

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK
MULTILATERAL INVESTMENT FUND

GUATEMALA

**SUPPORT FOR COMPETITIVENESS IN GUATEMALA'S
SOUTHWEST REGION**

(GU-M1031 AND GU-T1143)

DONORS MEMORANDUM

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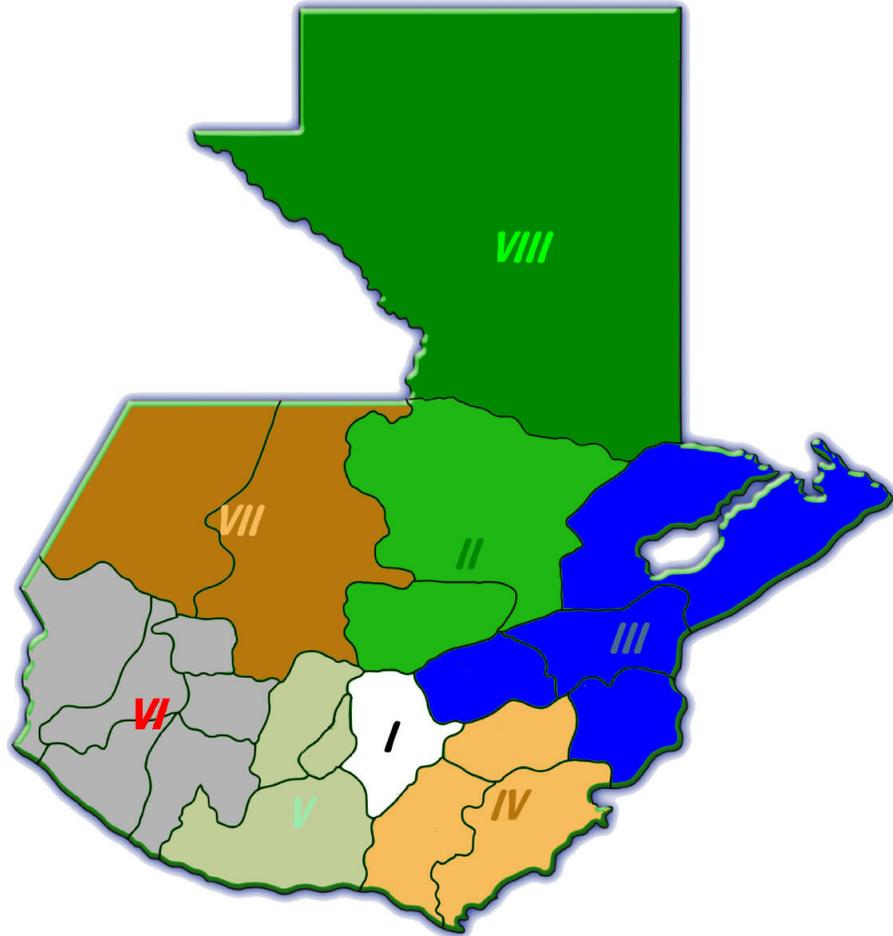
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Appendix I: Proposed resolution

INFORMATION AVAILABLE IN THE TECHNICAL FILES

Document I	Operating Regulations, including terms of reference, eligibility criteria for participating SMEs, timetable, and milestones.
Document II	Itemized Budget.
Document III	Procurement Plan.
Document IV	Institutional analysis for administrative, financial, accounting, and procurement management.
Document V	Letter of no objection from the Government of Guatemala.
Document VI	Letters of commitment and support from the Spanish Agency for International Development Cooperation (AECID) and the Ministry of the Economy

**MAP OF GUATEMALA
REGION OF PROJECT IMPACT: VI**



ABBREVIATIONS

AECID	Spanish Agency for International Development Cooperation
GGs	Grupos Gestores [Community Promotion Groups]
ICR	Italian Trust Fund for Regional Competitiveness
LED	Local economic development
PPP	Public-private partnership
RNGG	Red Nacional de Grupos Gestores [National Network of Community Promotion Groups]

GUATEMALA
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I. EXECUTIVE SUMMARY

Beneficiary country:	Guatemala								
Executing agency:	Red Nacional de Grupos Gestores [National Network of Community Promotion Groups] (RNGG)								
Beneficiaries:	The beneficiaries are 500 producers located in Guatemala's southwest region, most of them indigenous, initially identified as vegetable growers and producers of wood and regional products.								
Amount and source:	<table border="0" style="width: 100%;"> <tr> <td>MIF¹</td> <td style="text-align: right;">US\$ 686,000 (34%)</td> </tr> <tr> <td>Italian Trust Fund for Regional Competitiveness (ICR)²:</td> <td style="text-align: right;">US\$ 686,000 (34%)</td> </tr> <tr> <td>Local counterpart:</td> <td style="text-align: right;">US\$ 620,700 (32%)</td> </tr> <tr> <td>Total:</td> <td style="text-align: right;">US\$1,992,700 (100%)</td> </tr> </table>	MIF ¹	US\$ 686,000 (34%)	Italian Trust Fund for Regional Competitiveness (ICR) ² :	US\$ 686,000 (34%)	Local counterpart:	US\$ 620,700 (32%)	Total:	US\$1,992,700 (100%)
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Local counterpart:	US\$ 620,700 (32%)								
Total:	US\$1,992,700 (100%)								
Objectives and description:	The general objective of the project is to improve the competitiveness of Guatemala's southwest region by applying a local economic development (LED) approach as a means to increase income and generate employment. The specific objective is to improve the competitiveness of 500 producers and entrepreneurs in the southwest region's key sectors by building their capacity and promoting public-private partnerships (PPPs).								
Timetable:	<table border="0" style="width: 100%;"> <tr> <td>Execution period:</td> <td style="text-align: right;">48 months</td> </tr> <tr> <td>Disbursement period:</td> <td style="text-align: right;">54 months</td> </tr> </table>	Execution period:	48 months	Disbursement period:	54 months				
Execution period:	48 months								
Disbursement period:	54 months								
Special contractual clauses:	As conditions precedent to the first disbursement, the executing agency will present, to the Bank's satisfaction: (i) evidence that the program coordinator has been selected; (ii) evidence that the steering committee has been established; and (iii) the annual work plan and procurement plan for the first year of the project.								
Exceptions to Bank policy:	As an exception to the Bank's audit policy, approval is requested for the Bank itself: (i) to hire the auditors to conduct perform final audit								

¹ The MIF contribution includes 0.5% of the MIF contribution subtotal to finance the ex post impact evaluation.

