

PROGRAM FOR PRIVATE JOB PLACEMENT SERVICES

(TC-01-03-04-8-AR)

EXECUTIVE SUMMARY

Executing agency:	Asociación Mutual Israelita Argentina [Jewish Community Association of Argentina] (AMIA).	
Beneficiaries:	The beneficiaries of the Program will include: (i) jobless and underemployed workers in metropolitan Buenos Aires and four other cities in; (ii) enterprises, particularly microenterprises and small businesses, which will benefit from lower transaction costs incurred in finding workers to meet their requirements; and (iii) training institutions, which will improve the relevance and quality of their courses so that they can better meet the requirements of the productive sector.	
Financing:	MIF (Facility II):	US\$1,730,000
	Counterpart funding:	<u>US\$1,730,000</u>
	Total:	US\$3,460,000
Terms:	Execution period:	36 months
	Disbursement period:	42 months
Objectives:	The overall objective of the program is to help ensure more effective linkage between supply and demand in the labor markets of metropolitan Buenos Aires and four other Argentine cities through private-sector job placement services. Its specific objective is to improve the coverage and efficiency of employment services offered by the Asociación Mutual Israelita Argentina [Jewish Community Association of Argentina] (AMIA), by systematizing and strengthening a model of its Job Training and Placement Center (CODLA) and transferring it to other areas of metropolitan Buenos Aires and the country.	
Description:	Upon completion, the program is expected to have improved job placement services by more effectively linking the supply and demand for labor through development and use of: (i) modern computer and management tools; (ii) employment counseling, vocational guidance and job placement services for workers; and (iii) techniques to help job seekers find employment on their own.	

**Special
contractual
clauses:**

As a condition precedent to the first disbursement, the AMIA must submit evidence to the Bank that the technical coordinator of the Executing Unit has been selected. As a condition precedent to initiation of the second component, the AMIA must submit evidence to the Bank's satisfaction that cooperation agreements have been signed between the AMIA and the institutions that will participate in the program as CODLA sites. These agreements must list the specific commitments and responsibilities of the CODLA sites as program participants (see paragraph 8.1).

**Exceptions to
Bank policy:**

None.

I. COUNTRY AND PROGRAM ELIGIBILITY

- 1.1 On November 30, 1993, the Donors Committee declared the Republic of Argentina eligible for all forms of financing available under the Multilateral Investment Fund (MIF). The program is consistent with the MIF in that it will modernize and expand a private-sector labor intermediation system, thereby ensuring more efficient and effective operation of Argentina's labor market.

II. BACKGROUND

- 2.1 Beset, among other factors, by the effects of globalization, liberalization of its markets, the incorporation of new technologies and the attendant structural adjustments, Argentine society has been experiencing a severe economic recession in which vast numbers of the work force at every level have lost their jobs. The unemployment rate has been growing in recent years and is currently 16.4% of the country's economically active population, and approximately 31.3% if the number of underemployed workers is included.¹
- 2.2 This situation is even more difficult for those who find themselves unemployed for the first time, or who have been forced to seek employment in order to supplement the family income. This is especially true of women, middle-aged workers and young people. Many unemployed persons in this category do not know how to begin an active search for employment or to prepare a résumé, or in which areas they will need to update their skills in order to be more competitive in the labor market.
- 2.3 Since 1995, the Asociación Mutual Israelita Argentina [Jewish Community Association of Argentina] (AMIA) has operated a private job placement program called the Centro Ocupacional de Desarrollo Laboral [Job Training and Placement Center] (CODLA). The primary objective of CODLA is to help alleviate unemployment by providing job placement and personalized training services for the jobless. The program works as a bridge between labor supply and demand by providing employers with a professional prescreening service to make their search for qualified personnel more efficient, and at the same time providing persons in search of employment with job counseling, training and the tools needed to optimize their employability². CODLA is supplemented by training programs offered either directly by AMIA or in partnership with other institutions,³ to

¹ National Statistics and Census Institute (INDEC), May 2001.

² The CODLA program includes a job exchange, employment counseling, support in the job search itself and in preparing résumés, as well as other services.

³ For example, the Secretariat for Non-Formal Education of the Buenos Aires municipal government, the Ministry of Labor's Employment Unit, and the Secretariat for Small and Medium-Sized Enterprises which reports to the Executive Office of the President of Argentina.

upgrade the skills of those who have the greatest difficulty entering or rejoining the work force due to their age or lack of preparation, or because their employment profile does not meet the needs of the current labor market.

- 2.4 Although its headquarters is located in the capital, CODLA is in fact one of the country's biggest employment centers due to its high level of professionalism and effectiveness.⁴ Experience has shown that because the socioeconomic situation of the unemployed has worsened, they cannot afford the transportation costs for job hunting, given the distances between the capital and other areas of metropolitan Buenos Aires. Unemployment is also high in other major cities of Argentina, including Córdoba, Rosario, Tucumán and Bahía Blanca. Therefore, CODLA's coverage needs to be expanded to include other areas of metropolitan Buenos Aires, as well as the other cities mentioned above.
- 2.5 Even though CODLA has received national recognition for excellence, its services and procedures still need to be modernized. It currently has a data base that needs computerization, standardization, software and other tools to ensure better evaluation of applicant skills and optimal compatibility between the demand for labor and the supply of skills by job-seekers. The first step will be to systematize its program and then replicate it in other areas of metropolitan Buenos Aires and major cities in other provinces with very high unemployment rates, creating a network with the main office. In each location, institutions connected to the AMIA, willing to offer this service to both unemployed or underemployed individuals and the business community in their areas of influence, with a track record working with the AMIA and demonstrated institutional capacity to carry out the program successfully, and interested in establishing partnerships with the AMIA will act as local centers, sharing program costs with the AMIA. As well, to support those with greatest difficulty entering the work force, efforts will be made to link their training needs with the supply of training services available. The training provided will reflect the labor market needs identified under the program.
- 2.6 The reorganization and expansion of CODLA is justified even though Argentina is experiencing economic and financial difficulties which have caused cutbacks in the number of jobs currently available. Experience with similar situations in other countries with virtually no growth in their labor markets has shown that the creation and use of private sector employment services, when combined with counseling on training needs, has helped to: (i) reduce the time it takes employers to fill vacancies in their work force; (ii) ensure that the most suitable candidate is hired for each position; (iii) establish a system to achieve the most efficient match possible between employers' needs and workers' skills once the labor market returns to

