



**The World Bank**

AR Flood Risk Management Support Project for the City of Buenos Aires (P145686)

REPORT NO.: RES35718

RESTRUCTURING PAPER  
ON A  
PROPOSED PROJECT RESTRUCTURING  
OF  
AR FLOOD RISK MANAGEMENT SUPPORT PROJECT FOR THE CITY OF BUENOS AIRES  
APPROVED ON JUNE 22, 2016  
TO  
THE AUTONOMOUS CITY OF BUENOS AIRES  
WITH THE GUARANTEE OF THE ARGENTINE REPUBLIC

WATER GLOBAL PRACTICE

LATIN AMERICA AND THE CARIBBEAN

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## ABBREVIATIONS AND ACRONYMS

CABA	Autonomous City of Buenos Aires
FM	Financial Management
MoF	Ministry of Finance, now Ministry of Economy and Finance
MUD	Ministry of Urban Development and Transport
NGO	Non-Government Organization
PCU	Project Coordination Unit
PDO	Project Development Objective
UPE	Special Projects Unit



**BASIC DATA**

**Product Information**

Project ID P145686	Financing Instrument Investment Project Financing
Original EA Category Full Assessment (A)	Current EA Category Full Assessment (A)
Approval Date 22-Jun-2016	Current Closing Date 01-Mar-2022

**Organizations**

Borrower Province of Buenos Aires	Responsible Agency Ministry of Urban Development and Transport (MUD)
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**Project Development Objective (PDO)**

Original PDO

Strengthen the Autonomous City of Buenos Aires to efficiently manage flood risk and improve the drainage systems in the Cildanez Basin, Maldonado Basin, and Vega Basin.

**Summary Status of Financing**

Ln/Cr/Tf	Approval	Signing	Effectiveness	Closing	Net Commitment	Disbursed	Undisbursed
IBRD-86280	22-Jun-2016	10-Nov-2016	07-Dec-2016	01-Mar-2022	200.00	138.77	61.23

**Policy Waiver(s)**

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

No



## I. PROJECT STATUS AND RATIONALE FOR RESTRUCTURING

The project was approved on June 22, 2016 and became effective on December 7, 2016. This is the first project restructuring.

Progress towards achievement of the Project Development Objective (PDO) and overall implementation progress are rated Satisfactory and the PDO is expected to be achieved under the current project's timeframe. To date, disbursement is 69 percent and 96 percent have been committed.

Current progress is as follows. Under Component 1 on Institutional Development for Flood Management, the implementation of the Hydromet Early Warning System (SIHVIGILA for its Spanish acronym - Sistema Hidrometeorológico de Observación, Vigilancia y Alerta, also known as SAT Sistema de Alerta de Tormentas) is ongoing. Today, 31 hydrometeorological stations have been installed, of which 26 are already gathering data. The system also includes a radar to improve weather forecast, which has been installed. Other important activities had been carried out, such as the expert's advice to the new urban planning code for the Autonomous City of Buenos Aires (CABA for its acronym in Spanish) and the establishment of the Interministerial Council for Flood Risk Management.

Subcomponent 1.3 comprises carrying out of flood risk social communication and education activities, including, among others: (i) the provision of grants to Non-Government Organizations (NGOs) with the purpose of raising awareness on flood hazard within local communities; (ii) the design and implementation of communication strategies for city dwellers to raise awareness on flood hazards; (iii) the carrying out of an education program on flood hazards, risks, vulnerability, and prevention for professionals in the education and construction sectors, and the provision of support to the CABA to train communities in the poorest neighborhoods on emergency response (the "Primeros Respondedores en la Emergencia" Program); (iv) the provision of support for the update of the CABA's regulatory frameworks (building norms); and (v) the carrying out of an international workshop for the exchange of experiences and sharing of knowledge on flood risk management.

Under Component 2 on Flood Mitigation Infrastructure, works in the city basins of the Vega river and the Cildañez river are under implementation. The first stage of activities in the Cildañez River basin have been completed, those include three rainstorm collectors (e.g., Ramal Nagera, Ramal Asturias and Ramal Villa 6) and one temporary retention area in the Indoamericano Park. A second stage (including rainstorm collectors Marti y Castañares) has been included in the latest procurement plan. Ongoing works in the Vega river basin includes a large drainage tunnel of about 8.4 km long that will increase the existing drainage capacity in the basin. Today, current physical progress is 49 percent.

The project is in full compliance with environmental and social safeguards policies and the implementing agency has demonstrated the necessary capacity for overseeing safeguards issues and using properly the project's safeguards instruments. Similarly, the project is in full compliance with World Bank fiduciary policies.

