

OCCUPATIONAL HEALTH AND SAFETY PROGRAM

(TC-99-07-00-8-AR)

EXECUTIVE SUMMARY

Executing agency:	Foundation for the Promotion of Occupational Health and Safety (FPSST)	
Objectives:	<p>The central objective of the project is to reduce the incidence of occupational accidents and illnesses, and their effects, by encouraging businesses, workers, occupational risk insurers (ARTs) and the competent authorities to pool their efforts and to foster a culture of prevention that will promote a safe and healthy working environment.</p> <p>Specifically, the project is intended to enhance the capacity of FPSST to: (i) undertake sectoral assessments; (ii) identify and meet the training needs of staff responsible for promotion, application and supervision of measures to prevent and reduce occupational risks; (iii) collect, analyze and disseminate information relating to occupational health and safety issues, and the effectiveness and cost of various efforts to resolve them.</p>	
Amount and source:	MIF	US\$2.3 million
	Local/FPSST:	US\$2.3 million
	Total:	US\$4.6 million
Execution period	The execution period will be 36 months and the disbursement period, 40 months.	
Benefits and beneficiaries:	Current and future workers and employees in the construction, metallurgy and automotive industries, agriculture, and micro and small enterprises (MsEs) in various sectors, and the Ministry of Labor, Employment and Human Resource Development and the Superintendency of Occupational Risks, labor and business organizations, and the ART.	
Exceptions to Bank policy:	An exception to Bank policies and procedures is requested so that entities may be contracted under the procedures for individual consultants (see paragraph 8.1).	

**Special
contractual
conditions:**

Prior to the first disbursement, the executing agency will present to the Bank (see paragraph 9.1): (a) evidence that the Project Steering Committee has been established, i.e. presentation of the minutes of its first meeting; and (b) the agreements signed between the executor and the member organizations of the Steering Committee, detailing the contribution commitments of each member, which must be specified in the minutes of the Steering Committee.

I. COUNTRY ELIGIBILITY

- 1.1 The Donors Committee on 6 October 1993 declared Argentina eligible for all forms of financing provided through the Multilateral Investment Fund (MIF). The proposed project is eligible for financing by the Human Resources Facility of the MIF, because its purpose relates to human capital development and will help the private sector to adapt more swiftly to the newly emerging productive configurations of the globalization process and its requirements in the occupational health and safety area. Moreover, the project is consistent with the Bank's strategy in the country, because its purpose is to increase the productivity and competitiveness of the business sector.

II. FRAME OF REFERENCE

A. The occupational health and safety situation

- 2.1 Occupational health and safety is one of the basic premises of economic and social development and growth. Countless studies have shown the financial, social and political return from investments in protecting workers against the risks inherent to their activity. In fact, workplace accidents and illnesses generate enormous losses in terms of the death, disability and incapacity they entail, their associated medical costs and their impact on worldwide industrial and commercial capacity.

1. Scope of the problem

- 2.2 In Argentina, the annual reported incidence of occupational accidents and illnesses stands at 80 per 1000 workers/year, with a mortality rate of 132 per million workers/year and a productivity loss amounting to some 7 million days/year. These figures represent little more than half of the Argentine labor force (4.9 million), since the remainder (4.7 million) are in the informal economy. Given the significant under-reporting of workplace accidents and illnesses in most countries, it is difficult to establish international comparisons.
- 2.3 A further cause of concern is the 4.5 million workers in the informal sector, whose working conditions are unknown and are subject to no controls of any kind, and whose injuries are treated by the federal, provincial and municipal health services.
- 2.4 The risk of injury or death from workplace accidents or illnesses in Argentina is greatest in the construction, manufacturing, agriculture, mining and energy sectors. In terms of lost productivity (days not worked), the trade and community services sectors are also severely affected. Particularly hazardous occupations include the handling of pressurized gases and fluids, steam and hot water, pesticides, the leather and upholstery industry, among others. The most frequent injuries are associated primarily with excessive effort, blows and falls, while the parts of the body most frequently affected are the fingers, eyes, hands, spine and knees. The greatest

incidence of occupational accidents and illnesses is reported in medium-sized businesses (100 to 500 employees), but severity and impact are greatest in small businesses (the risk of death in a business with three to five employees and absenteeism in microenterprises with only one employee)¹. Accidents suffered to and from work tend to produce the most severe consequences (nearly one-third of fatal occupational accidents occur while commuting, and their incidence is rising).