⁴ Since 1997, CODLA has posted an effective placement rate of 21% of all employment applications processed, with a 65% retention rate, demonstrating employer satisfaction. Data from job placement systems in other countries—notably, those of North America and Europe—indicate that a 21% success rate is very good for this type of service.

normal; and (iv) promote updating of skills and technical training for workers to ensure that they have the qualifications required by employers.

- 2.7 With a view to the future, the Government of Argentina (through its Ministry of Labor) is about to implement a strategy aimed at developing a national network of private sector offices offering job placement services. The program proposed here will not only supplement the government's current efforts, but also lay the foundation for eventual creation of just such an employment assistance network.⁵
- 2.8 The proposed program will permit institutional strengthening and decentralization of the CODLA model, encourage the current staff to upgrade their professional qualifications, and incorporate new technology to improve the way in which the AMIA and its partner organizations supply job placement services for Argentina's business community.

III. OBJECTIVES AND COMPONENTS

A. Objectives

- 3.1 The program's purpose is to ensure more effective alignment between the supply and demand for trained workers in the labor markets of metropolitan Buenos Aires and other major business centers in Argentina. Its specific objective is to improve the coverage and efficiency of the employment services provided by CODLA and the Asociación Mutual Israelita Argentina [Jewish Community Association of Argentina] (AMIA), reorganizing, strengthening and expanding the use of its operational model to other areas of metropolitan Buenos Aires and four other Argentine cities. Upon completion, the program will have improved job placement services by more effectively linking the supply and demand for labor through development and use of: (i) modern computer and management tools; (ii) employment counseling, vocational guidance and job placement services for workers; and (iii) techniques to help job seekers find employment on their own.
- 3.2 The program will be completed in 36 months, with a disbursement period of 42 months, as indicated in the program execution timetable. By the end of its third year, with the consolidation of CODLA and expansion of its geographical coverage to a total of seven sites including the Federal Capital, metropolitan Buenos Aires, Rosario, Córdoba, Tucumán and Bahía Blanca, the program is expected to raise the number of job placement requests from businesses to approximately 11,000—up from the AMIA's current level of 1,000. Similarly, job placement efficiency is

⁵ The government's plan is called the Servicios Integrados de Empleo y Capacitación (SERINTEC). The IDB is supporting this initiative under the Youth Productivity and Employability Support Program (Loan 1031/OC) and through the project conditionality with respect to the labor market in the Fiscal Balance and Social Management Program (Loan 1295/OC).

expected to rise by some 25%, resulting in an increase of 65%-80% in the number of job seekers registering with the AMIA.

- 3.3 To achieve these objectives, the program will be divided into two separate components: (i) strengthening and modernization of the CODLA system; and (ii) expansion of the CODLA system.

B. Components

1. Component I: Strengthening and modernization of CODLA (US\$531,000, MIF; US\$234,300, counterpart funding)

- 3.4 The objective in this component is to improve CODLA so that it can become an integrated job placement, employment counseling and vocational guidance system capable of providing more timely and effective employment service for both employers and job seekers. The system will then be replicated by other centers through knowledge transfer, including a set of products and services that have been systematically tested and standardized by the AMIA. Component I will have three subcomponents: (i) job placement and follow-up system; (ii) vocational guidance and employment counseling; and (iii) updating of training courses to suit current demand in the labor market.
- 3.5 To achieve its objective, this component will strengthen and modernize CODLA, providing it with specialized technical assistance for the design of an integrated job placement system incorporating the use of modern information technology, a market and client-service approach, development of occupational profiles and emphasis on the connection between training and employment.
- 3.6 To reinforce CODLA as an effective model for job placement services, this component will include the design of a communications and corporate image strategy. Program resources will be available for disseminating and marketing the CODLA network.

a. Subcomponent 1: Job placement and follow-up system

- 3.7 The goal of this system is to make the job placement process more efficient through the use of modern procedures supported by a network computer platform that will more closely match the supply of labor with demand for workers. Program resources will be used to develop electronic systems that ensure a smooth, transparent flow of information on which to base decisions to place candidates with companies requesting personnel to fill staff positions. Such systems should reduce the time it takes to fill available positions and increase the likelihood of hiring the best person for the job, thereby improving retention rates. In addition, the coverage and networking of centers in various cities of Argentina will be expanded, providing job placement service in areas of the country that in some cases have never before had access to this type of service.

