



<b>1. Project Data:</b>		<b>Date Posted :</b> 07/25/2000	
<b>PROJ ID:</b> P038883		<b>Appraisal</b>	<b>Actual</b>
<b>Project Name:</b> Enterprise Export Development Project	<b>Project Costs (US\$M)</b>	74	48
<b>Country:</b> Argentina	<b>Loan/Credit (US\$M)</b>	38.5	25
<b>Sector(s):</b> Trade	<b>Cofinancing (US\$M)</b>	0	0
<b>L/C Number:</b> L3960			
	<b>Board Approval (FY)</b>		96
<b>Partners involved :</b>	<b>Closing Date</b>	07/31/1998	09/30/1999
<b>Prepared by :</b>	<b>Reviewed by :</b>	<b>Group Manager :</b>	<b>Group:</b>
<b>2. Project Objectives and Components</b>			
<b>a. Objectives</b>			
The primary objectives of the project were to help increase the international competitiveness of small and medium enterprises (SMEs) and to improve the performance of export-related public agencies, thus facilitating export growth .			
<b>b. Components</b>			
The project had two components: (i) an Enterprise Assistance component (US\$ 32.7 million), which consisted of a) a cost- sharing grant scheme to cover up to 50 % of the costs of export-related consulting and other services to improve the international competitiveness of SMEs, and b ) the creation of a "Directory of Consultants and Market Information Suppliers" to ensure easy access to information about export -related services worldwide; (ii) an Institutional Strengthening component (US \$5.8 million) to improve the performance of agencies involved in the export process and focused on export procedures, quality control, export promotion policy, and commercial promotion services.			
<b>c. Comments on Project Cost, Financing and Dates</b>			
At appraisal, the total project cost was estimated at US \$ 74.2 million, of which US\$ 38.5 million to be financed by the Bank loan. The project was approved on November 28, 1995. There were some delays and the closing date was extended by about a year to September 30, 1999. The latest estimated project cost was US \$ 48 million, of which US \$ 25 million was financed by the Bank loan . The remaining US \$ 13.5 million of the loan will be cancelled . Bank preparation, supervision and completion costs were 122.7 staff weeks equivalent to US \$ 0.54 million.			
<b>3. Achievement of Relevant Objectives:</b>			
The objective of helping to increase the competitiveness of a group of SMEs was substantially achieved . Compared to a control group of similar enterprises not assisted by the program, the assisted enterprises consistently showed that they were more likely to adopt export-oriented measures and had better export performance . However, while the program met its objectives in terms of number and amounts of cost -sharing grants approved, it did not in terms of grants disbursed, largely because the 1999 Brazilian devaluation disrupted the export plans of a number of enterprises. The "Directory of Consultants and Market Information Suppliers " was produced with funds other than those allocated for it under this project . The second objective of improving the performance of export -related public agencies was only partially achieved : while the institutional infrastructure for quality control and for commercial services was strengthened, no progress was made in the areas of export procedures and export promotion policy .			
<b>4. Significant Outcomes/Impacts:</b>			
Argentina needs to broaden its export base and the project made a substantial contribution towards that end, as shown by the Beneficiary Survey results . In addition, the strengthening of the Quality Certification system bodes well for the future development of exports .			
<b>5. Significant Shortcomings (including non-compliance with safeguard policies):</b>			
The grant scheme was managed by a private operator, an arrangement deemed necessary to ensure independence in the approval of grants . However, the respective roles and responsibilities of the private operator and the overseeing project administration unit were not defined as precisely as they could have been, leading to delays .			

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6. Ratings :	ICR	OED Review	Reason for Disagreement /Comments
<b>Outcome :</b>	Satisfactory	Satisfactory	
<b>Institutional Dev .:</b>	Modest	Modest	
<b>Sustainability :</b>	Likely	Likely	
<b>Bank Performance :</b>	Satisfactory	Satisfactory	
<b>Borrower Perf .:</b>	Satisfactory	Satisfactory	
<b>Quality of ICR :</b>		Satisfactory	

**NOTE:** ICR rating values flagged with '\*' don't comply with OP/BP 13.55, but are listed for completeness.

#### 7. Lessons of Broad Applicability:

The primary lesson of general applicability is that the management of a publicly financed program by a private entity will only work smoothly if the contract between the Government and the entity is clear and simple . This is true also with regard to the use of a performance-linked incentive scheme in a management contract : it should be clear and concise with realistic targets, so as to avoid excessive emphasis on quantity over quality .

**8. Assessment Recommended?** ☐ Yes ☒ No

#### 9. Comments on Quality of ICR:

The quality of the ICR is satisfactory . It is an Intensive Learning Model ICR, and its preparation benefited from two stakeholder workshops to discuss the results of the project and the lessons learned from it . The first workshop was with a sample of assisted enterprises and the main executing agency, while the second was with the main as well as secondary executing agencies . A major outcome of the workshops was that SME exporters found the project to have been extremely useful, and strongly supported a follow-up operation. Unfortunately, there is no discussion in the ICR of a follow-up project, which had been envisaged from the beginning, except to say that the IDB is proceeding with financing for a similar scheme (para 43).