² The MIF and ICR contributions include US\$25,000 for the "Promoting Local Competitiveness" project cluster and US\$6,734 for the impact evaluation account.

and the ex post review of disbursements and procurements (see paragraph 6.4); and (ii) to engage consulting services to provide institutional strengthening in fiduciary matters for the executing unit (paragraph 4.1).

**Environmental
and social
review:**

This project has been classified as a Category “C” operation (ESR 22-09 of 5 June 2009).

**Coordination
with other
development
institutions:**

The Spanish Agency for International Development Cooperation (AECID) in Guatemala will be supporting the executing agency with a contribution of counterpart resources (letter of commitment available in the technical files).

II. BACKGROUND

A. The regional context

- 2.1 Guatemala has a population of approximately 14 million in 2009.³ According to the 2006 national living standards survey,⁴ 51% of the population live in poverty and 28% of the poor are concentrated in Region VI, the southwest region. The region has 3.1 million inhabitants and a poverty index of 60%, with 43% poor and 17% extremely poor, both figures significantly higher than the national indexes. The region consists of the departments of Quetzaltenango, Retalhuleu, Suchitepéquez, Totonicapán, Sololá, and San Marcos, comprising 109 municipios (33% of the country's municipios), in which an estimated 56% of the population is indigenous. Guatemala's development report for 2000 identified strengthening and promoting productive activities to increase local income and promoting local economic development (LED) as priorities for improving the living conditions of people living outside the capital region. To further this objective, Grupos Gestores [community promotion groups] (GGs) were created to work primarily in Region VI.
- 2.2 The GGs are voluntary, permanent, nonprofit, business-oriented civil associations representing a model of LED in which strategic partnerships are formed between the private sector and municipal governments. With the organization of various GGs throughout Guatemala, the need emerged to establish a mechanism to coordinate sector and regional project and program implementation and to carry out institutional strengthening activities. Accordingly, the Red Nacional de Grupos Gestores [National Network of Community Promotion Groups] (RNGG) was created. The RNGG promotes the organization of new GGs, conducts research to determine local production potential, and develops proposals for local competitiveness agendas. It also provides technical assistance in structuring and managing productive projects.
- 2.3 In the context of their efforts to promote LED, the GGs confront the fact that local business development is not a priority for most municipal and departmental authorities.⁵ Hence, very few municipalities have undertaken much less implemented initiatives to promote economic development at the municipal level. In view of this vacuum in local government, other mechanisms needed to be developed for the public and private sectors together to coordinate efforts to improve the local economy. The GGs link the municipalities through competitiveness boards, in which business development strategies are formulated

³ Source: Instituto Nacional de Estadística [National Statistics Institute] (INE), Proyecciones de Población por Departamento [Population Projections by Department] (based on the Eleventh Population Census and Sixth Housing Census).

⁴ Source: INE, Encuesta Nacional de Condiciones de Vida [National Living Standards Survey] (ENCOVI), 2006.

⁵ This is despite the fact that the Guatemala's Municipal Code was amended to include the creation of Comisiones de Fomento Económico, Turismo, Ambiente y Recursos Naturales [Economic, Tourism, Environmental and Natural Resources Development Commissions].

with private sector participation and plugged into municipal agendas. Also, the Ministry of Economy is interested in the project outcomes and is prepared to cofinance the project.

B. Region VI and its economic potential

- 2.4 The general problems that have a bearing on poverty in the region are related primarily to the inefficient use of natural resources, unsuitable farming practices, few sources of employment, and limited access to health, education, and other essential services.⁶
- 2.5 From a broad list of sectors identified by the GGs, three have been selected as the focus of this project based on their potential to stimulate LED: wood and wood products, crafts, and regional products, and produce.
- 2.6 The **wood and wood products sector** consists of approximately 650 carpenters and carvers at different levels of productive development located throughout the region. Approximately 70 enterprises in the sector, the great majority of them small and medium-sized enterprises (SMEs), are affiliated with the Comisión de Fabricantes de Productos de Muebles y Otros Productos Forestales [Furniture and Forest Product Manufacturers Commission] (COFAMA). There are also 261 sawmills and 96 export businesses among primary and secondary industries combined. The average resource utilization is 55%, with the remaining 45% lost at sawmills. The sector consists of two types of companies: small-scale furniture manufacturers focusing on the national market, and large businesses exporting primarily to the United States. There are 213 businesses that manufacture wood products, 60 carpentry SMEs, and 604 commercial outlets selling wood and wood products (lumber yards and construction materials suppliers).
- 2.7 The **regional product** category is comprised of crafts and regional specialties generally produced by women-owned enterprises and associations. These products include ceramics, traditional sweets, textiles, dried fruit, preserves, and leather goods. Despite the small scale of this sector of economic activity, three associations have been identified, representing 96 small producers with 125 employees and three larger individual producers who generate sufficient self-employment income to increase their production and marketing efforts. At current production levels, the producers are not adequately specialized, which limits their ability to design new products, improve their production processes, and negotiate better terms with suppliers, for example. There is also market saturation due to the large number of small producers offering the same product.
- 2.8 The **produce sector** in the southwest region is concentrated in the municipios of San Marcos, Quetzaltenango, and Sololá and is characterized by different levels of development. Nine associations consisting of 790 producers were identified there. Despite over two decades of experience in this activity, producers have been unable

⁶ Planning and Programming Department of the Office of the President (SEGEPLAN). Estrategia de Reducción de Pobreza [Poverty Reduction Strategy], 2007.

to capitalize on its potential, mainly for lack of assistance and knowledge to help them increase productivity and improve prices. Weaknesses in terms of delivery times, quality, and quantity have an impact on the sector's effective supply of inputs and materials. This is due to the practice of making purchases individually, which also creates an unfavorable and high degree of dependence on suppliers. There are also weaknesses in marketing and access to markets.

