

INSTITUTIONAL STRENGTHENING OF THE MINISTRY OF FOREIGN RELATIONS, INTERNATIONAL TRADE AND WORSHIP

(AR-0265)

EXECUTIVE SUMMARY

Borrower:	The Argentine Nation	
Executing agency:	Department of International Trade and Economic Relations and Consular Affairs (SCREI) of the Ministry of Foreign Relations, International Trade and Worship (MRECIC)	
Amount and source:	IDB: (OC)	US\$ 7.5 million
	Local:	US\$ 7.5 million
	Total:	US\$15.0 million
Terms and conditions:	Amortization period:	20 years
	Execution period:	3 years
	Grace period:	3.5 years
	Disbursement period:	3.5 years
	Interest rate:	variable
	Inspection and supervision:	1%
	Credit fee:	0.75%
	Currency (OC):	United States dollars, from the Single Currency Facility
Objectives:	The general objective of the program is to modernize and strengthen the Ministry of Foreign Relations, International Trade and Worship from the standpoint of its capacity to promote foreign trade and participate in negotiations. Specific objectives are: (i) medium-term trade promotion strategy in place; (ii) greater technical capacity on the part of the ministry to participate in international trade negotiations; and (iii) greater analytical capacity to propose and implement long-term strategies in the areas of economic/trade and policy management under the ministry's jurisdiction.	
Description:	<p>The program consists of three components:</p> <ol style="list-style-type: none"> Foreign trade promotion strategy (US\$5.09 million). This component includes activities to design and introduce a strategic, medium-term program for the effective and coordinated promotion of national exportable supply, which will include 	

training programs, development of foreign trade promotion instruments and electronic commerce technologies, and the design and introduction of a comprehensive trade intelligence system.

2. **Strengthening of the ministry's institutional capacity for international trade negotiations (US\$3.68 million).** This component includes the development of workshops and seminars on topics comprising the economic/trade negotiations agenda; training and refresher courses for foreign service officers and negotiating teams; and support activities to improve articulation with the private sector for economic/trade negotiations, including the development of information systems.
3. **Development of a strategic policy analysis and management program (US\$3.15 million)** This component includes activities to strengthen ministry capabilities to analyze and implement policies; develop management and management control systems; improve the flow of information; design instruments for improving inter- and intra-institutional coordination in decision-making processes; and conduct specific studies and programs.

The Bank's country and sector strategy:

The IDB's action in Argentina focuses on three basic areas: (i) deepening and consolidating State modernization; (ii) reducing poverty and improving the quality of life of the population; and (iii) increasing the productivity and competitiveness of national industry. The proposed program is consistent with all the areas of this operating strategy because it will contribute to strengthening the public sector and, by supporting greater participation in trade, to expanding the export sector. This, in turn, will have a positive impact on job creation and improving the living conditions of a segment of the population.

Environmental and social review:

The program was considered by the Committee on Environment and Social Impact (CESI) at its 30 June 2000 meeting. The Committee's recommendations were: to specify in the plan of operations the activities aimed at improving the treatment of environmental issues in trade promotion and negotiation, especially in studies to support the design and implementation of the trade promotion strategy, and the training and organization of ministry staff.

Benefits:

Stronger trade promotion and negotiation capabilities at MRECIC will have a significant impact on the country's trade performance by contributing to expanding growth opportunities for the export sector, which will foster growth in the Argentine economy.

Through the preparation and implementation of strategic plans and the establishment of systems for training and updating officials' skills to meet current challenges facing the ministry in the area of international

trade promotion and negotiation, for example, the program will have a direct impact on improving management efficiency at MRECIC. The program will also foster greater coordination with, and participation by, the private sector and provincial governments, opening up greater opportunities for growth in a larger number of businesses that currently only target the domestic market.

The program will contribute to modernizing the country's trade policy, bringing it into line with the requirements of an increasingly global economy. In recent years, Argentina's most important efforts in the area of trade policy have focused on the unilateral liberalization of foreign trade. Therefore, its full participation in the multilateral system and the consolidation of natural integration arrangements (in particular, the expanded MERCOSUR) require policies that foster the growth of Argentina's supply and enable the private sector to tap opportunities stemming from the open regionalism and continued liberalization policies in new potential markets. New agreements need to be negotiated outside the region, in particular with the rest of the hemisphere and Europe, as well as in upcoming multilateral rounds in highly technical nontraditional areas. Through its different components, the proposed program will support the country in these efforts.

Risks:

The frequent rotation of ministry officials to and among the different diplomatic missions abroad is a potential limitation to the effectiveness of training actions to be carried out under the program. Efforts to strengthen the technical skills of officers in the areas of trade, economics and management, as well as to train specialized staff, may be affected by the rotation system inherent to any diplomatic corps. To reduce this risk, the program includes the establishment of ongoing refresher training programs that, regardless of the rotation of officials in charge of trade promotion and negotiation, will ensure that professionals who can effectively promote Argentine foreign trade will always be available.

Achievement of program objectives and the final impact of each of its activities will depend, to a certain degree, on the effectiveness of agencies other than MRECIC. The manner in which the Ministry of Economic Affairs implements trade policy within the country (for example, through the creation of networks of medium- and small-scale exporters) and the mechanisms it uses to ensure the competitiveness of Argentina's export sector, will have an impact on the effectiveness of MRECIC's trade promotion and negotiation efforts. In principle, this risk will be minimized since the IDB's other efforts (see paragraph 1.24) include support to the Ministry of Economic Affairs in strengthening trade policy (loan 1206/OC-AR).

Special contractual clauses:

Conditions precedent to the first disbursement:

- (i) creation of the project executing unit (PEU) and hiring of its general director, technical coordinator, and financial and administrative coordinator, in accordance with the terms of reference agreed upon with the Bank (paragraph 3.6);
- (ii) entry into force of the agreement between MRECIC and INTAL to provide technical support to the PEU, under the terms agreed upon with the Bank (paragraph 3.9); and
- (iii) presentation of the work plan for the first year of program implementation (paragraph 3.11).

Poverty-targeting and social sector classification:

This operation does not qualify as a social equity enhancing project, as described in the indicative targets mandated by the Bank's Eighth Replenishment (document AB-1704).

Exceptions to Bank policy:

N/A

Procurement:

All selection and hiring of services and the procurement of goods called for in the program will be done in accordance with Bank procedures. When the value of goods to be procured exceeds the equivalent of US\$350,000 and the value of contracts for consulting services exceeds US\$200,000, bids and/or calls for proposals will be tendered at the international level. No works will be financed through the program.

The Institute for Latin America and Caribbean Integration (INTAL) will participate in program execution, providing the technical support required by the program executing unit. The direct hiring of INTAL, to be funded by the local counterpart, is justified based on INTAL's technical and institutional comparative advantages, and is therefore allowed under Bank procurement policies as an exception to the procedures for selecting consulting services – Chapter GS-403 of the Bank's Procurements Manual (paragraphs 3.4 and 3.8).

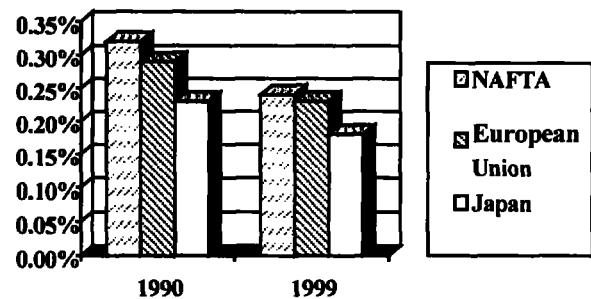
I. FRAME OF REFERENCE

A. Trends of Argentina's foreign trade and challenges for the future

- 1.1 In recent years, Argentina engaged in a process of transformation that enabled it to move gradually toward a framework of monetary stability. The transformation was the product of macroeconomic management, the privatization process, deregulation, decreased public expenditure, administrative reorganization, and the exchange rate policy introduced by means of the 1991 Convertibility Law.
- 1.2 Among the factors contributing to improving the economy were foreign trade policies lifting protectionist barriers, a gradual process of economic liberalization, the search for greater participation in world markets through greater efficiency and comparative advantages, support for multilateral regulations on liberalization and commercial conduct, and the active and growing regional and hemispheric integration policy.
- 1.3 In mid-1986, Argentina had import licenses for more than 7,000 tariff headings (of a total of 11,400) and a considerable number of prohibitions affecting luxury items and some industrial goods. That was when the process to lift trade restrictions began, and by 1991 import licenses had been eliminated altogether. Trade policy measures led to further reductions in tariff levels and the progressive elimination of all restrictions on foreign trade operations. With regard to export incentives, the only ones maintained aimed to prevent the exportation of taxes. In this regard, the payment of tax refunds was generalized, as was the application of the drawback regime, and automatic temporary admission was maintained for goods imported for use in producing exportable goods.
- 1.4 As a result of the trade liberalization efforts initiated in the late 1980s, the average tariff fell from 30.8% in 1988 to 14.2% in 1991. Combined with the process to eliminate restraints on foreign trade, this change fostered considerable growth in Argentina's trade with the rest of the world. During the 1990s, sales abroad grew at an average 7% annually, rising from approximately US\$12.3 billion in 1990 to more than US\$23.3 billion in 1999. During the same period, the value of imports increased six-fold, climbing from almost US\$4.1 billion to US\$25.5 billion. Thus, the country's foreign trade grew from 11.6% of GDP in 1990 to 17.3% in 1999.
- 1.5 During this period, several positive factors were associated with export performance. External sales grew faster than GDP, thus taking on greater importance in the country's economic structure. Also, after several decades, as of 1993 Argentina's exports grew faster than world exports, and the number of export firms grew from 6,500 in 1998 to more than 11,000 at present.
- 1.6 Nonetheless, despite this export performance, the country has not yet been able to increase its share in the most important and dynamic international markets. Argentina lost relative share in international markets, except in MERCOSUR,

Chile and Africa. A comparison of its situation in 1990 with that of 1999 shows that the country lost market share in NAFTA, the European Union and Japan (see Graph 1). Export growth in the 1990s was accompanied by gradual product diversification. Although still high, concentration from the sectoral point of view fell slightly: in 1985 the top ten export products accounted for 82% of the total while in 1991 they represented 75% of the total, both higher than the present 60%.¹

Graph 1 -- Argentina's share of exports on world markets



- 1.7 A key factor is the degree of concentration of Argentine exports in a small number of markets, primarily Brazil, where it grew from 6% in 1985 to 12% in 1991, and has gone on to account for more than 25% of Argentina's total exports.² While it is true that 60% of present world trade is conducted between neighboring countries and only the remaining 40% transcends regional blocs, Argentina's great challenges in the area of foreign trade are to penetrate new markets and improve its export performance in its present markets and trade blocs. This is particularly relevant given that, although Argentina's share in total world exports rose from 0.36% to 0.47% in the 1990s, if the MERCOSUR-Chile bloc is excluded, that share falls from 0.29% to 0.27% because of its loss of market share in NAFTA, the European Union, Japan, ASEAN and Oceania.

