive Directors on April 25, 2019. The Argentina CPF highlights the importance of ensuring a strong safety net to support those who may be hit by structural changes in the economy. The proposed Project would enhance the performance and coverage of a program directed at increasing quality employment for the most disadvantaged. The Project is also consistent with the adjustments made to the World Bank Group (WBG)’s program in response to the COVID-19 crisis, contributing to Pillars 2 and 3 of the WBG COVID-19 Crisis Response Approach paper by protecting poor and vulnerable people and by supporting job creation. The financial, economic, and health shocks that have impacted Argentina since August 2019 have altered some of the foundational assumptions of the current CPF. As a result, the WBG team has decided to begin a Performance and Learning Review (PLR) in FY22 with the new Government. Based on early discussions, there is likely to be a strong emphasis on economic recovery, job creation and sustainable development.

C. Proposed Development Objective(s)

*Improve employment opportunities for disadvantaged groups and strengthen training and employment services in Argentina*

Key Results (From PCN)

19. Key results, as well as performance indicators, will be defined during the preparation of the Project in coordination with Government counterparts. The key results to be achieved by the end of the Project are the following. Proposed impact evaluations and assessments will be discussed and agreed during project preparation to cover key project components and innovations.

- Percentage of the beneficiaries of the integrated training and employment services employed 12 months after program completion (including details by gender and targeted groups).
- Proportion of women who are employed after completing the on-the-job training program.
- Female youth registered in the competency-based training or on-the-job training out of the total number of registered apprentices supported by the Project.
- Number of participants placed in a job by an OEM (including details by gender and targeted groups).
- Employment Portal functioning and adapted to specific user needs.
D. Concept Description

20. The lending instrument proposed is an Investment Project Financing for an amount of US$300 million over four years, targeted to disadvantaged groups. The proposed project would improve the quality of training and intermediation services and increase their coverage, linked to the objective of improving employment outcomes for targeted disadvantaged groups. While many of the activities under the Project will benefit the wider population, the target population groups for the Project include youth (between 18-24 years old), women, and men over 45 years of age. Within these groups those with specific labor market vulnerability including not having completed secondary school and being currently unemployed will be further prioritized. In order to achieve this, the Project would support the following four components:

Component 1: Expansion and Strengthening of a Labor Competency-based Training, on-the-job training and Certification System (estimated cost US$115 million)

21. This Component will improve the quality and relevance of active labor market programs (ALMPs) offered to Program participants, by financing the provision and improvement of these services. There are two main categories of ALMPs contemplated:

(i) Participation in the competency-based training, orientation and other employment related programs. Increase the supply of quality competency-based training in key sectors and areas of the country. This component will aim to promote participation in these courses as well as other related trainings deemed important for promoting employability of the targeted population, such as labor market orientation and job search assistance activities. These will be tailored to the needs of each individual group so that barriers to labor market insertion of each are effectively addressed. Individuals will receive a stipend for participating in these activities estimated at around 20% of the minimum wage (Component 2).

(ii) On-the-job training. On-the-job training will last for up to 6 months, providing companies with the opportunity to train people in line with the company’s requirements. There is no formal employment relationship between the person and the business; it is a mentor – apprentice relationship; the employer guarantees accident and health coverage for participants and gives them a certificate at the end of the training.

22. The goal of this Component is to ensure that an integrated package of services (basic skills, on-the-job training and technical training) is offered to participants. Lack of technical and soft skills has been shown to be a critical constraint for workers, particularly those belonging to the most vulnerable segment of the population. International experience has shown that training programs are most effective when they include integration of life skills and counseling combined with on-the-job training and classroom components. As participants join the Program, they are referred to labor orientation workshops. Through this workshop, the Program helps the participants to identify their job interests and understand the importance of life skills and basic competencies. The workshop also includes a module to remove barriers...
(such as lack of basic employability skills, low communication skills and self-esteem) for each participant with the goal of increasing their employability and will also aim to facilitate access to other benefits (such as on-site childcare), to close gaps between them and labor market. The workshop design is being further reformulated to reinforce gender aspects such as sexual and/or reproductive health and to include specific coaching services to be provided to young women to find wage employment.

23. The proposed Project will finance support to the expansion and strengthening of the competency-based certification system including to new locations and to new sectors of the economy including the most dynamic growth sectors and those with identified skill gaps. The Government has identified certain sectors as a priority for expansion, including technology, care services and activities to support the green economy. It also intends to promote expansion of services to new locations within the country. The selection of the new sectors will be based on the dialogue with the sector stakeholders and the information from the Labor Market Occupations Observatory while access for participants to the system will be expanded with the introduction of the Employment Portal (see Component 4). The Project will give preference to financing training for skills and jobs for which demand is confirmed by sectors. The target at the end of project implementation is to reach a total of 270,000 individuals during implementation, providing participants with the opportunity to increase their employability. The training financed under the Project would be linked to performance targets, generally job placements or certification. Impact evaluations would be undertaken for specific training activities.