- 3.8 Among the most important activities under this subcomponent are: (i) development of computer software to manage interconnected job placement procedures through the Internet in all centers; (ii) improvement and reorganization of the operating procedures and job placement methodology, including registration of workers and companies, selection and assessment of candidates, handling of requests from employers seeking to fill vacancies, follow-up and placement records; and (iii) provision of training and internship programs for staff of the centers on topics relating to employment services.

b. Subcomponent 2: Employment counseling and vocational guidance

- 3.9 The objective of this subcomponent is to improve employment advisory services currently being provided under the CODLA program. Such services are divided into two packages: employment counseling and vocational guidance. **Employment counseling** consists of a series of facilitation workshops and assistance in preparing curriculum vitae, conducting an active search for employment, and making an effective presentation at job interviews. **Vocational guidance** includes the administration of basic aptitude tests to identify the type of work that best corresponds to each candidate's skills and detect specific training needs. Manuals will be produced for conducting modular workshops on the various areas included under the above-mentioned advisory services as part of employment counseling. Also under the heading of employment counseling, the program will include the procurement and adaptation of self-administered and interactive tests for job applicants. Meanwhile, testing manuals will be prepared for use by CODLA staff conducting aptitude tests to determine areas for which candidates are best suited.

c. Subcomponent 3: Adapting training courses to market demand

- 3.10 This subcomponent calls for CODLA to incorporate different training courses, adapting them to the demands of the labor market and thus improving the chances of successfully placing workers with appropriate employers. Accomplishing this will entail the development of methods for coding pertinent information to permit subsequent classification of available training programs. With this classification in hand, support can be provided to eligible institutions allowing them to adapt their services to the requirements of the local labor market. This procedure will make it possible to confirm the usefulness of drawing closer links between employment services and training needs.
- 3.11 The activities to be financed under this subcomponent include: (i) development of and informatics module and procedure for gathering of data for determining job profiles according to labor market demand; (ii) development of criteria for identifying gaps between the supply of training programs and the job profiles which employers are looking for; (iii) invitation to training institutions and evaluation of

proposals for adaptation of existing courses; and (iv) allocation of funding for development of curricula and training manuals.

- 3.12 Interested training institutions eligible to receive financing for modernizing and adapting their courses may obtain technical assistance in the following areas: curriculum development, preparation of training manuals and teaching training programs. To be eligible, training institutions must meet, inter alia, the following criteria: they must be legally established, have been in operation for at least three years, offer courses in subjects identified by the AMIA as areas in which courses are in short supply among local training services and submit a proposal for modernization of their courses and activities consistent with AMIA/CODLA needs.
- 3.13 Institutions receiving support under this subcomponent will be required to reserve a certain number of slots for job seekers referred by CODLA sites and in need of training. The number of slots will be determined by mutual agreement between the training institution and the AMIA before funding is granted for technical assistance required to modernize coursework.

2. Component II: Replicating the CODLA system in metropolitan Buenos Aires and other Argentine cities (US\$744,756, MIF; US\$1,348,412, counterpart funding)

- 3.14 This component calls for the use of CODLA as a model and venue for testing the new methodologies, techniques and procedures to be developed under component I. Once these methods and procedures have been validated, activities will be begun to replicate CODLA in other sites within metropolitan Buenos Aires and four other cities in the country, in order to create a network of job placement services. This expansion will be made possible by a series of interagency agreements and strategic partnerships that the AMIA will enter into with other institutions. It should be pointed out that the purpose of this component is not just to increase geographical coverage but also to decentralize the network for greater efficiency in matching supply and demand for workers in Argentina, and thus to create a model that can be replicated nationwide.

a. Subcomponent 1: Validation of CODLA

- 3.15 The activities to be financed to validate CODLA include: (i) execution of a promotional campaign and development of more effective procedures for recruiting and registering employers and job seekers; (ii) staff training in the procedures and methods used in the provision of employment counseling and vocational guidance; (iii) pilot workshops on employment counseling and vocational guidance in order to validate the methodology to be used; (iv) assignment of candidates to updated courses and monitoring of their progress; (v) development of a follow-up system to monitor candidates and the firms in which they have been placed; and (vi) organization of an internship program for personnel from other centers.

- 3.16 The updated organizational structure and operational plan for CODLA will become the model for replication at other sites chosen under the program. Accordingly, CODLA will serve as a laboratory for fine-tuning the design of the new products and services, and will later become the central headquarters responsible for monitoring the network of expanded CODLA sites. To facilitate this, the program will provide training in the skills required by its members to handle the new management procedures.
- 3.17 As part of the effort to strengthen it, CODLA will participate in the transfer of products, training programs and technical assistance to the other sites taking part in the program. Such transfers will include the various informatics programs and *know how* associated with job placement, vocational guidance and employment counseling services. In addition, its staff will take part in the training activities, assistantship programs and technical assistance provided to operators of the other CODLA centers. Finally, a short-term consultant will be hired to help the AMIA devise a differentiated fee schedule for prices to be charged to companies for the services provided by members of the network, in order to ensure recovery of costs under the program.

b. Subcomponent 2: Expansion of the CODLA system to three sites in metropolitan Buenos Aires and to Córdoba, Rosario, Tucumán and Bahía Blanca

- 3.18 The program will include the creation of seven new CODLA sites in metropolitan Buenos Aires and the cities of Córdoba, Rosario, Tucumán and Bahía Blanca. The Project Execution Team (PET) will transfer all of the products and services validated at CODLA/AMIA to each of these sites, as well as providing the resources for training and technical assistance. The CODLA sites will operate in accordance with the model developed in the AMIA, and program resources will be used to finance the hiring of personnel at each site for a long enough period to ensure the quality of the job placement services provided.
- 3.19 In putting together this network, the program will provide support for: (i) the purchase and proper installation of equipment at each site; (ii) recruitment and training of staff; (iii) design and implementation of the promotional campaign and implementation of new procedures to attract and register both companies and candidates for employment positions; (iv) provision of technical assistance with the installation of computer programs for employment counseling and vocational guidance services; (v) hiring of a consultant to organize and conduct vocational guidance workshops; (vi) placing of candidates including assignment, follow-up and collection of fee from employers; and (vii) assignment of candidates to take specified courses and monitoring of their progress.

