

## LOCAL DEVELOPMENT AND SMALL BUSINESS COMPETITIVENESS PROGRAM

(TC-01-01-06-3-AR)

### EXECUTIVE SUMMARY

<b>Executing agency:</b>	FUNDES-Argentina, Fundación para el Desarrollo Humano Sustentable de la Patagonia, and Fundación Potenciar, operating under the direction of a Steering Committee chaired by FUNDES.	
<b>Amount and source:</b>	MIF – (Facility III)	US\$1,860,000
	Local Contribution:	<u>US\$1,480,000</u>
	Total:	US\$3,340,000
<b>Terms:</b>	Execution period:	36 months
	Disbursement period:	42 months
<b>Objectives:</b>	<p>The general objective of the program is to promote an environment conducive to sustainable economic development—based on concerted strategic action by the public sector, productive sector, and civil society—in three selected localities (the municipality of Olavarría in Buenos Aires Province; the municipality of Esquel and the northwest microregion of Chubut Province; and the San Justo-San Javier microregion in the northeast of Santa Fe Province. The purpose of the program is to improve the competitiveness of products with comparative advantages in the three localities, thereby permitting expansion of the entrepreneurial base and the generation of new opportunities.</p>	
<b>Description:</b>	<p>To achieve the objectives set, three subprograms will be supported, one in each locality selected. Each subprogram features specific components and activities to promote the development of productive sectors with competitive advantages, promoting entrepreneurial development projects such as the strengthening of production chains in Olavarría, the diversification of regional products in Esquel, and the development of agroindustry and ethnic crafts in San Justo-San Javier. In addition, each subprogram contemplates activities aimed at strengthening public and private bodies which enhance the combined capacity for action of enterprises, the public sector, and civil society in the community in the interests of economic development and local competitiveness.</p> <p>In addition, the program will support a subprogram of horizontal activities for the three localities aimed at promoting the development</p>	

of basic capacities to promote competitiveness in the three regions. Specifically, this involves introducing a local information system and taking steps to foster the entrepreneurial culture.

**Environmental  
and social  
review:**

The Committee on Environment and Social Impact (CESI) reviewed this operation at its meeting TRG 4-02 of 1 February, 2002. The recommendations of the CESI were incorporated into this document (paragraphs 4.12 and 4.13) and in the Operating Regulations.

**Special  
contractual  
conditions:**

Conditions precedent to the first disbursement are presentation to the Bank's satisfaction of: (i) evidence of the selection of the coordinator of the program executing unit; and (ii) evidence of the creation of the Steering Committee with minutes of its first meeting.

**Exceptions to  
Bank policy:**

None.