- 2.5 Occupational illnesses, although less frequent than accidents (2.5 percent of victims), can cause disproportionate levels of absenteeism, because of their longer duration. The practical difficulties in recognizing and diagnosing these conditions mean that such illnesses are substantially under-reported.
- 2.6 In short, workplace accidents and occupational illnesses together are a source of substantial losses in Argentina, and their measurement and protection deserve additional effort both from employers and from the transportation authorities.

2. Social and institutional response

- 2.7 Worker-employer conflicts over occupational accidents and illnesses have traditionally been pursued through the courts in Argentina. Congestion in the labor courts and the need to improve the country's competitiveness in light of the opening of the economy and the ensuing recession have brought about a willingness for change among employers, unions and the government, as reflected in the Occupational Risks Law (LRT) approved in 1996.
- 2.8 This law established a system of compulsory insurance coverage for occupational risks, intended to finance prevention of and compensation for damages resulting from occupational accidents and illnesses. It placed responsibility squarely on the sectors involved (State, workers and employers) by creating a new, private form of legal organization that unites coverage, control, prevention and reduction of accidents: the Occupational Risk Insurers (ARTs). Under the leadership and regulatory supervision² of the Superintendency of Occupational Risks (SRT), within the Ministry of Labor, Employment and Human Resource Development (MTEFRH), these institutions were to offer incentives in the form of premiums based on the degree of occupational risk of each business.

¹ Superintendency of Occupational Risks, Ministry of Labor 1998.

² Regulatory action by the SRT includes: (a) supervising reimbursement for costs incurred (e.g. medical and hospital care, medications, rehabilitation and workforce re-entry, compensation); (b) control and supervision over measures to improve the working environment; (c) compilation and dissemination of information on accident rates and occupational risks in insured companies and on the results of surveillance, prevention and control by the ARTs; and (d) imposition of fines and other penalties on ARTs and companies that violate the law, receiving complaints from ARTs, workers and businesses. The economic and financial aspects of the ARTs are regulated by the Superintendency of Insurance, in the Ministry of the Economy.

- 2.9 The intention of this scheme was to create an alternative route for seeking compensation for occupational accidents and illnesses, outside the courts, and one that would: (i) insure that costs to employers are reasonable and predictable; (ii) reduce prevailing accident rates and their effects, through prevention, care and rehabilitation; and (iii) promote safe working environments. The responsibilities of employers and workers would be formalized in the establishment of joint committees on occupational health and safety, responsible for fulfilling the Working Conditions Improvement Plans, within fixed time limits. The subsequent failure to fulfill these plans means that the ARTs today have no alternative but to adjust their premiums for the following fiscal year and to file complaints against businesses with the SRT, which must then apply the penalties stipulated in the Occupational Risks Law (LRT). In practice, the ARTs have not yet effectively internalized their preventive and supervisory role, but have limited themselves to merely increasing their premiums. This passive attitude, which betrays the "insurer" culture of the three or four ARTs that today dominate the market, means that they compete among each other solely on the basis of price. In some cases, this has resulted in excessively low premiums that are inadequate to cover the costs of prevention and care. Moreover, it reinforces the natural inclination of insured companies to transfer their prevention responsibilities to the ARTs. Despite the ample information on occupational risks provided by the SRT, it is only recently that the Chamber of ARTs has become aware of the opportunities offered by the LRT for reducing costs through simple preventive measures.
- 2.10 With the notable exception of the construction industry, labor unions have shown little inclination to be proactive in this field, although the General Confederation of Labor (CGT) has recognized its importance. Business associations, for their part, now have a better understanding of the need for such initiatives, although in practice their degree of commitment is uneven.
- 2.11 One notable experiment is the cooperation between the Argentine Construction Council (CAC) and the Argentine Construction Workers' Union (UOCRA) in setting up the Foundation for Education and Training of Construction Workers (FECTC). This organization, funded by contributions from both parties (through the Research, Training and Safety Fund (FICS) for the Construction Industry, which receives a 2 percent share of the Unemployment Fund), has mounted an effective scheme of direct and distance training for workers and supervisors in the prevention and reduction of major risks in the industry.
- 2.12 Several professional organizations (e.g. the Argentine Federation of Occupational Medicine) also play an important role in this effort, by providing resources and programs of training and continuing education for professionals, employers and workers.
- 2.13 The Federal Ministry of Health plays a merely symbolic role in promoting and regulating occupational health and safety, given the scarce human and budgetary