24. The activities under this component will build on the lessons and positive results of the Youth Employment Support Project currently under implementation. The Youth Employment Support Project shows that the types of ALMPs to be supported increased the probability for young people to obtain formal employment, especially with participants in on-the-job training doubling their formal employment rates. The goal of reinforcing and expanding access to these initiatives, with a focus on the specific barriers for women and youth aims to respond to the uneven outcomes for these specific groups at the national level in the implementation of training and labor programs.

25. The component will finance training and certification of the unemployed. The specific costs to be financed through the Project include a) training fees to providers of orientation workshops and training courses, and b) the development of labor competency-based standards; the curricular designs and their corresponding teaching materials, and the assessment of labor competencies for participants. Activities under b) will be financed through an output-based model, based on unit costs. The Project would support required technical assistance and consultancy services to expand the competency-based training and certification system to additional occupations and sectors, improve training quality and relevance, instruments to address weaknesses in selected training institutions (Instituciones de Formación Profesional or IFPs by its Spanish acronym), and develop and test tools for digital delivery.

Component 2: Promoting labor market insertion through participation in selected ALMPs (estimated cost US$115 million)

26. This component aims to increase labor market insertion for the target population by facilitating participation in select ALMPs. The component will support participation in the ALMPs being further developed and strengthened under Component 1. The goal will be to reach 576,000 individuals during the
four years of project implementation. Participants who are currently unemployed and who have not completed secondary education from the target groups (including youth (between 18-24 years old), women, and men over 45 years of age) will be eligible. A detailed list of requirements and criteria for exclusion will be included in the Project Appraisal Document (PAD). Participants will also have a limit in terms of the maximum number of months they can participate (to be confirmed).

27. **The Component will finance stipends to eligible participants enrolled in the Project.** The costs to be covered under this component include monthly stipends for selected individuals when participating in (i) labor orientation workshops, labor search activities and professional training courses, and (ii) on-the-job training activities.

**Component 3: Strengthening the network of OEM (estimated cost US$40 million)**

28. **This component aims to strengthen the capacity and quality of the employment services offered by the network of OEM, particularly to disadvantaged groups, by incorporating new methodologies and management practices.** This would cover areas such as: reinforcing employer engagement; orienting clients to those sectors and occupations with employment prospects in the local labor market; expanding the offer of basic services to support job search; making the appropriate referrals for those with difficulties in securing employment to active labor market programs; and performance management.

29. **The activities supported by this component include the provision of training to OEM staff, technical assistance to improve efficiency and monitor results, and IT resources, as necessary.** As per initial conversations, financial support from MTESS to the offices would be designed as a results-based scheme, where transfers would be linked to a set of performance indicators, to incentivize performance and efficiency within the system. Previous experience shows the need for better tools to obtain and deploy information at the local level in order to optimize the management of employment and training policies and labor intermediation. Likewise, the World Bank’s financing would also use a result-based financing mechanism, linking disbursements to the MTESS to progress in a set of key performance indicators in service delivery, to be defined during project preparation.

**Component 4: Strengthening evaluation and information systems (estimated cost US$30 million)**

30. **This component will support the launching of the labor Market Occupations Observatory that will support improved labor market information for all key stakeholders.** The MTESS plans to launch a new Labor Market Observatory in Argentina that will allow the Ministry to leverage the power of the myriad survey based and administrative data sources at its disposal to put more accurate, complete and near-real time information in the hands of key stakeholders. It has modelled the Observatory based on successful international experiences including from O*NET USA and O*NET Uruguay. It plans to map up to 650 different occupations in Argentina to understand how demand of these occupations is changing, levels of remuneration, and the related skills and competencies needed. The Project would support the

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4 The target coverage of 576,000 individuals is equivalent to 56% of those in the target population who are also unemployed with incomplete secondary education. Actual coverage of this population may be somewhat lower as the Project may also cover those who are currently outside of the labor force and therefore not currently counted as part of this group of unemployed individuals.
full development of the new platform, which is envisaged to start out in a pilot phase before being scaled-up to cover up to 300 occupations over the course of the Project lifetime. There would be a focus on growth or priority sectors covering information technology, care, and the green economy. Some of the primary users of the data envisaged include (i) the MTESS itself, to guide development of its professional training courses towards those areas that demonstrate more potential for growth and creation of more quality jobs (as under Component 1), (ii) the Project beneficiaries receiving support for professional and on-the-job training (as under Component 2), who will be able to use information to better guide their job search activities, and the OEM, which will incorporate the information into the labor market intermediation services they provide (as under Component 3). A strong focus will be on developing appropriate tools and products for these different types of users. The Employment Portal (under Component 2) will incorporate user-friendly information generated by the Observatory with these different needs in mind.

