



Additional Financing Appraisal Environmental and
Social Review Summary
Appraisal Stage
(AF ESRS Appraisal Stage)

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The World Bank

Additional Financing for the Supporting the Electricity Social Tariff Transition in the Province of Buenos Aires Project (P178628)

BASIC INFORMATION

A. Basic Project Data

Country	Region	Borrower(s)	Implementing Agency(ies)
Argentina	LATIN AMERICA AND CARIBBEAN	Province of Buenos Aires	Provincial Directorate of Multilateral and Bilateral Financing
Project ID	Project Name		
P178628	Additional Financing for the Supporting the Electricity Social Tariff Transition in the Province of Buenos Aires Project		
Parent Project ID (if any)	Parent Project Name		
P170329	Supporting the Electricity Social Tariff Transition in the Province of Buenos Aires		
Practice Area (Lead)	Financing Instrument	Estimated Appraisal Date	Estimated Board Date
Social Protection & Jobs	Investment Project Financing	5/19/2022	8/1/2022

Proposed Development Objective

Support the transition of the electricity social tariff scheme from the federal to the Buenos Aires provincial level, while strengthening the institutional capacity of the province of Buenos Aires to implement ST delivery

Financing (in USD Million)	Amount
Current Financing	150.00
Proposed Additional Financing	30.00
Total Proposed Financing	180.00

B. Is the project being prepared in a Situation of Urgent Need of Assistance or Capacity Constraints, as per Bank IPF Policy, para. 12?

No



C. Summary Description of Proposed Project [including overview of Country, Sectoral & Institutional Contexts and Relationship to CPF]

Country Context. Argentina has a historically large and strong middle class, with social indicators that are in general above the regional average; however, persistent social inequalities, volatility of economic growth and underinvestment have limited the country’s development. Urban poverty in Argentina reached 40.6 percent of the population in the first semester of 2021, and 10.7 percent of Argentines live in extreme poverty. Poverty in childhood, for children under 14 years old, is at 54.3 percent. In AMBA, the high vulnerability of low-income populations can be illustrated by its crowded living conditions and high dependence on informal economic activities. With regards to economic growth, the high frequency of economic crises in the last 50 years—the economy has been in recessions in 21 of the 50 years—resulted in an average annual growth rate of 2.1 percent, below that of the world (3.6 percent) and the region (3.2 percent). Decades of chronically low underinvestment have led to sizeable gaps in capital stock vis-à-vis other countries, with public capital expenditures as a share of GDP recently declining amid the large increase in public spending.

The COVID-19 outbreak hit Argentina at a time when its economy faced significant macroeconomic imbalances and a highly uncertain outlook. Following a two-year recession, high inflation, and lack of access to capital markets, the strict lockdown imposed to contain the spread of the pandemic triggered a GDP loss of 9.9 percentage points in 2020, the largest retraction since 2002. The implementation of a fiscal stimulus package to support families and firms – equivalent to 3.5 percent of GDP – coupled with an abrupt decline in revenues resulted in a central government (primary) deficit estimated at 6.5 percent of GDP in 2020. In a context of restricted market access, financing the response to the COVID-19 shock required an important monetization of the deficit. This has exacerbated macroeconomic imbalances, notably by exerting pressures on reserves and on the persistent large gap between the official and parallel exchange rates.

The economy has started to recover, reaching pre-pandemic levels by August 2021, though in a very heterogenous manner across economic sectors. Argentina’s GDP is expected to grow 7.5 percent in 2021 and 2.6 percent in 2022. Economic recovery has gradually picked up as containment measures have been progressively lifted, building on the economy’s ample idle capacity. Uncertainty as well as price and capital controls will put a lid on the strong investment growth that occurred during the first stages of the economic recovery, while the imperative to bring down the fiscal deficit limits the scope for demand stimulus. A reduction in the primary fiscal deficit is materializing in 2021, due to the unwinding of emergency programs implemented to fight the impacts of the pandemic on households and, to extraordinary resources from the increase in international commodity prices and an exceptional tax on large fortunes. The domestic economy continues to display large unresolved macroeconomic imbalances. Annual inflation stood at 52.5 percent in September 2021.