resources allocated to this activity. As well, the lack of a risk prevention culture impedes efforts in the field of occupational health and safety. This lack reflects in turn the failure of the primary and occupational school system to foster awareness of and training in preventive measures, and the ineffective coordination among key players in the industry, among other factors. The MTEFRH, for its part, lacks qualified human resources for enforcing existing legislation.

B. Foundation for the Promotion of Occupational Health and Safety (FPSST): opportunities and proposal

- 2.14 In the context described, there are areas where it would be useful for an independent interlocutor to: (a) provide a neutral meeting ground to promote coordination of efforts between the key players identified; (b) develop methodologies, technical and organizational models, and conduct research and evaluation with a view to sensitizing and training employers, workers and the general public; (c) operate an Information Center available to interested parties; and (d) develop occupational risk prevention strategies adapted to the needs of micro and small enterprises and specific high-risk groups of informal workers associated with formal businesses (e.g. casual construction laborers). For these purposes, the FPSST was established as a nongovernmental organization in 1999 to act as a coordinator, promoter, and facilitator for occupational risk reduction and prevention activities.
- 2.15 In its business plan, FPSST has given priority to five sectors, in light of their accident rates and their willingness to take steps to reduce and prevent risks. It plans to work with labor, business, academic, professional and government organizations to: (a) sensitize the public to the importance of a safe and healthy working environment; and (b) provide the necessary elements for recognizing, preventing and managing occupational risks. To this end, it will draw upon resources from various sources, in order to ensure its sustainability over the medium and long term. It has requested assistance from the Multilateral Investment Fund in the form of seed capital, which would allow it to portray itself in Argentina as a forum for consensus and outreach, complementing and supporting the efforts of other entities in meeting the country's needs in this area. Under its business plan, which will take effect during the project execution period and will continue thereafter, FPSST will generate its own revenues by offering specialized consulting and training services.
- 2.16 In addition to relying on its own legitimacy and its ability to bring together the various parties on neutral ground, FPSST intends to build an institutional capacity that will allow it to consolidate its role as a significant agent of change in the field of occupational health and safety in Argentina.
- 2.17 In short, the project will provide technical instruments and financial resources that will enhance the impact of FPSST and its associated organizations in dealing with

the problems described above, within selected sectors, particularly in terms of sponsoring joint efforts by supervisors, workers and inspectors in the prevention and reduction of occupational risks. As well, a diagnosis of these problems in MsEs will facilitate the design and implementation of suitable strategies and measures appropriate to the needs and limitations of the informal sector.