### **Rationale for Restructuring**

In November 2018, the Government of CABA presented an updated communications and training strategy based on the 2005 Communication and Environmental Education Program (PROCEAH), originally supported by the Bank-financed First Phase of the Urban Flood Prevention and Drainage Program (P088220). The Bank has agreed on the activities under this updated communication and training strategy that will be financed under the project. Since some of these activities are different from those originally planned under Sub component 1.3, the project is being restructured to reflect these new activities and their incorporation in the results framework.



As well, this restructuring will reflect the necessary adjustments on implementation arrangements due to the updated institutional setup presented by the Government of CABA, and described later in this document.

## II. DESCRIPTION OF PROPOSED CHANGES

The proposed changes include: (i) revision of the institutional arrangements and change in implementing agency; (ii) modification of the activities under Sub-component 1.3, as a result of the revised communications strategy; (iii) revision of the results framework to reflect changes in the activities under Component 1, correction of the targets under Component 2, and addition of citizen engagement indicators; (iv) adjustment of disbursement arrangements; and (v) revision of the procurement arrangements for the project, in order to reflect the new World Bank's Procurement Framework, (vi) and the inclusion of new requirements under the Environmental and Social Incident Response Toolkit (ESIRT), including the need for the Borrower to timely report to the Bank any incident.

### (i) Institutional arrangements and change in implementing agency:

As originally approved, the Project Coordination Unit (PCU) was created within the Unit for Multilateral Financing (UMF) of the City's Ministry of Finance (MoF). The PCU was responsible for overall project coordination and served as a permanent link between the World Bank and CABA. The project's financial management (FM) responsibilities comprising budgeting, accounting, financial reporting, disbursements, the external audit hiring process, and data management and filing were, as well, responsibility of the PCU. The Ministry of Urban Development and Transport (MUD) provided technical support to the PCU for the implementation of Sub-components 1.1 and 1.4 and Component 2 of the project. In April 2018, as part of organizational changes within the government of CABA, the PCU was remapped under the MUD and appointed as the Special Projects Unit (UPE for its Spanish acronym), retaining the project's coordination functions, while the MoF (which is now the Ministry of Economy and Finance) remains responsible for the project's FM.<sup>1</sup>

### (ii) Modifications of Sub-component 1.3 activities include:

- a) Cancelling the provision of grants to NGOs with the purpose of raising awareness on flood hazard within local communities. Communication activities will be carried out through MUD, with participation of stakeholders, including NGOs.
- b) While carrying out of an education program on flood hazards, risks, vulnerability, and prevention for professionals in the education and construction sectors, and the provision of support to CABA to train communities in the poorest neighborhoods on emergency response is maintained, the audience of the education program is extended (includes specific actions for visitors to the *Centro Vivencial*<sup>2</sup>) and the mechanisms to support the Education strategy are specified. In particular, the support to the "*Primeros Respondedores en la Emergencia*" Program, that was not specified during project preparation, materializes in purchase of kits and training workshops for first responders, after consulting with "*Defensa Civil*" the leader of the initiative.

<sup>1</sup> CABA's Ministry of Economy and Finance resolution RESFC-2018-1-MDUYTGC.

<sup>2</sup> *Centro Vivencial*, is an exhibition center funded by the project, installed in a public park with the aim to showcase the flood them to visitors. It contains and room for talks about flood risk management. It is expected to receive visits from schools, professionals, and citizens, so the original public for the education program is expanded.



The revision of Component 1 also entails (i) an adjustment to the disbursement categories to eliminate the Grants (Category 1), and (ii) an amendment to the disbursement letter.

**(iii) Changes in the results framework are summarized in the table below:**

During the last supervision mission, the Government of CABA presented a revision of the results framework that reflects, on one hand side the modifications made due to the changes in the Sub-component 1.3, and on the other hand changed words such as “vulnerable” with other definitions in order to guarantee consistency with those definitions used by CABA, and updates certain targets. New indicators are also included to measure citizen engagement.