B. The role of the Ministry of Foreign Relations, International Trade and Worship (MRECIC) in supporting Argentina's foreign trade

- 1.8 Argentina's participation in international markets depends primarily on the economic state of its present and potential trading partners³; the quality and

¹ The top ten export products are: fats and oils; grains; residues and waste from the food industry; transportation material; chemical and related products; electric machinery and equipment; common metals and their manufactured articles; meats; hides and leather; and other raw materials.

² In 1998, Brazil absorbed 30.1% of Argentina's exports.

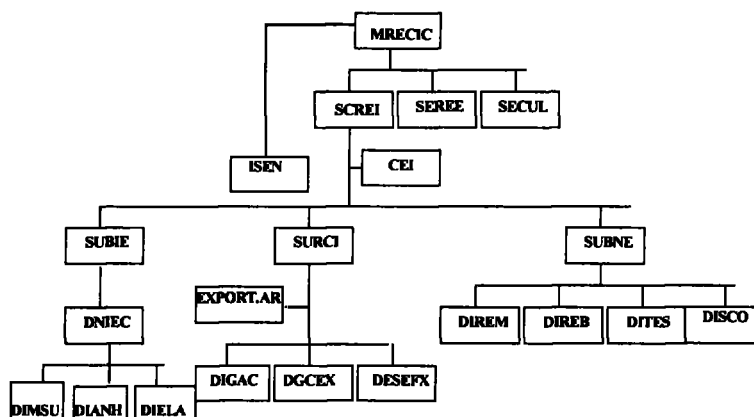
³ For example, the Asian Pacific bloc (ASEAN, China, Japan and other countries of the region) was the area that most contributed to the growth in world trade until that region went into crisis. Although more than half of its trade is intra-regional, this group of countries increased its purchases from the rest of the world from US\$650 billion in 1990 to more than US\$1.3 trillion in 1997. This later fell to US\$1.15 trillion in 1998, as a consequence of the recession and the change in relative prices experienced by most of those countries.

competitiveness⁴ of its exports; its foreign trade policy; export promotion; and the country's participation in regional and multilateral trade negotiations (MERCOSUR, Free Trade Area of the Americas, World Trade Organization, European Union, among others). The last two areas of action (trade promotion and negotiation) are the primary responsibility of MRECIC.

- 1.9 Specifically, MRECIC's mandate is to design and execute negotiation and trade representation activities at the multilateral and regional levels. Within MRECIC, the Department of International Trade and Economic Relations and Consular Affairs (SCREI) is tasked with formulating and promoting, from the foreign policy perspective, the policies, strategies and actions associated with economic/trade negotiations (both bilateral and multilateral) and with trade promotion. To this end, it receives support from the American Economic Integration and MERCOSUR Branch (SUBIE), the International Trade and Consular Affairs Branch (SURCI), the National Division for Negotiations and International Economic Cooperation (SUBNE) and the Center for International Economics (CEI).

- 1.10 SUBIE is responsible for designing policies and actions to foster economic development and bilateral integration with the countries of North, Central and South America, and economic integration at the regional and hemispheric levels. Providing support to the efforts of this branch is the National

ORGANIZATIONAL CHART OF MRECIC



Division for American Economic Integration (DNIEC), under which are the following area divisions: MERCOSUR division (DIMSU), North America and Hemispheric Affairs Division (DIANH) and American Economic Integration Division (DIELA). For its part, SURCI executes international trade policy, promoting the supply of national products and services in response to demand in foreign markets. The branch has three directorates: Consular Affairs (DIGAC), Foreign Trade Promotion (DGCEX) and Development and Promotion of New Markets (DESEFX). For its part, SUBNE promotes the country's policies and strategies on bilateral and multilateral economic and trade negotiations outside the western hemisphere. The following are SUBNE area divisions: Multilateral

⁴ Devaluation of the Brazilian real in January 1999 increased the price of Argentine products in Brazilian markets by up to 40%.

Economic Affairs Division (DIREM), Bilateral Economic Affairs Division (DIREB), Special Economic Issues Division (DITES) and International Economic Dispute Settlement Division (DISCO). The CEI, which reports directly to the SCREI, provides technical assistance to ministry officials, principally in the form of strategic advisory services to the Foreign Minister and Deputy Foreign Minister, and through the preparation of statistics and reports for the secretaries and under secretaries on all aspects of national and international economics and trade.

1. MRECIC's relationship with the private sector

- 1.11 Both SUBIE and SURCI also serve as liaison with the private sector. Through DNEC and DIMSU, SUBIE responds to consultations and claims from the private sector vis-à-vis MERCOSUR and the trade integration processes. It also provides information on MERCOSUR's regulations and the documentation produced by the institution. SURCI, through DGCEX, works with producers, merchants, service providers and the associations that represent them in placing products and services abroad. In addition, some international trade forums have institutionalized mechanisms for coordination with the private sector, which are used by SUBIE and SURCI.
- 1.12 SURCI also maintains an ongoing relationship with the Invertir Foundation, an entity under private law that brings together businesspersons and government officials for the purpose of promoting investments by local businesses and foreign firms in Argentina. It also has permanent relations with the Department for Small and Medium-sized Business (Ministry of Economic Affairs), because a SURCI priority is to expand export opportunities for the products of small and medium-sized enterprises (SMEs).
- 1.13 SURCI also coordinates the activities of the Export.Ar Foundation, a not-for-profit organization created by the public and private sectors to promote Argentine foreign trade and to assist the business community in marketing its products internationally. The Export.Ar Foundation is chaired by the Minister of Foreign Relations, with the Minister of Economic Affairs serving as vice chair. The Foundation has an Administrative Council whose regular members are the Under Secretary of SURCI (MRECIC) and the Secretary of Industry, Trade and Mines (Ministry of Economic Affairs). The remaining members of the council represent the private sector and are elected annually. Ninety percent of Export.Ar's budget is covered by MRECIC and the ministry itself hires its staff. Export.Ar also provides support to SMEs, through a training program in the provinces conducted by Export.Ar and MRECIC staff and specialists hired specially for this purpose. The Export.Ar Foundation also provides support for SMEs through joint programs with the private sector, such as the Bank Boston Foundation, which fosters the creation of sectoral groups of businesses to reach external markets.

- 1.14 The activities of the Export.Ar Foundation are coordinated with MRECIC's actions through its 143 embassies, consulates and economic/trade sections in Argentina's missions throughout the world. In some places of strategic importance for foreign trade (São Paulo, Frankfurt, Barcelona, Los Angeles, New York and Milan), the ministry has established Argentina Promotion Centers where interested businesses can find infrastructure and logistic support during their business missions.

2. MRECIC's relationship with the Ministry of Economic Affairs and the provincial governments

- 1.15 The country's institutional public structure of support for foreign trade is rounded out by the Department of Industry, Trade and Mines⁵ (SICYM); the Department of Agriculture, Livestock, Fisheries and Food; the Department for Small and Medium-sized Enterprises of the Ministry of Economic Affairs and Public Works and Services; and other agencies of this ministry including the National Foreign Trade Commission (analysis and investigation of damage to domestic production); the Federal Public Revenues Administration (domestic and customs tax management); and the Banco de Inversión y Comercio Exterior [Investment and Foreign Trade Bank] (financing of productive investment and foreign trade). MRECIC works with these entities in the area of trade promotion through the Export.Ar Foundation and SURCI, which gathers and retransmits information on promotional activities from the ministry's missions abroad. In addition, in regard to international trade negotiations, consultations are conducted on instruments and documents prepared on Argentina's negotiating position. With regard to integration, a National Section of the Common Market Group, comprised of different organizations involved in trade negotiation matters, is coordinated by SUBIE.
- 1.16 The provincial governments, through their foreign trade support units (usually situated in the economic affairs departments of each province), round out the group of entities involved in the management of the country's international trade. MRECIC works with these provincial units through Export.Ar's regional offices.

C. The reasons for strengthening MRECIC and its principal challenges

- 1.17 At present, although MRECIC's foreign service officers for the most part have a solid education in international relations, law and negotiations,⁶ their background does not always give them the necessary expertise in specific aspects of economics, trade, information management or strategic planning required by the international agenda and Argentina's new negotiating commitments. In addition, the system that rotates staff both within the ministry and abroad makes it impossible to have available a permanent and sufficient number of officers specialized in foreign trade.

⁵ The principal responsibility of this Department is to analyze, propose, administer and evaluate the country's trade policy.

⁶ MRECIC has 1,471 full time staff, of whom 878 are diplomats and 593 are administrative personnel.

As a result, most of the members of the diplomatic corps do not have sufficient technical expertise in this area, particularly to the degree required by Argentina's growing involvement in trade negotiations and foreign trade. To some degree, the ministry has been able to compensate for this lack of technical expertise by hiring outside professionals, although this measure also has its drawbacks because many of these professionals do not have the necessary negotiating skills. In this context, it is imperative to update and improve the skills of foreign service officers in order to equip them to meet the challenges of trade promotion and international negotiations. This requires the development of coordinated actions to upgrade the professional training of the ministry's diplomatic corps.