C. Rationale and opportunities

- 2.9 The feasibility of this project was demonstrated by a consulting assignment financed by the Italian Trust Fund for Regional Competitiveness (ICR), which identified the following obstacles to increasing the competitiveness of producers and enterprises in Guatemala's Region VI: (i) inadequate introduction of technology; (ii) weak business management capacity; (iii) limited business partnering; (iv) limited knowledge and exploitation of the market; and (v) lack of coordination between the public and private sectors. Regarding the last factor, while the municipios have resources to support local productive development, the resources are invested without considering specific plans. The initiatives are therefore diluted and lack continuity and sustainability. These factors justify direct intervention in the productive sector of Guatemala's southwest region to help consolidate enterprises and substantially increase levels of income.
- 2.10 In terms of opportunities, the RNGG has been making efforts to motivate Guatemala's organized private sector interested in supporting economic development in Region VI. Contacts have already been made with the Comité Coordinador de Asociaciones Agrícolas, Comerciales, Industriales y Financieras [Coordinating Committee for Agricultural, Commercial, Industrial, and Financial Associations] (CACIF) and the Fundación para el Desarrollo de Guatemala [Guatemalan Development Foundation] (FUNDESA), and Cementos Progreso S.A. has provided direct support. These opportunities not only represent private support for economic development projects, but also facilitate linkages between large businesses and the small businesses and microenterprises that will serve to expand marketing channels and create opportunities to share knowledge.
- 2.11 This project will promote LED through an integrated approach based on public-private partnerships (PPP). Currently each of the sectors operates separately, which causes duplication of efforts and results in lost of opportunities.
- 2.12 The project is part of the MIF "Promoting Local Competitiveness" cluster. As such, its approach to competitiveness is not limited to enterprises or systems of enterprises, but involves an integrated focus on the territorial context. This requires governance based on cooperation between the private sector, public sector, and knowledge and technology institutions to carry out collective or "public" activities.
- 2.13 The project is innovative for Guatemala in two respects. First, it presents a complementary focus on strengthening linkages between sector development and the competitive aspects of the region or locality in which the enterprises operate. Second, the proposal originates from a business sector entity that has chosen to play

a role in promoting development by integrating the work of diverse entities and leading a process in which various political and civil-society groups will participate. The MIF's support will provide opportunities for shared learning and help create the PPPs necessary to ensure that the initiative is sustainable and scalable.

III. PROJECT OBJECTIVES AND DESCRIPTION

- 3.1 The **goal** of the project is to improve the competitiveness of Guatemala's southwest region by applying an LED approach as a means to increase income and generate employment. The **purpose** is to improve the competitiveness of 500 producers and entrepreneurs in the southwest region's key sectors by building their capacity and promoting PPPs.
- 3.2 **Component 1: Development mechanisms for public-private coordination to promote LED in Guatemala's southwest region (MIF: US\$117,500; ICR: US\$117,500; Counterpart: US\$223,000).** This component will coordinate public and private actors at the municipal and departmental level to institutionalize the development of joint initiatives to promote LED. The following activities are planned: (i) design of a partnership-building strategy; (ii) heightening of actors' awareness to create competitiveness boards; (iii) selection and training of competitiveness board facilitators; (iv) establishment and support of competitiveness boards; (v) preparation and/or update of municipal agendas; (vi) preparation of departmental agendas; (vii) development of projects to improve local competitiveness; (viii) training of competitiveness board members; (ix) seminars, visits, and working meetings; (x) creation of a competitively awarded fund for local competitiveness initiatives that would finance project generated on the basis of the priorities set by the competitiveness boards. The idea is to consolidate the competitiveness panels and public resources for projects that generate public goods.
- 3.3 The competitiveness board will be created as an entity that brings together the public sector (municipality) and private sector. The municipal agendas are a tool for the competitiveness boards and are established by means of a methodology and process that require participation by the private sector and the municipality. The eligibility criteria for competitiveness enhancing projects will be: (i) the project must be included in the municipal agendas or fall under the same rationale; (ii) the project must be endorsed by the competitiveness board; (iii) there must be public and private interest in the project; (iv) the investment amount must be in line with the budgets allocated to projects; (v) the project must provide for measurement of outcomes; (vi) the proposal must define the beneficiary sectors and specify how they will benefit; and (vii) the environmental impact must be neutral.
- 3.4 The expected outcomes are the establishment of 14 municipal and six departmental competitiveness boards and competitiveness agendas for each of them; and the financing of eight projects to improve competitiveness.