- 3.20 During program execution, the AMIA will be responsible for management and supervision of the network through the PET. The PET will be responsible for developing the indicators to be used in monitoring program performance.
- 3.21 Ensuring that the level of efficiency is maintained over time will require the establishment of quality services that put clients (companies and workers) first. To this end, surveys to assess client appreciation and invite suggestions for improvement of services received will be conducted at regular intervals throughout the program at each CODLA site and at AMIA headquarters. At the same time, the PET will develop evaluation forms for assessing the publicity campaigns aimed at potential employers and job seekers.

IV. PROGRAM EXECUTION

A. The Executing Agency: AMIA

- 4.1 Created on 11 February 1894, the Asociación Mutual Israelita Argentina [Jewish Community Association of Argentina] (AMIA) has as its mandate to promote community ties through cooperation to improve the quality of life of its members in every way possible. Drawing on the knowledge and experience accrued over its more than 100 years of operation, the AMIA continues to make a major contribution through its social action programs, providing financial aid and social assistance to those in need. The AMIA also operates specific job placement programs, the most important of which is the Centro Ocupacional de Desarrollo Laboral [Job Training and Placement Center] (CODLA). In the past four years, AMIA programs have found new positions for 3,500 candidates, registering a total of 6,300 job offers (of which 5,300 were considered suitable for placement) and 19,200 job seekers, thus qualifying as one of the country's most successful labor exchanges.
- 4.2 The AMIA has the necessary physical infrastructure, a history of success in educational and social programs, and the trained personnel required for satisfactory execution of the program. Through its membership, it also has very close ties to the country's business community. The CODLA experience is a successful one and CODLA is considered worthy of expansion and eminently adaptable to the needs of other sectors of metropolitan Buenos Aires and other cities in Argentina.

B. The program beneficiaries

- 4.3 The beneficiaries of the program will include: (i) jobless and underemployed workers in metropolitan Buenos Aires and four other cities in the country; (ii) firms, particularly microenterprises and small companies, which will benefit from lower transaction costs incurred in finding workers to meet their requirements; and

(iii) training institutions, which will improve the relevance and quality of their courses so that they better meet the requirements of the production sector.

C. Program organization

1. The Project Execution Team (PET)

- 4.4 Supervision of the program will be provided by the PET, which will be responsible for planning and executing the various activities. The PET's oversight duties within the AMIA will be carried out through that institution's General Administration and with the cooperation of the Departments of the Federation of Jewish Communities of Argentina and Community Service, respectively. The relationship between the PET and the various sites created under the program will be based on cooperation agreements to be signed, and on the participation of the above-mentioned General Administration and Departments, in accordance with the program Operating Regulations.
- 4.5 The PET will direct and supervise the actions of other teams formed under the program to strengthen the CODLA system, e.g. the Job Placement and Follow-up Team, the Vocational Guidance and Employment Counseling Team, and the Team for Modernization of Training Courses.
- 4.6 The PET will also be responsible for: (i) monitoring the program for evaluation purposes and to measure the degree to which its original objectives have been reached; and (ii) standardizing procedures in order to validate the job placement strategy adopted and its implementation.

2. Organization

- 4.7 The PET, consisting of a Technical Coordinator, a financial accounting expert and a secretary, will be responsible for program management defined as planning, execution and supervision of the technical, administrative, human resource and financial aspects of the program. Among its duties will be those of providing management control, overseeing administrative and financial management, and preparing progress reports on the program.
- 4.8 The **Job Placement and Follow-up Team** will be responsible for supervising the transfer, creation and ongoing operation of the CODLA sites. This team will also have the task of standardizing the operating procedures of the aforementioned centers, overseeing job placement procedures and supervising the promotional campaign. Other duties of the team include monitoring of the various sites to ensure quality of service and working in close cooperation with the technical personnel at each site to promote the exchange of information within the network.
- 4.9 This team will include the team leader and an expert in computer software and systems development, who will be responsible for the design and implementation of

information systems, improving processes, automating procedures, and managing the new software and hardware purchased under the program. This individual will also supervise the programming of employment services, management control, network supervision and vocational guidance software, resulting in an integrated set of job placement programs capable of transfer to other institutions.

- 4.10 The **Vocational Guidance and Employment Counseling Team** will be responsible for developing the network's employment counseling and job search modules, as well as for carrying out occupational studies and drawing up position profiles according to market demand. This team's duties will include preparing the job search module to facilitate its replication throughout the CODLA network, designing and implementing vocational guidance workshops, and formulating a classification system for job profiles. The team leader and systems experts will participate in this team.
- 4.11 The **Team for Modernization of Training Courses** will carry out the necessary procedures for adapting training courses to current needs, and prepare the tools and methods required to standardize information on training courses to be offered in the cities in which the program operates. This team will be responsible for assessing and approving requests for improvement of training courses, as well as providing resources for curriculum design and the preparation of training manuals. This team will consist of the PET Coordinator and the leaders of the Job Placement and Monitoring Team and the Vocational Guidance and Employment Counseling Team.

D. Monitoring

- 4.12 The AMIA, through the coordination unit, will be responsible for monitoring and for preparation of the necessary reports. A semiannual progress report will be prepared according to a format agreed upon with the Country Office of the Bank, in which the activities carried out and project finances for the respective six-month period will be documented. The reports will measure the progressed achieved under the project using the indicators and goals set forth in the Logical Framework. In addition, a work plan will be prepared, along with a disbursement schedule for the following period. Each progress report will be delivered to the Country Office for approval within 30 days after the end of the respective six-month period, and a final report within 30 days after the last disbursement. The Country Office will use the reports to monitor the project and to prepare a Project Completion Report within three months after the last disbursement.

