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MULTILATERAL INVESTMENT FUND

ARGENTINA

**HUMAN RESOURCES MANAGEMENT IN A NEW LABOR
RELATIONS FRAMEWORK**

(AR-M1014)

DONORS MEMORANDUM

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CONTENTS

I.	EXECUTIVE SUMMARY	1
II.	BACKGROUND	2
	A. Basic concepts and status of competencies-based human resource management	2
	1. Competencies-based management as a factor in competitiveness.	2
	2. Competencies-based management in Argentina	4
	B. Program strategy and rationale	6
III.	PROGRAM OBJECTIVES AND COMPONENTS	7
	A. Program objectives	7
	B. Program components	7
IV.	COST AND FINANCING	9
V.	EXECUTING AGENCY AND EXECUTION MECHANISMS	10
	A. Executing agency	10
	B. Execution mechanism	11
VI.	MONITORING AND EVALUATION	12
	A. Monitoring and supervision	12
	B. Midterm and final evaluations	12
VII.	BENEFITS AND RISKS	13
	A. Benefits and beneficiaries	13
	B. Risks	13
VIII.	SOCIAL AND ENVIRONMENTAL IMPACT	13
IX.	SPECIAL CONTRACTUAL CONDITIONS	14
X.	EXCEPTIONS TO BANK POLICY	14

ANNEXES

Annex I	Logical framework
Annex II	Itemized budget
Annex III	List of complementary MIF and MIF portfolio projects in Argentina

APPENDICES

Proposed resolution

Box: Benefits of competencies-based human resource management

INFORMATION AVAILABLE IN RE1 TECHNICAL FILES

Preparation:

Letters of intent
Draft Interagency Agreement
Timetable
Assessment of FUSAT's institutional capacity

Execution:

Operating Regulations
Project performance monitoring report (PPMR)

ABBREVIATIONS

ADRHA	Asociación de Recursos Humanos de Argentina [Human Resources Association of Argentina]
FUSAT	Fundación Social Aplicada al Trabajo [Work-based Social Foundation]
IERIC	Instituto de Estadísticas y Registro de la Industria de la Construcción [Construction Industry Statistics and Records Institute]
PEU	Program executing unit
PPMR	Project performance monitoring report
SMATA	Sindicato de Mecánicos y Afines del Transporte Automotor [Union of Automotive Mechanics and Related Professionals]
SMES	Small and medium-sized enterprises
SWP	Semiannual work plan
UCA	Catholic University of Argentina
UNTREF	Universidad 3 de Febrero [February 3 University]

**HUMAN RESOURCES MANAGEMENT IN A NEW LABOR RELATIONS FRAMEWORK
(AR-M1014)**

I. EXECUTIVE SUMMARY

Beneficiary country:	Argentina	
Executing agency:	Fundación Social Aplicada al Trabajo [Work-based Social Foundation] (FUSAT)	
Beneficiaries:	Two thousand Argentine workers, 50 small and medium-sized enterprises (SMEs), 24 trained consultants, and FUSAT and its members.	
Financing and source:	IDB/MIF (Facility II):	US\$1,430,000
	Local counterpart:	US\$1,430,000
	Total:	US\$2,860,000
Objective and description:	<p>The objective of the program is to help establish a new framework for labor relations in SMEs, where competencies-based management is the core model for attracting, retaining, and developing human resources and improving individual productivity and employability. Accordingly, a competencies-based human resources management model will be developed and implemented and then validated with employers and workers in innovative SMEs that have made progress in worker training, competencies certification, and quality improvement processes. Also included will be SMEs in business production chains that already use competencies-based human resources management. Priority will be given to the construction, automotive, tourism, and financial sectors.</p> <p>The program will be divided into three components: (i) awareness-raising, training, and validation of a competencies-based management model; (ii) development of demonstration experiences; and (iii) dissemination and sustainability.</p>	
Execution timetable:	Execution period:	48 months
	Disbursement period:	54 months
Special contractual clauses:	As a condition precedent to the first disbursement, the executing agency must have: (i) selected the coordinator, (ii) signed the relevant agreements with the entities participating in the program, and (iii) validated the Operating Regulations and received the Bank's no objection to the Operating Regulations. Also, the executing agency	

must submit to the Bank three months after the first disbursement: (a) the evaluation system design, and (b) the baseline results.

Environmental and social review: The Committee on Environment and Social Impact (CESI) reviewed the program on 6 January 2006 and its suggestions and recommendations have been incorporated into the program's design (paragraph 8.1).

Relevant initiatives at other international organizations: No projects of this type are known to exist in Argentina.

II. BACKGROUND

A. Basic concepts and status of competencies-based human resource management

1. Competencies-based management as a factor in competitiveness.

- 2.1 In today's globalized world, a competencies-based management response to new labor market realities is conducive to business competitiveness and worker employability. Competencies-based management systems help workers to adapt more easily to production demands by bringing their management, aptitudes, competencies, skills, and training into line with the company's business strategies, thereby improving product and service quality, productivity, the internal environment, and company profits, thus making the company more competitive. The use of traditional human resources management models, because they do not produce the same benefits as competencies-based management models (Appendix 2), generates comparative disadvantages in international markets where more and more businesses are implementing management models of this kind, as in the case, for example, of England (BP, 950 employees and 600 contractors), France (Aluminium Pechiney, 550 employees), and Spain (Iberdrola, 10,000 employees), among others, with differences in the models being used and the competencies certification systems that support them .
- 2.2 This type of management starts from a basic level of "employability competencies," or the essential ability¹ of a worker to learn and perform productively within a company, as well as to secure and hold onto a job and integrate into the job market without difficulty.² Despite the novelty of the approach, studies now show a

¹ Interpersonal and communication skills, data, resource processes, systems, and technology management, and problem-solving.

² Brunner, J., Competencias de Empleabilidad [Employability Competencies], www.geocities.com/brunner_cl/empleab.html?200527.

financial return for companies with competencies-based management systems in place. One study of 16 Chilean businesses in different industries³ showed a positive association between productivity indicators and competencies-based human resources management programs, particularly in more innovative companies. There is also evidence that training does not increase productivity directly, and its potential impact will depend on how it is managed⁴; in other words, competencies-based management systems enhance the impact of training in business productivity. Other documented experiences have shown that this tool can be easily disseminated to small and medium-sized enterprises in production chains. There are also businesses interested in this model because of its social benefits (i.e., employability, worker quality of life), as an expression of corporate social responsibility.