- 3.5 **Component 2: Development of linkages and improvement of productivity to strengthen LED efforts (MIF: US\$214,300; ICR: US\$214,300; Counterpart: US\$ 213,200).** The purpose of this component is to strengthen the organization of enterprises and producers based on the three key sectors identified in the region (wood, regional products, and produce). Specifically, activities will be undertaken to heighten actors' awareness with regard to working together to achieve common benefits. The following activities will be conducted: (i) integration and strengthening of a linkage; (ii) training and strengthening of business and/or trade associations; (iii) diagnostic assessments of linkages and work plans; (iv) producer training in the areas of production, organization, marketing, management, and finance; (v) organizational technical assistance workshops; (vi) support for community promotion groups; (vii) implementation of work plans for each linkage; and (viii) creation of a competitively awarded fund for innovative partnership projects that are strategically important to the area concerned.
- 3.6 In activities concerning the wood sector, producers taking part in the project are required to obtain a permit from the Instituto Nacional de Bosques [National Forest Institute], the government organization that issues permits to use and market wood. In this regard, the project seeks to add value to exploitation based on sustainable environmental practices, aspects detected in the aforementioned diagnostic assessments.
- 3.7 The expected outcomes are the establishment of three production linkages in three sectors; the financing of six productive projects (two per linkage); an increase of at least 25% on average in sales volumes; and an increase of at least 20% in the participating enterprises' and/or producers' productivity.
- 3.8 **Component 3: Market access (MIF: US\$117,375; ICR: US\$117,375; Counterpart: US\$30,000).** The purpose of this component is to improve the supply of products offered by enterprises and producers in the three pre-identified supply chains by strengthening their production processes and establishing partnerships in the areas of production and especially marketing. The activities of this component will finance the implementation of actions included in the work plans under Component II. The following activities will be conducted: (i) preparation of market studies; (ii) trademark, packaging design, and licensing; (iii) implementation of marketing systems; (iv) technical assistance for national and international marketing; (v) organization of and participation in trade fairs, trade missions, and marketing events; (vi) access to commercial information; (vii) support for internships; (viii) establishment of a marketing firm; and (ix) sales promotion.
- 3.9 The expected outcomes are market studies for each linkage; design, registration, or licensing of the least six trademarks or package designs (two per production linkage); the establishment of a marketing enterprise; the opening of at least two new markets for each linkage; and commercial assistance for 70% of the enterprises in the three linkages.

- 3.10 **Component 4: Knowledge management, training, and dissemination. (MIF: US\$86,675; ICR: US\$86,675; Counterpart: US\$15,000).** This component will systematize and disseminate the lessons learned and knowledge products developed by the project so as to consolidate the field of LED in Guatemala. The following activities will be conducted: (i) systematization of experiences; (ii) sharing of experiences; (iii) communication strategy; (iv) monitoring and evaluation; (v) design of the baseline; (vi) development of a sustainability plan; and (vii) training of project personnel, including participation in training events arranged by the Bank or travel to other relevant projects.
- 3.11 The expected outcomes are an exchange of national and international experiences; a positive assessment of the project by 90% of the mayors; and adaptation of the MIF manual of indicators for the “Local Economic Development” cluster. Currently, 40% of the mayors of participating municipios have decided to support the community promotion groups’ activities in the region to improve competitiveness. **In municipalities** whose mayors do not support the initiative, the project will not begin with Component 1, “Development of mechanisms for public-private coordination to promote LED in the southwest part of the country.” Instead, the project will work with producers only in Component 2, “Development of linkages to focus LED efforts” and Component 3, “Market access.”

IV. PROJECT COSTS AND FINANCING

- 4.1 The total project cost is US\$1,992,700, of which the MIF will contribute US\$686,000 (34%) and the IRC will contribute US\$686,000 (34%), both on a nonreimbursable basis, and the local counterpart of US\$620,000 (32%) will be the responsibility of the executing agency⁷ (at least half in cash). Of this amount, US\$16,000 will be used for consultants contracted directly by the Bank to provide services in the area of institutional strengthening on fiduciary aspects. A summary budget is presented below (the itemized budget is included in the technical files):

Categories (US\$)	Total	MIF	ICR	Counterpart	%
Component I. Development of mechanisms for public-private coordination to promote LED	\$458,000.00	\$117,500.00	\$117,500.00	\$223,000.00	23%
Component II. Development of linkages and improvement of productivity	\$641,800.00	\$214,300.00	\$214,300.00	\$213,200.00	32%
Component III. Market access	\$264,750.00	\$117,375.00	\$117,375.00	\$30,000.00	13%
Component IV. Knowledge management, training, and dissemination	\$188,350.00	\$86,675.00	\$86,675.00	\$15,000.00	9%
Project executing unit	\$341,700.00	\$101,100.00	\$101,100.00	\$139,500.00	17%
Subtotal	\$1,894,600.00	\$636,950.00	\$636,950.00	\$620,700.00	95%

⁷ Ministry of Economy and AECID are contributing partners of counterpart resources.

Categories (US\$)	Total	MIF	ICR	Counterpart	%
Midterm and final evaluations	\$15,000.00	\$7,500.00	\$7,500.00	\$0.00	0.8%
External audits	\$20,000.00	\$10,000.00	\$10,000.00	\$0.00	1.0%
Contingencies	\$23,870.00	\$11,935.00	\$11,935.00	\$0.00	1.1%
Closing workshop for presentation of outcomes	\$3,000.00	\$1,500.00	\$1,500.00	\$0.00	0.1%
Subtotal	\$47,730.00	\$23,865.00	\$23,865.00	\$0.00	4.7%
Financial management and procurement training	5,000.00	2,500.00	2,500.00		
MIF local development cluster	\$25,000.00	\$12,500.00	\$12,500.00	\$0.00	1.3%
Impact evaluation	\$6,730.00	\$3,365.00	\$3,365.00	\$0.00	0.5%
Total	\$1,992,700.00	\$686,000.00	\$686,000.00	\$620,700.00	100.0%
Participation percentage		34%	34%	32%	

- 4.2 Under the risk- and performance-based project management model, US\$5,000 will be used to engage consultants to provide assistance in fiduciary strengthening services. The consulting work is a specific task taking place at the outset of the project to reinforce/strengthen in situ the project executing unit's capacity within the executing agency. The consultants will be hired directly by the Bank. The consulting services are not intended to replace the ongoing tasks of fiduciary supervision and monitoring being carried out by the MIF specialist and/or fiduciary specialists from the Country Office during project execution.
- 4.3 **Sustainability** is based on two factors. First, the strategic importance of the Ministry of the Economy's cofinancing of the entities involved in the beneficiary communities' local economic development (letter of commitment in the technical files). Secondly, the project assumes, inter alia, that a model for public-private management of the initiatives to promote productive development is more effective in that it will facilitate the adaptation of tools to changing productive-sector circumstances; in this regard, the project will serve to demonstrate a model for managing development policy that makes more efficient use of locally available resources.
- 4.4 The project provides for the preparation of a sustainability plan at project startup and at the beginning of the third year of execution. The plan will include a **sustainability workshop** in which representatives of the Bank and the executing agency will examine the model's potential to continue autonomously after the MIF support has ended.

