COMBINED PROJECT INFORMATION DOCUMENTS / INTEGRATED SAFEGUARDS DATA SHEET (PID/ISDS)  
CONCEPT STAGE  

Date Prepared/Updated: 28-Dec-2016  

I. BASIC INFORMATION  

A. Basic Project Data  

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<tr>
<td>Project Name:</td>
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<td>17-Apr-2017</td>
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<td>28-Apr-2017</td>
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| Environmental Category:  | C - Not Required |
| Concept Review Decision: | Track II - The review did authorize the preparation to continue |
| Is this a Repeater project? | No |
| Other Decision (as needed): |                      |

B. Introduction and Context  

Country Context  
1. After taking office on December 10, 2015, the new administration has moved with significant
speed to implement key reforms. The new government eliminated export taxes on major crops and beef, and reduced those on soy by five percentage points. Export taxes on most industrial manufacturing exports have also been eliminated, including autos, textiles, metals and toys. The government has unified the exchange rate, effectively ending most foreign exchange restrictions, and has moved from a system of discretionary to automatically provided import licenses in line with WTO procedures. Electricity tariffs were realigned. The new scheme reduces energy subsidies while including price incentives to reduce energy consumption and a social tariff destined to low income users. Similarly, transport tariffs were increased while protecting the poor. Finally, the Government resolved the dispute with the debt holdouts. This allowed Argentina to successfully restore access to international capital markets.

2. Economic growth is expected to experience a mild contraction in 2016 but accelerate in 2017 as the positive impact of the recent policy changes kicks in and the global economy recovers. Economic growth slowed down since 2014. The worsening of economic performance is the result of a combination of factors such as policy uncertainty and the regional slowdown. GDP growth for 2015 was 2.4 percent (INDEC, 2016), supported especially by public consumption; and, the trade balance kept weakening in 2015 due to an overvalued exchange rate and deteriorating external conditions. According to private estimates, inflation hovered around 25-30 percent, twice the official figure. The much-needed reforms carried out by the new Administration had a negative but temporary impact on inflation (+32 percent during the first seven months of 2016, but on a rapid downward trajectory since June) and private consumption (retail sales dropped by 8.1 percent in real terms during the first semester of the year). Public investments slowed down during the first part of the year, while private investments have not materialized yet. Overall, real GDP is projected to contract in 2016 by 1.6 percent. However, it is anticipated that economic growth will gradually recover in 2017 and 2018 as a more stable macroeconomic framework will promote private consumption and investment and facilitate access to capital markets.

3. Employment creation has been weak, and poverty remains high. After several years of improvement, net employment creation slowed down and reverted its trend in 2013. This is partly due to private employment growing only marginally, combined with a decrease in employment in micro firms -the largest employers and a key sector for the most vulnerable. In addition, double-digit inflation has eroded the purchasing power of families. Private employment virtually did not grow since 2012 and earnings 10 percent for all types of employment and both skilled and unskilled workers during the same period. As a result, between 2012 and 2016 the income of the people in the bottom 40 percent of the income distribution fell at an annual rate of 1.4 percent, while poverty incidence measured by international poverty lines grew from 12.2 to 13.2 (World Bank SEDLAC, 2016). According to the recently published statistics using the national poverty lines, the poverty rate in urban areas stands at 32 percent while extreme poverty reaches 6.3 percent of the Argentines, (second quarter of 2016).

4. Having reliable and timely economic and social statistics will be central for the design of adequate public policies. With core official economic and social statistics under scrutiny since 2007, the new administration was forced to plan policies and set its goals based on unreliable statistics. The initial concerns with the estimates of the Consumer Price Index (CPI), in a context of incipient inflation, spread to the measurement of GDP and its growth, as well as poverty estimates. The technical quality of the main statistical operations, such as the National Survey of Household Spending (2004/2005), the National Agricultural Census (2008), the National Population Census (2010) and the Permanent Household Survey also came under questioning. By
the end of 2015, alternative and inconsistent private and public estimates of inflation and poverty abounded. The new administration declared an emergency for statistics and the institute for statistics (INDEC) has been exempted from publishing information until a more credible methodology to measure inflation is adopted. Restoring the credibility of statistics is seen as essential for gaining market confidence and designing appropriate economic policies based on robust data. By October 2016, INDEC resumed the publication of the previously questionable core statistics, including inflation, economic activity, labor and poverty statistics.