E. Accounting and auditing

- 4.13 The AMIA will maintain adequate internal accounts and exercise financial control over the program funds. The accounting system will be organized so as to provide the necessary documentation, permit verification of transactions and facilitate the

timely preparation of financial statements and reports. The program technical files will be designed so as to identify funds received from the different sources and allow calculation of program costs according to a chart of accounts approved by the Bank and distinguishing between MIF contributions and funds deriving from other sources. In addition, such files shall include the detailed information necessary to identify goods purchased and services hired, as well as to determine the use made of such goods and services. The AMIA will also open separate and specific bank accounts for administration of the MIF contribution and of the local counterpart funding; process disbursement requests and the respective substantiation of expenditures in accordance with the Bank's disbursement procedures; and submit to the Bank a final financial statement audited by an independent firm of external auditors acceptable to the Bank, along with semiannual financial statements on the revolving fund. The Bank's Country Office in Argentina will be responsible for supervision of this operation.

F. Committee on Environment and Social Impact

- 4.14 The Committee on Environment and Social Impact took up the present operation at its meeting of July 20, 2001, and has recommended: (i) that the program incorporate provisions to ensure inclusion of ethnic groups in the planned expansion to provinces which are home to indigenous populations; (ii) that data on beneficiaries in the evaluation of the program be broken down by gender; and (iii) that the possibility be explored of establishing as one of the program goals to include a greater percentage of women as beneficiaries. These recommendations have been duly considered. It should also be noted that the program includes expansion into cities in provinces without indigenous populations, and that CODLA's operating regulations do not contain discriminatory provisions of any kind, including any ethnic restrictions. Instead, they provide for universal treatment of all unemployed persons and potential employers seeking their services. The program evaluation will include data that has been broken down by gender (see paragraph 7.2), so that the program impact on women can be assessed. Women currently constitute the majority (67%) of the job placement candidates served by CODLA.

G. Status of program preparation

- 4.15 The experience acquired by the AMIA in providing private job placement services will serve as the basis for the proposed standardization and expansion of its activities. The terms of reference for the Coordinator of the PET have been drawn up and agreed to with the Bank, and the recruitment process has begun. The AMIA is currently holding discussions with organizations interested in providing services in other parts of metropolitan Buenos Aires and in the cities of Rosario, Córdoba, Tucumán and Bahía Blanca. The AMIA is finalizing negotiations with the participating institutions and will be signing letters of commitment with them shortly.

V. BUDGET AND FINANCING

A. Budget

- 5.1 The program will be carried out over a three-year period at an estimated cost of US\$3,460,000. The MIF will provide US\$1,730,000 in nonreimbursable funds. Counterpart funding will total US\$1,730,000, 50% of which will be in cash. A revolving fund will be established in the amount of 10% of the MIF contribution. A summary budget is presented below.

Table V-1

Component	MIF	Local	Total	%
Component I – Strengthening and Modernization of the CODLA System	531,000	234,300	765,300	22.0
Component II – Validation and Expansion of the CODLA System	744,756	1,348,412	2,093,168	60.0
Executing Unit	308,000	127,208	435,208	13.0
Evaluation and Auditing	75,000	0	75,000	2.0
Promotion	30,000	0	30,000	1.0
Contingencies	41,244	20,080	61,324	2.0
Total	1,730,000	1,730,000	3,460,000	100.0

B. Sustainability

- 5.2 A private job placement system differs from public systems such as the yellow pages, classified ads or Internet labor exchanges in that it is a value-added service. In the case of CODLA, the value added stems from its classification of occupational profiles, analysis of the candidate's qualifications, vocational guidance and employment counseling services, and the opportunity it provides for candidates to improve their chances of finding work by taking refresher courses. All of these activities help to ensure efficient job placement, resulting in lower transaction costs for both employers and job seekers. Standardization of CODLA's job placement procedures will make it possible to increase the volume of clients (companies and job candidates) served, thus producing economies of scale without sacrificing the value added mentioned above.
- 5.3 Concern over the sustainability of private job placement services is shared by both the AMIA and the MIF. The analysis conducted for this program indicated that charging companies a fee for job placement services offers the greatest likelihood that AMIA services can be provided on a cost recovery basis. In addition to charging employers for the services provided, the AMIA will also charge a token

fee of Arg\$2.00 (two Argentine pesos) for job seekers solely for the purpose of offsetting minimum costs for administration and applicant registration. This charge is in line with the provisions of International Labor Organization (ILO) Convention N° 181.

- 5.4 Initial projections made during the analysis mission, and based on operating costs, the number of employers and job seekers registered with the service, and an estimation of possible fees, provide a reasonable basis for projecting the recovery of major costs from companies and individuals participating in the service. However, these projections need to be confirmed through a more in-depth analysis. Accordingly, the program will finance the hiring of a consultant to prepare a business plan and pricing strategy for CODLA services.

VI. RATIONALE AND RISKS

A. Rationale

- 6.1 One of the obstacles to a smoothly functioning labor market is lack of employment information and the means for efficient delivery of same to the relevant economic agents. By providing adequate information in the broadest sense, it will be possible to overcome this obstacle and obtain the most effective possible allocation of human resources in the economy. Given the special characteristics of information as a public good, it is necessary to devise job placement systems, whether public or private, which preserve the public-good features of this type of information, guaranteeing its availability to all who require it.
- 6.2 Companies generally incur high costs in finding a worker with the required qualifications and experience. Consequently, job placement operations must be conceived of as value-added services. Since the majority of its business clients are small enterprises which do not have staff specializing in the recruitment and/or assessment of personnel, CODLA's services will eliminate their costs for placing want ads, evaluating applicants' qualifications and conducting personal interviews, all of which can significant additional costs to their overhead.
- 6.3 It is this which has created the need to provide Argentina with an efficient job placement system which will draw on the AMIA's experience in finding work for the unemployed, as well as providing employment counseling and vocational guidance for the benefit of job seekers and enterprises alike. Added to this are the experiences of countries such as Mexico, Chile and Peru, where it has been shown that the creation and utilization of a job placement service will reduce the time it takes employers to fill vacant positions, ensure that the most suitable person is hired for the position, and encourage workers to update their skills and professional qualifications in line with the job profiles specified by employers.