V. PROJECT EXECUTION

- 5.1 **Executing agency.** The Red Nacional de Grupos Gestores [National Network of Community Promotion Groups] (RNGG) is an independent, nonpolitical, nonprofit entity founded in 2002. Its assembly is made up of the presidents of legally established community promotion groups located throughout Guatemala. As a second-tier entity, the RNGG is an institutional coordination mechanism through

which the GGs prepare and promote territorial development strategies and provide technical assistance in structuring and managing productive projects. The RNGG has various sources of funding, although less funding is available for small-scale projects. Its sources of funding include Oxfam, German and Spanish technical-cooperation funding, the United States Agency for International Development, the World Bank, and the Guatemalan Ministry of the Economy.

- 5.2 The RNGG has executed other projects with the Bank, in addition to this one, which complements them by strengthening the work of public-private linkages while supporting locally relevant productive projects. These include ATN/SF-9209-GU, Support for the National Network of Community Promotion Groups; ATN/JF-10279-GU, Strengthening the National Network of Community Promotion Groups; and ATN/JO-10573-GU, Development of Small Communities Supported by the National Network of Community Promotion Groups.
- 5.3 The project analysis determined that the RNGG is experienced in managing initiatives focusing on local development and has a track record of cooperating with the beneficiaries targeted by this project. The RNGG has the resources, technical expertise, and reputation to enable it to bring together new actors as project execution proceeds.
- 5.4 **Execution mechanism.** The RNGG executive board will be the project's highest decision-making body and will approve documents submitted to the Bank. A project executing unit (PEU) will be set up, comprising the project coordinator, a financial assistant, and an individual in charge of monitoring and evaluation. The PEU will report to the general manager of the RNGG. The project coordinator will serve as secretary of the executive board. The functions of the coordinating bodies and personnel are described in the Operating Regulations.
- 5.5 **Execution timetable.** The project execution period will be 48 months and the disbursement period will be 54 months.
- 5.6 **Disbursements.** The disbursement of project financing will be contingent upon attainment of the milestones⁸ agreed upon between the RNGG and the MIF, and to be verified as agreed. Achieving these milestones does not release the executing agency from the responsibility to reach the project's objectives, set out in its logical framework. The financing will be disbursed from a revolving fund of 15% of the contribution. Accordingly, the first disbursement will be contingent on fulfilling the conditions precedent (milestone 0). The disbursement mechanism will be determined according to project expenditures and needs and based on the activities and costs identified in the semiannual planning instruments.
- 5.7 The milestones will be reviewed jointly by the executing agency and the IDB/MIF at the beginning of the project during presentation of the first semiannual work plan exercise (condition precedent). Operational audits will be conducted during

⁸ Minimum targets to be met for critical indicators, nonfulfillment of which would compromise the technical feasibility of project implementation.

- technical visits. The milestones may be reviewed and reprogrammed during project execution. The executing agency may ask the Bank to modify the milestones provided they have not expired.
- 5.8 The institutional and risk analysis for procurement and for financial, administrative, and accounting management determined that the RNGG's administrative and financial management risk is low (technical document VI). The project team therefore determined that unless an institutional assessment by the Bank indicates otherwise, ex post reviews of procurements will be conducted and, during the first 18 months of execution, reviews of disbursements will be conducted on an ex post basis semiannually. The Bank, supported by the financial specialist from the Country Office, will use project resources to contract services for financial management and procurement training.
- 5.9 **Procurement.** The beneficiary will procure the goods, services, and consulting services contemplated in the project and previously approved by the Bank through the procurement plan. Procurements will be conducted in accordance with the Bank's policies (documents GN-2349-7 and GN-2350-7) and the MIF guidelines. Procurements will be reviewed ex post.

VI. MONITORING AND EVALUATION

- 6.1 **Project status reports.** The executing agency will present to the MIF project status reports within 30 days after the close of every six-month period. The MIF may request such reports more frequently and on specific dates provided it gives the executing agency at least 60 days advance notice. The reports, to be prepared in a format agreed in advance with the MIF, will describe the rate of project advance, the extent to which the milestones have been attained, the outcomes obtained and their contribution to the project objectives, as indicated in the logical framework and other operational planning tools. Also, the reports will describe any problems encountered during execution and possible solutions. The executing agency will submit to the MIF a final project status report within days after project completion, describing the main outcomes achieved, the sustainability plan, and the lessons learned **closing workshop** will be scheduled for the end of project execution to evaluate outcomes obtained and actions required to enhance the project's impact.
- 6.2 **Evaluation.** Subject to the Bank's no objection, the executing agency will contract a consultant within the first three months of execution to design the monitoring and evaluation system and develop the baseline. The evaluation system will be based on the SIMPLED, developed by the MIF local competitiveness promotion cluster and on the logical framework and will analyze the following aspects: (i) the relevance, effectiveness, and level of fulfillment of project objectives; (ii) the quality of services offered; (iii) project sustainability (in technical, economic-financial, social, and institutional terms) once the MIF contribution ends; (iv) opportunities to expand or replicate the experience; and (v) impacts achieved.