The Province of Buenos Aires (PBA) has been hard-hit by the pandemic. Poverty and extreme poverty rates have remained high since the COVID-19 shock in the first semester of 2020. While the length and severity of impacts of the lockdown and COVID-19 are difficult to predict, the rapidly worsening situation is of great concern to the PBA, particularly for the more vulnerable population. The PBA is home to 6.4 million poor and 2 million extreme poor (accounting for 55 percent and of the poor and 67 percent of extreme poor in the country), while before the pandemic outbreak was home of 5.6 and 1.5 million, respectively. The role of the Social Tariff (ST) and the Programa Mas Vida (PMV), continue to be relevant in the current economic context. The benefits of ST and PMV are targeted to



the bottom deciles of the income distribution, given that inclusion criteria contain eligibility for social programs and cash transfers, among other categories in the case of ST, and social vulnerability in the case of Plan Más Vida.

Sector and Institutional Context. Following the energy emergency declared by Decree No. 134 in December 2015, upstream subsidies to the electricity sector declined and in February 2016 the federal government implemented the electricity Social Tariff for residential users. The ST offers electricity generation cost discounts for specific residential users as well as community-based organizations. A few months after implementation, in April 2016, more than 20 percent of users were covered by the ST. Despite the success in quickly and effectively enrolling beneficiaries in the ST (a large majority were automatically enrolled), important challenges remain in covering the target population due to issues in design (eligibility criteria and information used) and implementation (constraints to identify beneficiaries due to lack of information).

Eligibility criteria for the ST were defined by the Ministry of Energy, with inputs from the National Council of Social Policies (CNCPS). Eligible users included retirees, pensioners, beneficiaries of non-contributory pensions, salaried or self-employed workers with income below two minimum wages, beneficiaries of social programs, low productivity self-employed workers registered under the “monotributo social” scheme, war veterans, domestic workers, beneficiaries of unemployment insurance, persons with disabilities and electricity-dependent persons. Users who have more than one property, a car newer than ten years, a plane or a luxury boat are excluded. Vulnerable populations living in slums areas of the Conurbano (in Greater Buenos Aires) are usually covered freely through community meters under a separate scheme, Convenio Marco, governed by agreements between the regulatory agency and electricity providers.

Starting in January 2019, the regulatory and fiscal responsibilities in the energy sector were transferred from the Federal government to provinces (Law No. 27.469, Consenso Fiscal). This has resulted in the provinces having to commit additional resources for the payment of social electricity tariffs and requiring additional resources for regulation of the electricity sector. Provinces have assumed this delegation through provincial laws accepting the Consenso Fiscal and including the corresponding fiscal commitments in their own budgets 2019.

Currently, the administration of the electricity ST in the PBA involves different federal and subnational institutions, and an integrated monitoring system is lacking. Data to identify electricity users is collected by the subnational regulatory agency (Organismo de Control de la Energía de la Provincia de Buenos Aires – OCEBA) and the federal regulatory agency Ente Nacional Regulador de la Electricidad – ENRE), representing 38.5 and 61.5 percent of total users, respectively. Electricity consumption data is held by distribution companies and while ENRE compiles this information for EDESUR and EDENOR, OCEBA is starting to request this information to the distribution companies. Eligibility assessment for ST is in charge of the federal agency SINTyS, who provides the list of ST users to ENRE and OCEBA. Distribution companies claim ST subsidies to OCEBA and ENRE monthly, and then OCEBA and ENRE compile and inform the Directorate of Public Services for reimbursement to CAMMESA who is the distribution companies’ provider.

Currently, the policy discussion on the reduction of energy subsidies and tariffs updating ranks at the top of the national government agenda. According to public hearings convened by ENRE in February, electricity tariffs will increase and in consequence, the burden of the electricity bill will represent a higher share of the incomes for households in the B40. As ST covers 100 percent of the tariff for the first 150 Kwh and 50 percent for the following



150 Kwh, social tariff subsidies are also expected to increase. In this context, the PBA will play a key role in protecting the vulnerable population through the ST to buffer the impact of electricity tariffs adjustments on household's incomes. Therefore, revising the current ST scheme to enhance its targeting and efficiency in the delivery of the ST subsidies is highly relevant.