Sectoral and Institutional Context

5. Argentina has a long history of producing and using good quality statistical information. The first statistical office (Direccion General de Estadistica) was legally formed under the Ministry of Finance in 1894. After a series of institutional reforms, the current National Institute of Statistics and Census (Instituto Nacional de Estadistica y Census, INDEC), was established through Law No. 17.622 in 1968. INDEC is a public technical agency under the Ministry of Finance and has the mandate to supervise all official statistical activities carried out in Argentina. Responsibilities include implementing the national statistical policies; to lead the National Statistical System; to design, organize and implement national statistical operations through censuses and surveys; and to develop basic indicators and socio-economic information.

6. INDEC coordinates the National Statistical System (NSS), based on principles of normative centralization and operational decentralization. The NSS is composed by all national, provincial and municipal entities that collect, process and disseminate official statistics. The NSS includes statistical units both across sectors (in the different sectoral ministries) and across subnational levels. Being a federal country, each provincial government has its own Provincial Bureau of Statistics (Direccion Provincial de Estadisticas, DPE) which coordinates the respective provincial statistical system. INDEC develops an Annual Program of Statistics and Censuses, and agrees with the DPEs on the activities to be implemented and financed as part of the national statistical operations.

7. Historically, INDEC was considered a model for statistical production in Latin America. However, in the last decade Argentina’s official statistics, and the capacity of INDEC to produce quality statistics, has been broadly questioned. By 2006, inflation expectations were rising and efforts to set fixed price agreements with supermarkets had limited impact. Pressures over the inflation statistics and other indicators led to discrepancies of the CPI estimate for January 2007. Concerns over the trustworthiness of the Consumer Price Index (CPI), quickly extended to national accounts (GDP and commerce) and social statistics (poverty, employment). As a consequence, alternative consumer price data produced by public and private institutions such as provincial statistical offices, congress, trade unions, think tanks, consultancies emerged. In 2013, the IMF sanctioned the country with a "motion of censure" due to the lack of credibility on inflation and economic growth data. In 2014, INDEC decided to discontinue the poverty series, and again, alternative poverty estimates produced by research centers or think tanks gained relevance.

8. The efforts to strengthen INDEC’s capacity to produce reliable, quality statistics for evidence-based policy making became a priority for the new Government. The new director of the institute immediately declared a national statistical emergency for at most one year, which suspended the publication of core statistics until estimates could be reviewed, recomputed and trusted (Decree 55/2016, January 8, 2016). Inflation and GDP statistics were resumed in June 2016, employment statistics at the end of August 2016, and poverty statistics were released at the end September
2016. The IMF lifted the Censure on Argentina's official data in the November 2016 assessment, noting that the new administration has made considerable efforts to strengthen the national statistics agency and produce reliable and trustworthy data, and asserting that Argentina now provides data in a manner consistent with its obligations under the Fund's Constitution. Furthermore, as Argentina is exploring the possibility of becoming an OECD member country, complying with existing good statistical practices and having an independent, professional, adequately resourced statistics agency is essential. On this topic, the OECD Director of Global Relations Marcos Bonturi expressed, during a mission to Argentina in June 2016, that "To run policy, let alone reforms, without having a good statistical basis is like driving a car either 30 kilometers an hour or 200 kilometers hour blind, and that is not something that I would recommend".

9. Core to the government's efforts to strengthen the institution, INDEC is currently drafting a new Statistics Law that will redefine the institutional arrangement for official statistical services. While the details are not yet determined, the proposed law will set the strategic directions for the NSS, and likely include measures to grant greater independence to INDEC. Similar to the Central Bank, INDEC could become an autonomous entity, an action taken by other NSOs in the region to regain credibility. Other areas that have been discussed include the establishment of new institutional mechanisms for the coordination with the provincial statistics offices and the conformation of an advisory committee that would oversee the main strategic decisions of the institution. The law is expected to be presented to Congress in the first half of 2017.

10. While INDEC has been able to successfully respond to the IMF Censure and strengthen the trustworthiness of the official statistics in general, the institute now has to confront certain methodological and operational shortcomings in several of its core statistical products, some of which were present even before the recent developments. There is an urgent need to update the base economic and social statistics with a focus on quality, and simultaneously modernize and innovate in the methodologies and technologies used to produce and disseminate statistical information. In order to do so, INDEC will need to address challenges in infrastructure and Information and Communication Technology, which is generally outdated. Further, there are limitations in human resource capacity and staffing, including issues such as hiring, training and career development. Simultaneously, INDEC needs to strengthen the strategic planning and regain its role as coordinator of the National Statistical System (NSS), articulating subnational and sectoral members of the NSS, as well as setting standards and providing technical assistance and training to its members.