- 6.3 The project provides for two evaluations to be conducted by a specialized consultant selected and hired directly by the Bank. The first evaluation will be conducted once 50% of the total has been disbursed or 24 months from the first disbursement, whichever occurs first. The final evaluation will be conducted once 90% of the contribution has been disbursed or three months prior to the last disbursement, whichever occurs first.
- 6.4 **Accounting and audit.** The executing agency will submit audited financial statements when 50% of the funds have been disbursed and at the end of project execution. The MIF will finance the audits. The executing agency must maintain a separate accounting system for the project based on a chart of accounts previously agreed upon with the Bank, and record all transactions financed from the contribution and local counterpart, broken down out by investment component.

VII. BENEFICIARIES AND RISKS

- 7.1 **Beneficiaries.** The project will directly benefit 500 small producers in Guatemala's Region VI, most of them indigenous, through training activities, the creation of networks, and specific innovation and modernization subprojects. In addition, the public-private projects are expected to more broadly benefit sectors considered strategic and/or value chains and local competitiveness initiatives. The project will also directly benefit the public entities associated with local economic development in the participating municipios of the region, in particular: the Economic, Tourism, Environment, and Natural Resources Development Commissions and local branches of central government agencies. More generally, the RNGG will benefit from the development of a more effective working methodology that it can replicate in other regions.
- 7.2 **Risks.** The main risks facing this operation are: (i) execution risk, in view of potential difficulties in effectively collaborating with municipal entities and coordinating with the competitiveness boards' strategies; and (ii) demand risk, due to the potential difficulty on the part of entrepreneurs in agreeing on collective actions and the resulting lack of demand for the activities of Component 2. Mitigating factors: (i) for the first risk, coordination and training activities are planned for public and private entities. Also, the first component provides incentives to encourage concrete interagency cooperation focused on outcomes and staggered according to the demands of the productive sector; (ii) the second risk is addressed through specific activities under component 2, in particular confidence-building activities, support in establishing networks of enterprises, potential subsidies for the producers' networks established, a coordinator to assist in preparing the proposals to be presented, and support in developing the proposals selected.

VIII. ENVIRONMENTAL AND SOCIAL CONSIDERATIONS

- 8.1 The project focuses primarily on territorial development as a whole as opposed to the direct resolution of social or environmental problems in the regions. However, the project is strongly committed to the principle of sustainable development of producers in Guatemala's Region VI, most of whom are indigenous. In view of the fact that exploitation of natural resources may have an environmental impact, the project will finance the dissemination of good environmental management practices, clean production, and sustainable exploitation of agricultural products (see paragraph 3.5).
- 8.2 The project will also promote job safety and gender inclusiveness, and will not finance activities that violate Guatemalan social or environmental laws. In addition, according to the eligibility criteria for business projects to be supported through Component 2, the environmental impacts must be neutral or positive. (See Operating Regulations, paragraphs 2.7a.v. and 2.12.a.v.)

**GU-M1030 – GU-T1143 - LOGICAL FRAMEWORK
SUPPORT FOR COMPETITIVENESS IN GUATEMALA’S SOUTHWEST REGION**

Narrative summary	Verifiable indicators	Means of verification	Assumptions
<p>Goal: Help improve competitiveness in Guatemala’s southwest region by applying a local economic development (LED) approach as a means to increase income and generate employment.</p>	<p>Two years after project completion:</p> <ul style="list-style-type: none"> Producers in the three linkages have increased profits by at least 20% on average. Fourteen of the public-private coordinating entities created or strengthened by the project continue operating and facilitating LED processes. 	<ul style="list-style-type: none"> Project impact evaluation. Monitoring and evaluation system reports. Minutes of meetings of public-private coordinating entities. 	<ul style="list-style-type: none"> The international economic crisis does not produce an economic crisis in Guatemala that impedes producers’ growth. Public-private efforts in the context of competitiveness boards succeed in attracting public and private funds to sustain their interventions.
<p>Purpose: Improve the competitiveness of 500 producers and entrepreneurs in the southwest region’s key sectors by building their capacity and promoting public-private partnerships (PPPs).</p>	<p>At the end of the project:</p> <ul style="list-style-type: none"> Fifty percent of the municipios in the project’s area of intervention earmark municipal budget funds to activities related to territorial competitiveness. Sales volumes in the three linkages increase by at least 25% on average. Participating enterprises increase productivity by at least 20% on average. Project activities have helped increased the number of units sold by 20%. <p>Note: The indicators will be adjusted based on the project baseline established by the consulting assignment.</p>	<ul style="list-style-type: none"> Midterm and final evaluations. Monitoring and evaluation system reports. Municipal budgets. Baseline of productivity levels and value and volume of enterprises’ sales. 	<ul style="list-style-type: none"> The competitiveness boards are able to connect with relevant municipal and departmental actors in a common agenda. The municipalities are interested in taking part in the project and the mayors become involved in key processes. The business climate remains stable during project execution.
<p>Component I: Development of mechanisms for public-private coordination to promote LED.</p>	<ul style="list-style-type: none"> Awareness-building as to the need for joint action and promotion of the PDA by month 24. Three facilitators contracted to establish the competitiveness boards have been trained by month six, and an additional three trained by month 12. Ten local competitiveness improvement projects have been designed by month 21, and an additional 10 by month 27. Approximately 170 competitiveness board members have been trained over the life of the project. 	<ul style="list-style-type: none"> Midterm and final evaluations. Semiannual status reports. Agreements establishing competitiveness boards. Competitiveness boards’ work plans Minutes of monthly meetings. Reports of competitiveness board facilitators. 	<ul style="list-style-type: none"> The macroeconomic and political environment remains stable. Public and private actors are interested in actively participating in the competitiveness boards and continue to be interested and to participate throughout the project. The competitiveness boards obtain the counterpart funding required to finance competitiveness projects.