The Parent Project is supporting the Province of Buenos Aires' authorities with the implementation and financing of the social tariff for electricity. The project supports the transition of the ST from the federal to the provincial level by strengthening the capacity of the PBA government in the short term to administer the ST, and to improve identification and monitoring of its beneficiaries. In the medium term, the developed institutional capacities will help the PBA to address major ST reforms. The Parent Project was restructured in 2020 to finance the cash transfers for food under the Programa Más Vida to respond to the consequences of the pandemic lockdown and expand the coverage of the ST scheme by supporting the community electricity meters subsidies.

The Parent Project is structured as follows: (i) Component 1, a technical assistance (TA) component, which is financing capacity building activities and sectoral studies on ST Implementation, Energy Efficiency, and Social Programs, (ii) Component 2, finances social tariff subsidies both at individual (residential users) and community (households in vulnerable settlements) levels ; (iii) Component 3: Project Management, Monitoring and Evaluation, and (iv) Component 4: Emergency Food Assistance to support the cash transfers for food purchase of the Programa Más Vida Program and allow the Borrower to better respond to the COVID-19 shock.

Through the technical assistance component, the Project is founding the basis to revert the two main issues of the current ST scheme; namely, (a) strengthening the PBA structure (roles and responsibilities) to manage the ST and the capabilities to administer information resources for monitoring, and (b) applying the eligibility criteria effectively.

The PBA is in need of financial support given provincial resources are overstretched in the face of poor overall performance of the economy with slow recovery, high foreign exchange volatility, and high inflation. In addition, there is a need to restructure the Project to improve implementation performance and ultimately achieve the PDO.

The proposed Additional Financing (AF) will scale up the financing for Components 2 and 4 by: (i) reimbursing the electricity subsidies in vulnerable urban settlements through the community electricity meters scheme; and (ii) financing cash transfers under the Programa Más Vida. These activities are consistent with the PDO. The Results and Monitoring Framework would be adapted to reflect adjustments and the new targets in indicators

The Project and the AF are aligned with the Argentina Systematic Country Diagnostic (SCD) and the Country Partnership Framework (CPF), which highlight the importance of ensuring a strong safety net to support those who may be hit by structural changes in the economy. They also contribute to reducing poverty and increasing the welfare of the bottom 40 percent, as the Social Tariff program can mitigate the negative impact of electricity prices increases among the most vulnerable families.

D. Environmental and Social Overview



D.1. Detailed project location(s) and salient physical characteristics relevant to the E&S assessment [geographic, environmental, social]

The proposed Additional Financing (AF) will scale up the financing for Components 2 and 4 by: (i) reimbursing the electricity subsidies in vulnerable urban settlements through the community electricity meters scheme; and (ii) financing cash transfers under the Programa Más Vida. In this context, the development objective of the Project is to support the transition of the electricity social tariff's scheme from the federal to the Buenos Aires provincial level, and the delivery of select social safety net programs targeting the vulnerable population in the PBA, as part of the COVID 19 emergency response.

The Parent Project is strengthening the capacity of the Province of Buenos Aires (PBA) Government in the short term to administer the Social Tariff, and to improve identification and monitoring of its beneficiaries. In the medium term, the developed institutional capacities will help the PBA to address major ST reforms.

Neither the Parent Project nor the AF will finance nor supports any physical intervention. The main social impacts associated both with the Parent Project and the AF are positive.

Eligibility criteria for the ST were defined by the Ministry of Energy, with inputs from the National Council of Social Policies (CNCPS). The inclusion criteria included users who were retirees, pensioners, beneficiaries of noncontributory pensions, salaried or self-employed workers with income below two minimum wages, beneficiaries of social programs, low productivity self-employed workers registered under the "monotributo social" scheme (simplified income tax regime, for small independents workers with very low income), war veterans, domestic workers, beneficiaries of unemployment insurance, and persons with disabilities. Users who have more than one property, one car newer than ten years, a plane or a luxury boat are excluded.