III. THE PROJECT

A. Objectives and description

- 3.1 The central objective of the project is to reduce the incidence of occupational accidents and illnesses, and their effects, by encouraging businesses, workers, occupational risk insurers (ART) and the competent authorities to pool their efforts and to foster a culture of prevention that will promote a safe and healthy working environment.
- 3.2 Specifically, the project is intended to enhance the capacity of FPSST to:
(i) undertake sector assessments; (ii) identify and meet the training needs of staff responsible for promotion, application and supervision of measures to prevent and reduce occupational risks; (iii) collect, analyze and disseminate information relating to occupational health and safety issues, and the effectiveness and cost of various efforts to resolve them; and (iv) develop a structure with the capacity to generate its own income through the sale of services and other activities. It will also upgrade the inspection and supervisory corps of MTEFRH and its provincial counterparts.

B. Project description

- 3.3 The project will consist of three components, the contents, terms of reference, costs and execution mechanisms of which respond to the opportunities for action identified by FPSST and the ministries participating in MTEFRH. These three components are: (a) sector diagnoses of occupational health and safety; (b) training; and (c) promotion and dissemination.

1. Sector diagnoses of the occupational health and safety situation (US\$94,000, MIF US\$86,000)

- 3.4 Indicative diagnoses will be performed in the following sectors: (a) metallurgy, (b) construction, (c) the rural sector, and (d) automotive. As well, a multisector analysis of the situation in MsEs will be performed. Among the critical aspects to be examined in each sector are: principal characteristics of the businesses and their facilities, legal instruments and their degree of compliance, personnel and resources assigned to occupational health and safety duties, prevention systems and activities, the situation with respect to occupational accidents and illnesses within the firm, relations with the ARTs and SRT, and specific aspects relating to the risks inherent

to the activity and nature of the firm itself (details in the terms of reference, available in the technical files).

2. Training for workers, employers and instructors of the Ministry of Labor, Employment and Human Resource Development (US\$2.9 million, MIF US\$1.4 million)

- 3.5 The purpose of this component is to help the four sectors included in the diagnosis, as well as MsEs and the MTEFRH, to strengthen the capacity of the different players involved in occupational health and safety issues. It will pay for curriculum design, training of trainers and the preparation of teaching materials for courses conducted by the FPSST, participating unions and business groups, and MTEFRH.
- 3.6 In the first case, FPSST will work in coordination with labor and business entities in the four sectors, with special attention to the MsEs in each sector. It will finance training for about 50 instructors, who will give 214 courses, including 120 for workers and 94 for supervisors, union representatives and technical personnel, covering a total of 4,280 persons. In addition, a distance training (radio) module is planned for workers who cannot attend organized classes, primarily in rural areas, and will pay the costs of production and transmission. The contents of all these courses will be prepared on the basis of the respective diagnostic results, consistent with the specifications in the terms of reference mentioned above.
- 3.7 In the business sector, the Argentine Agrarian Federation (FAA), the General Business Federation of Argentina (CGERA) and the Argentine Industrial Union (UIA) will hold a total of 36 courses for some 720 employers. MTEFRH, for its part, will sponsor about 30 courses to train 300 labor inspectors belonging to all provincial jurisdictions. Funding will also be offered for special courses requested by entities that meet the objectives of the project.

3. Promotion and dissemination (US\$966,000, MIF US\$343,000)

- 3.8 The objective of this component is to define and execute a promotion and dissemination strategy engaging the entire spectrum of public and private institutions involved in occupational safety. Funding will be provided to design an outreach strategy, to disseminate information over the mass media and to establish and equip an information center on occupational hazards for the ARTs (formal sector) as well as for the informal sector. In addition, the component will support a workshop to review and discuss proposed reforms to the SRT and to occupational health and safety legislation, the result of which would be a consensus document that could be submitted to the Legislature.