11. In this context, the Government of Argentina has requested the support from international organizations to accompany INDEC in the process of strengthening their basic statistical infrastructure and their role as the NSS coordinator. The International Monetary Fund has been providing technical assistance towards the improvement of consumption price statistics. In addition, INDEC is requesting financial and technical assistance from both the Inter-American Development Bank (IADB) and the World Bank with two complementing loans for US$ 50 million each to help finance some of the reforms needed as well as the large-scale operations that are coming up in the next five years. In the past, financing assistance from international institutions to INDEC has been limited, and constrained to specific activities (such as funding a sectoral survey, or providing technical assistance on a particular topic). Therefore, it will be the first time that broad financing to strengthen the institution is being sought.
12. A recent internal assessment carried out by the new authorities in INDEC concluded that the human and physical resources, as well as the organizational and planning practices, are inadequate for the institution to be able to fulfill its mandate. Among other things, the diagnostic determined that the staff lacks the necessary training and career plans and that the outdated technological infrastructure does not allow for adequate connectivity and storage. In addition, it concluded that the role of INDEC as coordinator of the NSS is weak, that there is a lack of coordination within the institution, and that the reputation of the institution has been severely damaged both nationally and internationally.

13. In addition, the general capacity to measure poverty rates, and to develop evidence-based, well-targeted policies and actions intended to eradicate it has been directly affected by the lack of nationally representative household data. Historically, the main household survey for employment and poverty statistics, the Permanent Household Survey (Encuesta Permanente de Hogares, EPH) is only collected in urban areas - in the 31 largest agglomerations on a continuous basis and in an expanded sample to include cities with more than 2,000 inhabitants, once a year. While the rural population represents a small fraction of the total population (9 percent according to the 2010 Population, Household and Housing Census), it accounts for a fifth of those living in the poorest regions in the north of the country, where the government's flagship program Plan Belgrano is focused. Urban-only household surveys may underestimate national poverty: according to the 2001 census, rural population and those living in small towns were significantly more likely to have at least one unsatisfied basic need (at 36 and 24 percent, respectively) than the rest of the population (at 16 percent). Thus, there is a need to expand the EPH to the rest of the country to regularly include small urban and rural areas and, more broadly, to count on more precise and nationally representative statistical information.

14. Agricultural production is a key source of income for a large share of the population and is an important driver for growth and poverty reduction. This economic sector represents approximately 9 percent of the GDP, 6 percent of total employment and the 65 percent of the total exports of the country. Agricultural censuses have been carried out in Argentina in 1988, 2002 and 2008. However, the 2008 census suffered from methodological and implementation problems that resulted in an incomplete census with data that is not comparable to previous censuses. A new attempt was made in 2013 but again due to implementation as well as financing problems was not even able to begin fieldwork. Not having reliable updated information on agricultural production limits the development and implementation of relevant projects and the precision and reliability of national accounts.

15. The proposed project is aligned with the Government of Argentina's objectives and priorities to restore confidence in official statistics, and to generate higher quality, timely statistical information to inform decision-making.

Relationship to CAS/CPS/CPF

16. This proposed project is in line with the overall objectives of the World Bank Group's twin goals of alleviating poverty and boosting shared prosperity and contributes to the goals defined in the Country Partnership Strategy (CPS) 2015-2018 (Report 81361-AR) discussed by the Board on September 9, 2014. The project is aligned with the new Government's priority to have reliable statistics for evidence-based decision-making. This is also a priority of the CPS, which will be further emphasized in the upcoming PLR. The CPS report states that the Bank will contribute to sustaining employment creation in firms and farms, through the protection of jobs during the economic slowdown and to the creation of more and better employment as growth accelerates.
(Pillar 1). This includes supporting employability of the youth, as well as small and medium farms in rural areas. In addition, the CPS states its interest in increasing the Bank’s involvement in low-income geographic areas. This Project would constitute an instrument to reach these objectives by aiming to strengthen the national statistical systems, in order to provide accurate and reliable information, essential to the design of adequate public policy.

17. The project also contributes to existing and planned World Bank activities and operations in Argentina. Particularly, this Project will support the improvement and expansion to the national level of the Continuous Household Survey, as well as update the economic information of agricultural production through supporting the Agricultural Census, and improve the cartographic information across the country, as a basis of all national statistics. The information on agricultural production generated through the census and the directory of agricultural units will be useful in future project preparation. The more precise data to be collected through the expanded household survey will provide key inputs for the poverty monitoring and social protection activities, as well as to better characterize the population in low-income areas of the country, for projects such as the Socioeconomic Inclusion in Rural Areas (PISEAR, P106685) currently under implementation. The project will also engage with the Youth Employment Support Project (P133129), which might fund one of the household survey integral to the Integrated System of Household Surveys supported by the present project.