Based on eligibility criteria, the beneficiaries are identified by the Fiscal and Social National Identification System (Sistema de Identificación Nacional Tributario y Social, SINTyS). Vulnerable populations living in slums are usually covered freely through community meters under a separate scheme, Convenio Marco, governed by agreements between regulatory agencies and electricity providers. As stated above, the eligibility criteria still have weaknesses. First, the criteria for inclusion and exclusion result in the incorporation of some non-vulnerable households and the exclusion of some vulnerable ones. They include some groups such as formal workers and pensioners earning close to two minimum wages that are not among the most vulnerable, and criteria do not include low-income users who are informal workers or unemployed not entitled to social programs. Second, the criteria are formulated on an individual - instead of a household basis and therefore are not able to identify the vulnerability conditions accurately. As the identification mechanism (listing of service holders) does not incorporate information about all individuals residing at the same address, the eligibility conditions are verified only for the formal service holder (who is named on the bill). This information constraint translates into exclusion errors when the household member who qualifies for ST is not the holder of the service; and into inclusion errors when other family members would be ineligible under the established criteria.

The Parent project is supporting the coordination among the various agencies involved in implementation of the ST scheme; in particular, between, the regulatory agencies, OCEBA and ENRE. This has resulted in regular monitoring reports which consolidate data from the Provincial level. So far, the Project has been moderately successful in achieving the objective related to the institutional structure for ST information-based management, which requires



data sharing agreements between agencies at the national and subnational level, coordination between electricity regulatory agencies and ST operational procedures. In this context, it is still a challenge to reduce the percentage of users with incomplete information to be properly assessed for ST, or the percentage of users non-automatically included to ST due to missing data or ad hoc mechanisms did not drop as planned.

The Project also faces challenges in applying the eligibility criteria effectively. The administrative records needed for verifying conditions are dispersed among different governmental agencies and government levels, making access and updates a difficult process. Therefore, when SINTyS is not able to gather these data sources in a timely and complete manner, there are difficulties in screening users and determining their eligibility for ST. This is the case of tax information and property registries in charge of Provinces. In addition, holders of electricity bills might not be the users. This could be due to owners' records not being updated, a recent change in the property ownership, or residents not owning their homes (i.e., they are tenants).

The electricity ST scheme is pro-poor by design, with half of the beneficiaries belonging to the bottom 40 and only 2 percent to the richest decile. Among these, over half are estimated to qualify to the ST through social programs (mostly, Universal Child Allowance - AUH), while the remaining beneficiaries within the bottom 40 receive ST due to low earnings or pensions, in equal proportions. In terms of amount, it is estimated that around 47 percent of the ST are accrued by the poorest two quintiles. The average ST reaches around 43 percent of the electricity bill, with a higher proportion for the worse-off households. This reduction in the bill represents around 4 percent of the incomes for those families in the poorest deciles, while only 0.4 percent for those in the richest decile. Women represent 70 percent of ST users in PBA. Main inclusion categories for ST are retirees and CCT beneficiaries, who both concentrate 72.4 percent of ST users. Women represent 68 percent and 83 percent of ST users in those categories, respectively. Continued support (through the Social Tariff) to vulnerable populations, in risk of extreme weather events enhanced by climate change, in coordination with a whole set of comprehensive policies, is key to continue supporting these populations and allow for the reduction of climate risks and increased adaptation.

Community Electricity Meters Scheme. Almost one million Argentinian households live in vulnerable urban settlements, half of them located in the PBA. Living conditions are precarious in these neighborhoods and access to electricity is mainly irregular, as there are no residential meters in most dwellings. In some neighborhoods, electricity is provided through community electricity meters (more than 140,000 households are currently covered under these meters). Thus, there is an alternative scheme in the ST scope to support these households' access to electricity. Under the ST scheme, the PBA partially finances the consumption registered through community meters on a monthly basis. Regulatory agencies also reimburse consumption of community electricity meters, setting fixed consumption caps per user.

Programa Más Vida is a long-standing food assistance program of the Ministry of Community Development (MoCD) in the PBA. This program supports vulnerable households to meet their nutritional needs through cash benefits for food and community workers that follow up on households' nutritional habits. The program's core benefit is provided through a debit card that can be used to purchase food. Although Programa Más Vida focuses mainly on support to pregnant women and young children, it also targets groups with specific nutritional needs like those with celiac, disabilities, the immune suppressed, and the elderly. Eligibility criteria includes pregnant women, children below six years old, single-headed households facing deprivations according to a social assessment, or the prevalence of health conditions in the case of specific groups. In the case of children and pregnant women as beneficiaries, this program



covers those who are not entitled to the national food program, AlimentAR. In December 2021, around 139,000 beneficiaries were receiving Programa Más Vida.