- 1.18 This will require duly updating the course of studies of the National Foreign Services Institute (ISEN), which is responsible for providing training to those who enter the foreign service, designing formal mechanisms for evaluating the impact of the training, and ensuring an ongoing supply of training for foreign service officers in active service. Other than the formal program provided by ISEN for professionals entering the foreign service, the required course for officers who will be promoted from the position of Secretary to Counselor, and the thesis required in the case of a promotion to Minister, the ministry does not have ongoing programs for providing the advanced training needed for addressing the different issues stemming from the globalization process and the evolution of the terms of trade. In this connection, the program will support the institutionalization of an ongoing training program and the revision and strengthening of ISEN's study plans and technological equipment. In addition to fostering a revision and adjustment of training courses for foreign service officers, the proposed program aims to contribute to designing and implementing outreach mechanisms and plans for improving professionals' access, regardless of gender or place of residence, to the foreign service.
- 1.19 There is also a need to update existing strategic plans and support the development of plans that are still needed for the ministry's units that participate in trade promotion and negotiation, with a view to clearly specifying goals (both quantitative and qualitative) for monitoring the ministry's activities. The program will support MRECIC in preparing a medium-term foreign trade promotion strategy that includes participation of both the private sector and government agencies, and that, among other things, also supports formalization of coordination mechanisms both inside and outside the ministry. By way of example, support would be given to creating an information network on trade opportunities to remedy the current lack of information among private sector operators, particularly those in the provinces, regarding the specific supply of and demand for products on international markets.
- 1.20 There is a need to improve the integration of information and communications systems to support the ministry's promotion and negotiation efforts. For example, one of the greatest needs is to strengthen the electronic mail system for transmitting documents both within and beyond the ministry, and for making real-time

communication possible with diplomatic missions abroad. A direct consequence of the current situation is a loss of opportunities for many exporters. Similarly, although sometimes the required information exists, no one knows it is available because of the rigid and outdated nature of the ministry's methods of communication and coordination with other State agencies (both national and provincial) and with the private sector (including research centers and universities).

- 1.21 In order for the ministry to more effectively fulfill its responsibilities, studies on various topics related to economic integration and international negotiations must be conducted and made available to serve as a basis for developing strategies for promoting foreign trade and strengthening Argentina's presence in negotiating forums. The shortage of sufficient technical personnel with specific expertise and the lack of suitable databases hinder the timely production of such studies.
- 1.22 The aforementioned situation and MRECIC's greater obligations stemming from Argentina's strategy to increase its participation in international markets, combined with the complex agendas of the simultaneous international negotiations in which Argentina takes part, has led the country's authorities to prioritize the institutional strengthening of MRECIC in order to equip it to exercise an active role in preparing and coordinating the nation's position and representing Argentina abroad. The authorities are aware of the pressing need to improve and remedy the shortcomings presented, which weaken Argentina's presence in international forums. The new world order requires renewed efforts and the pace of the globalization process and the evolution of the terms of trade have generated the need for ongoing training and a greater degree of specialization among MRECIC officials.

D. Strategy and basis for IDB participation

- 1.23 The IDB's action in Argentina focuses on three basic areas: (i) deepening and consolidating State modernization; (ii) reducing poverty and improving the quality of life of the population; and (iii) increasing the productivity and competitiveness of national production. The proposed program is consistent with all the areas of this operating strategy because it will contribute to strengthening the public sector and, by supporting greater participation in trade, to expanding the export sector. This, in turn, will have a positive impact by generating more jobs and improving the living conditions of a segment of the population.
- 1.24 The proposed operation complements other IDB efforts to boost productivity and improve the competitiveness of the country's tradable goods sectors, for example: SME business development support (loan 989/OC-AR); technological modernization (loan 802/OC-AR); modernization of port facilities (loan 962/OC-AR); strengthening of tax and customs administration (loan 1034/OC-AR); support for the competition policy (ATN/MT-6574-AR); program to diversify export markets for small enterprises (TC-99-10-07-5-AR), currently in preparation; and institutional strengthening of foreign trade policy (loan 1206/OC-AR). More

specifically, this technical-cooperation loan will complement the IDB's efforts to strengthen the country's foreign trade policy by strengthening the Department of Industry, Trade and Mines (Ministry of Economic Affairs), which is responsible for designing trade policy instruments. Accordingly, the policy to foster export production, the negotiation policy, and efforts to place the output on external markets would all be covered.

- 1.25 This project is also consistent with other programs that the IDB supports in the region, such as institutional strengthening of the Ministry of Foreign Affairs of Brazil (loan 814/OC-BR); support for international trade negotiations – Paraguay (ATN/SF-5888-PR); and investment and export promotion – Bolivia (ATN/MT-6087-BO).

E. Conceptual basis for the program

- 1.26 In order to strengthen MRECIC, a program is needed that provides comprehensive support for upgrading the ministry's efficiency in fulfilling its functions in foreign trade promotion and international trade negotiation. Accordingly, the program has been envisaged as an operation that covers specific areas of action that provide support to each of those functions. Each area of action will address an aspect of the ministry that requires strengthening (i.e., the training of officers; the installation of integrated information, communications and dissemination systems; the performance of studies) and will follow a logical sequence of execution that has specific monitoring indicators. The program will also include activities to help the ministry upgrade its strategic planning and trade management analysis capabilities, essentially by improving its capacity to study, propose and implement long-term strategies in the economic/trade areas under its jurisdiction. When appropriate, the program will also support implementation of projects and pilot programs to address specific topics (i.e., facilitate the creation of inter-ministerial groups for the analysis and coordination of trade management).
- 1.27 Moreover, program design takes into account lessons learned by the IDB through institutional strengthening programs, including: (i) adopting a partial and gradual approach to human resources issues and organizational reform, which results from an analysis of the *true opportunities* for fostering institutional reform, the aim of which is to achieve feasible results; (ii) formulating the program in close coordination with the program beneficiary, which will produce in the executing agency a strong sense of program ownership; (iii) frequent dissemination of program guidelines within MRECIC, with a view to anticipating and overcoming possible manifestations of resistance to change; (iv) setting priority on achieving short-term results that have a strong demonstration effect, with a view to producing greater impact and sustainability over time; (v) using observable monitoring and evaluation indicators for the different components and activities (primarily quantitative and limited in time); and (vi) developing information and communications systems as a means of strengthening the ministry and not as a

program goal (investments in computer technology and communications equipment will be strictly limited to the minimum considered necessary).

II. THE PROGRAM

A. Objective

- 2.1 The general objective of the program is to modernize and strengthen the Ministry of Foreign Relations, International Trade and Worship from the standpoint of its capacity to promote foreign trade development and participate in negotiations. Specific objectives are: (i) implementation of a medium-term trade promotion strategy; (ii) greater technical capacity on the part of the ministry to participate in international trade negotiations; and (iii) greater analytical capacity to propose and implement long-term strategies in the areas of policy and economic/trade management under the ministry's jurisdiction.

B. Monitoring indicators

- 2.2 The program's logical framework (Annex I) lists specific monitoring and performance indicators for each set of activities. They address, among other things: (i) development and implementation of a medium-term strategy to support the country's positioning in economic/trade matters; (ii) development and implementation of an updated continuing education and refresher training system, including formal mechanisms for evaluating the impact of the training and the refresher courses; (iii) annual calendar of training activities; (iv) the content matter of the seminars, workshops and refresher courses offered at ministry headquarters and at the diplomatic missions abroad; (v) implementation of an integrated information system that links the ministry to its offices abroad and includes monitoring modules to measure effectiveness and efficiency; and (vi) the strengthening of mechanisms to coordinate trade promotion with the private sector and the provinces.

C. Program structure

- 2.3 A three-component program was designed to achieve the specific objectives of this operation. All proposed program activities of the respective components come under the MRECIC's jurisdiction.

1. Foreign trade promotion strategy (US\$5.09 million)

- 2.4 The objective of this component is to strengthen MRECIC's action in its areas of responsibility associated with the promotion of foreign trade. It is based on the design and implementation of a strategic, medium-term program to foster the effective and coordinated development of the national exportable supply, in order to increase placement of Argentine products and services in traditional international markets and in new markets. This component will include the following activities:

a. Strategy design and implementation

2.5 Based on the institutional appraisal of the ministry and the evaluation of existing trade promotion strategies and programs, MRECIC will receive support in developing a medium-term strategy for international economic/trade promotion in Argentina. This will include a plan of action with two main thrusts: the first, individual development of specific products and sectors, and the second, fostering strategic alliances among export companies in order to promote their products and gain better access to foreign markets. The strategy will be supported through research and studies, pilot programs, a series of activities to strengthen mechanisms of coordination and linkage with the private sector, which will supply the inputs needed for regular updating.

- (i) *Evaluation of existing strategies and programs.* An analysis and evaluation will be conducted of Argentina's existing trade promotion programs, the degree of coordination with other government entities having responsibilities in this area, the degree of private-sector participation, and the impact of existing instruments on the country's trade promotion.
- (ii) *Institutional assessment.* Evaluation of the strategies will also help determine whether the ministry's present organizational and functional structure can be optimized so as to enable each organizational unit to more effectively fulfill its responsibilities. Certain organizational reforms may be proposed to help the ministry adapt to present and future challenges. For example, the program will determine whether or not there is an overlapping of activities among the areas and the areas' management and decision-making systems will be analyzed. This evaluation will be coordinated with, and serve as an input for the development of those activities to be carried out under the third program component.
- (iii) *Strengthening of mechanisms of coordination and linkage with the private sector.* These activities aim to improve mechanisms for coordination and linkage with the private sector, so as to ensure its involvement in implementing the comprehensive trade promotion strategy. To this end, priority will be given to strengthening the Export.Ar Foundation as the agency responsible for developing ties with the private sector. In this regard, funding and coordination mechanisms will be defined, as will mechanisms for executing export promotion programs and plans, training, and matters related to the control and monitoring of its activities.
- (iv) *Strategic research and studies on foreign trade.* The purpose of these activities is to develop strategic research and studies for increasing the

knowledge and information available on export promotion, as tools for adjusting and designing relevant strategies. This will include: (a) studies of foreign markets; (b) studies on new types of foreign trade, with emphasis on services; (c) methodologies for gathering information for use in the design of strategies; (d) study of local demand in foreign markets; (e) studies on compliance with ISO 14000 and other environmental standards addressed in international agreements; and (f) studies for promoting products for markets that emphasize environmental protection issues. The studies will be conducted in coordination with the pertinent government units.