18. The project will allow for close coordination with existing WBG activities. The second Provincial Agricultural Development Project (PROSAP, P106684) is currently financing the preparation (with INDEC) of the sampling frame for rural areas to be used in the geographic expansion of the permanent household survey. Also, the project will liaise with the technical assistance that the Poverty and Equity GP provides to the government.

C. Proposed Development Objective(s)

Proposed Development Objective(s) (From PCN)
The objective of the proposed operation is to strengthen the capacity of INDEC to produce and disseminate quality statistics and to fulfill its mandate as coordinator of the National Statistical System.

Key Results (From PCN)
20. The PDO level indicators aim to measure quality, timeliness and access to the statistics produced with support of the project; and to indicate how well INDEC is fulfilling its role as coordinator of the NSS. In this sense, the following outcome indicators have been identified:

- Percentage of statistical products supported by the project that complies with internationally recognized quality standards.
- Percentage of statistical products supported by the project that complies with the production and dissemination calendar set forth.
- Percentage of statistical products supported by the project that is made publicly available with the corresponding methodological documentation.
- Number of members of the NSS trained on applying the minimum quality processes for the production of statistics, developed by the project.

D. Concept Description

21. The project will assist INDEC in rebuilding and strengthening the capacity to produce quality
core statistics for evidence based decision-making. INDEC, as the key provider of official statistics and the coordinator of the National Statistical System, has been identified as the designated implementing agency of this project. The project is expected to have a duration of five years from WBG Board approval, assuming no effectiveness delays.

22. Project activities have been identified based on Government demand. They are aligned with (i) closing critical data gaps; (ii) core features of a modern statistical system; (iii) alignment with the WBG's comparative advantage in providing technical assistance, as compared to other development partners. While there are no co-financed activities apart from the PIU, the WBG supported activities complement the ones funded by the IADB. In principle, the IADB will focus on the institutional strengthening of INDEC by improving the physical infrastructure (including office renovations) and its human resources (addressing issues such as hiring and career development), and on providing financing for the preparatory activities of the 2020 Population Census and the Economic Census. As preparation progresses for both the IADB and WB projects, the specific way in which they interact and complement each other will be further clarified, as will potential formal coordination mechanisms. This coordination will be particularly important for overall capacity building activities to which both projects will contribute, such as training and ICT upgrading.

Component 1. Innovations in the Production and Dissemination of Statistics (US$ 17.5M).

23. As most national statistical offices, INDEC is the coordinator and regulator of the National Statistical System (NSS) composed by subnational and sectoral statistical units. This role is essential to achieve consistency and efficiency in the entire NSS. To achieve this, mechanisms of technical cooperation among producers of statistics, as well as the promotion of national standards and guidelines, are required. A recent assessment carried out by the new authorities indicates that in the past decade, INDEC's role as coordinator has been substantially weakened. The technological and statistical infrastructure is deficient, the coordination and articulation even within the institution is scarce, and the human resources are inadequate, especially as it relates to the adoption of new technologies and methodologies in the production of core statistics.

24. The aim of this component is to strengthen INDEC's role as a lead producer of official statistics, and as coordinator of the National Statistical System. In particular, the activities under the component seek to strengthen the statistical infrastructure by testing and introducing methodological innovations in the production of core statistics; designing mechanisms to certify statistical quality and standardized classifications used across the NSS; and by improving the technical and operational capacities of the NSS (through training of staff and updating of information technology). Almost half of the funding for this component will support the ICT updating component.

Sub-component 1.1 Supporting Innovation in Statistical Methodology

25. The use of alternative sources of information to improve official statistics is becoming increasingly relevant. This subcomponent will support the strengthening of the geo-statistical framework using satellite data in light of the upcoming economic and population censuses and household surveys. In particular, the activities will include: (i) the generation of new layers of information for the geographic database; (ii) the development and adoption of an open-source software to manage the Geographic Information System; and, (iii) the extension of the use of
high-resolution images. A second line of work will be to support the increased use of administrative records to improve core statistics.

26. Adopting new methodologies in the collection and processing requires the exploration, design and testing of different alternatives. This subcomponent will support the development and implementation of a research and evaluation agenda towards the adoption of new statistical methodologies. Examples of this could be, but are not limited to, the use of tablets to collect survey information, the development of mechanisms to increase survey response, the testing of alternative imputation methods, and the use of national ID numbers to link survey data with administrative records, while protecting statistical confidentiality.

Sub-component 1.2 Regulating and Homogenizing NSS products

27. Having an established mechanism to certify the technical quality of the statistical products produced by NSS members will strengthen the role of INDEC as regulatory agency of the system. This subcomponent seeks to develop mechanisms to assess and certify the quality of the statistical operations produced by the statistical system, according to international standards and guidelines.