D. 2. Borrower’s Institutional Capacity

The PBA has capacity to manage the ST scheme and represents a strong case for improving the effective coverage of electricity ST. The transition from the federal to provincial level positions PBA as a leading case for other Provinces: ST beneficiaries in the PBA reach 1.4 million electricity users.

A Project Management Team (PMT) is carrying out the fiduciary and environmental & social risk management responsibilities of the Project, including Programa Mas Vida, in this case in coordination with a team within the Ministry of Community Development (MoCD) in the PBA. This PMT resides in the Provincial Directorate of Multilateral and Bilateral Financing (Dirección Provincial de Organismos Multilaterales y Financiamiento Bilateral, DPOMFB), of the Ministry of Economy of the Province of Buenos Aires.

For this Operation, the PMT has two professionals focused on the management of the environmental and social aspects of the Project, in addition to the support of other institutional teams like the Provincial Indigenous Peoples Affairs Council (CPAI). The DPOMFB has experience working with World Bank Safeguards and the ESF.

The Directorate of Subsidies (also under the Ministry of Economy of the Province of Buenos Aires) and two regulatory agencies (the Provincial regulatory agency -OCEBA- and the national electricity regulatory agency - ENRE) are responsible for Monitoring and Evaluation and for conducting the necessary studies to design an integrated proposal regarding Social Tariffs. The PBA has adequately trained and qualified staff at the Provincial Directorate of Subsidies and OCEBA, and is signing data sharing agreements with national entities while the final institutional arrangements are still being designed.

The electricity distribution in the Buenos Aires Metropolitan Area used to be regulated under ENRE, but since January 2019 is under the orbit of the regulatory authorities of the Buenos Aires Province and in the Autonomous City of Buenos Aires (CABA). PBA and CABA have signed an agreement to create an agency to replace ENRE regulatory competencies for distribution companies in AMBA. Thus, a new bi-partite regulatory agency has replaced ENRE in this territory, integrated by the subnational regulatory agency (Organismo de Control de la Energía Eléctrica de la Provincia de Buenos Aires -OCEBA) and CABA who are sharing regulatory responsibility.

The PMT has been able to satisfactorily coordinate among the various agencies involved in implementation of the Parent Project; in particular, between, the regulatory agencies OCEBA and ENRE. This has resulted in regular monitoring reports which consolidate data from the Provincial level.

II. SUMMARY OF ENVIRONMENTAL AND SOCIAL (ES) RISKS AND IMPACTS

A. Environmental and Social Risk Classification (ESRC)

Moderate

Environmental Risk Rating

Low

Public Disclosure



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

Social Risk Rating

Moderate

The main environmental and social impacts associated with the Project are positive. The ST promotes efficient use of energy together with economic savings for those that receive the benefit. Although the scheme has eligibility criteria and requirements, there are still weaknesses in the current ST system (inclusion/exclusion errors), which could be affecting both individual and community users in greater need and, in addition, reducing space for more efficient use of the resources. Therefore, the main social risks are associated with the potential exclusion of vulnerable people who qualify and are in most need of having access to the ST. The Project activities are focused on addressing this risk. In addition, a set of ESF instruments, including a SEP have been prepared to ensure the access of all stakeholders to the relevant information to ensure they can have access to all beneficiary feedback mechanisms available. In the case of Programa Mas vida, social impacts are also all positive. It is a long-standing food assistance program that supports vulnerable households to meet their nutritional needs through cash benefits for food and community workers that follow up on households' nutritional habits. Eligibility criteria includes pregnant women, children below six years old, single-headed households facing deprivations according to a social assessment, or the prevalence of health conditions in the case of specific groups. Main risks are those associated to inadequate communication and dissemination of information to eligible beneficiaries. This risk is being addressed through actions defined in the SEP.

Sexual Exploitation and Abuse/Sexual Harassment (SEA/SH) Risk Rating

Low

Sexual exploitation and Abuse and Sexual Harassment Risk is Low. The Country has a strong legal framework focused on Gender Based Violence (GBV) prevention and has a National referral pathway protocol for GBV service provision and an active GBV working group. In addition, the Project is not expected to finance infrastructure works and therefore has no risk of labor influx. Nevertheless, the ESA includes an assessment on any potential SEA/SH risks associated with project and potential mitigation measures.