31. **The component will also support the deployment of a new Employment Portal as the digital platform to facilitate access to training and new digital services for the target population.** A critical innovation under the Project will be to move intermediation to a new free public digital platform as a mechanism for improving job matching between businesses and workers and therefore improve labor market outcomes for the target population. It will serve as a one-stop shop for workers to connect to relevant training activities, some of which can be accessed virtually, as well as with a range of virtual job search assistance services and relevant labor market information. While the Portal can be accessed by users independently (with the necessary virtual support features), the Portal will also be available through direct in-person assistance at the local OEM and territorial agencies.

32. **The Portal will also serve as a key function for employers and service providers.** The Portal would promote access to a broad range of services and information for the target population and Argentinean workers in general. Additionally, employers will use the portal to post available vacancies, identify eligible candidates, and manage other aspects of the subsequent selection process. Employers will be incentivized to use the portal for this purpose. Employment offices will also be able to use the Portal to access information on employers and workers looking for work in their vicinity as well as relevant local labor market information that will be developed under Component 4 as part of the Labor Market Observatory. The software development of the Employment Portal has been already substantially completed and the Project will focus on effective implementation of the first phase deployment.

33. **The Component would also support a number of additional specific studies on the labor market in Argentina, including impact evaluations needed to evaluate the Project’s performance.** While the MTESS has strengthened its institutional capacity in recent years as a result of the experience of implementing significant national policies in Argentina, there is a need to further improve its capability in the area of policy monitoring and evaluation. With this in mind, the Project would support the Ministry’s team in the collection and analysis of the detailed data necessary to underpin a stronger monitoring and information system. This system will allow authorities to assess the effectiveness of labor market policies, as well as to better allocate resources on training and employment programs according to occupational and skills demands. The information will also be used to improve coordination and support between the Ministry and Provincial and Municipal governments, as well as with the private sector, in the implementation of
training and employment programs. These activities will be carried out by the Undersecretariat of Labor Studies, in collaboration with the Secretariat of Employment team, in order to ensure operational relevance and use.

34. **The Component will largely finance consultancy contracts to cover the above activities.** The type of activities to be supported include: (i) the design, piloting and consolidation of an occupational survey; (ii) costs related to the implementation of the new Employment Portal, which will largely relate to consultancies for software development and training, (iii) the carrying out of studies and evaluations on employability initiatives, based on surveys, administrative data, qualitative research, and institutional assessments; and (iv) the carrying out of dissemination activities to discuss findings and elaborate guidelines and/or proposals for adjustments and/or the redesign of active labor market policies. Project management and administration will be also financed under this Component.

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<td>Projects in Disputed Areas OP 7.60</td>
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**Summary of Screening of Environmental and Social Risks and Impacts**

35. **The environmental risks for this Project are assessed as Low and social risks are assessed as Moderate; so, the overall risk of the Project is assessed as Moderate.** The proposed Project will neither finance nor supports any physical intervention or other actions that could negatively affect the environment. In this sense, the environmental risks and potential adverse impacts are likely to be minimal or negligible. The Project is expected to have only positive social impacts on vulnerable and systematically excluded groups and no negative social effects. Its main objectives are to improve employment opportunities for disadvantaged adults and strengthen the training and employment services in Argentina. The main social risks are associated with the potential exclusion of vulnerable groups from participating in the benefits of the Project and from the need to strengthen communication, participation, and engagement capacity of the Ministry of Labor.

36. **The Borrower will carry out an Environmental and Social Assessment (ESA) prior to appraisal to assess the risks associated with the proposed activities under the Project, incorporate mitigation measures and propose actions to improve its design and/or implementation.** The Borrower will also develop a draft Stakeholder Engagement Plan (SEP) prior to appraisal which will establish the consultations to be held during project preparation and implementation. In addition, the Borrower will also prepare a draft National Indigenous Peoples Plan (NPPI) prior to appraisal to make sure that all Project-supported programs and activities are implemented in a culturally appropriate manner. Finally, the Borrower will also identify project workers and develop the corresponding Labor-Management Procedures; to be finalized in a satisfactory manner to the Bank before hiring any Project worker.
37. The specific timing for the implementation of the activities identified in the instruments mentioned above will be described in the Environmental and Social Commitment Plan (ESCP), to be prepared prior to appraisal and finalized during Negotiations.

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