- 6.4 This is an innovative project in that it will be the MIF's first experience supporting a private job placement in Argentina. The project is also innovative in that it will have a demonstration effect: the service model to be implemented with the modernization of CODLA will not only be replicated in the institutions working in association with AMIA/CODLA in Buenos Aires and other cities in the country, it also has the potential to be replicated in other interested agencies, such as those that belong to the SERINTEC network launched by the Ministry of Labor (paragraph 2.7).

B. Risks

- 6.5 In the execution of this program, risks may arise from either of two sources:
- a. *CODLA could fail to recruit a sufficient number of potential employers.* For the job placement service to succeed, it is essential that a sufficiently large number of job opportunities be available. To reduce the risk of failure in this area, CODLA will conduct promotional campaigns to recruit companies with job vacancies, using specific strategies designed by specialists hired with funds provided by the program. In addition, the successful implementation of the CODLA system in Buenos Aires—and to a lesser extent in Córdoba and other cities—provides a solid foundation on which to build in expanding CODLA to other sites. Finally, it is worth noting that both the AMIA and the other institutions involved in the expansion of CODLA have very close ties to the business sector in general.
 - b. *The qualifications of job seekers registered with CODLA may differ widely from the job profiles demanded by potential employers.* To minimize this risk, the program will provide resources for the preparation, with the help of specialized institutions, of training courses to upgrade candidates' skills to meet the needs of employers. In addition, the AMIA will ensure that notices inviting job seekers to register are aimed clearly at persons with profiles close to those requested by employers. To this end, subcomponent 3 will include preparation of data on the differences between job profiles and candidates' qualifications which can be used for accurate targeting of such notices.

VII. SUPERVISION AND EVALUATION

A. Supervision

- 7.1 Supervision will consist primarily of analyzing, processing and standardizing the procedures of the CODLA network and the results achieved by it. **Monthly reports** will be generated by the computerized management module to serve as progress reports on the program. **Semiannual reports** on the completion of planned activities will be submitted to the Bank and will serve as input for supervision of

the program through the Project Performance Monitoring Report. These will also contain the results obtained from measurements of relevant indicators, and the conclusions drawn from both results achieved and activities carried out. In addition, **annual reports** will present consolidated progress data permitting visualization of the degree to which the program is advancing towards its goals, which data will then become input for preparation of the evaluation document.

- 7.2 From its planning stage onwards, the AMIA's job placement service will have a system in place to monitor its most important parameters, including: number of job seekers registered, number of employment positions offered, and number of individuals placed. Certain socioeconomic aspects will also be considered, such as among others the level of education, age and sex of candidates for positions. The interrelationship of these figures will be studied in order to calculate the job placement efficiency of the system, and this, in turn, will be associated with the operating costs of the system. The monitoring system will then make it possible to establish indicators that can be used to verify whether or not the program is advancing toward the goals identified in the annual progress report. And these same indicators, calculated for each CODLA site individually, will at the same time serve as benchmarks for comparisons between sites. Although the environment of each site is different, and depending upon its service performance, these benchmarks will permit rapid identification of areas that are experiencing difficulty in implementing the CODLA system within its jurisdiction. This will reduce the need for on-site monitoring.
- 7.3 In addition to compiling information from the job placement service, the monitoring system will cover the Adaptation of Training Courses subcomponent, recording the frequency of courses and the number of persons in attendance, and differentiating between those referred by CODLA, and individuals attracted by the training service provider at its own initiative.

B. Evaluation

- 7.4 Using the program resources, the Bank will hire a consultant to prepare the mid-term review and final evaluation. The mid-term review shall begin when at least 40% of the MIF's resources have been executed, and the final evaluation will be carried out upon program completion.
- 7.5 The mid-term review will concentrate primarily on verifying the progress achieved in operations, in comparison with the program objectives and the goals defined in the Logical Framework (see Annex VII-2). The monitoring process must provide sufficient information to confirm this progress. However, one of the primary purposes of the mid-term review is to take a critical look at the program in light of the experience in the first part of the execution period with respect to the proposed quantitative goals and to propose changes in these goals as they pertain to participating companies, persons placed in jobs and candidates registered by the

system. Through the application of qualitative instruments, the opinions of job seekers and employers will be surveyed to assess their perception of the quality (value) of the instruments employed in the CODLA and, in the case of job candidates that have been successfully placed, to determine their opinion of the quality of service and the fee structure applied. Finally, the mid-term review must compile comments made by the institutions participating in the development and provision of training courses, and organize data on the frequency of such courses, the number of persons attending them, etc.

- 7.6 The final evaluation must measure the impact of the program by comparing the results achieved with the planned objectives. Again, for this part of the assessment, the evaluators may base their opinions on information derived by way of the monitoring process. The system should be operating at maximum efficiency at that time and sufficient information should be available to support a cost-effectiveness analysis of the CODLA system, followed by submission of an accurate opinion as to its long-term sustainability. The final evaluation must also analyze the preliminary results achieved in transferring the system to other institutions.

VIII. SPECIAL CONTRACTUAL CONDITIONS

- 8.1 As a condition precedent to the first disbursement, the AMIA must submit evidence to the Bank's satisfaction that the Technical Coordinator of the Project Executing Unit has been selected. As a condition precedent to initiation of the second component, the AMIA must submit evidence to the Bank's satisfaction of the Cooperation Agreements entered into by the AMIA and the institutions that will participate in the program as CODLA sites. These agreements must list the commitments and responsibilities of the sites as program participants.

IX. EXCEPTIONS TO BANK POLICY

- 9.1 No exceptions to Bank policy are proposed.