- 2.3 In Latin America, competencies-based human resources management is in its nascent stage and businesses that have chosen this model have confirmed that this style of management makes it easier to recruit, develop, and retain talent and bring these employees into step with the organization's vision and values. In general terms, the companies using competencies-based management systems are large and innovative and are continually integrating quality and enhancement processes. In practice, this applies more often to employee selection and performance and changes in corporate culture, and less frequently to the business strategy and compensation system. For example, in Venezuela, Mavesa is implementing a model based on human resources development and internal mobility, hierarchical decision-making, and integrated personnel management at the executive level. In Chile, more companies have been managing their employees based on competencies since labor competencies certification was introduced (Fundación Chile,⁵ 1999). In Mexico, Volkswagen relies upon its human capital to meet its business objectives by fostering core competencies and the commitment of its entire staff.
- 2.4 These and other experiences have made use of competencies certification systems that have shaped work training processes and competencies-based work research and dissemination projects, for example: the Servicio Nacional de Aprendizaje de Colombia [Colombian National Training Service],⁶ the Mexican Consejo de Normalización and Certificación de Competencias Laborales [Labor Competencies Standardization and Certification Council] (CONOCER),⁷ the Instituto Salvadoreño de Formación Profesional [Salvadorean Professional Training Institute]

³ Bravo, D., Contreras, D., and Montero, C. (1999); *Indicadores de Impacto de la Capacitación sobre la Productividad* [Indicators of the Impact of Training on Productivity], Economics Department, University of Chile.

⁴ Silva Boggiano, P., "Productividad y Capacitación" [Productivity and Training], CORCIN, www.corcin.cl/informativo_legal_detalle.asp?idInformativoLegal=16.

⁵ ATN/MH-6698-CH, Labor competencies certification program,

(INSAFORP),⁸ the Instituto Nacional de Aprendizaje [National Training Institute] (INA) in Costa Rica, Peru's Ministries of Labor and Social Promotion and of Education,⁹ Brazil's Programa de Expansión de Educación Profesional [Professional Training Expansion Program] (PROEPS), the Paraguayan Construction Industry Association, and Uruguay's Ministry of Labor. Such efforts have received the support of the Inter-American Development Bank/Multilateral Investment Fund (MIF), other international organizations (International Labor Organization¹⁰), and the Fondo Argentino de Colaboración Horizontal [Argentine Fund for Horizontal Cooperation]. It is worth noting that the MIF's initiative for a Partnership Network for Innovation in Labor Competencies has emerged from these efforts.¹¹

2. Competencies-based management in Argentina

- 2.5 According to a survey conducted by the Fundación Social Aplicada al Trabajo [Work-based Social Foundation] (FUSAT), Argentine companies perceive competencies-based management¹² as a value-generating tool—linked to their business strategy—that creates better business results,¹³ despite its recent introduction. These systems have been developed mainly in large companies (65% of those surveyed have between 200 and 800 employees),¹⁴ with little penetration into their value chains. Small and medium-sized enterprises, the sector that has grown the most and generates the most jobs, lag further behind since they have limited resources for taking the steps that enable them to compete.
- 2.6 Although there has been more development in professional training institutions than in businesses, there have been significant experiences in Argentina using this model, most notably at Volkswagen, Edesur, Dow Chemical, and Correo Argentino. Progress has been made in other sectors as well through efforts under the MIF labor competencies certification program (ATN/MH-6605-AR) by the construction, automotive, and metal-working industries, which have established

⁸ <http://www.insaforp.org.sv/>.

⁹ Entails a reform of the entire professional training system; the Foro Peruano de Capacitación Laboral [Peruvian Labor Training Forum] (FOPECAL) promotes a competencies standardization and accreditation system.

¹⁰ Gregorio, A., *Procesos de acreditación and certificación de competencia laboral* [Labor competencies certification and accreditation processes], IBERFOP, Rev. No. 2.

¹¹ Document MIF/GN-95, the MIF project certification and labor competencies network in Argentina, The Bahamas, Brazil, Chile, Ecuador, Jamaica, Panama, Paraguay, and Trinidad and Tobago has led to the dissemination of lessons learned and best practices and is identifying new areas of action to improve and consolidate labor competencies and certification systems.

¹² FUSAT survey of human resources and business managers, Argentina 2005.

¹³ Uriburu, R. and González, S., “Estado actual de las competencias: Conclusiones de la primera encuesta Argentina Online” [Current status of competencies: Results of the first Argentina Online survey], 2005.

¹⁴ Uriburu and González, op. cit.

labor competency technical standards to certify workers and improve their qualifications and are therefore now better poised to apply competencies-based management systems. .

- 2.7 The Asociación de Recursos Humanos de la Argentina [Human Resources Association of Argentina] (ADRHA), whose members include both SMEs and large companies, recognizes the value of competencies-based management and, in large businesses where its members are managers or human resources managers, promotes professional human resources and talent management and the incorporation and preservation of competencies required of staff, with tools that can adapt to changes that raise staff productivity, employability, and professional expertise and improve the workplace environment. ADRHA also acknowledges the importance of supporting SMEs in these efforts because many of its companies depend on them for production.
- 2.8 It therefore becomes clear that a growing, but limited, number of Argentine companies recognize the need to make changes to their business practices in order to have workers who are versatile and able to learn and adapt to new productive and technological environments; this is key for making their products and services better and more competitive. At the same time, workers know that their ability to contribute to the business and adapt their performance to changing conditions has a direct impact on their job prospects and quality of life, and important Argentine unions (i.e., Unión de Obreros de la Construcción de Argentina [Construction Workers Union of Argentina] (UOCRA) and the Sindicato de Mecánicos and Afines del Transporte Automotor [Union of Automotive Mechanics and Related Professionals] (SMATA)) have attested to the value of competencies-based management through certification systems of their own.
- 2.9 Nonetheless, in order for competencies-based management to become widespread, thus consolidating progress in the certification of competencies and job training (i.e., the construction and automobile industries; see paragraph 2.6) and in a new labor relations framework, it is important to address: (i) the limited understanding and use of competencies-based management, especially among SMEs, which requires communication and awareness-raising strategies to overcome resistance, prejudices, mistrust, and cultural differences in business environments; (ii) the absence of organized efforts to change personnel management systems used by companies, in part because of insufficient coordination between the Ministry of Labor, training organizations, and the business community itself, that would better bring the workforce abilities and worker-management relations into line with the need to overcome gaps in productivity and the quality of domestic output; and (iii) the need to assemble a critical mass of human resource management professionals in these areas.