28. For an efficient coordination and effective comparison of statistics produced by members of the National Statistical System, counting on a common set of classifications for compiling statistical data is essential. This subcomponent will support the standardization of classifications and nomenclatures of key statistics produced by the NSS, considering both national and international standards.

Sub-component 1.3 Training to the NSS

29. Training and technical assistance for INDEC staff, as well as for other members of the NSS, will allow an overall improvement in efficiency. Through this sub-component, the project will support training and skills enhancement programs for existing staff and members of the NSS and technical assistance and communication (through workshops, courses and seminars), with the objective to improve operational efficiency. The focus and activities of this sub-component will be defined during preparation, and in close coordination with the IADB, as they will also support training activities.

Sub-component 1.4 Updating Information and Communication Technologies

30. The availability of adequate and up-to-date information and communication technologies is crucial to produce, use and disseminate data, as well as to coordinate the NSS. According to the recent assessment INDEC carried out, the existing ICT infrastructure is outdated, the software used are becoming obsolete, and the human resources in this area lacks the necessary skills to adopt and disseminate state-of-the-art technology across the NSS. In addition, the modernization requirements from the ICT sector are expanding exponentially, as the institution moves towards the increasing use of computer assisted interviewing technologies, with the need to strengthen the relationship and support to the subnational statistical agencies in this area. The project will finance the needed upgrade of the ICT infrastructure (datacenter, equipment and software) as well as the development of a new security system of stored statistics.

Component 2. Social Statistics (US$ 8.5M)
31. The objective of this component is to strengthen INDEC’s capacity to collect and analyze social statistics in terms of geographical coverage, frequency, quality and quantity of the statistics. The focus of the proposed activities is to close long-standing critical data gaps in social statistics considered essential for policy making, particularly in the context of the Government’s poverty reduction strategy and emphasis on the development of the northern (poorest) part of the country. The four areas identified are: (i) the expansion of the Permanent Household Survey to the national level; (ii) the development and implementation of an integrated system of household surveys; (iii) the production of studies related to poverty measurement; and, (iii) the support of the production of a National Consumer Price Index.

Sub-component 2.1 Expanding the Permanent Household Survey (EPH) to the National Level

32. Lacking regular and comparable information on living conditions and employment for rural and small areas undermines the possibility of evidence-based policy-making across the country. The Permanent Household Survey (Encuesta Permanente de Hogares, EPH) is the main source of information in Argentina on labor markets, the incidence of poverty and inequality. However, the coverage of this survey is currently limited to 31 urban agglomerations, which represents around 62 percent of the total population, on a continuous basis. Since 2010, smaller urban areas are also sampled once a year (third quarter) as part of the Annual Urban Household Survey (Encuesta Anual de Hogares Urbanos, EAUH), which provides yearly labor market information for national urban areas, as well as at the provincial urban level. With this extension of the EPH, the coverage reaches 90 percent of the total population of the country, though not on a continuous basis. This expanded sample is not used, however, to calculate income related indicators such as poverty or inequality indices. Rural areas have never been included in the EPH.

33. The project will support the activities required for the expansion of the EPH to the national level (urban and rural) to produce labor and income related indicators. Since July 2016, the World Bank has been supporting activities towards the geographic expansion of the EPH through the PROSAP project (P106684). The activities included the evaluation of the 2010 Population Census in rural areas, the construction of a rural sampling frame, and the initial reformulation of the conceptual design of the survey, including testing of a revised questionnaire. The present project will follow this work, by supporting the finalization of construction of the sampling frame for rural areas and the final design and adaptation of the questionnaires. In addition, the project will support the piloting in selected areas, as well as the final implementation of the survey for a first round.

Subcomponent 2.2 Developing an Integrated System of Household Surveys

34. An Integrated System of Household Surveys will permit a more efficient coordination of all national households surveys carried out in a country. Specifically, an Integrated System of Household Surveys (Sistema Integrado de Encuestas de Hogares, SIEH) implies a coordinated design and execution of a series of surveys that, while different in their objectives and scope, share a certain conceptual and methodological framework. In this manner, it helps define the timing and degree to which different surveys complement each other, which optimizes the use of human and financial resources (Feres, 1998; Beccaria, 1999). Currently, INDEC has an overwhelming demand for essential information from several line ministries (such as Health, Labor, Social Development), and thus it is more pertinent than ever that such system is developed and put into place.
35. This sub-component will support the development of an Integrated System of Household Survey. The activities will include: (i) the revision of existing surveys (and plans), considering the demands from line ministries and other relevant stakeholders; (ii) the definition of a set of core household surveys and the complementary ones as well as their timing (periodically or sporadically) and implementation (as a standalone survey or a module of another survey); (iii) the assessment of core sociodemographic indicators and their respective questions towards a consistent definition to be used across surveys; and, (iv) the analysis of the sampling frame and sampling strategy consistent with the SIEH.