<b>Results Framework- Proposed Change</b>			
<b>Original Indicators</b>	<b>Proposed Change</b> D=Dropped N= New R=Revised	<b>New Indicator (if New or Revised)</b>	<b>Comments (Justification of proposed Change)</b>
<b>PDO</b>	The Project Development Objective (PDO) is to strengthen the Autonomous City of Buenos Aires to efficiently manage flood risk and improve the drainage systems in the Cildanez Basin, Maldonado Basin, and Vega Basin.		
<b>PDO Indicators</b>			
Extreme poor residents protected from flooding (Number)	R	Vulnerable population protected from flooding (Number)	Wording revised to reflect vulnerable population defined by CABA <sup>3</sup> , as opposed to extreme poverty that is limited to basic food basket indicator.
	N	Land area protected from flooding after rainstorm events with an intensity of up to the equivalent of Tr=10 years (Square kilometer(km <sup>2</sup> ))	This was an intermediate results indicator and is being moved as a PDO indicator due to its relevance showing PDO achievement. Original target of 3.5 km <sup>2</sup> is being revised for 8 km <sup>2</sup> since initial surface was miscalculated.
<b>Intermediate Results Indicators</b>			
NGO's involved in the communications campaigns (Number)	D		The indicator is dropped reflecting revised communications strategy.
People reached by communications campaigns on flood risk management carried out by NGOs (Number)	R	People reached by communications campaigns on flood risk management carried out by the city of Buenos Aires (Number)	Indicator reflects revised responsible.
Low-income population trained on flood risk management issues (Number)	R	Vulnerable population trained on flood risk management issues (Number)	Wording revised to reflect vulnerable population defined by CABA, as opposed to low-income that is limited to income indicator.
Land area protected from flooding after rainstorm events with an intensity of up to the equivalent of Tr=10 years (Square kilometer(km <sup>2</sup> ))	D		The indicator is eliminated as IR and moved to PDO indicator,



Grievances responded and/or resolved within the stipulated service standards for response times (Percentage)	R	Neighbors' requests responded (Percentage)	Wording is revised to reflect that used by CABA. A request is considered responded when it is in a conclusive state and the neighbor has been informed at all stages of the process and given a justified answer in case the request could not be fulfilled.
Number of participatory contingency plans developed supported by the project (Number)	D		The indicator was dropped, after consulting with Defensa Civil in charge of the contingency plans. The plans are developed, assistance will be provided to the dissemination of them, through the updated communication strategy.
	N	Participants of participatory workshops related to flood risk management (Number)	New indicator that reflects revised activity under the communications strategy.
	N	Beneficiaries of educational programs on flood risk management in schools (Number)	New indicator that reflects revised activity under the communications strategy.
	N	Beneficiaries' satisfaction with complete water works (1 to 5)	New indicator to measure level of beneficiaries' satisfaction with water works under the project.
	N	Flood resilience (1 to 5)	New indicator to measure beneficiaries' perception towards flood events.

**(iv) Disbursement arrangements:**

The updated communication and training strategy that will be financed under the project comprises activities that are different from those originally planned under Sub component 1.3. Since the original activities were reflected in the disbursement categories, their revision consequently requires the adjustment to the disbursement categories and an amendment to the disbursement letter.

**(v) Procurement:**

This restructuring comprises changes made in the Project Procurement Strategy as part of adopting the World Bank's Procurement Framework approved on July 21, 2015. The project was prepared and approved under the previous guidelines, issued in January 2011 and revised in July 2014.

<sup>3</sup> Vulnerability is a wider concept than extreme poverty, which refers to a segment of population with no access to a basic food basket. Under the project, a person is vulnerable when cannot access the Total Basic Basket (Canasta Básica Total, CBT). This measure includes consumer habits beyond food.



**(vi) Safeguards:**

This restructuring is introducing the new requirements under the Environmental and Social Incident Response Toolkit (ESIRT), including the need for the Borrower to timely report to the Bank any incident, the amendment to the Loan Agreement will include the required language for this requirement.

**III. SUMMARY OF CHANGES**

	Changed	Not Changed
Implementing Agency	✓	
Results Framework	✓	
Components and Cost	✓	
Disbursements Arrangements	✓	
Institutional Arrangements	✓	
Procurement	✓	
DDO Status		✓
Project's Development Objectives		✓
Loan Closing Date(s)		✓
Cancellations Proposed		✓
Reallocation between Disbursement Categories		✓
Disbursement Estimates		✓
Overall Risk Rating		✓
Safeguard Policies Triggered		✓
EA category		✓
Legal Covenants		✓
Financial Management		✓
APA Reliance		✓
Implementation Schedule		✓
Other Change(s)		✓
Economic and Financial Analysis		✓
Technical Analysis		✓





Social Analysis		✓
Environmental Analysis		✓

**IV. DETAILED CHANGE(S)**

**IMPLEMENTING AGENCY**

Implementing Agency Name	Type	Action
Ministry of Urban Development and Transport (MUD)	Implementing Agency	New

**COMPONENTS**

Current Component Name	Current Cost (US\$M)	Action	Proposed Component Name	Proposed Cost (US\$M)
Institutional Development for Flood Risk Management	31.20		Institutional Development for Flood Risk Management	31.20
Flood Mitigation Infrastructure	290.00		Flood Mitigation Infrastructure	290.00
Project Management	4.30		Project Management	4.30
<b>TOTAL</b>	<b>325.50</b>			<b>325.50</b>



**Results framework**

**COUNTRY: Argentina**

**AR Flood Risk Management Support Project for the City of Buenos Aires**

**Project Development Objectives(s)**

Strengthen the Autonomous City of Buenos Aires to efficiently manage flood risk and improve the drainage systems in the Cildanez Basin, Maldonado Basin, and Vega Basin.