B. Program strategy and rationale

- 2.10 The proposed program's additionality consists of integrating human capital management into the corporate strategy of excellence in quality, particularly in the case of SMEs, by implementing innovative tools, such as competencies-based management systems. The program seeks to implement, in a lasting way, these management models in a group of Argentine businesses, and generate a demonstration effect in others. Furthermore, it would capitalize on previous MIF investments, which have helped to create favorable conditions for this important step and would create a new services market for the introduction of this system into companies.
- 2.11 The proposed program responds to the strategy agreed with the Bank, which includes, among its competitiveness priorities: (a) human resources development and how it can be adapted to the country's competitive challenges; (b) the reduction of social and economic inequality through policies that promote equal opportunities, increased productivity and employability of domestic labor, and that promote job creation and flexible professional training; and (c) financial and technical assistance for SMEs. Moreover, the education strategy gives priority to the reform of secondary and vocational education in order to make the workforce more employable and competitive.
- 2.12 The design of the proposed program has taken into account the lessons and experiences of MIF projects¹⁵ in the areas of labor certification, standards, competencies, training, and continuing quality enhancement systems, to now bring quality to the management of a company's most important assets: its employees. Among the outcomes, the National Professional Training and National Competencies Certification System policies developed by the Ministry of Labor stand out; the latter is already operating in 14 sectors and aims to certify 20,000 workers by 2007. In order to strengthen the project's demonstration effect, efforts will be focused on innovative SMEs with quality-enhancement procedures in place, in beneficiary sectors of worker training and competencies-certification projects, and SMEs that are integrated into corporate production chains and are already using competencies-based human resources management. At the same time, continuity is being sought for the process already begun by making FUSAT and associated agencies and participants quality reference points for the development of new types

¹⁵ (i) On-the-job training programs (ATN/MH-6026-AR), which helped make worker training a key factor in SME competitiveness and human resource management; (ii) a worker training program for the blind (ATN/MH-6958-AR) demonstrated the value of competencies for integrating people with disabilities into niches in which they perform better; (iii) the occupational health and safety program (ATN/MH-7063-AR), which reaffirms the importance of a healthy workforce and environment for productivity and competitiveness; (iv) the labor competencies certification program (ATN/MH-6605-AR) helped move from the stage of demand for worker training to the certification of knowledge; and (v) continued improvements in SMEs (ATN/MH-7331-RG) program introduced quality management and environmental and food safety management systems into Argentine SMEs.

of support for introducing management of this kind into Argentine entrepreneurship.

III. PROGRAM OBJECTIVES AND COMPONENTS

A. Program objectives

- 3.1 The **aim** of the program is to help raise the productivity of Argentine SMEs and make the work force more employable by improving worker competencies and labor relations. Its **purpose** is to establish a new labor relations framework among businesses by developing and implementing competencies-based management models validated by employers and workers that help to attract, retain, and develop human resources.

B. Program components

- 3.2 **Component I: Awareness-raising, development, and validation of competencies-based management models (MIF: US\$376,000; Counterpart: US\$191,000).** The component's outcomes would be: (a) a group of companies and training centers receptive to competencies-based human resources management; and (b) competencies-based management models that are developed, applied, and validated in four companies, as well as the identification of lessons learned and good practices.
- 3.3 Accordingly, financing is planned for the following activities: (i) the development of conceptual and methodological materials, as well as materials on Argentine experiences regarding competencies-based management and training; (ii) workshops to raise awareness among entrepreneurs, human resources managers, professionals, and technical authorities, and academics; (iii) the identification and selection of "leading" businesses, sectors, and institutions, to take part in the initial round of a pilot mini-experiences project in at least four small and medium-sized enterprises (SMEs); (iv) the methodological training of 24 consultants specializing in competencies and of professional teams in the participating companies; (v) the controlled implementation of competencies-based human resources management models in participating companies based on the evaluation and development of their respective competencies profiles; (vi) the evaluation, systemization, and validation of these experiences; and (viii) workshops to disseminate and promote transferable experiences and lessons learned to other SMEs.
- 3.4 **Component II. Development of demonstration experiences in competencies-based management (MIF: US\$656,000; Counterpart: US\$965,000).** Based on the outcomes of Component I, support will be provided for the development and implementation of demonstration experiences with competencies-based management models to complete the introduction of these models in at least 46 SMEs in addition to those in the mini-pilot experience, for a total of 50, from the

sectors that have made the most progress in competencies-based certification and training (i.e. the construction and automobile industries). They will be chosen based on selection criteria and procedures outlined in the Operating Regulations (i.e., innovative SMEs, with a minimum of 40 employees, that have made progress in implementing innovative work organization and quality enhancement processes). Accordingly, financing will be provided for: (i) technical assistance to identify critical specific and general competencies in the selected companies, as well as the relevant labor competencies standards (knowledge and abilities, as well as skills, attitudes, and understanding) required for evaluating corporate job levels and positions; (ii) development of standards-based management systems, including specific competencies for human resources management, involving company representatives and employees; (iii) the development, implementation, and institutionalization of standards-based continuing education courses for workers, supervisors, and middle and upper management; (iv) technical assistance for a study on the potential demand for university courses for a specialization in competencies-based management; and (v) technical assistance to support the implementation of the management models. FUSAT will be setting up a payment arrangement with declining subsidies for services provided to participating companies (see Operating Regulations and paragraph 4.2).

- 3.5 **Component III. Dissemination, evaluation, and sustainability (MIF: US\$58,000; Counterpart: US\$130,000).** In this last component, the quality of the models implemented will be evaluated, incorporating those that are successful into the development of strategies to replicate the models in other companies and to make the FUSAT (see paragraph 5.1) and other participating entities benchmarks for developing offers of technical support for similar processes in the Argentine market. Accordingly, when program execution concludes, there would be information about good practices (in documents and on FUSAT web page) disseminated to at least 100 Argentine companies, 25 companies on the waiting list for the implementation of competencies-based management systems, and a sustainability plan for FUSAT and associated entities during the early stages of implementation.
- 3.6 The following activities will be financed using resources from this component: (i) technical assistance to develop and conduct evaluations during program execution; (ii) documentation and dissemination of the cases taken on, lessons learned, and good practices; (iii) workshops to disseminate successful models and their outcomes; (iv) forums for an exchange of experiences between public, private, and academic stakeholders, geared toward strengthening the demonstration effect of the experiences being supported and maximizing their impact on the Argentine business community; and (v) the development and initial implementation of the sustainability plan for FUSAT and participating entities as benchmarks for the expansion of competencies-based management in the Argentine business community.