Subcomponent 2.3 Improving and updating poverty measurement

36. As a society changes, it is important to reassess periodically the measures and criteria used to evaluate a country's poverty. This subcomponent will support the reassessment of poverty measures currently used, and elaborate proposals for alternative methods for measuring poverty. Activities include, but are not limited to, the updating of the monetary poverty line using the 2017/18 Expenditure Survey, and the analysis of components of structural poverty which, on the basis of the concept of Unsatisfied Basic Needs currently used by INDEC, can identify additional dimensions to consider for incorporation in the measurement.

Subcomponent 2.4 Constructing a National Consumer Price Index (CPI)

37. Having a national Consumer Price Index is key to understand the differences in the evolution of the prices across regions and provinces for a comparable basket of goods. Historically, the CPI calculated for Greater Buenos Aires was used to measure inflation faced by households at a national level. Among other things, this CPI was used to regularly update the poverty lines. While differences in price levels across regions were recognized (as measured through a spatial study done in 2002), the assumption was that prices across the country moved at the same rate. In 2013, in the midst of widespread questioning of the CPI, INDEC decided to adopt a National Urban CPI (IPCNu). An audit performed by the new authorities found inconsistencies in the IPCNu, and INDEC decided to produce a new CPI for Greater Buenos Aires based on the 2004/05 Expenditure Survey as a first step, and to progressively incorporate the information from other provinces towards a National CPI.

38. This subcomponent aims to support the development of the National CPI. In particular, the project will support the construction of a new CPI based on the 2017/18 Expenditure Survey, as well as the specification survey with national urban coverage. In addition, the project might finance the testing of moving towards the use of computer-assisted technology for the collection of price data, as well as specific studies to understand how price data available from alternative sources (through web scrapping) can be utilized to complement the data collected. The activities under this subcomponent will be implemented in close coordination with the International Monetary Fund, which is currently providing technical assistance and preparing recommendations towards the improvement of the CPI.

Component 3. Economic Statistics (US$ 20.5M)

39. To count on updated, timely and reliable economic statistics is essential for the design and implementation of public policies. This component will support the collection and improvement
of economic information, according to best international practices. The core activity of this component will be the National Agricultural Census.

Subcomponent 3.1 National Agricultural Census

40. Argentina's economy relies significantly in the agricultural sector, both in terms of the volume of its exports and its capacity of creating jobs, direct and indirectly. Having reliable and up-to-date information of the agricultural sector is critical not only as an input to national accounts, but also more importantly, to better understand the economic transformations that the country has been going through in the last couple of decades. This information will permit a more adequate planning of policies and programs based on evidence, as well as provide key information to the private sector for the provision of services.

41. According to the law, Agricultural Censuses should be implemented every 5 years. The last Agricultural Census was implemented in 2008 but, due to failures in the preparation and fieldwork, the quality was unsatisfactory, and thus the usefulness of the information collected limited. Nationwide, the coverage gap of the census was estimated at between 12 and 15 percent of the total agricultural land, though this is larger in some provinces, such as Buenos Aires. In 2013, a new round of the Agricultural Census was planned, though never implemented.

42. In this context, this sub-component will support the implementation of the National Agricultural Census (NAC). Besides the standard activities included in the preparation, collection, and processing of the NAC, the project will support two developments that will be incorporated for the first time into an Agricultural census in Argentina. These are: (i) the use of computer assisted personal interview (CAPI) technology to collect data, instead of the traditional pen and paper interview system; and, (ii) the inclusion of the previously excluded subsistence farms which produce solely for own consumption. The latter will be particularly relevant to ensure that there are no systematic exclusion of vulnerable groups. In this regard, INDEC has agreed to prepare a Strategy for Vulnerable Populations and Indigenous Groups to adequately reach out and collect information from these populations.

Subcomponent 3.2 Other Relevant Economic Statistics

43. This subcomponent will support the development and improvement of other economic statistics where international technical assistance will be most needed. These may include, but not be limited to, the development of environmental statistics that are currently limited, and the formulation of quarterly indicators of agriculture and fishery. Further details will be discussed and defined during project preparation.

Component 4. Project Management (US$ 3.5M).

44. To strengthen the capacity of INDEC and to ensure the effective and efficient implementation of project activities, the project will finance the Project Implementing Unit (PIU), as will IADB. The PIU is expected to be located in INDEC and support the National Technical Director of the Institute in all non-technical aspects of project implementation and monitoring. To fulfill its mandate, the PIU will be staffed with a project coordinator and, at a minimum, specialists for procurement and for financial management. Furthermore, there may be a need for personnel dedicated to coordination of social aspects and for the work at the subnational level. The PIU may
also engage international experts as consultants as needed.