B. Environment and Social Standards (ESSs) that Apply to the Activities Being Considered

B.1. General Assessment

ESS1 Assessment and Management of Environmental and Social Risks and Impacts

Overview of the relevance of the Standard for the Project:

This standard is relevant. As the financing of the subsidies component involves the disbursement of funds through a scheme of DLIs and none of the DLIs are associated to physical interventions, no environmental risk or adverse impacts will be associated with these activities. The social tariff was introduced to mitigate the impact of subsidy reform. Although the scheme has eligibility criteria and requirements, there are weaknesses in the current ST system (inclusion/exclusion errors), which could be affecting users in greater need and, in addition, reducing space for the



more efficient use of the resources. Nevertheless, the Project is implementing actions to identify vulnerable users and make sure they get access to the ST scheme.

The Parent Project supports the ST for electricity in the Buenos Aires province of Argentina, by improving the effectiveness of its general design and implementation. In particular, this Project strengthens the institutional capacity to apply targeting and monitoring mechanisms aimed at providing protection to vulnerable households and communities, in a fiscally sustainable way. These activities will continue under the proposed AF.

In addition, the Project also supports the implementation of Programa Más Vida, a long-standing food assistance program of the Ministry of Community Development (MoCD) in the PBA. This program supports vulnerable households to meet their nutritional needs through cash benefits for food and community workers that follow up on households' nutritional habits.

Finally, the TA component of the Project aims at: a) developing the institutional scheme to manage the ST and establishing the necessary regulations, in line with the transfer of responsibilities from the federal to the provincial administration; b) strengthening the management of information and the targeting mechanisms to reach poor households; c) supporting institutional and management setting to assess eligibility of SCSC; d) carrying out sectorial studies to improve, inter alia, consumption behavior (energy efficiency) in ST beneficiary households and institutional capacities at provincial regulatory agencies and at electricity distribution providers level; and e) strengthening of Social Programs, Information Procedures, and Transparency.

These activities involve many challenges, such as inter-institutional coordination (relevant federal, provincial and municipal agencies); participation of private companies and private or municipal cooperatives of electricity distribution; key stakeholders' identification and involvement in the context of the sensibility of the subject and the management of expectations.

The DPOMyFB prepared an Environmental and Social Assessment (ESA) which was publicly disclosed on the Borrower's and the Bank's external site on June 14, 2019. The ESA includes a description of the current scheme and institutional arrangements and identifies the most vulnerable groups. The document also analyzes the main risks associated with exclusion/inclusion issues mentioned above and identifies key mitigation measures including the activities to be supported by the TA in addition to a robust stakeholders engagement process to maximizing project benefits by making sure the ST scheme leaves no one behind among the most vulnerable. The ESA includes an annex with an Indigenous Plan with specific actionable measures to promote the inclusion of Indigenous Peoples. These actions are also included in the Project's Stakeholder Engagement Plan (SEP) and specific timing for their implementation is described in the Project's Environmental and Social Commitment Plan (ESCP). The ESA, the Indigenous Peoples Plan (IPP), the Labor Management Procedures (LMP) and the Stakeholder Engagement Plan (SEP) were updated in 2020 to reflect the inclusion of new activities after the Project restructuring to include Programa Mas Vida, and the assessment of any associated social risk and their corresponding mitigation measures. An updated ESCP, dated October 8, 2020 was prepared accordingly and published on the Borrower's and the Bank's external websites on October 19, 2020. The final and current versions of the ESA, IPP and SEP were disclosed by the Borrower in October 21, 2021.



Performance of implementation of E&S risks and potential impacts managements is rated Satisfactory. The PIU is moving forward with the implementation of the SEP, and the IPP. Due to the COVID19 emergency situation and related restrictions, consultations were made through virtual meetings (one focused on ST, another on the food assistance programs and a third one on IPs – information on participating stakeholders is included in the sections on ESS10 and ESS7). The PIU incorporated the feedback received from stakeholders by including activities in the ESA and the IPP aimed at enhancing the way the ST and food programs reach vulnerable groups and in particular IPs in a culturally adequate manner. These activities mainly refer to the assessment of the different channels of information and grievance submission for beneficiaries at the local level (municipal offices, electric cooperatives and distributors, consumer associations and provincial ombudsman for ST, and municipal offices, community workers and civil society organizations for Programa Más Vida) to better understand common challenges, including barriers for vulnerable groups, and enhancement opportunities. In particular, the IPP incorporated participatory workshops for local IP communities, training for public officials in intercultural attention and communication actions.