- (v) *Design of a comprehensive medium-term trade promotion strategy in coordination with relevant public entities and in consultation with agents of the private sector.* The purpose of these activities is to design and support the implementation of a medium-term trade promotion strategy, in coordination and consultation with other government agencies, including provincial governments, and agents of the private sector. One of the inputs to be used in this effort is a nationwide survey to design new lines of action for adjusting current trade promotion strategies and proposing a comprehensive strategic plan. The following will be taken into account: the different scenarios for the country's economic insertion, the most important factors determining external demand, and the country's capacity to respond with exportable supply, in coordination with other areas of government responsible for evaluating foreign market insertion mechanisms.
- (vi) *Design and execution of priority pilot programs.* These activities seek to identify and design priority programs to target specific aspects of foreign trade promotion, based on the strategy that has been designed, in the form of pilot experiences that will be evaluated. In this connection, at least two pilot programs, whose strategies will be determined on the basis of a previous study of priorities, will be implemented. These pilot programs will be developed based on a breakdown by sector, product, region and market, and will be designed with demonstration purposes in mind, to make subsequent replication possible.
- (vii) *Establishment of a pilot program of trade networks abroad.* The purpose of this activity is to support the establishment of strategic alliances among export firms having a relatively lower market share, in order to facilitate their access to foreign markets. These alliances will receive support from MRECIC, which will identify specific demand detected abroad.

- (viii) *Adoption of the comprehensive trade promotion strategy, based on the results of the pilot programs on products and networks.* Mechanisms will be established for executing the ministry's trade promotion strategy, identifying the nature and type of coordination, the representativeness and types of action required with the private sector, and with relevant areas of government.

b. Training plan

2.6 These activities aim to serve the training and development needs arising from the adoption of a comprehensive trade promotion strategy, the design of new methodologies and the new subject areas in foreign trade promotion. To this end, mechanisms will be designed for planning, managing and evaluating training activities, always in coordination with the trade promotion strategy implementation process. These activities will also be coordinated with actions to strengthen ISEN, which are described in the third program component. Training will target the following:

- (i) *New modalities and instruments for promoting foreign trade.* Training activities will focus on information on new modalities for promoting foreign trade, analysis of the instruments and how to use them. They will be based on the studies described in paragraph 2.5 and include eight workshops for approximately 120 SCREI officials, in coordination with ISEN. These workshops will address the following: (a) analysis and evaluation of existing proposed trade promotion strategies and techniques (products, markets, etc.), tailored to the geographic regions, and (b) recommendations on how to use specific tools to bolster foreign trade. Approximately 15 internship groups will be organized to complement the workshops, geared primarily at the WTO, for further training on the topics specified.
- (ii) *New technologies for electronic commerce.* Workshops will be held to train teams of professionals with knowledge about ways of using electronic commerce as a tool to promote trade and about aspects of the regulatory framework governing the use and development of this type of commerce. Internships in public and private businesses or trade promotion institutions that make intensive use of electronic commerce will complement the training. These activities will be developed in coordination with the Department of Industry, Trade and Mines (Ministry of Economic Affairs).
- (iii) *Other areas.* The purpose of these activities is to publicize in the public and private sectors the trade promotion strategy to be adopted by the ministry. To this end, informational seminars and workshops will be

organized for representatives of the public sector, including Export.Ar, and the private sector.

c. Integrated foreign trade information and communications system

2.7 Activities will focus on designing and introducing an integrated trade intelligence system as a key instrument of the comprehensive trade promotion strategy. The resulting system will institutionalize systematic compilation of information, the processing of data, and the analysis of trade management processes. It will also create an ongoing, dynamic relationship between MRECIC, its missions abroad, other government agencies, the private sector and international organizations, facilitating a better and sustainable coordination process. It will support the private sector by providing useful information to exporters (i.e., profiles, studies, country fact sheets, trade opportunities, bids, regulations, phytosanitary requirements, quality and safety requirements, environmental trade regulations and transportation), and will make it possible to handle administrative procedures over the Internet. The present system will be reengineered to incorporate both Internet and Intranet platforms as a base. The foundation of the system currently in operation at the ministry will be used, including the web pages of Export.Ar and the ministry itself, which will be redesigned. System development will be based on the results and guidelines stemming from a prior study conducted by a consulting service, which will be coordinated with the MRECIC's Information Technology Division. The following subsystems will be developed and implemented through the system, and updated regularly by all SCREI divisions.

- (i) *International marketing subsystem.* A subsystem on the international marketing of products, with information on markets, competitors, etc. It will have flexible mechanisms for searching and processing information in a user-friendly environment, and will be capable of centralizing information from different sources and disseminating it to interested parties in the system.
- (ii) *Subsystem for facilitating a proper identification of Argentina's present and potential exportable supply.* This subsystem will be based on studies to identify export lines in accordance with data collected by SICYM (Ministry of Economic Affairs). Its user-friendly environment will include methodologies and standards of statistical, technical and tariff information that will be provided by different sectors and/or regions regarding the status of a given product in Argentina and the problems it faces with competition in given markets.
- (iii) *Subsystem for communication and information exchange between the ministry and the provincial governments.* This subsystem will focus on regional economies and the private sector in the provinces, with emphasis on working with Export.Ar Foundation area offices, to boost

private-sector participation in the export market, in the development and design of trade promotion strategies with Export.Ar itself, and in areas of MRECIC competence, especially vis-à-vis product standardization and technical norms, among other things.

- (iv) *Communications subsystem with diplomatic missions abroad.* This subsystem aims to take better advantage of information existing abroad in order to maximize possibilities for penetrating foreign markets with Argentine supply and develop networks useful to the private sector as well as programs to promote the country's image, among other things.

2. Strengthening of the ministry's institutional capacity for international trade negotiations (US\$3.68 million)

- 2.8 The objective of this component is to strengthen the ministry's negotiating capacity in the area of international trade, in order to achieve better terms so that the country can take maximum advantage of opportunities to penetrate foreign markets and consolidate its presence therein. This component will also seek to establish and strengthen mechanisms of coordination between the various areas of MRECIC and the private sector so as to enhance formulation of national positions in trade negotiations. The component will include the following activities:

a. Training and consulting services

- 2.9 These activities aim to meet the need of developing strategies and adjusting tools so as to strengthen the technical skills of MRECIC officials and negotiating teams in connection with economic/trade negotiations. The following are the main topics to be addressed:
 - (i) *Workshops and seminars on the economic/trade negotiating agenda.* Under these activities, an analysis will be made of the country's external sector, including its strengths and weaknesses vis-à-vis the challenges of economic globalization, in order to be able to develop consistent negotiating strategies. Workshops and seminars will include: (a) analyzing regulations in force, how they correspond to the country's domestic regulations, and their application abroad; (b) analyzing models and methods for predicting the performance of certain variables, such as international prices, imports, exports; (c) designing methodologies for the immediate evaluation of the impact of different negotiating scenarios; and (d) analyzing new topics on the international negotiations agenda, such as environmental and labor standards, and their relationship to trade.
 - (ii) *Training and refresher courses on trade negotiations for foreign service officers.* These activities will strengthen training for ministry

officials and negotiating teams, and will be coordinated with ISEN. They will include: (a) development of training programs, to take place in the country and abroad, on the subject of economic and trade negotiations; (b) the inputs needed for developing avenues for specific training; and (c) participation of officials in internships and courses offered by centers of excellence.

- (iii) *Workshops for linking with the private and public sectors in the preparation of economic/trade negotiations.* These activities aim to strengthen ties between the public and private sectors, for the purpose of formulating a well-defined position for the country regarding the different negotiation agendas. Forums and workshops will be held to address, among other topics: (a) subsidies; (b) dumping; and (c) services. The workshops will also contribute to developing a plan to support the MERCOSUR Division in disseminating MERCOSUR regulations and the public documentation produced by its bodies, through the ministry's communications and information exchange subsystems linked to provincial agencies and diplomatic missions (paragraph 2.7, iii and iv).

b. Integrated information and communications system for international trade negotiations

- 2.10 These activities will serve to complement the information system developed in the first component for providing access to and fostering information exchange among negotiating teams and the agents engaged in tasks supporting the negotiations. Special emphasis will be placed on modernizing the information technology equipment currently in use because of the high reliance on the Internet as a primary source of information and for identifying available databases. These databases will deal primarily with the legal texts of international agreements (regional and bilateral), trade statistics, and investments available through international and other organizations, including the private sector. This system will be instrumental in conducting a global analysis and making comparisons with other integration processes; it will also facilitate the process of preparing negotiating positions.

c. Studies

- 2.11 Studies will be conducted for the purpose of:

- (i) *Upgrading the understanding and analysis of aspects of comparative international law.* Studies will be prepared on comparative law in order to strengthen negotiating skills in international trade transactions through greater familiarity with this subject area. The main activities will consist of: (a) collecting, classifying and analyzing trade agreements and treaties that have the greatest impact on the region,

taking into account the country's negotiation agenda (North American Free Trade Agreement; Andean Community; Central American Integration System; MERCOSUR, European Union-Mexico, etc.), (b) designing guidelines or search engines for rapidly locating rules in existence for each of topic, so as to facilitate a comparative analysis; (c) designing a system for updating information on regulations; (d) identifying and analyzing areas not covered or inadequately covered vis-à-vis the application of rules in force; and (e) addressing the issues of environmental and labor standards in trade agreements.

- (ii) *Analyzing economic integration as a key factor of domestic economic negotiations at the subregional, hemispheric and regional levels.* The purpose of these activities is to analyze economic integration at the subregional, hemispheric and regional levels, for the purpose of designing strategies that will enable the country to better position itself in existing or incipient economic blocs. The activities will focus on: (a) identification of potential markets at the subregional, hemispheric and regional levels and opportunities for opening such markets through trade agreements; (b) identification of progress made in economic/trade negotiations in the different integration scenarios and agreements in force and their relationship to the country's overall competitiveness; (c) analysis of the complementarity of the country's various negotiating agendas (WTO, MERCOSUR, FTAA, European Union, etc.); and (d) other studies, depending on developments in the ministry's negotiation agenda.