	<ul style="list-style-type: none"> • Seminars, visits, and working meetings of the competitiveness boards by month 18, with financing thereafter expected from the municipalities and GGs. • Four local competitiveness projects have been financed by the competitive fund by month 24, and an additional four by month 30. <table border="1" data-bbox="541 410 1020 755"> <thead> <tr> <th>Competitiveness boards' agendas prepared</th> <th>Municipal</th> <th>Departmental</th> </tr> </thead> <tbody> <tr> <td>Month 18</td> <td>7 boards and agendas</td> <td>3 boards</td> </tr> <tr> <td>Month 24</td> <td>7 boards and agendas</td> <td>3 agendas and 3 additional boards</td> </tr> <tr> <td>Month 30</td> <td></td> <td>3 agendas</td> </tr> </tbody> </table> <ul style="list-style-type: none"> • At least 14 municipios within the project area have basic documents for managing local economic development by month 36. 	Competitiveness boards' agendas prepared	Municipal	Departmental	Month 18	7 boards and agendas	3 boards	Month 24	7 boards and agendas	3 agendas and 3 additional boards	Month 30		3 agendas	<ul style="list-style-type: none"> • .Facilitator contracts. • Departmental competitiveness agendas. • Documents and reports from local competitiveness improvement projects. • Projects selected and cofinanced. 	
Competitiveness boards' agendas prepared	Municipal	Departmental													
Month 18	7 boards and agendas	3 boards													
Month 24	7 boards and agendas	3 agendas and 3 additional boards													
Month 30		3 agendas													
<p>Component II: Development of linkages and improvement of productivity.</p>	<ul style="list-style-type: none"> • Diagnostic assessment of the three linkages has been completed by month 12. • At least four new producer business and/or trade associations have been legally established in the three sectors by month 21. • At least six producer business and/or trade associations have been strengthened in the three sectors beginning in month 12. • Work plans for the three sectors (initially wood, produce, and regional products) have been prepared by month 15. • The linked groups of enterprises improve productivity by at least 10% by month 36 and by an additional 10% or more by month 48. • Two productive projects have been financed for each linkage by month 48. 	<ul style="list-style-type: none"> • Midterm and final evaluations. • Monthly progress reports on each linkage. • Diagnostic assessments and work plans for each of the three linkages. • Legal instruments establishing producer organizations and the minutes of their meetings. • Training records (training plan, attendance lists, photographs). • Licenses and quality certificates issued. • Projects selected and cofinanced. 	<ul style="list-style-type: none"> • There are enterprises and organizations interested in forming linkages in the selected productive sectors. • There are no inter-group conflicts preventing consolidation of the project collaboration strategies. • The linkages succeed in consolidating their activities through the financing of initiatives. • Stakeholders remain willing and able to pay for technical assistance and training services and cofinance projects. 												

<p>Component III: Market access. Implementation of the marketing system.</p>	<ul style="list-style-type: none"> • The market studies for the three linkages have been completed by month 24. • At least six trademarks and package designs (two per sector) have been designed, registered, and licensed by month 36. • A marketing enterprise has been established for the three sectors by month 36. • At least 15 individuals have received training and support in the marketing system by month 13. • At least two new markets have been opened for each of the production linkages by month 36. • Seventy percent of the enterprises from the three linkages have received marketing assistance. • Project activities have helped increase sales by 10% by month 36 and 25% by month 48. 	<ul style="list-style-type: none"> • Midterm and final evaluations. • Semiannual project status reports (PSR). • Market studies. • Reports on participation in trade fairs and market prospecting. • Trademarks and packaging designed or redesigned. • Legal instruments establishing the marketing enterprise. • Attendance lists, photographs, and training reports. 	<ul style="list-style-type: none"> • The producers are willing to make the changes required in their production and marketing processes. • National and international market conditions are stable. • The producers are willing to pay for services received.
<p>Component IV: Knowledge management, training, and dissemination.</p>	<ul style="list-style-type: none"> • One hundred individuals in each of the 14 municipios have participated in activities to raise awareness of LED and the project strategy. • At least three proposal presentations have been given at national and international events. • At least 10 municipios outside the area of project activities have become interested in the competitiveness board methodology by month 48. • The project activities are viewed favorably by 90% of the mayors of participating municipios. 	<ul style="list-style-type: none"> • Project midterm and final evaluations, including survey of mayors. • Baseline documentation. • Documents for systematizing the experiences. • Informational videos. • Website. • Reports on sharing experiences. • Documentation of communication strategy design. • Semiannual progress report. 	<ul style="list-style-type: none"> • The beneficiary producers and competitiveness boards are interested in sharing experiences. • Such exchanges encourage actors to participate in the project. • National and international events relating to the productive sectors are held during project execution