LOGICAL FRAMEWORK

Description	Indicators	Means of Verification	Assumptions
Contribute to more effective alignment of supply and demand for trained workers in the labor markets of Metropolitan Buenos Aires and four other Argentine cities.	<ul style="list-style-type: none"> • A consolidated network with eight sites in operation. • Reduction of 25% in the time it takes to place candidates. • Retention rate for job candidates increased by some 25%. 	<ul style="list-style-type: none"> - Reports from the Information and Monitoring System. - Midterm review and final evaluation of the project. 	<ul style="list-style-type: none"> - Argentine economy achieves growth and stability, helping to generate employment opportunities.
Improve the coverage and efficiency of employment services in the AMIA, reorganized, strengthened and expanded the CODLA model to other areas of the country.	<ul style="list-style-type: none"> • During the third year of the project, requests from potential employers have increased from 1000 to 11,000. • Job placement efficiency has risen by 25% (by the third year 7,200 unemployed are being placed with companies, resulting in an efficiency rate of 80%). 	<ul style="list-style-type: none"> - Reports from the Information and Monitoring System. - Midterm review and final evaluation of the project. 	<ul style="list-style-type: none"> - Positive response of employers and workers to the job placement service. - Institutional strengthening provided for sites.
Component 1: Strengthening and Modernization of CODLA			
Component 1.1: Job Placement and Information System	<ul style="list-style-type: none"> • Job placement system equipped with well-defined procedures and supported by a modern network computer platform. 	<ul style="list-style-type: none"> - Manuals and procedures defined. - Computer platform validated and in use, including source program and user manuals. 	
Component 1.2: Employment Counseling and Vocational Guidance	<ul style="list-style-type: none"> • Vocation guidance and employment strategy and procedures in modules operating by means of workshops. • Specialized software to facilitate the provision of vocational guidance for job seekers. 	<ul style="list-style-type: none"> - Workshop manuals or guides. - Teaching material. - Reports and registration of participants. 	<ul style="list-style-type: none"> - External sources of information are reliable and representative of current social and labor environment.
Component 1.3: Adapting Training to Market Demand	<ul style="list-style-type: none"> • 16 training modules defined on the basis of demand and in operation with the respective teaching materials and qualified trainers. 	<ul style="list-style-type: none"> - Contracts for development of training courses. - Registration of participants. 	<ul style="list-style-type: none"> - Training institutions agree to redesign and modernize training modules. - Beneficiaries aware and motivated to participate.

Description	Indicators	Means of Verification	Assumption
Component II: Expansion of the Centro Ocupacional de Desarrollo Laboral (CODLA) System			
Component 2.1: Validation of the AMIA's Occupational de Desarrollo Laboral	<ul style="list-style-type: none"> • A strengthened office with modern job placement services. • By the third year, 12,500 job seekers signed on and at least 3,125 job vacancies registered. 	<ul style="list-style-type: none"> - Monthly reports. - Midterm review and final evaluation. - System reports. 	<ul style="list-style-type: none"> - AMIA continues to give priority on strengthening CODLA.
Component 2.2: Expansion and operation of the CODLA System in seven sites in	<ul style="list-style-type: none"> • Seven decentralized offices operating in Metropolitan Buenos Aires and four other cities, with modern job placement services. • By the third year, each office is registering an average of 4,500 job seekers and at least 1,125 job vacancies. 	<ul style="list-style-type: none"> - Reports from the monitoring and site supervision system. - Surveys of clients using the service. 	<ul style="list-style-type: none"> - Localization of selected sites makes system accessible to employers and workers.
Design and implementation of new job placement procedures with the support of external consultants.	<ul style="list-style-type: none"> • Manual of operations, procedures and forms used in the system. 	<ul style="list-style-type: none"> - Report from consultant and manuals. 	
Development and application of the system for monitoring and follow-up.	<ul style="list-style-type: none"> • Monthly and quarterly reports from network sites. 	<ul style="list-style-type: none"> - Reports on periodic monitoring carried out by each CODLA site. 	<ul style="list-style-type: none"> - Each CODLA site provides data in accordance with agreement and with established periods.
Development of the informatics system.	<ul style="list-style-type: none"> • Integrated software used for job placement and monitoring of the system. 	<ul style="list-style-type: none"> - Computer programs. 	
Design and implementation of communication strategies.	<ul style="list-style-type: none"> • Corporate image manual. • Communication strategies. • Promotional campaigns. 	<ul style="list-style-type: none"> - Reports on publicity and awareness campaigns. - Advertising material. 	
Design of cost recovery strategy.	<ul style="list-style-type: none"> • Strategy for economic sustainability and fee structure. 	<ul style="list-style-type: none"> - Consultant's report. 	
Workshops to present and raise awareness of CODLA.	<ul style="list-style-type: none"> • Two workshops with institutions receiving technical assistance. 	<ul style="list-style-type: none"> - Reports on workshops and technical assistance. 	<ul style="list-style-type: none"> - Outside institutions support the CODLA system.
Design of workshops and supporting materials.	<ul style="list-style-type: none"> • Four workshops and the respective guides: <ul style="list-style-type: none"> • Creating a résumé. • Interviews and presentation of work experience. 	<ul style="list-style-type: none"> - Teaching material. 	