3. Development of a strategic policy analysis and management program (US\$3.15 million)

2.12 These activities aim to strengthen the Ministry's capacity to analyze, propose and adopt long-term policies in the economic/trade areas under its jurisdiction, and will include the following activities:

- a. **Strengthening the National Foreign Service Institute (ISEN).** The ISEN training system for foreign service officers and continuing education program will be strengthened by: (a) revising the curriculum with a view to increasing economic expertise; (b) updating the general and specific contents of the courses currently offered by adding courses on management, planning, and human resources management; this will include identification of reference materials for monitoring same; (c) designing and supporting the implementation of a program of ongoing training and refresher courses for foreign service officers; (d) introducing practice sessions through specific programs with tutorial follow-up; (e) introducing a new course of studies in general; (f) developing internships abroad for officers working in the subject areas addressed by the study program; (g) revising and adjusting mechanisms for recruiting students, particularly in the

provinces; (h) modernizing the equipment used for the practice sessions as well as the simultaneous interpretation and audio equipment; and (i) updating and modernizing the ISEN library.

- b. **Strengthening the Center for International Economics (CEI).** These activities will focus on strengthening the analytical capacity of the CEI (an agency of the SCREI), whose function is to conduct economic/trade research for the ministry.⁷ New methodologies of analysis will be added for specific studies on price fluctuations and the futures markets, the monitoring of economic/trade indicators, international trade trends, and others.
- c. **Training in policy design and analysis.** These activities will focus on upgrading human resources through training in the design and analysis of policies associated with economic/trade negotiations and trade promotion. The training activities will facilitate an understanding and analysis of the conceptual frameworks and frameworks for policy-making tools, with emphasis on the role of trade policy in an increasingly global economy; the interaction between trade policy and other financial, macroeconomic and sectoral policies; the analysis of international financial flows; patterns of export specialization and diversification; the development of intraregional trade; the importance of the new technologies; and the relationship between environment and trade. Some 12 specialized courses will be offered, primarily benefiting CEI staff and specialized MRECIC offices.
- d. **Management and management systems.** An integral part of efforts to strengthen MRECIC will be the development of instruments to support the analysis of policies for the administration and management of professional resources. Special emphasis will be placed on assessing personnel placement in certain ministry offices abroad that operate in potential or growing export markets for Argentina's products, with a view to establishing whether technical personnel should be reassigned in order to strengthen said offices. The activities will include: (a) designing and introducing instruments that support efficient human resources management; (b) improving the flow of information by automating the distribution of information system products, including those pertinent to the procurement and hiring processes; (c) designing instruments for improving inter- and intra-institutional coordination in decision-making processes through, for example, the creation of coordinating committees involving the ministries of the central government, in the first case, and the respective specialized divisions, in the second; and (d) improving mechanisms for monitoring and evaluating strategic plans.

⁷ See organizational chart in paragraph 1.9 and following.

e. **Specific studies and programs.** The purpose of these activities is to develop and analyze alternatives for the country's strategic position with regard to specific problems. It will include:

- (i) *Support for the creation of policy analysis groups and interagency groups with high-level external experts.* These activities will focus on developing and analyzing alternatives for the country's strategic position vis-à-vis specific foreign trade policy problems; they will contribute to consolidating and improving the economic liberalization process in support of private sector efforts to bolster its presence in international markets. To that end: (a) policy analysis groups and interagency groups comprising senior MRECIC officials will be created to discuss long-term strategies and to analyze the methods used by different international agencies to determine the country's ranking and position; methodologies will also be developed to promote the country's image in line with developments in the international setting; and (b) a strategic agenda will be developed for the country's participation abroad, identifying forums where Argentina can participate as a member. The program will temporarily fund the participation of experts in these groups.
- (ii) *Support for creating ad hoc groups tasked with developing pilot programs in response to problems identified.* The purpose of these activities is to upgrade the ministry's capacity to react and its responsiveness to problems requiring immediate, short-term action, but that have possible economic, political and diplomatic ramifications. Ad hoc groups will be created to design pilot programs for responding to emerging problems. These ad hoc groups comprised of MRECIC staff will be especially important for addressing, for example, changes in trade negotiation agendas as well as drastic and sudden losses experienced by specific products on international markets. The principal activities will include: (a) mechanisms for identifying and analyzing the issues; and (b) creation of ad hoc groups with specialists from the concerned sectors for purposes of recommending ways to overcome the obstacles identified. The program will temporarily fund the participation of experts in these groups.

D. Cost and funding

- 2.13 The estimated total cost of the program is US\$15 million. The Bank will finance up to US\$7.5 million with resources from the Single Currency Facility of the Ordinary Capital (OC). The national counterpart of US\$7.5 million will be financed with resources from the General Budget of the Nation. In-kind contributions, not estimated to surpass US\$500,000, may be included. IDB funds will be disbursed in United States dollars.

Source:	OC
Amount:	US\$7.5 million
Amortization period:	20 years
Execution period:	3 years
Grace period:	3.5 years
Disbursement period:	3.5 years
Interest:	Variable
Inspection and supervision:	1% of the loan
Credit fee:	0.75% on the undisbursed balance

2.14 The following table presents the consolidated budget by program component:

CONSOLIDATED BUDGET, BY COMPONENT (In US\$)				
BUDGET CATEGORY	IDB	LOCAL	TOTAL	%
Foreign Trade Promotion Strategy	3,040,625	2,053,765	5,094,390	33.96
1. Consulting services	2,045,323	398,067	2,443,390	16.29
2. Training	338,900	424,100	763,000	5.09
3. Equipment	656,402	1,231,598	1,888,000	12.59
Strengthen Int'l Trade Negotiations	1,829,021	1,851,770	3,680,791	24.54
1. Consulting services	1,238,944	474,923	1,713,867	11.43
2. Training	416,118	970,942	1,387,060	9.25
3. Equipment	173,959	405,905	579,864	3.87
Strategic Policy Analysis and Management	1,799,954	1,354,365	3,154,319	21.03
1. Consulting services	1,493,444	639,175	2,132,619	14.22
2. Training	203,760	475,440	679,200	4.53
3. Equipment	102,750	239,750	342,500	2.28
Program Management and Administration	380,400	735,600	1,116,000	7.44
1. Consulting services	374,400	561,600	936,000	6.24
2. Equipment	6,000	14,000	20,000	0.13
3. Technical support from INTAL	-	160,000	160,000	1.07
Contingencies	375,000	375,000	750,000	5.00
SUBTOTAL	7,425,000	6,370,500	13,795,500	91.97
Finance charges	75,000	1,129,500	1,204,500	8.03
1. Interest	-	1,041,000	1,041,000	6.94
2. Credit fee	-	88,500	88,500	0.59
3. Inspection and supervision	75,000	-	75,000	0.50
GENERAL TOTAL	7,500,000	7,500,000	15,000,000	100.0
%	50%	50%	100%	

- 2.15 In regard to the execution of the components and activities, the program will cover the cost of fees, airfare and per diems for individual consultants or consulting firms, trainers, teaching materials, and the hardware and software required for the information systems called for in each component, both at the ministry itself and in its provincial offices. The program envisages the use of consulting firms for the components or groups of activities that require an integral design and where execution will require sequential planning and coordination of activities.

III. PROGRAM EXECUTION

A. The borrower and the executing agency

- 3.1 The program borrower will be the Argentine Nation and the executing agency will be the Department of International Trade and Economic Relations and Consular Affairs (SCREI) of the MRECIC.
- 3.2 One of MRECIC's key areas of responsibility is participation in the nation's foreign economic/trade policy, serving as a source of inputs and a party in the preparation and implementation of actions proposed by the Ministry of Economic Affairs. More specifically, through SCREI, MRECIC formulates foreign trade strategies and programs to strengthen the action of other agencies at the national, provincial and municipal levels. This responsibility in the economic/trade arenas reflects current trends in foreign policy and trade policy, which also gave rise to two recent reorganizations of the ministry to fine-tune its functional structure. The first, in December 1999, determined MRECIC's structure with regard to the organizational units for policy management. MRECIC's current functional structure was established during the second reorganization, which took place in March 2000. Copies of the decrees calling for these reorganizations can be found in the program's technical files.
- 3.3 In terms of the number of organizational units, functions and responsibilities assigned to each unit, and human and financial resource allocations, the ministry's current organization should permit a satisfactory and fluid implementation of program activities. This does not preclude the possibility of further revision of the ministry's organizational and functional structure with respect to its economic/trade dimension and proposals for improvement (primarily as a result of program support for strategic planning.)

B. Program implementation and administration plan

- 3.4 As the executing agency, SCREI will have basic responsibility for the program; to this end, it will maintain direct relations with the Bank and define the course of action. A program executing unit (PEU) will be established for this purpose within the ministry's organizational structure, comprising a director general, a technical

coordinator, a financial and administrative coordinator, a procurement specialist, an accounting assistant, and a secretary. It will receive assistance from the Institute for the Integration of Latin America and the Caribbean (INTAL). INTAL's participation, pursuant to PEU, will consist of technical support for the selection and supervision of consulting requests, services, and will be financed by the local counterpart. The contracting of INTAL complies with the provisions of Chapter GS-403 of the Procurement Manual.