45. Given that the PIU will be a new unit, and that it will be responsible for the administrative management of both the World Bank and the IADB financing to INDEC, substantive training may be required to ensure the adequate level of knowledge of relevant procedures and processes. Furthermore, as the implementation of some project activities may be carried out by the Provincial Statistical Offices, specific institutional arrangements for conducting project activities at the provincial and national levels will be defined in the Operations Manual, and may include the signing of Agreements to implement certain activities.

II. SAFEGUARDS

A. Project location and salient physical characteristics relevant to the safeguard analysis (if known)

Nationwide, Argentina is a diverse and multicultural country, contrary to the general perception. The indigenous population represents about 2.4 percent of the total (circa 955 thousand), while there are about 150 thousand Afro-descendants and an estimated 300 thousand Romani people, among others (2010 Census). The indigenous population, who are grouped in 30 different peoples and speak 15 native languages, traditionally lived in rural communities in provinces of the north, west, and southwest. However, 82 percent of them live today in urban areas, and the largest concentration of indigenous population is in the Buenos Aires Metropolitan Area (AMBA), which concentrates about one quarter of the total, nearly 40 percent of which were born in a different province. However, the remaining 18 percent represent a larger proportion of rural households than the national average (9 percent), and tends to be located in the poorest rural municipalities of the country.

Data on the indigenous population show important gaps regarding access services and markets, especially in the provinces of the north and in rural areas: only 3 percent of indigenous population in rural areas have completed secondary education (vis-À -vis a national level secondary completion rate average of 39 percent), and only 43 percent completed primary education (compared to the national average of 78 percent); only 47 percent of indigenous households in general have access to sewerage, compared to the 53 percent national average; and in cities of the north up to 80 percent of indigenous households live in precarious housing.

Reliable and complete data is central to ensure the effectiveness of policies and programs aimed to target the most vulnerable groups. The Agricultural Census that this project will support will collect data in rural areas, and will further include smaller subsistence farmers for the first time, which represents a new challenge. Therefore, a specialized methodological approach and a differentiated community engagement strategy is needed to minimize risks of: (i) incomplete coverage that systematically excludes vulnerable populations, due to a lack of an appropriate approach; and, (ii) unreliable information, due to a lack of adequate data collection instruments.

B. Borrower’s Institutional Capacity for Safeguard Policies

INDEC has previous experience of ensuring the inclusion of vulnerable populations in their work. During the 2004/05 indigenous people’s census and the 2001 and 2010 general censuses, indigenous people's variables were introduced, and this experience included extensive consultation processes. For this project, in particular, INDEC will design and develop an engagement strategy and a communications campaign, which will include consultation processes, in advance to the Agricultural Census. INDEC will also work on the adaptation of the data collection methods to the specific conditions and requirements of indigenous and other vulnerable populations in rural areas.
INDEC has experienced staff in dealing with indigenous peoples’ rights and engagement, as reflected in the successful completion of the 2001, 2004/05, and 2010 censuses. The National Indigenous Bureau (Instituto Nacional de Asuntos Indigenas, INAI, from Sp.) will support INDEC throughout the design and implementation phases of the project. The two institutes have already met and are working on a concerted Indigenous Peoples Strategy.

C. Environmental and Social Safeguards Specialists on the Team
German Nicolas Freire (GSU04)

D. POLICIES THAT MIGHT APPLY

<table>
<thead>
<tr>
<th>Safeguard Policies</th>
<th>Triggered?</th>
<th>Explanation (Optional)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Environmental Assessment</td>
<td>TBD</td>
<td>In principle, project activities will not have adverse environmental impacts. However, the triggering of this policy is TBD, subject to further information regarding the level of Information Communication Technology (ICT) waste that may be generated by the disposal of outdated equipment as a result of upgrades to the ICT infrastructure that will occur under Component 1. During project preparation, the Team will review Argentinean legislation to assess the adequacy of the measures for disposal of ICT equipment and if deemed appropriate, Argentine ICT waste management measures will be incorporated into the Operations Manual. Otherwise, ICT waste management measures will be guided by the World Bank Group’s Environmental, Health, and Safety Guidelines.</td>
</tr>
<tr>
<td>Natural Habitats OP/BP 4.04</td>
<td>No</td>
<td>Project activities will not affect natural habitats.</td>
</tr>
<tr>
<td>Forests OP/BP 4.36</td>
<td>No</td>
<td>Project activities will not affect forest areas.</td>
</tr>
<tr>
<td>Pest Management OP 4.09</td>
<td>No</td>
<td>The project will not procure any pesticides, nor will an increased use of pesticides result from the project.</td>
</tr>
<tr>
<td>Physical Cultural Resources OP/BP 4.11</td>
<td>No</td>
<td>The project will not affect sites with archeological, paleontological, historical, religious, or unique natural values.</td>
</tr>
<tr>
<td>Indigenous Peoples OP/BP 4.10</td>
<td>Yes</td>
<td>The Indigenous People's policy (OP/BP 4.10), will be triggered under this project, as IPs, with unique and different cultures and governance systems, will be amongst the covered population and will likely benefit or be affected by the policies that may be informed by the results of the statistical operations. There are no foreseeable negative impacts on any...</td>
</tr>
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</table>
vulnerable population, including indigenous communities. On the contrary, the project will give visibility to ethnic and other minorities in national statistical tools, such as the Agricultural Census, which will generate the necessary data to develop posterior differentiated social inclusion policies and analyses.