IV. PROJECT EXECUTION

A. Executing Agency and Coordination Unit

- 4.1 The project will run for 36 months, and will be disbursed over 40 months. It will be executed through a Coordination Unit of FPSST, under the responsibility of an executive coordinator, supported by training and promotion and information coordinators. The Unit's structure and functions are detailed in the Project Execution Manual (available in the technical files). The unit will be responsible to the Bank for execution of the program. FPSST will receive financial and management support from the National University of Technology (UTN) and from UOCRA. Operating premises will be provided by UTN, which will also contribute the required support personnel and equipment.
- 4.2 FPSST is already constituted as a private, nonprofit entity, and has established formal operational and legal links with the organizations that have supported during its incubation period. Project activities will be overseen by a Steering Committee, made up of representatives of the participating organizations and chaired by FPSST. Details on the Committee's functions are proved in the Execution Manual.

B. Activities and execution procedures

- 4.3 **Diagnostic assessments of the sector:** For carrying out the four sector diagnoses, which will begin within 60 days of project startup, two consultants of international standing in each sector will be hired: an industrial safety engineer and an expert in occupational health and medicine. An international expert in MSE management will also be hired and will prepare a sector-specific analysis, in coordination with the other consultants responsible for the diagnoses.
- 4.4 **Training:** Training activities will fall under the responsibility of the Director of Training, selected in accordance with the terms of reference mentioned earlier. The full design of the various courses and groups identified in the sector diagnoses will be conducted by a multidisciplinary team consisting of specialists in education, safety, occupational medicine, toxicology and epidemiology. This team will begin work in the second month of project execution, with the support of five industrial safety experts. The teaching materials, consistent with the recommendations of the course design team, will be prepared by a group of specialists in communication sciences, health and safety, and graphic design.
- 4.5 The instructors who will teach the courses to workers will be trained by a multidisciplinary team consisting of an education expert, a safety engineer, an occupational physician and an expert on safety in the four sectors and in MsEs. Five courses will be provided, each one lasting 152 hours; training will be provided for 50 instructors, selected by the Executive Coordinator and the Director of Training, with the advice of the respective labor and industry associations. The 214 courses

for workers will run from 16 to 24 days, with two to three hours of instruction each day, and a maximum of 20 students per course. Participants in these courses will be nominated by the appropriate labor organizations.

- 4.6 For workers who are unable to attend formal course classes, a specialized firm will be contracted to design and conduct distance training courses, in accordance with terms of reference to be approved by the Bank. The firm thus contracted will also be responsible for producing the broadcast materials.
- 4.7 For employers, the CGERA, FAA and UIA will each sponsor four courses per year, of 20 days each, with two hours of instruction per day and up to 20 participants per course. Participants will be selected by the Coordinating Unit, on the recommendation of the CGERA, FAA and UIA. The courses will be open to managers and senior personnel of MsEs, down to the level of supervisor. The instructors for these courses will be nominated by the CGERA and the UIA, and must be approved by the Bank. The CGERA and the UIA will provide the premises for these courses, as part of the local counterpart contribution.
- 4.8 The 30 courses planned for labor inspectors under the auspices of MTEFRH (10 per year) will last for 50 hours, and will have a maximum of 10 participants per course. In agreement with the provincial jurisdictions, MTEFRH will determine the location of the courses and will submit the completed proposal to the Bank through the CU. This proposal must include, among other things: (i) the curriculum to be followed; (ii) location of the courses; (iii) instructors selected; (iv) course schedule; (v) an indication of instructors and participants requiring per diems; and (vi) a system for evaluating instructors and participants.
- 4.9 Special courses will also be organized to train members of business associations and educational institutions. Interested institutions must submit a detailed course proposal to the CU, which will assess the proposals and, with the approval of the Steering Committee, transmit them to the Bank. Priority in this category will be given to initiatives relating to MsEs.
- 4.10 The courses will be evaluated on an annual basis by a multidisciplinary team composed of an educational expert, a safety engineer and an occupational physician. During the final week of their work on each annual evaluation, the experts will hold a workshop to discuss achievements, difficulties and any adjustments needed for the courses.
- 4.11 **Promotion and information dissemination:** Activities under the promotion and dissemination component will be coordinated by a Director appointed in accordance with the attached terms of reference, who will be responsible both for designing an institutional outreach strategy and for executing it, using the mass media as appropriate to the strategy. The FECTC will cooperate in developing

methodologies, instruction modules and dissemination techniques on accident prevention.