ESS10 Stakeholder Engagement and Information Disclosure

ESS10 Stakeholder Engagement and Information Disclosure

This standard is relevant. As per the electricity tariff legal framework, consultation with the public is mandatory when there have been changes or updates in tariff schemes. Thus, regulatory agencies involved in the Project have experience in carrying out information disclosure and stakeholder exchange. The original ST scheme and eligibility criteria were created in consultation the National Council of Social Policies (CNCPS).

As stated above, the TA Component is focused on enhancing institutional arrangements required for the implementation of the ST scheme, including: (i) the improvement of data exchange among the different public stakeholders at the federal and provincial levels (The project will support the establishment of protocols for information sharing across institutions), (ii) the assessment and enhancement of regulatory agencies’ grievance mechanisms and citizen participation processes; and (iii) the enhancement and consolidation of an unified data collection system on electricity users, including a revised targeting scheme focused on vulnerable groups (including indigenous peoples, Afro-descendants, people with disabilities, LGBTI, etc.).

The DPOMyB is implementing the SEP that incorporated inputs from a series of consultations mentioned above and will be implemented until the Project is closed. Stakeholders include municipal consumer information offices, electric cooperatives, consumer associations, Civil Society Organizations (CSO), trade unions, sport clubs and the Provincial Ombudsman for the ST activities and municipalities, community workers, and CSO for the Programa Más Vida. In both cases the SEP include activities to engage CSO representing identified vulnerable groups (retirees, people with disabilities, IPs, Afro-descendants, Roma people, LGBTIQ community).

The assessment of regulatory agencies’ grievance mechanisms was made following the WB checklist and the results showed that they were strongly developed. Opportunities for improvement were also identified and enhancement actions are being implemented .

Each of the regulatory agencies (ENRE and OCEBA) has its own formal Grievance Mechanism (GM) in place for users to complain if they haven’t been included or if they have been taken out of the ST roster. Under these GMs,



regulatory agencies exchange the consolidated information with SINTyS to apply the eligibility criteria, check the consumption to apply the proportional discounts, and evaluate complaints and ST requests of users that were not automatically selected. Currently, 18.3 percent of the ST beneficiaries (more than 250,000 cases) access the ST benefit via complaints and other ad hoc additional assessments. This number indicates that the Project's GMs are satisfactorily attending the grievances, complaints, questions, and suggestions it is receiving through different channels. The Programa Más Vida relies on each of the participant PBA Municipalities to address grievances related to its actions, and has a central GM managed by the Provincial Directorate of Food Security and Sovereignty of the MoCD, that works in constant communication with municipal teams (which receive training from the MoCD). It also articulates with the Public Health System to follow up on the incorporation of immunosuppressed beneficiaries. Most of the complaints that are received and processed through this GM are due to administrative difficulties related to the use of debit cards, their losses or expirations, while issues related to population that cannot access the benefit are low. Nevertheless, the performance of the GMs is being monitored and assessed by Project Management Unit (PMU) under the Provincial Directorate of Multilateral and Bilateral Financing (PDMBF) on a systematic basis to strengthening and improving the mechanisms as necessary.

B.2. Specific Risks and Impacts

A brief description of the potential environmental and social risks and impacts relevant to the Project.

ESS2 Labor and Working Conditions

This standard is relevant. The Project is being mainly implemented by staff from the DPOMyFB, the Provincial Directorate of Subsidies and the OCEBA (Government Civil Servants), for which ESS2 applies only regarding operational health and safety, and the prevention of child and forced labor. It is also being implemented by some direct workers (those working full time for the Project in the PMU) consultants and other contracted workers (i.e. those providing non-consultant services).

Appropriate occupational health and safety measures related to the activities foreseen under the project (administrative-related tasks in an indoor environment) are being applied as part of the LMP implementation. In addition, the Project LMP includes a consolidated Labor Grievance Mechanism acceptable to the Bank that is available for all Project workers, with different channels to address complaints, questions, grievances, and suggestions (phone, email and a mailbox in the office of the DPOMyFB). This GM is managed by the Acquisition Directorate of the DPOMyFB, that is the area in charge of hiring project workers. Up to date, the Project hired 11 workers, informed them of the existence of the GM orally and through their contracts; the GM has not received any grievances so far.