Description	Indicators	Means of Verification	Assumptions
	<ul style="list-style-type: none"> • Active job search procedures. • Basic activities for work. 		
Improvement of employment counseling.	<ul style="list-style-type: none"> • Methodology and guide for employment counseling. 	- Methodology manual.	
Acquisition of software on employment relating to job vacancies.	<ul style="list-style-type: none"> • Job profiles identified on the basis of employers' demands. 	- Reports on software.	
Purchase and adaptation of software for personnel evaluation and skills training.	<ul style="list-style-type: none"> • 4 information modules adapted for measurement of aptitude and skills. 	- Computer programs.	- Computer programs available for purchase commercially.
Development of methods of gathering information on the supply of vocational training programs tailored to job vacancies.	<ul style="list-style-type: none"> • Guides, forms and registration system. 	- Guide documents.	
Coordinate CODLA's relations with training institutions in order to identify gaps between the supply of training programs and job requirements.	<ul style="list-style-type: none"> • Number of institutions invited to participate. 	- Record of work meetings.	
Receive and evaluate proposals for formalizing training courses.	<ul style="list-style-type: none"> • 25 proposals evaluated. 	- Evaluation reports.	- Training institutions submit proposals to CODLA's perception of gaps.
Design curriculum development and writing of training manuals.	<ul style="list-style-type: none"> • 16 training modules developed. 	- Development contracts.	
Announcements and registration of employers and job seekers, charging respective fees.	<ul style="list-style-type: none"> • In the course of the CODLA program, the AMIA registers 6800 vacant positions and 25,000 job applicants. 	- Record of registrations (employers/job seekers)	
Employment counseling and evaluation of job seekers.	<ul style="list-style-type: none"> • 15% of job seekers receive employment counseling. 	- Records and reports on employment counseling.	
Conducting vocational guidance workshops.	<ul style="list-style-type: none"> • 20% of job seekers attend vocational guidance workshops. 	- Records of participation at workshops.	
Assignment and monitoring of candidates sent to specific training courses.	<ul style="list-style-type: none"> • 200 individuals attend specific courses. 	- Records of persons registered and placed.	- Training institution submit records to CODLA.
Placement, assignment, monitoring and collection of fees.	<ul style="list-style-type: none"> • 5000 candidates placed. • US\$200,000 in revenues generated. 	<ul style="list-style-type: none"> - Report on placements. - Accounting records. 	
Publicizing CODLA services.	<ul style="list-style-type: none"> • Monthly advertising and awareness campaigns. 	<ul style="list-style-type: none"> - Advertising contracts. - Direct mailings. 	

Description	Indicators	Means of Verification	Assumptions
Monitoring, analysis and standardization of information on the process.	<ul style="list-style-type: none"> Monthly reporting of results. 	<ul style="list-style-type: none"> Project document. 	
Standardization of assistantships for the various sites.	<ul style="list-style-type: none"> Two assistantship programs carried out. 	<ul style="list-style-type: none"> Register of participants at the various sites. 	
Training for CODLA staff.	<ul style="list-style-type: none"> Measurable improvement in the efficiency of job placement service. 	<ul style="list-style-type: none"> Training reports. 	
Establishment of office.	<ul style="list-style-type: none"> Office equipped and in operation. 		
Recruitment and training of personnel.	<ul style="list-style-type: none"> Three people hired and trained in operating the CODLA system. 	<ul style="list-style-type: none"> Work contracts with their terms of reference. 	<ul style="list-style-type: none"> Executing unit participation does not object to selection of personnel.
Announcements and registration of employers and job seekers, and collection of the respective fees.	<ul style="list-style-type: none"> In the course of the CODLA program, the AMIA registers 2200 vacant positions and 8250 job applicants. 	<ul style="list-style-type: none"> Record of registrations (employers/job seekers) 	
Employment counseling and evaluation of candidates.	<ul style="list-style-type: none"> 15% of job seekers receive employment counseling. 	<ul style="list-style-type: none"> Records and reports on employment counseling. 	
Conducting vocational guidance workshops.	<ul style="list-style-type: none"> 20% of job seekers attend vocational guidance workshops. 	<ul style="list-style-type: none"> Records of participation. 	
Assignment and monitoring of candidates sent to specific training courses.	<ul style="list-style-type: none"> 200 individuals attend specific courses. 	<ul style="list-style-type: none"> Records of persons registered and placed. 	<ul style="list-style-type: none"> Training institution sends records to CODLA.
Placement, assignment, monitoring and collection of fees.	<ul style="list-style-type: none"> 1650 candidates placed. US\$65.000 in revenues generated. 	<ul style="list-style-type: none"> Report on placements. Accounting records. 	
Organizing CODLA services.	<ul style="list-style-type: none"> Monthly advertising and awareness campaigns. 	<ul style="list-style-type: none"> Advertising contracts. Direct mailings. 	
Monitoring, analysis and standardization of information on the process.	<ul style="list-style-type: none"> Monthly reporting of results. 	<ul style="list-style-type: none"> Project document. 	
Training for CODLA staff.	<ul style="list-style-type: none"> Measurable improvement in the efficiency of job placement service. 	<ul style="list-style-type: none"> Training reports. 	

PROPOSED RESOLUTION

**ARGENTINA. NONREIMBURSABLE TECHNICAL COOPERATION FOR A PROGRAM
OF PRIVATE SERVICES FOR JOB PLACEMENT**

The Donors Committee of the Multilateral Investment Fund

RESOLVES:

1. That the President of the Inter-American Development Bank, or such representative as he shall designate, is authorized, on behalf of the Multilateral Investment Fund, to enter into such agreement(s) as may be necessary with the Asociación Mutual Israelita Argentina (AMIA) and to adopt such other measures as may be pertinent for the execution of the plan of operations incorporated in the donors memorandum referred to in Document MIF/AT-_____ with respect to a technical cooperation for a Program of Private Services for Job Placement.
2. That up to the amount of one million seven hundred and thirty thousand dollars of the United States of America (US\$1.730.000) or its equivalent in other convertible currencies, is authorized for the purpose of this resolution, chargeable to the Human Resources Facility of the Multilateral Investment Fund.
3. That the above-mentioned sum is to be provided on a non-reimbursable basis.