- 4.12 The design of the Information Center, which will be done by a specialist and a computer technician, will identify the participating institutions with which agreements will be negotiated for the supply and exchange of information. The Center is expected to compile information on occupational accidents from the ARTs (for the formal sector) and from informal workers, starting with information on the health sector.
- 4.13 During the first year of project execution a workshop will be held to review and discuss proposals for reform to the LRT and to occupational safety and health legislation. In preparing and conducting the workshop, the services of a labor lawyer will be retained. Attempts will be made to have the event disseminated nationwide and in this way to identify points of consensus on possible reforms, which can be distilled into a document and placed at the disposal of the Legislature.
- 4.14 All project procurement and contracting of consultants will be done in accordance with Bank rules and procedures, except for the hiring of entities for activities where the amount does not exceed US\$50,000, in accordance with the exception requested in paragraph 8.1.

C. State of preparation

- 4.15 FPSST has already presented, to the Bank's satisfaction, the drafts for the agreement and letters of intent for the business associations, chambers of commerce, and Labor Ministry authorities participating in the project. Initially, these will include the CGERA, the FAA, the Automotive Mechanics and Allied Workers Union (SMATA), the Union of Rural Workers and Longshoremen (UATRE), the UIA, the Metal Workers Union (UOM), the UOCRA, and the UTN.

V. COSTS AND FINANCING

- 5.1 The total cost of the project is estimated at US\$4.6 million, of which US\$2.3 million will be provided in the form of a nonreimbursable grant from the MIF, and US\$2.3 million will be supplied in cash (50 percent) and in kind by FPSST and other participating institutions. The following table presents the consolidated budget by component, the details of which are available on the technical files.

Table IV-1: Consolidated budget by component (in US\$ thousands)

Components/budgetary category	Local contribution	MIF	Total	%
I. Project unit	192,000	396,000	588,000	12.8
1. Personnel	157,000	396,000	553,000	
2. Equipment and furnishings	35,000		35,000	
II. Sector diagnoses component	8,000	85,600	93,600	2.0
1. Consulting services		33,000	33,000	
2. Travel		52,600	52,000	
3. General expenses	8,000		8,000	
III. Training component	1,447,000	1,427,400	2,874,400	62.5
1. Consulting services	79,000	1,353,400	1,222,400	
2. Travel	1,001,000		1,001,000	
3. General expenses	367,000	74,000	441,000	
IV. Promotion and dissemination component	623,000	343,000	966,000	21.0
1. Consulting services	240,000	238,000	468,000	
2. Travel	25,000		25,000	
3. Dissemination materials	300,000		300,000	
4. Equipment	38,000		38,000	
5. General expenses	20,000	115,000	135,000	
Subtotal				
V. Evaluation and external audit	30,000	36,000	66,000	1.4
Evaluation		36,000	30,000	
Audit	30,000		36,000	
VII. Contingencies		12,000	12,000	0.3
Total	2,300,000	2,300,000	4,600,000	100.0

- 5.2 The local counterpart will consist of contributions in cash and in kind (e.g. use of premises, materials, equipment, manuals, per diems and travel) provided by the various participating organizations for specific activities under the project. The UOCRA will be responsible to the Foundation for counterpart contributions in terms of resources for actions involving workers: the UIA and the CGERA will be responsible for contributions for employers; and the Labor Department of MTEFRH will be responsible for activities of the public sector. The figures presented do not include such funds as may be raised by the FPSST through the sale of services.
- 5.3 Disbursement of up to 5% of the MIF resources may be requested to set up a revolving fund.