The applicable regulatory framework is consistent with ESS2 requirements; a summary of the applicable legislation is presented in the ESA and the LMP. All contracts reflect appropriate labor and working conditions in accordance with ESS2.

ESS3 Resource Efficiency and Pollution Prevention and Management

This Standard is not currently relevant to the Project. The outcome of E&S screening did not identify any potential risks and/or impacts relevant to ESS3.



ESS4 Community Health and Safety

This Standard is not currently relevant to the Project. The outcome of E&S screening did not identify any potential risks and/or impacts relevant to ESS4.

ESS5 Land Acquisition, Restrictions on Land Use and Involuntary Resettlement

This Standard is not currently relevant to the Project. The outcome of E&S screening did not identify any potential risks and/or impacts relevant to ESS5. There will be no physical interventions under the Project; activities to be financed will neither require land acquisition, nor restrictions on land or involuntary resettlement as defined under this Standard.

ESS6 Biodiversity Conservation and Sustainable Management of Living Natural Resources

This Standard is not currently relevant to the Project. The outcome of E&S screening did not identify any potential risks and/or impacts relevant to ESS6.

ESS7 Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities

This standard is relevant. Argentina is a multicultural country with a notable presence of indigenous populations, and the majority of these populations live in urban areas.

Indigenous people (2.54 percent of the population) traditionally live in rural communities in the provinces of Salta, Jujuy, Chubut, Neuquén, Tierra del Fuego, Chaco, Formosa, Santa Fe, Tucuman, and Mendoza. However, more than 80 percent of the indigenous population in Argentina lives today in urban areas, with the largest concentration living in the Buenos Aires Metropolitan Area. This is due to numerous factors, including new and improved access to basic services as well as improved market opportunities.

IPs living in the PBA are being engaged as part of the stakeholder engagement process , and relevant recommendations that result from their participation is informing the Project implementation. Consultations with the Provincial Council of Indigenous Affairs (CPAI) and the IP Council for Buenos Aires (CIBA), formed by leaders from the Qom, Guaraní, Mapuche-Tehuelche and Kolla peoples, have taken place as part of Project preparation and implementation and have informed the ESF instruments accordingly.

An Indigenous Peoples Plan (IPP) was included in the ESA as an Annex. It was originally validated with the CPAI and consulted with CIBA representatives as part of the Project implementation .The IPP was updated in 2020 to include information on the Programa Más Vida and consulted during 2021 with CPAI and CIBA, The Project is moving forward with the implementation participatory workshops for local IP communities on access to ST and Programa Más Vida, energy efficiency practices and healthy habits, training for public officials in intercultural attention and communication actions. Also, the Project is assessing if there are barriers for IPs for the use of the GMs described in the section on ESS10.



ESS8 Cultural Heritage

This Standard is not currently relevant to the Project. The outcome of E&S screening did not identify any potential risks and/or impacts relevant to ESS8.

ESS9 Financial Intermediaries

This Standard is not currently relevant to the Project. The Project will not involve the use of Financial Intermediaries.

C. Legal Operational Policies that Apply

OP 7.50 Projects on International Waterways

OP 7.60 Projects in Disputed Areas

B.3. Reliance on Borrower’s policy, legal and institutional framework, relevant to the Project risks and impacts

Is this project being prepared for use of Borrower Framework? No

Areas where “Use of Borrower Framework” is being considered:

N/A

IV. CONTACT POINTS

World Bank

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Borrower/Client/Recipient

Borrower: Province of Buenos Aires

Implementing Agency(ies)

Implementing Agency: Provincial Directorate of Multilateral and Bilateral Financing

V. FOR MORE INFORMATION CONTACT

Public Disclosure



The World Bank

Additional Financing for the Supporting the Electricity Social Tariff Transition in the Province of Buenos Aires Project (P178628)

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VI. APPROVAL

Task Team Leader(s): Marcela Ines Salvador

Practice Manager (ENR/Social) Maria Gonzalez de Asis Cleared on 08-Apr-2022 at 13:17:34 GMT-04:00