IV. COST AND FINANCING

Table 4.1 Cost table

Category	MIF	Counterpart	Total	%
Component 1	376,040	191,500	567,540	19.8%
Component 2	656,500	965,500	1,622,000	56.7%
Component 3	58,250	129,790	188,040	6.6%
Evaluation and audits	40,000	20,000	60,000	2.1%
Administration	225,360	79,250	304,610	10.7%
Contingencies	73,850	43,960	117,810	4.1%
Total	1,430,000	1,430,000	2,860,000	100.0%

- 4.1 The program would cost a total of US\$2.86 million (see itemized budget in Annex II), of which the MIF will contribute US\$1.43 million (50%) in nonreimbursable funding from Facility II. FUSAT and other participating Argentine agencies will contribute a minimum of US\$1.43 million, with commitments from: Asociación de Recursos Humanos de Argentina [Human Resources Association of Argentina] (ADRHA), US\$400,000; Catholic University of Argentina (UCA), US\$120,000; Instituto de Estadísticas y Registro de la Industria de la Construcción [Construction Industry Statistics and Records Institute] (IERIC), US\$400,000; Sindicato de Mecánicos y Afines del Transporte Automotor [Union of Automotive Mechanics and Related Professionals] (SMATA), US\$400,000; and Universidad 3 de Febrero [February 3 University] (UNTREF), US\$95,000. At least 50% of these counterpart contributions will be in cash. During program execution, contributing institutions from other sectors may be incorporated.
- 4.2 The program's **sustainability** stems from the technical teaching, advisory, and research capacity to be passed on to FUSAT (see paragraph 5.1) and participating institutions such as centers for excellence and agencies that regulate the quality of the offers that can stimulate this area of the market. These capacities in FUSAT and associated institutions will be made financially sustainable through revenue generated by services (i.e., advisory services for companies, training, studies, publications, etc.). Funds obtained in this manner during program execution will be deposited in a fund to be used to finance the first research, dissemination, and promotion activities following the execution period, with every effort being made to ensure that as many companies as possible benefit from these resources.
- 4.3 At least one year before completion of the project, a sustainability workshop will be held to evaluate the progress that has been made and to identify measures and actions to ensure the continuity of the actions once the project funding has been fully disbursed. The workshop will be attended by representatives of the Bank, the

executing agency, and other individuals to be determined in due course. The scope of the workshop will need to be agreed on in advance between the Bank and the executing agency.

V. EXECUTING AGENCY AND EXECUTION MECHANISMS

A. Executing agency

- 5.1 FUSAT, a nongovernmental, nonprofit agency created in 1998, will be the executing agency. FUSAT's mission is to work with employee and employer unions and associations, public and private institutions, and universities and professional training institutions, providing technical advisory services and conducting research focused on productive development and the elimination of social costs caused by inadequate working conditions. Among its accomplishments, FUSAT has managed to consolidate its ability to drum up support amongst major players in government, the business community and unions, and higher education, reaching a wide range of productive and agricultural sectors throughout Argentina. FUSAT has demonstrated its institutional capacity through its execution of the occupational health and safety program (ATN/MH-7063-AR), by effectively coordinating different stakeholders in labor circles (entrepreneurs, associations, government), despite difficulties faced during the Argentine crisis (2001-2003). As the final evaluation¹⁶ points out, FUSAT has acquired technical expertise in occupational health and safety and related fields. Furthermore, its current structure and this proposal are a response to that evaluation's recommendations.
- 5.2 FUSAT will set up a steering committee to provide technical guidance for the program, and a program execution unit (PEU) to coordinate the program in accordance with the Operating Regulations (available in the technical files). The consultants will include a coordinator, four supervisors, and two assistants to help FUSAT with the work that the 24 specialists in competencies will be carrying out in the companies. FUSAT will team up with organizations representing businesses and/or workers with a good track record including initially ADRHA, IERIC, SMATA, the Ministry of Labor and Social Security, the Universidad Nacional 3 de Febrero, and the Catholic University of Argentina, etc., which have been working successfully with FUSAT in related activities. FUSAT will conclude agreements with each of the organizations that contribute resources and their joint efforts will be coordinated by the steering committee.
- 5.3 The steering committee will comprise a representative of FUSAT's board of directors and of each of the contributing agencies, as well as the program's General Director, who will chair the committee. The PEU will have two staff members—an executive coordinator and an accounting assistant. The obligations of the

¹⁶ Bestraten M. Final evaluation report on the occupation health and safety program (ATN/MH-7063-AR), December 2005.

participating institutions will be determined on a case-by-case basis through agreements concluded with FUSAT, in accordance with a previously approved standard agreement. This agreement will stipulate, among other things, the amounts each will contribute to the program in cash and in kind, which together will constitute the national counterpart contribution, subject to the Bank's no objection. Each institution's responsibilities are outlined in the Operating Regulations.

B. Execution mechanism

- 5.4 **Program execution agency (PEU).** The PEU will be responsible for managing and executing the program activities and controlling the management and execution of the budget in accordance with established procedures.
- 5.5 **Management of funds.** FUSAT will maintain an effective accounting, financial, and internal control system, with separate and specific accounts for managing the contribution and the counterpart funds. It will process disbursement requests and their respective justifications, in accordance with Bank procedures governing disbursements, and will submit semiannual reports to the Bank on the status on the fund. During execution, the ex ante review mechanism will be used. Following successful disbursements, the Bank may opt for an ex post review of expenditures below a certain amount and may authorize that some of the procurement in the semiannual work plan (SWP) be reviewed ex ante. The Bank may also dispense with ex post reviews and use ex ante reviews for all procurement. When individual eligible expenses do not exceed US\$1,000 or its equivalent, a simple list of such expenses may be submitted, in which case a minimum of 15% of the invoices and receipts will be reviewed in the offices of the executing agency. These expenses will not require the Bank's prior no objection.
- 5.6 **Execution period.** The program will be executed in 48 months and disbursements in 54 months. The Bank will establish a revolving fund for a maximum of 10% of the total program amount.
- 5.7 **Program readiness.** The design, budget, and activities planned for the program have been developed with FUSAT, UCA, ADRHA, IERIC, and UNTREF. The Operating Regulations, budget, timetable, and procurement plan have been agreed, as have the terms of reference for staff to be hired for the PEU. In addition, there are letters of intent that commit the counterpart contributions from the participating institutions and a draft of the standard agreement to be signed between FUSAT and those institutions before the first disbursement.
- 5.8 **Procurement.** FUSAT will procure goods, services, and consulting services in accordance with Bank procedures and policies. Procurement will be done in accordance with the SWP approved by the Bank at market prices, using competitive bidding procedures as established in the *Policies for the selection and contracting*

*of consultants financed by the IDB (GN-2350-4)*¹⁷ and *Policies for the procurement of works and goods financed by the IDB (GN-2349-4)*.¹⁸ This will be stipulated in the agreement between the Bank and FUSAT. Quality- and cost-based selection will be used to procure consulting services. The procedures must guarantee transparent and competitive processes and lower costs (see Operating Regulations). Alternative methods, when justified, may be submitted to the Bank for consideration.