**Project Development Objective Indicators by Objectives/ Outcomes**

Indicator Name	DLI	Baseline	End Target
<b>Strengthen the CABA to efficiently manage flood risk</b>			
CABA's Flood Risk Management Interministerial Council complies with its functions as foreseen in its creational decree (Yes/No)		No	Yes
Weather forecasting warnings based on data from the hydrometeorological network (Yes/No)		No	Yes
<b>Improve drainage systems in the Cildanez, Maldonado and Vega Basins</b>			
Direct project beneficiaries (Number)		200,000.00	3,000,000.00
Female beneficiaries (Percentage)		50.00	50.00
Vulnerable population protected from flooding (Number)		0.00	20,000.00
<b>Action: This indicator has been Revised</b>	<b>Rationale: Wording revised to reflect vulnerable population defined by CABA, as opposed to extreme poverty that is limited to basic food basket indicator.</b>		
Increased drainage capacity in the targeted areas from infrastructure out in place (flow m3/sec) (Number)		0.00	60.00



Indicator Name	DLI	Baseline	End Target
Land area protected from flooding after rainstorm events with an intensity of up to the equivalent of Tr=10 years (Square kilometer(km2))		0.00	8.00
<b>Action: This indicator is New</b>	<b>Rationale:</b> <i>This was previously and intermediate indicator and because of its relevance demonstrating achievement of the PDO it was decided to move as PDO indicator. Target was adjusted.</i>		

**Intermediate Results Indicators by Components**

Indicator Name	DLI	Baseline	Intermediate Targets	End Target
			1	
<b>Institutional Development for Flood Risk Management</b>				
Implementation progress of the SIHVIGILA (Text)		NO		33 stations gathering data and used for analysis
CABA's probabilistic flood risk model calibrated and used as a basis for decision making (Text)		No		Yes, used for decision making
Risk financing mechanism developed (Yes/No)		No		Yes
NGO's involved in the communications campaigns (Number)		0.00		8.00
<b>Action: This indicator has been Marked for Deletion</b>				
People reached by communications campaigns on flood risk management carried out by the city of Buenos Aires (Number)		0.00		3,000.00



Indicator Name	DLI	Baseline	Intermediate Targets	End Target
			1	
<b>Action: This indicator has been Revised</b>				
	<b>Rationale:</b> <i>Indicator reflects revised responsible.</i>			
Vulnerable population trained on flood risk management issues (Number)		160.00		670.00
<b>Action: This indicator has been Revised</b>				
	<b>Rationale:</b> <i>Wording revised to reflect vulnerable population defined by CABA, as opposed to low income population that is limited to income indicator.</i>			
Number of participatory contingency plans developed supported by the project (Number)		0.00		12.00
<b>Action: This indicator has been Marked for Deletion</b>				
Participants of participatory workshops related to flood risk management (Number)		0.00		150.00
<b>Action: This indicator is New</b>				
	<b>Rationale:</b> <i>New indicator that reflects revised activity under the communications strategy.</i>			
Beneficiaries of educational programs on flood risk management in schools (Number)		0.00		400.00
<b>Action: This indicator is New</b>				
	<b>Rationale:</b> <i>New indicator that reflects revised activity under the communications strategy.</i>			
<b>Flood Mitigation Infrastructure</b>				



Indicator Name	DLI	Baseline	Intermediate Targets	End Target
			1	
Land area protected from flooding after rainstorm events with an intensity of up to the equivalent of Tr=10 years (Square kilometer(km2))	0.00			3.50
<b>Action: This indicator has been Marked for Deletion</b>				
Secondary and tertiary drainage conduits constructed (Kilometers)		11.00		41.00
Length of Vega drainage tunnel constructed (Kilometers)		0.00		8.40
Beneficiaries' satisfaction with complete water works (1 to 5) (Text)	0.00		4.00	4.00
<b>Action: This indicator is New</b>	<b>Rationale:</b> <i>This indicator measures the level of beneficiaries' satisfaction with complete water works built under the project.</i>			
Flood resilience (1 to 5) (Text)		2.85	3.12	3.42
<b>Action: This indicator is New</b>	<b>Rationale:</b> <i>This indicator measures beneficiaries' perception towards flood events.</i>			
<b>Project Management</b>				
Neighbors' requests responded (Percentage)		0.00		80.00
<b>Action: This indicator has been Revised</b>	<b>Rationale:</b> <i>Wording is revised to reflect that used by CABA. A request is considered responded when it is in a conclusive state and the neighbor has been informed at all stages of the process and given a justified answer in case the request could not be fulfilled.</i>			



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Indicator Name	DLI	Baseline	Intermediate Targets	End Target
			1	