1. The program executing unit (PEU)

3.5 The PEU to be established under the SCREI will be responsible for program administration. The following are its main functions:

- a. Coordinate compliance with the conditions precedent to the first disbursement of the loan;
- b. Prepare work plans and progress reports for the program;
- c. Carry out procurement processes for the goods required for program implementation;
- d. Process the signing of contracts with individual consultants, consulting firms, trainers, and coordinators of seminars and workshops, as well as authorize payments according to the terms of these contracts;
- e. Open a revolving fund for Bank financing and obtain counterpart funds, administer resources, prepare reporting systems, and process replenishments of the aforementioned rotating fund;
- f. Maintain accounting records and supporting documentation, and prepare program financial statements for subsequent auditing;
- g. Coordinate the implementation of program components with beneficiary organizational units;
- h. Ensure that program execution adheres to the regulations and contractual terms agreed upon by the Bank and the Argentine Nation;
- i. Determine, with international agencies or other entities, specific activities to be developed within the framework of the program;
- j. Coordinate with INTAL regarding its technical assistance in support of program implementation;

- k. Identify consultants who, in addition to assuming technical responsibilities for program implementation, will also serve as liaison with beneficiary ministry units.
- 3.6 **As a condition precedent to the first disbursement of the program, the borrower will present evidence that the PEU has been formed and its general director, technical coordinator, and financial and administrative coordinator have been hired, in accordance with the terms of reference agreed upon with the Bank.**
- 3.7 The PEU's procurement expert will be hired within approximately six months of the first disbursement and the other members of the unit will be hired within the first year following the first disbursement.
- 3.8 As requested by the executing agency, INTAL's participation will consist of the following technical assistance for the PEU: (i) provide a list of consultants and/or issue calls for bids from firms that offer the necessary professional services; (ii) prepare the consulting contracts to be signed by MRECIC and the professionals selected by the PEU; (iii) assist the PEU in coordinating the work of consultants hired to carry out the scheduled tasks; (iv) assist the PEU in revising consultants' reports; (v) support the PEU in organizing and holding training and information dissemination activities throughout program implementation.
- 3.9 The scope of the technical assistance services provided by INTAL to the PEU will be detailed in a cooperation agreement signed by MRECIC and INTAL. **As a condition precedent to the first disbursement of the program, the borrower will present evidence to the Bank that the agreement between the ministry and INTAL has entered into force, under the terms agreed upon with the Bank.**

C. Operational procedures

1. Implementation of the program components

- 3.10 Each of the program components will be implemented in coordination with the pertinent ministry branches. Execution of the component concerning development of the foreign trade promotion strategy will be coordinated primarily by the International Trade and Consular Affairs Branch (SURCI), while the American Economic Integration and MERCOSUR Branch (SUBIE), the National Division for Negotiations and International Economic Cooperation (SUBNE) and ISEN will head implementation of the component to strengthen ministry capacity in international trade negotiations. Lastly, the component to develop a strategic program of policy analysis and management will be implemented through the department itself.

2. Annual work plans

- 3.11 Development of program activities will follow annual programming set forth in work plans based on the logical framework for the program. These will consist of reports containing: (a) a breakdown of activities to be carried out in a given year; (b) objectives and goals (quarterly) by group of activity and indicators for measuring their achievement; (c) the implementation timetable (quarterly), with respective costs; and (d) financing needs for the period. **As a condition precedent to the first disbursement of the program, the borrower will present a work for the first year of implementation.** Plans for the second and third years of implementation are to be presented to the Bank within 60 days prior to the conclusion of the previous calendar year. Bank monitoring of program implementation will be based on these reports.

D. Monitoring and evaluation

1. Reports and supervision

- 3.12 The PEU will present reports on program implementation every six months within 60 days after the end of the six-month period. Each report will take into account program monitoring indicators and the work plans set out in the logical framework for activities scheduled for the six-month period associated with the established goals.
- 3.13 Program supervision will be performed by the Bank's Country Office in Argentina. The Bank will also perform an interim evaluation 18 months into the program for the purpose of updating and programming pending activities and, if deemed necessary, reallocating resources among the different components and activities.

2. Auditing and control

- 3.14 During program implementation the borrower will present annual audited financial statements for the program within 120 days of the closing of the accounting period. **Financial statements will be audited by an independent auditing firm acceptable to the Bank. As requested by the executing agency, the cost of audits by outside firms will be financed with proceeds from the Bank's loan.**

3. Ex post evaluation

- 3.15 Based on consultations with the executing agency, a decision was made not to perform an ex post evaluation of the program. Nonetheless, throughout program implementation, the executing agency will provide a series of progress reports plus the results of the monitoring of indicators set out in the logical framework. This will make it possible for the Bank to conduct an ex post evaluation, if deemed necessary.

E. Procurement

- 3.16 All services selection and contracting and goods procurement provided for under the program will be carried out according to Bank procedures. If the value of the goods to be procured exceeds US\$350,000, and the amount for consulting services is more than US\$200,000, bids and/or calls for proposals will be tendered at the international level. The program does not anticipate financing for works. The detailed procurement table is provided in Annex II.
- 3.17 Six months after the initiation of the program, and having demonstrated compliance with Bank policies, practices and procedures in the goods and services procurement processes as set out in the terms and conditions set forth in Annexes B and C to the loan contract, the Bank may consider, if the executing agency submits a duly reasoned request, the possibility of conducting an ex post review of procurement and contracting. In this case, the ex post review will be performed through a sampling of contracts with individual consultants amounting to less than US\$50,000 each, and with consulting firms amounting to less than US\$100,000, as well as for equipment valued at less than the equivalent of US\$350,000. If the ex post review of documentation and procedures used for selecting and contracting consulting services and procuring goods are determined to be inconsistent with Bank policies, these activities shall not be financed with program resources. Moreover, such a situation could also result in a reversal of the procedure and a return to conducting prior reviews or ex post review for other amounts.

F. Disbursements and the revolving fund

- 3.18 To make disbursements for the program, a revolving fund will be established in a special bank account, amounting to up to 5% of the Bank loan. Semiannual reports will be presented on the status of the revolving fund, within 60 days after the close of each six-month period.

G. Recognition of expenses and retroactive funding

- 3.19 MRECIC authorities requested that the Bank recognize expenses and commitments charged to the local counterpart of the program, of up to the equivalent of US\$50,000 and retroactive financing of up to the equivalent of US\$150,000, in order to be able to move ahead with actions to support fulfillment of conditions precedent to the operation and facilitate organization of the implementation process. Expenses and commitments charged to the local counterpart would be recognized as of 17 March 2000 (the date the Government of Argentina requested financing for the program), and retroactive financing as of 1 September 2000. Both recognition of expenses from the counterpart and retroactive financing will be in effect until the date the Bank's Board of Executive Directors has considered the loan proposal. Because these expenses and commitments are a necessary part of program preparation and would be consistent with the terms of reference and specifications

concerning activities agreed upon during the analysis mission, the project team recommends that they be recognized, provided all expenses and commitments contracted meet requirements that are substantially analogous to the ones to be established in the loan contract.

H. Execution period and disbursement schedule

- 3.20 The program execution period will be 36 months and the disbursement period will be 42 months, according to the following schedule:

SCHEDULE OF DISBURSEMENTS BY YEAR OF EXECUTION (in US\$ dollars)				
FUNDING SOURCE BY COMPONENT	TOTAL	YEAR 1 (12 MONTHS)	YEAR 2 (24 MONTHS)	YEAR 3 (42 MONTHS)
Foreign trade promotion strategy	5,094,390	1,132,369	1,655,800	2,306,221
1. IDB	3,040,625	581,839	671,920	1,786,866
2. Counterpart	2,053,765	550,530	983,880	519,355
Strengthening MRECIC in intl trade negotiations	3,680,791	727,850	1,584,450	1,368,491
1. IDB	1,829,021	484,400	587,930	756,691
2. Counterpart	1,851,770	243,450	996,520	611,800
Strategic program for policy analysis and management	3,154,319	628,750	1,131,750	1,393,819
1. IDB	1,799,954	414,730	419,950	965,274
2. Counterpart	1,354,365	214,020	711,800	428,545
Program management and administration	1,116,000	300,000	388,000	428,000
1. IDB	380,400	163,000	115,200	102,200
2. Counterpart	735,600	137,000	272,800	325,800
Finance charges	1,204,500	205,000	485,000	514,500
1. IDB	75,000	25,000	25,000	25,000
2. Counterpart	1,129,500	180,000	460,000	489,500
Contingencies	750,000	250,000	250,000	250,000
1. IDB	375,000	125,000	125,000	125,000
2. Counterpart	375,000	125,000	125,000	125,000
TOTAL	15,000,000	3,243,969	5,495,000	6,261,031
1. IDB	7,500,000	1,793,969	1,945,000	3,761,031
2. Counterpart	7,500,000	1,450,000	3,550,000	2,500,000

IV. PROGRAM VIABILITY, BENEFITS AND RISKS

A. Institutional and financial viability

- 4.1 An analysis of MRECIC's capabilities regarding its participation in the management of national trade policy, particularly trade promotion and negotiations, indicates that all program activities are consistent with the ministry's various functions and responsibilities and there are no potential conflicts of jurisdiction with other agencies that might hinder program implementation. Moreover, the components and activities to be developed were designed in close coordination with ministry officials in areas involved with areas covered by the program and its implementation, thus ensuring ongoing institutional support.
- 4.2 INTAL's technical support for the PEU will ensure smoother implementation due to its comparative advantages and recognized expertise in designing and implementing training programs and conducting studies. INTAL will also ensure that the program is coordinated and consistent with the Bank's support to other areas of the nation's trade policy.
- 4.3 INTAL participation in support of the PEU will also facilitate the effective management and supervision of a large number of consultants, many of whom will be operating simultaneously due to the nature of the activities. In addition, the size and composition of the PEU⁸ will also ensure satisfactory monitoring of consultants, both individuals and firms.
- 4.4 MRECIC's triennial budget for the 2001-2003 period has earmarked resources to finance local counterpart requirements, which total US\$7.5 million. The ministry's yearly budget allocations for the program are as follows: US\$1.45 million in 2001, US\$3.55 million in 2002 and US\$2.5 million in 2003. Documentation on these budget allocations can be found in the program's technical files.

B. Environmental and social impact

- 4.5 The program was considered by the Committee on Environment and Social Impact (CESI) at its 30 June 2000 meeting. The Committee's recommendations were: to specify in the project report the activities aimed at improving the way environmental issues are dealt with in trade promotion and negotiation actions, especially in studies to support the design and implementation of the trade promotion strategy and the training and organization of ministry staff.

⁸ The terms of reference for PEU staff, including the required profile for each, can be found in the program's technical files.