VI. MONITORING AND EVALUATION

A. Monitoring and supervision

- 6.1 The Bank's Country Office in Argentina will be responsible for supervising and monitoring the program, with technical support from the project team. FUSAT will submit semiannual reports within 15 days following the close of each six-month period. These reports will include: (i) a financial analysis of program execution; (ii) an evaluation of the physical timetable and outcomes achieved; (iii) a characterization of progress indicators and the problems and limitations encountered; and (iv) an execution plan and schedule revised for the following six-month period and the remainder of program execution. A Bank specialist will prepare the project completion report within 90 days following the date of the last disbursement. Furthermore, annual audits of program accounts will be conducted during execution. Upon completion of the program, a closing workshop will be organized with the participation of the executing agency, staff from the Bank, and other personnel to be agreed with the Bank, to assess the accomplishments of the program, identify lesson learned, and to propose actions to ensure the sustainability of the project.

B. Midterm and final evaluations

- 6.2 Two evaluations will be financed out of the MIF contribution: a midterm evaluation, 24 months after the program has been declared eligible for disbursements, or once 50% of resources have been disbursed; and a final evaluation, three months before completion of the program. The Bank and FUSAT will prepare the respective terms of reference. A consultant will be hired to perform the baseline study and to design the evaluation system. The midterm evaluation will analyze: (a) the rate of advance of the program and its general performance;

¹⁷ Direct hire for individual consultants or consulting firms with contracts for less than six months and US\$30,000, with the Bank's no objection; the Bank's no objection to the method to be used for choosing individual consultants or consulting firms for amounts that exceed US\$30,000 or its equivalent; and procurement in lesser amounts of consultants or consulting firms for training programs for up to a total of US\$2,000.

¹⁸ Direct hire for goods and services of less than US\$2,000, "shopping" for three or more offers for procurements of between US\$2,000 and US\$30,000, with the Bank's no objection, and national competitive bidding for amounts of US\$30,000 or more.

(b) methodologies used for training and the introduction of competencies-based management models into companies; and (c) the feasibility of the sustainability plan proposed by FUSAT in light of the initial experience. For the final evaluation, FUSAT will hire a consultant to identify and evaluate: (i) the concrete benefits obtained by companies that have implemented competencies-based management systems; (ii) the perception of workers and executives from participating companies of the benefits obtained during the process as well as cases of ethnic, gender, or age or discrimination of any other kind; and (iii) lessons learned and good practices. FUSAT will compile the corresponding indicators, in accordance with the agreed logical framework (Annex I), and will facilitate access to all of the information and documentation required for these evaluations and for other Bank needs.

VII. BENEFITS AND RISKS

A. Benefits and beneficiaries

- 7.1 The project will benefit at least 2,000 workers in 50 small and medium-sized enterprises (SMEs) in different parts of the country, and indirectly businesses with SMEs in the production chain. It will also benefit FUSAT and associated institutions (IERIC, SMATA, ADRHA, UCA, and UNTREF), the 24 consultants who receive training, and other universities and organizations that join the process, with technical offers that make this transformation of the Argentine business community feasible.

B. Risks

- 7.2 The major risk associated with the program could be a lack of demand and resistance on the part of some companies. The team is of the view that the high level of interest noted among the main stakeholders (chambers of commerce, unions, universities and training centers, and the Ministry of Labor and Social Security), as expressed in the letters of commitment as well as the awareness building workshops in the first component will minimize this risk.

VIII. SOCIAL AND ENVIRONMENTAL IMPACT

- 8.1 Given its nature, the program is not expected to cause adverse environmental or social impacts. The Committee on Environment and Social Impact (CESI) reviewed and approved the program summary on 6 January 2006, and recommended that criteria related to discrimination based on ethnicity, gender, age, or other factors be added to the evaluation.

IX. SPECIAL CONTRACTUAL CONDITIONS

- 9.1 As conditions precedent to the first disbursement, the executing agency must have: (i) selected the program coordinator; (ii) signed the relevant agreements with the other institutions participating in the program; and (iii) approved the Operating Regulations and obtained the Bank's no objection to them. In addition, as a contractual condition the following documents must be submitted to the Bank within 3 months after the first disbursement: (a) the design of the evaluation system, and (b) the baseline results.

X. EXCEPTIONS TO BANK POLICY

- 10.1 No exceptions to Bank policies are anticipated.

LOGICAL FRAMEWORK – AR-M1014

Objectives	Indicators	Means of verification	Assumptions
<p>Goal (general objective)</p> <p>To raise the productivity of small and medium-sized enterprises (SMEs) in Argentina and make the work force more employable by improving workers' competencies and labor relations.</p>	<p>Two years after program completion:</p> <ul style="list-style-type: none"> • Productivity: a >25% increase in the number of units produced per specific number of staff in the participating companies. • Employability and stability: Number of performance-related layoffs falls by 30%. 	<ul style="list-style-type: none"> • Ex post impact evaluation • Production data from participating companies • Human resources data from participating companies • Survey on workplace environment 	<ul style="list-style-type: none"> • Effective dialogue is maintained between companies and workers in the sectors involved. • Work training and competencies-certification systems ensure the availability of workers who are qualified and certifiable/certified in the competencies required by participating companies. • Macroeconomic conditions remain stable.
<p>Purpose</p> <p>Establish a new labor relations framework among participating businesses by developing and implementing competencies-based management models validated by employers and workers, that help to recruit, retain, and develop human resources.</p>	<p>Upon program completion:</p> <ul style="list-style-type: none"> • At least 45 businesses (90% of the 50 participating companies) are implementing competencies-based management models, with the following results: <ul style="list-style-type: none"> ○ 50% increase in development indices (coverage of internal vs. external promotable positions). ○ 50% increase in promotions (mobility) of trained personnel. ○ 40% decrease in disciplinary sanctions. ○ Workplace environment improves by 30% in 90% of companies. • 20% increase in the number of companies whose human resources management complies with the list of minimum competencies developed by ADRHA. 	<ul style="list-style-type: none"> • Final evaluation report • Project completion report • Final report from FUSAT • Progress reports, program performance monitoring report (PPMR), and midterm evaluation • Human resources reports from the participating companies • Technical standards for labor competencies and evaluation and self-evaluation guides • Survey on the workplace environment 	<ul style="list-style-type: none"> • The stakeholders involved (entrepreneurs, workers, and the government) remain interested and committed during the implementation and execution of competencies-based management models. • FUSAT develops a viable sustainability plan and capacities with other participants, such as centers of excellence specializing in competencies-based management.