In this context, the application of the IP policy will ensure that: (i) data collection instruments and procedures are fully respectful of IP rights, governance systems and cultural practices; and, (ii) field testing and field work takes into consideration cultural contexts (i.e. language and terminology).

Given the nature of this project as technical assistance, the Interim Guidelines on the Application of Safeguard Policies to Technical Assistance (TA) Activities in Bank-Financed Projects and Trust Funds Administered by the Bank from January 2014 are applicable. It is also important to note that in the activities to be financed under the project IPs will not be the sole or the overwhelming majority of direct project beneficiaries.

During project preparation, the Team will assist the Government of Argentina in the identification and development of an adequate strategy to ensure that the instruments, the design and the field work fully respect IP's governance and cultural practices. In this way, the Team will make sure that the TA activities under the project are fully consistent with OP 4.10.

<table>
<thead>
<tr>
<th>Involuntary Resettlement OP/BP 4.12</th>
<th>No</th>
<th>Project activities will not cause involuntary resettlement.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Safety of Dams OP/BP 4.37</td>
<td>No</td>
<td>The project will not finance construction or rehabilitation of any dams, nor will it rely on the performance of an existing dam or a dam under construction.</td>
</tr>
<tr>
<td>Projects on International Waterways OP/BP 7.50</td>
<td>No</td>
<td>There are no known project components involving international waterways as defined in the policy.</td>
</tr>
<tr>
<td>Projects in Disputed Areas OP/BP 7.60</td>
<td>No</td>
<td>The project is not located in any known area of territorial dispute as defined in the policy.</td>
</tr>
</tbody>
</table>

**E. Safeguard Preparation Plan**

1. **Tentative target date for preparing the PAD Stage ISDS**
   30-Jan-2017
2. Time frame for launching and completing the safeguard-related studies that may be needed. The specific studies and their timing should be specified in the PAD-stage ISDS.

The Team has met with the client's experts who work on the inclusion of minority groups to initiate the discussions on how to ensure that the instruments, the design and the field work fully respect IP's governance and cultural practices. The WBG Safeguards Specialist will continue to engage with the Government of Argentina during preparation, and to assist in the identification and development of the appropriate approach. In principle, INDEC will prepare a special Strategy for Vulnerable Populations and Indigenous Peoples (Estrategia para Poblaciones Vulnerables y Pueblos Originarios). A plan to prepare the Strategy will be ready by January 30, 2017, before Appraisal, and will be fully developed, including cost estimation before negotiations. The Appraisal-stage combined Project Information Document/Integrated Safeguards Data Sheet will explain the approach to be applied to ensure compliance with OP4.10. A policy instrument is not required because the activities planned under the project are technical assistance, and thus the Interim Guidelines on the Application of Safeguard Policies to Technical Assistance from January 2014 are applicable.

III. Contact point

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V. Approval

<table>
<thead>
<tr>
<th>Task Team Leader(s):</th>
<th>Name: Maria Ana Lugo, Jonna Maria Lundvall</th>
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<th>Approved By</th>
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| Safeguards Advisor: Name: Ivan Matias Besserer Rayas (SA)
Date: 28-Dec-2016 |
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<tr>
<th>Practice Manager/Manager:</th>
<th>Name: Oscar Calvo-Gonzalez (PMGR)</th>
<th>Date: 28-Dec-2016</th>
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<tr>
<td>Country Director:</td>
<td>Name: Rafael P. Rofman (CD)</td>
<td>Date: 29-Dec-2016</td>
</tr>
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1 Reminder: The Bank's Disclosure Policy requires that safeguard-related documents be disclosed before appraisal (i) at the InfoShop and (ii) in country, at publicly accessible locations and in a form and language that are accessible to potentially affected persons.