VI. PROJECT RATIONALE, RISKS AND SUSTAINABILITY

A. Project rationale

- 6.1 The project responds to a perceived need, recognized by the various parties involved with these issues in Argentina, to strengthen efforts for the prevention of occupational accidents and illnesses. Acceptance by business, labor and government of the legitimacy of FPSST as a neutral meeting ground and catalytic agent in this area is crucial to its involvement in the sector.
- 6.2 From the economic viewpoint, the project represents a significant contribution to enhancing the competitiveness of Argentine labor, in a context that places increasing emphasis on parity in working conditions in the export sectors. As well, it offers an opportunity to strengthen the prevention role of the ARTs, in cooperation with employers and workers and the MTEFRH. In addition, the project is expected to encourage the emergence of new segments in the services market, represented by firms dedicated to the prevention and measurement of occupational accidents and illnesses.

B. Risks

- 6.3 **Status of FPSST development:** The FPSST's limited experience, owing to its recent creation, constitutes a risk to the program. To mitigate this risk, the UTN and the UOCRA have both undertaken to provide administrative and financial support for the development of the FPSST during this startup period. This commitment was formalized by the leading role played in the Steering Committee by these two institutions, as well as by other participating institutions represented on the Committee.
- 6.4 Competition among insurers, the limited awareness among employers and unions of the value of accident prevention, the financial difficulties facing many firms, and the lack of supervision by the federal and provincial authorities have made the ARTs generally apathetic to preventive measures. This situation calls for urgent intervention by FPSST to sponsor and encourage the design and internalization of more effective incentive schemes. The planned sector diagnoses will facilitate efforts in this regard, in the selected sectors.

VII. PROJECT EVALUATION AND REPORTS

- 7.1 The project calls for process and impact monitoring and evaluation, with specific goals for each component and expected results, as detailed in the Logical Framework (Annex V-1). Two evaluations will be performed, contracted directly

by the Bank: a mid-term evaluation, after 50 percent of funding has been disbursed, and a final evaluation at the end of the execution period, both of which will be submitted to the Bank within 60 days.

- 7.2 Project evaluation will be based on a methodological design that includes a total-quality criterion. This makes it important to have a critical evaluation of project components and activities and their performance in terms of achieving the objectives of the project, given its significance as a pilot experiment.
- 7.3 The Coordinating Unit will present the following reports for the Bank's approval: (i) an initial report, containing the Project Action Plan, including a schedule for contracting consultants, a description of activities, expected results and an execution time table, within 30 days after signing of the contract; (ii) progress reports, within 30 days after the end of each semester, referring to the achievement of agreed objectives, among other aspects; (iii) financial reports, 90 days after the end of each year of project execution, with details on financial execution. The financial statements will be audited by a firm of independent auditors acceptable to the Bank; (iv) final report, to be prepared 60 days after the date of the last disbursement, containing details on activities performed and results achieved against planned objectives.

VIII. EXCEPTION TO POLICIES AND PROCEDURES

- 8.1 An exception to Bank policies and procedures is requested so that entities may be contracted using the procedures for individual consultants, for activities where the amount does not exceed US\$50,000.

IX. SPECIAL CONTRACTUAL CONDITIONS

- 9.1 Prior to the first disbursement, the executing agency will present to the Bank: (a) evidence that the Project Steering Committee has been established, i.e. the minutes of its first meeting; and (b) the agreements signed between the executor and the member organizations of the Steering Committee, detailing the contribution commitments of each member, which must be specified in the minutes of the Steering Committee

X. ENVIRONMENTAL AND SOCIAL IMPACT

- 10.1 The summary for this operation, as well as the Eligibility Memorandum, were approved by the Committee on Environment and Social Impact (CECI) on 13 September 1999, with no recommendations.