Objectives	Indicators	Means of verification	Assumptions
Component I Awareness-building and development and validation of competencies-based management models.	12 months into execution: <ul style="list-style-type: none"> 25 companies and 5 training centers are on a waiting list to participate in the program. Proposed competencies-based management model developed and adapted to the realities of Argentina and the sectors involved. 24 consultants have received refresher training and are trained to facilitate the implementation of competencies-based management models in companies. Competencies-based management models developed, implemented, and validated in four companies. Experiences shared with at least 50 companies. 	<ul style="list-style-type: none"> Progress reports PPMR Proposals and documents generated in the process Performance evaluations 	Selected companies are willing and in a position to try out models.
Component II Development of competencies-based management demonstration experiences.	48 months into execution: <ul style="list-style-type: none"> Management model implemented in a minimum of 46 companies. ADRHA have evaluation systems and mechanisms to certify human resources managers' competencies and managers of the 46 participating countries certified. Study on demand concluded. By month 36: <ul style="list-style-type: none"> Management model adopted in at least 30 companies. By month 24: <ul style="list-style-type: none"> Management model adopted in at least 10 companies. 	<ul style="list-style-type: none"> Progress reports PPMR Midterm evaluation Human resources reports from participating companies Survey of beneficiaries Demand study report 	Participating companies complete training, implement competencies-based management models, provide data, and facilitate the evaluation of outcomes. ADRHA ensures the financial feasibility and willingness of the Center.

Objectives	Indicators	Means of verification	Assumptions
<p>Component III</p> <p>Dissemination, evaluation, and sustainability.</p> <p>Sustainability Plan for FUSAT and for participating entities</p>	<p>48 months into execution:</p> <ul style="list-style-type: none"> Four sector cases and studies, 100 competencies-based human resources management manuals (and CD) published. Informational materials with outcomes distributed to at least 100 companies in participating sectors. Website updated and in operation. At least 25 companies on the waiting list (FUSAT) to introduce competencies-based management. FUSAT's and participating institutions' sustainability plan developed and implemented. 	<ul style="list-style-type: none"> Progress reports and PPMR Documentation and materials produced and distributed Midterm and final evaluation 	<p>Materials produced and disseminated are being used by beneficiary companies and stimulate demand for incorporating competencies-based human resources management models. FUSAT monitors beneficiary companies, making it possible to secure new demand.</p> <p>FUSAT and related entities are working together to expand competencies-based management in Argentine companies.</p>
<p>Component 1 activities</p>	<ul style="list-style-type: none"> Up to 3 awareness-building workshops for businesses offered between months 10 and 30. Up to 3 workshops for staff of educational centers between months 13 and 15. Studies of methodologies introduced in AR developed in month 4. Design of competencies-based curricula and content developed in month 6. Printing and publication of teaching materials in month 7. 	<ul style="list-style-type: none"> Progress reports and PPMR Documentation and materials produced and distributed Midterm and final evaluations 	<p>Businesses selected are both willing and in a position to test models.</p>
<p>Component 2 activities</p>	<ul style="list-style-type: none"> One set of generic competencies and 10 sets of specific competencies that are critical are identified for month 10. Design of management plans for managers based on the standards set for month 15. Design of courses for ongoing training developed for month 15. Implementation and formal 	<ul style="list-style-type: none"> Progress reports and PPMR Documentation and materials produced and distributed Midterm and final evaluations 	<p>Participating companies complete training and establish competencies-based management models, furnish information, and facilitate evaluation of outcomes.</p> <p>ADRHA provides assurances of willingness and financial feasibility of the center.</p>

Objectives	Indicators	Means of verification	Assumptions
	<p>establishment of courses for ongoing training in months 16 and 42.</p> <ul style="list-style-type: none"> Study of demand for university courses completed in month in which it was conducted (month 30). 		
Component 3 activities	<ul style="list-style-type: none"> Up to 10 workshops for dissemination of successful models and outcomes from month 11 to month 42. One forum to share experiences with stakeholders in the public and private sectors and in academic circles from months 11 to 42. 	<ul style="list-style-type: none"> Progress reports and PPMR Documentation and materials produced and distributed Midterm and final evaluations 	<p>Materials produced and disseminated are used by beneficiary companies and stimulate demand for adopting competencies-based personnel management.</p> <p>FUSAT monitors beneficiary companies, so that new demands can be received.</p> <p>FUSAT and member entities continue working together as benchmarks for expanding competencies-based management in Argentine companies.</p>

Itemized Budget and Schedule

Component	MIF	Counterpart	Total	%
	III A	Cash		
Component 1 - Awareness-raising, training, and validation of a competencies-based management model	376,040	191,500	567,540	20%
Study on applied methodologies in Argentina (one senior consultant at US\$1,500/month, and one junior consultant at US\$750/month for two months)	4,500	0	4,500	1%
External consultant for the study (one international consultant, one month)	4,000	4,000	8,000	1%
Sector facilitators (four consultants for six work days a month for 24 months, at US\$140/day)	80,640	0	80,640	14%
Call for consultants	0	5,000	5,000	1%
One senior consultant specializing in competencies to coordinate the group of consultants (US\$2,600/month for 12 months)	15,600	15,600	31,200	5%
Four specialists to develop a competencies-based training method (US\$2,500/each for two months)	20,000	0	20,000	4%
Four senior consultants specializing in competencies to coordinate the implementation of the model to be validated (US\$2,500/each for 10 months)	100,000	0	100,000	18%
12 semi-senior consultants to implement the model in the four pilot companies (US\$1,200/each for 12 months)	86,400	86,400	172,800	30%
Two 100-hour courses for specialists in competencies (100 hrs. x US\$50/hour x two courses)	3,000	0	3,000	1%
Development of competencies-based curriculum and content (one consultant x three months x US\$1,700)	0	5,100	5,100	1%
Development of teaching materials (one consultant x two months x US\$1,700)	0	3,400	3,400	1%
Printing and publication of teaching materials	0	7,000	7,000	1%
Course logistics	0	5,000	5,000	1%
Awareness-raising workshops		10,000	10,000	
International consultants - two months	13,000	0	13,000	2%
Training of officials at education centers and workers - two consultants at US\$1,700/each for three months for curriculum development and 50 hours for dictation (teacher training) at US\$70/hour	9,700	10,000	19,700	3%
Two technical assistants at US\$1,100/each for 36 months	39,200	40,000	79,200	14%
Component 2 - Development of demonstration experiences	656,500	965,500	1,622,000	57%
Up to 24 technical experts trained (621 months)	434,700	434,700	869,400	54%
Four senior consultants specializing in supervising field work (132 months)	165,000	165,000	330,000	20%
One senior consultant specializing in competencies to coordinate the group of consultants (US\$2,600/month for 36 months)	46,800	46,800	93,600	6%
Travel and per diems for consultants	0	40,000	40,000	2%
Consultants to support companies during execution (average of US\$5,000 for 50 companies)	0	250,000	250,000	15%
One senior consultant to improve and certify FUSAT processes for three years	10,000	0	10,000	1%
Consultant for FUSAT's business plan	0	4,000	4,000	0%
Tools for implementing the model	0	25,000	25,000	2%
Component 3 - Dissemination and sustainability	58,250	129,790	188,040	7%
Consultancy for development of a dissemination plan and strategy (one consultant x two months x US\$2,500/month)	5,000	0	5,000	3%
Dissemination activities consistent with the strategy developed	10,000	70,000	80,000	43%
Executive coordinator (48 months x US\$2,200 x 40%)	42,240	0	42,240	22%
Office of the Executive Secretary of the Catholic University of Argentina (54 months x US\$500)	0	27,000	27,000	14%
Development and publication of sector case studies (four-month consultancies, US\$3,000/each)	0	12,000	12,000	6%
Development and publication of manuals for the model (one consultant to design the publication)	1,010	9,990	11,000	6%
Update and maintenance of website (36 months x US\$300/month)	0	10,800	10,800	6%
EVALUATION AND AUDITS	40,000	20,000	60,000	2%
Evaluation (development of the system, baseline, midterm and final)	30,000	10,000	40,000	67%
Audit	0	10,000	10,000	17%
Consultant to monitor product quality	10,000	0	10,000	17%
ADMINISTRATION	225,360	79,250	304,610	11%
General coordinator (part-time: 54 months x US\$3,000 x 60%)	97,200	0	97,200	32%
Executive coordinator (48 months x US\$2,200 x 60%)	63,360	0	63,360	21%
Administrative accountant (part-time): 54 months x US\$2,000 x 60% of the time	64,800	0	64,800	21%
Administrative expenses	0	79,250	79,250	26%
CONTINGENCIES	73,850	43,960	117,810	4%
PROJECT TOTAL	1,430,000	1,430,000	2,860,000	