- 4.6 An review of program impact showed that activities to be financed through the program would have no direct environmental and social impact. The program would have an indirect positive impact on the environment, through the changes made in educational curricula for foreign service officers and the establishment of programs and mechanisms for continuing education, which will include courses on environmental issues to provide future foreign service officers with a working knowledge of environmental certification (ISO 14000, "green seals," organic certification, etc.), its relation to international trade, and methodologies for measuring environmental impact. Program actions are not anticipated to have any direct social impact, although the ministry's more efficient negotiating capacity is expected to considerably expand growth opportunities for the economy through support for the export sector, resulting in social benefits for the country.

C. Benefits

- 4.7 Stronger trade promotion and negotiation capacity at MRECIC will have a significant impact on the positioning of Argentina in the global marketplace by contributing to expanding growth opportunities for the export sector which, in turn, will foster growth in the Argentine economy.
- 4.8 Through the preparation and implementation of strategic plans and the establishment of systems for training and refreshing officials' skills to meet current challenges facing the ministry in the area of international trade promotion and negotiation, for example, the program will have a direct impact on improving management efficiency at MRECIC. The program will also foster greater coordination with, and participation by, the private sector and provincial governments, opening up greater opportunities for growth in a larger number of businesses that currently target only the domestic market.
- 4.9 The program will contribute to modernizing the country's trade policy, bringing it into line with the requirements of an increasingly global economy. In recent years, Argentina's most important efforts in the area of trade policy have focused on the unilateral liberalization of foreign trade. Its full participation in the multilateral system and the consolidation of natural integration arrangements (in particular, the expanded MERCOSUR) require policies to foster the growth of Argentina's supply so as to enable the private sector to tap opportunities stemming from the open regionalism and the continued liberalization policies in new potential markets. New agreements will be negotiated outside the region, in particular with the rest of the hemisphere and Europe, as well as in upcoming multilateral rounds in highly technical nontraditional areas. Through its different components, the proposed program will support the country in these efforts.

D. Risks

- 4.10 The frequent rotation of ministry officials to and between the different diplomatic missions abroad is a potential constraint to the effectiveness of training actions to be developed within the program. Reinforcement of officials' technical skills in trade, economics and management, as well as the formation of a specialized corps, could potentially be affected by the rotation system inherent to any diplomatic corps. To mitigate this risk, the program includes the establishment of ongoing training programs that, regardless of the rotation of officials in charge of trade promotion and negotiation, will ensure that professionals who can effectively promote Argentine foreign trade will always be available.
- 4.11 Achievement of program objectives and the final impact of each of its activities will depend, to a certain degree, on the effectiveness of agencies other than MRECIC. The manner in which the Ministry of Economic Affairs implements trade policy within the country (for example, with regard to the creation of networks of medium- and small-scale exporters) and the mechanisms it uses to ensure the competitiveness of Argentina's export sector, will have an impact on the effectiveness of MRECIC's trade promotion and negotiation efforts. In principle, this risk will be minimized by other IDB efforts (see paragraph 1.24) to support the Ministry of Economic Affairs in strengthening trade policy (loan 1206/OC-AR).

LOGICAL FRAMEWORK

PROGRAM FOR INSTITUTIONAL STRENGTHENING OF THE MINISTRY OF FOREIGN RELATIONS, INTERNATIONAL TRADE AND WORSHIP (AR-0265)

	Trade Promotion	Negotiations	Policy Analysis and Management
improve the positioning of Argentina in the global market			
GOAL Contribute to improving public-sector capacity to implement Argentina's foreign economic/trade policy	GOAL Contribute to improving public-sector capacity to implement Argentina's foreign economic/trade policy	GOAL Contribute to improving public-sector capacity to implement Argentina's foreign economic/trade policy	GOAL Contribute to improving public-sector capacity to implement Argentina's foreign economic/trade policy
OBJECTS: Trade promotion Negotiation Policy analysis and management	PURPOSE Improve MRECIC management with respect to the promotion of Argentine exports in international markets, with greater private-sector involvement	PURPOSE Improve MRECIC's negotiating capacity regarding economic/trade issues under its jurisdiction	PURPOSE Broaden capacity for analysis and long-term strategic planning in policy and management areas under the ministry's jurisdiction
	COMPONENTS 1. Trade promotion strategy designed and in place 2. Training activities held 3. Integrated information system in place and functioning	COMPONENTS 1. Training and advisory programs implemented 2. Integrated information and communication system in place and functioning 3. Studies conducted and utilized in management of the Ministry	COMPONENTS 1. ISEN strengthened 2. CEI strengthened 3. Training programs in policy design and analysis carried out 4. Management and management control systems in place and functioning 5. Specific studies and programs conducted and utilized

I. FOREIGN TRADE PROMOTION STRATEGY			
OBJECTIVES	INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS
GOAL Contribute to improving public-sector capacity to implement Argentina's foreign economic/trade policy			<ul style="list-style-type: none"> • There is political support for the program's implementation • There is a high level of commitment among ministry officials • Resistance to change is overcome • There is support and interest on the part of the private sector • The counterpart resources required are available • Sufficient qualified specialists are available • Consulting services are hired and procurements are carried out without delay • The Export.Ar Foundation is committed to moving ahead with actions that will strengthen it • Changes in the current situation of the private sector and markets, by product and region • There is effective coordination with the Ministry of Economic Affairs, the provincial governments and other public agencies
PURPOSE Improve MRECIC management concerning the promotion of Argentine exports in international markets, with greater private-sector involvement	Ministry is more responsive to the private sector Greater private-sector demand for ministry services	Statistics on: - Market studies requested and produced - Trade promotion activities abroad - New business alliances	

<p>tion strategy in place</p>	<ol style="list-style-type: none"> 1.1 Appraisal and evaluation of existing trade promotion programs in the country (by month 4) 1.2 Institutional appraisal of the current organizational and functional structure of ministry areas involved in trade promotion (by month 4) 1.3 Institutional appraisal of Export.Ar and of mechanisms for coordination and linkage with the private sector (by month 4) 1.4 Five strategic actions identified for better performance by Export.Ar and for coordination and linkage mechanisms with the private sector (by month 6) 1.5 Identification (studies) and selection of products, markets and countries vis-à-vis Argentina's exportable supply (by month 12) 1.6 Medium-term trade promotion strategy designed in coordination with other relevant public agencies and in consultation with private-sector agents (by month 24) 1.7 Three priority pilot programs for foreign trade promotion carried out (by month 2) 1.8 Annual program of business development seminars in place (3 by month 12, 3 by month 24 and 3 by month 34), 6 seminars in the provinces 1.9 Annual program in place for at least 9 business missions (by month 36) 1.10 Five strategic alliances between export companies (SMEs) identified (by month 24) 1.11 Trade promotion programs functioning for each type of product, sector, market and country (by month 36) 1.12 Private sector cofinances promotion programs (by month 36) 	<p>Semiannual progress reports</p> <p>MRECIC web site</p>	
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ivities held	<p>2.1 In the area of new foreign trade promotion methods and instruments:</p> <ul style="list-style-type: none"> • Eight 5-day workshops held for a total of 120 SCREI officials (by month 24) ; and • Approximately 15 internship groups at the World Trade Organization <p>2.2 Concerning the topic of new technologies for electronic commerce:</p> <ul style="list-style-type: none"> • 12 workshops (4 annual) held, attended by 120 beneficiaries per year • 10 internship groups to train technicians <p>2.3 Other new areas:</p> <ul style="list-style-type: none"> • two dissemination programs aimed at public and private sectors (by month 7) • three yearly dissemination workshops held (50% in the provinces) with private-sector participation (by months 24 and 36) 		
formation ce and	<p>3.1 International trade subsystem in place and functioning through a regularly updated web site</p> <p>3.2 Subsystem for identifying exportable supply in place and functioning through a regularly updated web site</p> <p>3.3 Subsystem for exchange of information with provincial governments functioning through a regularly updated web site</p> <p>3.4 Subsystem for communication with diplomats functioning through a regularly updated web site</p>		

STRENGTHENING OF MRECIC INSTITUTIONAL CAPACITY FOR INTERNATIONAL TRADE NEGOTIATIONS

ACTIVITIES	INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS
Improving capacity to Argentina's economic/trade			<ul style="list-style-type: none"> • There is political support for program implementation • There is a high degree of commitment among ministry officials • Resistance to change is overcome. • There is support and interest on the part of the private sector • The counterpart resources required are available • Sufficient qualified specialists are available • Consulting services are hired and procurements are carried out without delay • Changes in the current situation of the private sector and markets, by product and region • There is effective coordination with the Ministry of Economic Affairs, the provincial governments and other public agencies
MRECIC's capacity with economic/trade jurisdiction	Better use of updated information sources (studies, data banks, specialized publications and external information services) in preparing and making decisions regarding the country's position and during the course of economic/trade negotiations	Reports on the ministry's trade negotiation activities	

<p>S</p> <p>d advisory implemented</p>	<p>1.1 Four workshops and 5 seminars held on the country's negotiations agenda, attended by 100 and 80 officials, respectively (by month 30)</p> <p>1.2 Three seminars held for up to 30 officials to discuss experiences (by month 36)</p> <p>1.3 Two seminars held to disseminate information on standards, 30 participants each (by months 24 and 36)</p> <p>1.4 Two ISEN-coordinated training programs, one internal and one external identified (by month 8) and initiated (by month 12); 230 officials trained (by month 36)</p> <p>1.5 ISEN equipped with the necessary inputs for developing practice sessions (by month 24)</p> <p>1.6 100 officials trained through specialized seminars and internships in first-tier public- and private-sector centers (by month 24)</p> <p>1.7 Six workshops on trade regulation held for the private sector (by months 13-32)</p> <p>1.8 Plan being implemented for disseminating information on MERCOSUR regulations and public documentation produced by its bodies (by month 18)</p> <p>1.9 Two forums for up to 50 entrepreneurs held in the provinces to disseminate information (by months 18 and 30)</p>	<p>Semiannual progress reports on the program</p> <p>MRECIC web site</p>	
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and on systems in nctioning	<p>2.1 Seminar and workshop recommendations and conclusions available on the ministry web site</p> <p>2.2 Electronic access to external databases and specialized publications</p> <p>2.3 Access to specialized information services on trade regulations and regional agreements (by month 8)</p>		
ucted and agment of	<p>3.1 Ten studies published analyzing economic integration at the subregional, hemispheric and regional levels (by months 7-32); 8 sectoral evaluations (by months 10-35); 6 studies on the relationship between the multilateral and the bilateral agendas (by month 3)</p> <p>3.2 Ten strategic studies conducted on developments in the negotiations agenda (by month 34)</p> <p>3.3 Ten internship groups in multilateral organizations (by months 13-30)</p>		