LOGICAL FRAMEWORK FOR THE PROGRAM

OBJECTIVES	INDICATORS AND GOALS	MEANS OF VERIFICATION	ASSUMPTIONS
Reduction of the incidence of occupational accidents, illnesses, and their effects.	Occupational accidents and illness rates	Register of ARTs, and SRTs	Businesses, workers, ARTs and SRTs have the will to reduce the incidence of these risks and their effects.
Strengthening of businesses, workers, risk insurers (ART) and the authorities to pool their efforts in a culture of prevention that will ensure safe and healthy working conditions and organizational consolidation	<p>Positive changes in attitude toward the prevention of workplace injuries among at least 50% of the personnel concerned.</p> <p>20% increase in preventive activities conducted by FPSST with its own operating structure.</p>	<p>Survey on knowledge, activities and practices for employers, supervisors, workers, and officials of the ARTs and SRTs</p> <p>Company and ART reports, FPSST reports, interviews</p>	<p>The activities to be conducted have the potential to induce cultural change.</p> <p>The activities are of sufficient effectiveness to induce the desired change.</p> <p>FPSST has the capacity to implement a proper managerial structure.</p>
COMPONENT FOR SECTOR DIAGNOSES OF THE OCCUPATIONAL HEALTH AND SAFETY SITUATION			
Capacity of FPSST to perform diagnostic assessments	Diagnoses performed in the metallurgy, construction, rural, and automotive sectors together with a multisector analysis of the situation in MsEs	FPSST reports	<p>The consortium organized by FPSST has the technical and managerial capacity to complete the program.</p> <p>Businesses and worker groups are providing reliable information.</p>

BRIEF SUMMARY OF OBJECTIVES	INDICATORS AND GOALS	MEANS OF VERIFICATION	ASSUMPTIONS
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COMPONENT FOR TRAINING FOR WORKERS, EMPLOYERS AND INSTRUCTORS OF THE MINISTRY OF LABOR, EMPLOYMENT AND HUMAN RESOURCE DEVELOPMENT

Capacity of FPSST to identify the training needs of staff for promotion and supervision.	<p>250 courses designed and conducted by the FPSST with content and scope in accordance with the needs identified in the sector diagnoses, covering a total of 4,300 workers and 720 entrepreneurs. Distance training module designed and applied.</p> <p>30 courses conducted by the MTEFRH to train 300 provincial workplace health and safety inspectors.</p>	FPSST and MTEFRH reports, sector diagnoses	<p>The consortiums organized by FPSST and MTEFRH have the technical and management capacity to complete the program activities.</p> <p>The beneficiaries of the courses will acquire the knowledge acquired in the training environments, and receive support and regard from employers as well as</p>
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COMPONENT FOR PROMOTION AND DISSEMINATION

Capacity of FPSST to collect and disseminate information.	<p>Information disseminated by media</p> <p>Information Center set up</p>	<p>FPSST reports</p> <p>Dissemination documentation</p>	<p>The information selected for dissemination will help to heighten awareness of the problem and preventive and corrective measures.</p> <p>The consortium organized by FPSST has the technical and management capacity to complete the program</p>
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PROPOSED RESOLUTION

**ARGENTINA. NONREIMBURSABLE TECHNICAL COOPERATION FOR A
HEALTH AND SAFETY IN THE WORKPLACE PROGRAM**

The Donors Committee of the Multilateral Investment Fund

RESOLVES:

1. That the President of the Inter-American Development Bank, or such representative as he shall designate, is authorized, in the name and on behalf of the Multilateral Investment Fund, to enter into such agreements as may be necessary with the Fundación para la Promoción de Salud y Seguridad en el Trabajo (FPSST) and to take such additional measures as may be pertinent for the execution of the plan of operations incorporated in the donors memorandum referred to in Document MIF/AT- with respect to a technical cooperation for a health and safety in the workplace program.
2. That up to the amount of US\$2.300.000, or its equivalent in other convertible currencies, is authorized for the purpose of this resolution, chargeable to the resources of the Human Resources Facility of the Multilateral Investment Fund.
3. That the above-mentioned sum is to be provided on a nonreimbursable basis.