RELATED PROJECTS IN ARGENTINA

A. Similar MIF projects.

None.

B. Similar or related Bank projects.

None.

C. Projects related to the same sector or beneficiaries.

Project number and approval date	Project title, executing agency, and amount	Date of signing and disbursement period, in months	Amount disbursed	Remarks
ATN/MH-6605-AR 4-Aug-99	Labor competencies certification program Ministry of Labor, Employment, and Safety US\$3.687 million	7-Aug-00 45 months (original) 69 months (extended by 24 months)	99%	Program execution will conclude early this year. The way the program has unfolded up until now indicates that performance indicators are being fulfilled. Also, there have been no significant changes in the assumptions that might prevent program objectives from being met.
ATN/MH-6958-AR 26-Apr-00	Work training program for the blind Federación Argentina de Instituciones [Argentine Federation of Institutions] US\$626,900	14-Jul-00 40 months (original) 66 months (extended by 26 months)	95%	Program execution has concluded, with the expected outcomes having been achieved.

Project number and approval date	Project title, executing agency, and amount	Date of signing and disbursement period, in months	Amount disbursed	Remarks
ATN/MH-6026-AR 26-Jun-98	On-the-job training programs Agencia para el Desarrollo Económico de Córdoba [Cordoba Economic Development Agency] US\$2,507,500	7-Sep-98 42 months (original) 69 months (extended by 27 months)	100%	Program execution has concluded satisfactorily, having achieved the expected outcomes in terms of individuals trained and bonds issued. Nevertheless, the project failed to stimulate the creation of a market for sustainable investment in training services.
ATN/MH-7063-AR 26-Jul-00	Occupational health and safety program Fundación para la Promoción de la Salud [Healthcare Promotion Foundation] US\$2.3 million	27-Sep-00 40 months (original) 65 months (extended by 25 months)	98%	Program execution will conclude early this year. The way the program has been proceeding indicates that performance indicators are being fulfilled. Also, there have been no significant changes in the assumptions that might prevent program objectives from being met.

BOX 2-1 BENEFITS OF COMPETENCIES-BASED MANAGEMENT

Benefits for businesses	Benefits for workers
Helps increase productivity.	Improves job stability and employability.
Helps reduce operational losses, the frequency of work-related accidents, and worker absenteeism.	Enhances knowledge, abilities, professional performance and training opportunities, and certifies best international work practices.
Facilitates innovation in work organization and the adoption of best practices and demand-based training aligning workforce development with the needs of the company and the availability of training.	Provides incentives for continuing professional development.
Helps foster work-related advancement based on proven and recognized performance standards, and improves the work environment.	Capitalizes on the experience of older, more experienced workers to the benefit of those who are just entering or moving up in the company.

MULTILATERAL INVESTMENT FUND
ARGENTINA MIF PORTFOLIO

No.	Memo #	Project #	ATN #	Name	Exec.	FAC	Approval	Status	MIF	% Disb
1	MIF/AT-25	TC9406035	ATN/MT-4742-AR	Water Sector Reform for Mendoza	MMAUV	I	07-Dec-94	Completed	795,000	100.00
2	MIF/AT-25	TC9410218	ATC/MT-4743-AR	Water Sector Reform for Mendoza	MMAUV	I	07-Dec-94	Completed	464,647	100.00
3	MIF/AT-36	TC9404063	ATN/ME-4851-AR	Network of Business Services Centers Program	UIA	IIla	15-Feb-95	Completed	7,009,931	100.00
4	MIF/AT-66	TC9410169	ATN/MT-5080-AR	Guarantee System for Small and Medium Enterprise	MEOSP	I	29-Nov-95	Completed	560,686	100.00
5	MIF/AT-106	TC9501421	ATN/ME-5441-AR	Program for Assistance to Small Rural Producers	FAA	IIla	11-Dec-96	Completed	3,000,000	100.00
6	MIF/AT-114	TC9501413	ATN/ME-5489-AR	Microenterprise Support Services Program	CGEE	IIla	05-Feb-97	Completed	1,900,000	100.00
7	MIF/AT-134	TC9609184	ATN/MT-5613-AR	Regulatory Agency for Water - Sante Fe	ENRESS	I	25-Jun-97	Completed	434,782	100.00
8	MIF/AT-150	TC9707053	ATN/ME-5765-AR	Advisory Center for New Businesses	FMAYO	IIla	19-Nov-97	Completed	2,500,000	100.00
9	MIF/AT-174	TC9704059	ATN/MT-5976-AR	Water Regulatory Agency - Buenos Aires Province	ORBAS	I	27-May-98	Cancelled	0	0.00
10	MIF/AT-182	TC9704075	ATN/MH-6026-AR	Human Resource Management System	FUE	II	26-Jun-98	Completed	2,499,220	100.00
11	MIF/AT-195	TC9805188	ATN/MH-6096-AR	Institutional Strengthening for Consumer Protection	ADELCO	II	11-Aug-98	Completed	241,680	100.00
12	MIF/AT-213	TC9806326	ATN/MT-6261-AR	Strengthening Water & Sanitation Sector Privatization	ENOHSA	I	24-Nov-98	Completed	475,000	100.00
13	MIF/AT-263	TC9710163	ATN/MT-6574-AR	Strengthening Competition Protection	CNDC	I	07-Jul-99	Completed	14,315	100.00
14	MIF/AT-273	TC9812069	ATN/MH-6605-AR	Worker Skills Certification Program	MTSS	II	04-Aug-99	In execution	3,677,000	93.72
15	MIF/AT-274	TC9810210	ATN/ME-6632-AR	Equity Fund for Small Enterprises	BCOOBAB	IIla	01-Sep-99	Completed	90,310	100.00
16	MIF/AT-299	TC9710197	ATN/MH-6719-AR	Support to Small Retail Industry	CAME	II	05-Nov-99	Completed	600,000	100.00
17	MIF/AT-299	TC9710197	ATN/ME-6718-AR	Support to Small Retail Industry	CAME	II	05-Nov-99	Completed	1,400,000	100.00
18	MIF/AT-314	TC9806269	ATN/MH-6958-AR	Regional Employment Program for the Blind	FAICA	II	26-Apr-00	In execution	626,900	95.09
19	MIF/AT-322	TC9812068	ATN/MT-6953-AR	National Network of Mediation and						