III . STRATEGIC POLICY ANALYSIS AND MANAGEMENT

OBJECTIVES	INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS
<p>oute to improving sector capacity to ment Argentina's economic/trade</p>			<ul style="list-style-type: none"> • There is political support for program implementation • There is a high degree of commitment among ministry officials • Resistance to change is overcome • There is support and interest on the part of the private sector • The counterpart resources required are available • Sufficient qualified specialists are available • Consulting services are hired and procurements carried out without delay • Changes in the current situation of the private sector and markets, by product and region • There is effective coordination with the Ministry of Economic Affairs, the provincial governments and other public agencies
<p>OSE n capacity for c planning and s of long-term nic/trade policy</p>	<p>The ministry has instruments to help promptly analyze and propose strategic action options in economic/trade areas under its jurisdiction</p>	<p>ISEN curricula CEI statistics and publications MRECIC web site Reports on activities of the policy analysis and ad hoc groups</p>	
<p>ONENTS N strengthened</p>	<p>1.1 System for measuring impact of curriculum (SMIC) established (by month 6) 1.2 Periodic revision and adjustments in curricula based on the results of the SMIC 1.3 Ongoing program of training and refresher courses designed for foreign service officers</p>	<p>Program progress reports MRECIC web site ISEN training program Ad hoc groups</p>	

<p>strengthened</p> <p>ning programs held policy design and sis</p> <p>agement and ment control systems and functioning</p>	<p>1.4 Practice sessions through specific programs with tutorial follow-up</p> <p>1.5 Mechanisms for recruiting new staff, particularly from the provinces, reviewed and a proposal and action plan prepared to increase possibilities of access by qualified professionals</p> <p>1.6 Library updated with foreign trade publications (by month 7)</p> <p>2.1 Ten comparative studies conducted on analysis methodologies (by month 30)</p> <p>2.2 Thirty officials trained through specialized seminars and workshops in the area of economic/trade research (by month 24)</p> <p>2.3 Fifteen internships in organizations of excellence (by month 30)</p> <p>3.1 Twelve workshops held on policy design and analysis for 120 officials (by month 28)</p> <p>4.1 ARGEXIM system updated, functioning and accessible through the Internet</p> <p>4.2 Bulletins and statistical information published through the MRECIC web site</p>		
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<p>specific studies and ns carried out and</p>	<p>5.1 Working plan and methodology presented (by month 4)</p> <p>5.2 Three proposals presented for ad hoc groups (by month 10)</p> <p>5.3 Proposal prepared for optimizing administrative procedures and action plan for implementing them (by month 24)</p> <p>5.4 Mechanisms in place for the revision and optimization of staff assignment in trade missions, in line with their responsibilities</p> <p>5.5 Broadened mechanisms for internal communication (i.e., periodic bulletins, reports, proceedings)</p> <p>5.6 Periodic and/or daily communication in effect</p> <p>5.7 Policy analysis groups formed and operating to discuss long-term strategies and analyze the methodology of international agencies that determine country rankings and positions</p> <p>5.8 Ad hoc groups formed and operating to develop pilot programs for addressing identified problems</p> <p>5.9 Pilot programs referred to in 5.8 above developed</p>		
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**PROGRAM FOR INSTITUTIONAL STRENGTHENING OF THE
MINISTRY OF FOREIGN RELATIONS, INTERNATIONAL TRADE AND WORSHIPS (AR-0265)**

PROCUREMENTS TABLE

Main procurements, by component and activity	Amount	Method	Estimated Date of Publication of t SPN
<i>foreign trade promotion strategy</i>			
strategy design and implementation			
and (ii) Appraisal and evaluation of existing strategies and programs			
consulting services:			
Consulting firm (1)	128,800	LCB	Jan-01
Individual consultants (3)	36,000	OCP	Apr-01
workshops:			
Instructors (2)	22,000	OCP	Jul-01
Introduction of strategy plus strengthening of mechanisms of coordination and linkage with the private sector			
consulting services:			
Consulting firm (1)	232,400	ICB*	Feb-02
Individual consultants (4)	66,000	OCP	Jun-01
and (v) Strategic research and studies on foreign trade			
consulting services			
Consulting firm (1)	232,400	ICB*	Nov-01
Individual consultants (3)	80,000	OCP	Aug-01
Individual consultants (2)	24,000	OCP	Nov-01
Design and implementation of priority pilot programs			
workshops:			
Instructors (1)	72,000	OCP	Sep-01

Main procurements, by component and activity	Amount	Method	Estimated Date of Publication of the SPN
Consulting services:			
Consulting firm (1)	361,200	ICB*	Jan-02
and (viii) Trade networks and strategy implementation			
Consulting services:			
Individual consultants (10)	315,000	OCP	Aug-01
Training			
New modalities and instruments for promoting foreign trade			
Workshops:			
Instructors (2)	88,000	OCP	Apr-02
New technologies in electronic commerce			
Workshops:			
Instructors (2)	132,000	OCP	2002- 2003
Other new areas			
Workshops:			
Instructors (3)	33,000	OCP	Jul-Sep 2002
Information dissemination	250,000	OCP	Apr-02
Information systems			
Equipment	1,888,000	ICB	2002/2003
Consulting firms	400,000	ICB*	Jan-Apr-June-Sept /01
Individual consultants	384,990	OCP	Jan-Apr-June-Sept /01
TOTAL COMPONENT I	4,745,790		

Main procurements, by component and activity	Amount	Method	Estimated Date of Publication of the SPN
<i>Strengthening the ministry's institutional capacity in foreign trade negotiations</i>			
Training and advisory services			
Workshops and seminars on the economic/trade negotiations agenda			
New modalities and instruments for promoting foreign trade			
Consulting services:			
Consulting firm (1)	184,400	LCB	Apr-02
Consulting firm(1)	184,400	LCB	Apr-02
Consulting firm (1)	88,000	LCB	Mar-02
Consulting firm (1)	88,000	LCB	Mar-02
Training and refresher program on international negotiations for officials and foreign service officers			
Training program on economic/trade negotiation, in-country and abroad			
Consulting services:			
Consulting firm (1)	40,800	LCB	Sep-02
Individual consultants (4)	192,000	OCP	Mar-02
Other forums and workshops for information dissemination and linkage			
Consulting services:			
Consulting firm (1)	103,360	LCB	2003
Individual consultants (2)	96,000	OCP	Jan-03
Information dissemination	80,000	OCP	Jun-02
Studies			
Comparative law studies			
Consulting services:			

Main procurements, by component and activity	Amount	Method	Estimated Date of Publication of the SPN
Individual consultants (9)	324,000	OCP	Jan-01
Individual consultants (1)	48,000	OCP	Aug-01
Individual consultants (2)	78,000	OCP	Oct-01
Individual consultants (2)	78,000	OCP	Feb-02
Individual consultants (2)	39,000	OCP	Apr-02
analytical studies			
consulting services:			
Individual consultants (4)	312,000	OCP	Oct-02
Individual consultants (2)	130,000	OCP	Jul-02
other studies			
consulting services:			
Individual consultants (2)	160,000	OCP	Jun-02
Information systems			
equipment	300,000	OCP	2002-2003
consulting firms	336,867	ICB*	2002-2003
Individual consultants	200,000	OCP	2002-2003
training equipment	179,864	LCB	2002-2003
TOTAL COMPONENT 2	3,242,691		
strategic program for policy analysis and management			
strengthening of ISEN			
consulting services:			
Consulting firm (1)	282,000	ICB*	Jan-02
Individual consultants (10)	390,000	OCP	Apr-02
Individual consultants (9)	360,000	OCP	Jan-03
Individual consultants (1)	48,000	OCP	Feb-03

Main procurements, by component and activity	Amount	Method	Estimated Date of Publication of the SPN
Information dissemination	100,000	OCP	Nov-02
Procurement of documentation	150,000	OCP	Feb-03
Strengthening of CEI			
Consulting services:			
Individual consultants (8)	312,000	OCP	Dec-01
Individual consultants (4)	27,200	OCP	Sep-02
Training			
Consulting services:			
Individual consultants (12)	132,000	OCP	2003-2003
Studies and programs			
Consulting services:			
Individual consultants (9)	360,000	OCP	20002-2003
Information systems			
Equipment	342,500	ICB	2002-2003
Consulting firms	210,000	ICB*	2002-2003
Individual consultants (10)	310,000	OCP	2002-2003
TOTAL COMPONENT 3	3,023,700		
GRAM TOTAL	11,012,181		

International competitive bidding for procurement and consulting services valued at over US\$350,000 and US\$ 200,000, respectively.

Local competitive bidding

Open calls for proposals

Official procurement notice

Information required

PROPOSED RESOLUTION

ARGENTINA. LOAN FOR TECHNICAL COOPERATION /OC-AR. TO THE NACION ARGENTINA. PROGRAM FOR THE INSTITUTIONAL STRENGTHENING OF THE MINISTERIO DE RELACIONES EXTERIORES, COMERCIO INTERNACIONAL Y CULTO

The Board of Executive Directors

RESOLVES:

That the President of the Bank, or such representative as he shall designate, is authorized, in the name and on behalf of the Bank, to enter into such contract or contracts as may be necessary with the Nación Argentina, as Borrower, for the purpose of granting it a financing to cooperate in the execution of a Program for the Institutional Strengthening of the Ministerio de Relaciones Exteriores, Comercio Internacional y Culto. Such financing will be for the amount of up to seven million five hundred thousand dollars (US\$7.500.000), which are part of the Single Currency Facility of the Ordinary Capital resources of the Bank, and will be subject to the "Special Contractual Conditions" and the "Financial Terms and Conditions" of the Executive Summary of the Technical Cooperation Loan Proposal.