No.	Memo #	Project #	ATN #	Name	Exec.	FAC	Approval	Status	MIF	% Disb
30	MIF/AT-528-1	TC0205020	ATN/ME-8352-AR	System Facilitating International Market Access by Small	FORTALEC	IIIa	25-Jun-03	In execution	1,500,000	30.30
31	MIF/AT-555	TC0305019	66/MS-AR	Expansion and Strengthening of FIE Gran Poder S. A.	FIE	IIIb	19-Nov-03	In execution	2,000,000	62.50
32	MIF/AT-555	TC0305019	67/MS-AR	Expansion and Strengthening of FIE Gran Poder S. A.	FIE	IIIb	19-Nov-03	Approved	200,000	0.00
33	MIF/AT-555	TC0305019	ATN/ME-8510-AR	Expansion and Strengthening of FIE Gran Poder S. A.	FIE	IIIb	19-Nov-03	In execution	390,640	18.43
34	MIF/AT-595	AR-M1001	ATN/ME-8762-AR	Making SMEs in the metallurgical sector more	ADIMRA	IIIa	07-Jul-04	In execution	885,000	10.00
35	MIF/AT-617-1	AR-M1003	ATN/ME-8916-AR	Small Loan Facility for SME's in Argentina	FDLC	IIIb	27-Oct-04	In execution	500,000	23.93
36	MIF/AT-637-1	AR-M1007	ATN/ME-9076-AR	Government E-Procurement Support for SMEs - B2G	APYME	IIIa	02-Feb-05	In execution	696,281	7.18
37	MIF/AT-638-1	TC0305018	ATN/ME-9079-AR	Development of an Entrepreneurial Culture	FGP	IIIa	02-Feb-05	In execution	780,000	10.00
38	MIF/AT-652	AR-M1006	ATN/ME-9353-AR	SME Products in East Asia	CANE	IIIa	10-Aug-05	In execution	1,550,300	10.00
39	MIF/AT-668	AR-M1004	ATN/ME-9355-AR	Competitiveness of Worker-Run Companies and Systematization of Management Models	MTES	IIIa	10-Aug-05	Approved	1,500,000	0.00
40	MIF/AT-677	AR-M1005	ATN/ME-9415-AR	Consolidating Microfinance System with Support of Fondo de Capital Social	FONCAP	IIIa	21-Sep-05	Approved	800,000	0.00
41	MIF/AT-697	AR-M1009	ATN/ME-9531-AR	Environmental Management for Cleaner Production in	Fund.	IIIa	29-Nov-05	Approved	495,000	0.00
							Total MIF Amount		50,507,879	

PROCUREMENT PLAN

PROGRAM FOR HUMAN RESOURCES MANAGEMENT IN A NEW LABOR RELATIONS FRAMEWORK (AR-M1014)

I. GENERAL

1. **Project information.** Beneficiary: Fundación Social Aplicada al Trabajo [Work-based Social Foundation] (FUSAT)
2. **Procurement plan approval.** Original: with the approval of the operation.
Revised: submitted along with the semiannual reports.
3. **Publication of General Procurement Notice:** N/A
4. **Period covered by this Plan:** 18 months from the first disbursement.

II. GOODS

Ref no.	Description	Estimated cost US\$ (Bank fin.)	Procurement method	Prequalification	Bank review method	Expected bidding date
	<i>Goods</i>					
	N/A					

III. CONSULTANTS

List of contracts

Ref no.	Description	Estimated cost in US\$ (Bank fin.)	Selection method	Prequalification	Bank review method	Expected bidding date
1	Other individual consultants to design program components and administer the program (contracts under US\$50,000).	271,050	Quality- and cost-based selection (QCBS)	No	Ex ante (Prior)	May 2006 to November 2007
2	4 individual consultants: sector facilitators (96 consultant months)	80,640	QCBS	No	Prior	Oct.-Nov. 2006
3	4 senior consultants specializing in competencies to coordinate adoption of	265,000	QCBS	No	Prior	Sept.-Oct. 2006

	the model (142 consultant months)					
4	12 senior consultants to apply model at 4 pilot companies for 12 months	86,400	QCBS	No	Prior	March 2007
5	General Coordinator (54 consultant months)	97,200	QCBS	No	Prior	April 2006
6	Executive Coordinator (48 consultant months)	63,360	QCBS	No	Prior	April 2006
7	Bookkeeper (54 consultant months)	64,800	QCBS	No	Prior	April 2006

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK
MULTILATERAL INVESTMENT FUND

PROPOSED RESOLUTION

Argentina. Nonreimbursable Technical Cooperation ATN/MH-____AR for
Human Resources Management in a New Labor Relations Framework

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 Bank, as Administrator of the Multilateral Investment Fund, to enter into such agreements as may be necessary with Fundación Social Aplicada (FUSAT), and to take such additional measures as may be pertinent for the execution of the project proposal contained in document MIF/AT_____ with respect to a technical cooperation for human resources management in a new labor relations framework.

2. That up to the amount of US\$1,430,000, or its equivalent in other convertible currencies, shall be 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.