<u>ACTIVITIES</u>			
<p>Component I: Development of mechanisms for public-private coordination to promote LED.</p> <p>1.1 Design of strategy to establish public-private partnerships.</p> <p>1.2 Heightening of actors' awareness to create competitiveness boards.</p> <p>1.3 Training for consultants in establishing and supporting competitiveness boards.</p> <p>1.4 Establishment of and support for competitiveness boards.</p> <p>1.5 Updating of municipal local economic development agendas.</p> <p>1.6 Preparation and/or update of departmental local economic development agendas.</p> <p>1.7 Preparation of local competitiveness improvement projects for the competitiveness boards.</p> <p>1.8 Training for competitiveness board members.</p> <p>1.9 Board seminars, visits, and working meetings.</p> <p>1.10 Competitively awarded fund for local competitiveness.</p>	<p>MIF: US\$117,500 ICR: US\$117,500 Counterpart: US\$223,000 TOTAL US\$458,000</p> <ul style="list-style-type: none"> • The organizational structure and operation of municipal and departmental competitiveness boards have been defined in the first month. • Videos, cable programs, and brochures have been designed by month 24. • Awareness-raising meetings have been held with at least 14 municipal and 6 community development committees by month 24. • Twenty competitiveness boards formed (14 municipal and six departmental): 10 by month 18, and an additional 10 by month 24. • Six departmental competitiveness agendas have been established: 3 by month 2 and an additional 3 by month 3. • Twenty local competitiveness improvement projects have been prepared by month 21; 8 local competitiveness improvement projects have been adequately financed by the competitively awarded fund by month 30. <p>Forty-eight months from the start of the project:</p> <ul style="list-style-type: none"> • At least 170 members of competitiveness boards have received training in LED topics. 	<ul style="list-style-type: none"> • Agreements establishing the competitiveness boards. • Competitiveness board LED work plans. • Minutes of monthly meetings. • Reports of competitiveness board facilitators. • Documentation of the strategy to establish public-private partnerships. • Departmental competitiveness agendas. • Documents and reports from local competitiveness improvement projects 	<ul style="list-style-type: none"> • Public and private actors are interested in actively participating in the competitiveness boards and continue to be interested and participate throughout the project. • The fund to finance local competitiveness improvements receives the counterpart funds necessary for execution.

<p><u>Component II: Development of linkages and improvement of productivity.</u></p> <p>Integration of linkages:</p> <p>2.1. Consulting assignment for integration and strengthening of linkages.</p> <p>2.2. Establishment and strengthening of business and/or trade associations.</p> <p>2.3. Consulting assignment to prepare diagnostic assessments of linkages and work plans.</p> <p>2.4. Training on production organization, marketing, management, and finance</p> <p>2.5. Workshops, visits, and working meetings for organizational technical assistance.</p> <p>2.6. Support for community promotion groups.</p> <p>2.7. Implementation of linkages' work plans.</p> <p>2.8. Financing for productive projects.</p>	<p>MIF: US\$214,300 ICR: US\$214,300 Counterpart: US\$213,200 TOTAL: US\$641,800</p> <p>Eighteen months from the start of the project:</p> <ul style="list-style-type: none"> • A diagnostic assessment of each linkage has been prepared by month 12. • Work plans have been developed for the linkages by month 15. • The three production linkages have been established by month 18 (initially wood, produce, and regional products). • Productive projects have been prepared by month 18. <p>Thirty-six months from the start of the project:</p> <ul style="list-style-type: none"> • Legal and administrative consulting services have been provided to member associations of the three linkages beginning in month 18. • Two productive projects have been financed for each linkage by month 24. <p>Forty-eight months from the start of the project:</p> <ul style="list-style-type: none"> • At least 500 producers who have received specialized training on the subject of linkages and productive improvements have increased sales by an average of 25% by implementing the work plans and receiving support from the community promotion groups. 	<ul style="list-style-type: none"> • Monthly progress reports on each linkage. • Diagnostic assessments and work plans for each of the three linkages. • Requests to join the linkages. • Aide-memoires of working meetings. • Legal instruments establishing producer organizations, and the minutes of their meetings. • Training records (training plan, attendance lists, photographs). • Technological innovation and pilot project documents. • Minutes of committee evaluating projects. • Reports from the legal and administrative consulting assignment. 	<ul style="list-style-type: none"> • There are enterprises and organizations interested in forming linkages in the selected productive sectors. • There are no inter-group conflicts preventing consolidation of the project collaboration strategies. • The linkages succeed in consolidating their activities through the financing of initiatives.
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<p>Component III: Market access.</p> <p>3.1. Preparation of market studies.</p> <p>3.2. Trademark, packaging design, and licensing.</p> <p>3.3. Implementation of marketing system.</p> <p>3.4. Technical assistance for national and international marketing.</p> <p>3.5. Participation and organization of trade shows, trade missions, and marketing events.</p> <p>3.6. Access to commercial information.</p> <p>3.7. Internships.</p> <p>3.8. Establishment of a marketing firm (technical-legal consulting assignment).</p> <p>3.9. Sales promotion (product advertising, preparation of trade fairs).</p>	<p>MIF: US\$117,375 ICR: US\$117,375 Counterpart: US\$30,000 TOTAL: US\$264,750</p> <p>Specific commercial information for the products in the linkages beginning in month 18.</p> <p>Twenty-four months from the start of the project:</p> <ul style="list-style-type: none"> Diagnostic assessment of production has been prepared for each linkage detailing the options for establishing commercial agreements. Three market studies (one per linkage) have been completed to serve as the basis for the marketing strategy. <p>Thirty-six months from the start of the project:</p> <ul style="list-style-type: none"> Marketing plans have been prepared. At least 6 trademarks and packaging designs (two per linkage) have been designed or redesigned by month 36. <p>Forty-eight months from the start of the project:</p> <ul style="list-style-type: none"> Participation in at least six trade fairs (two per linkage). At least nine commercial internships (three per linkage) have been supported by paying transportation expenses for university students supporting market research. 	<ul style="list-style-type: none"> Diagnostic assessment to improve production and quality control. Market studies. Consultants' reports on technical assistance in marketing. PSR. Reports on participation in trade fairs and market prospecting. Trademarks and packaging designed or redesigned. Licenses and quality certificates issued. Attendance lists, photographs, and training reports. 	<ul style="list-style-type: none"> The producers are willing to make the changes required in their production and marketing processes. International market conditions are stable. The business owners are willing to participate in joint actions. The business owners are interested in participating in training activities.
<p>Component IV: Knowledge management, training, and dissemination</p> <p>4.1 Preparation and application of methodology to systematize experiences.</p> <p>4.2 Sharing of experiences at national events (2). Participation by two competitiveness board representatives at international LED events.</p> <p>4.3 Design and implementation of communication strategy.</p>	<p>MIF: US\$86,675 ICR: US\$86,675 Counterpart: US 15,000 TOTAL: US\$188,350</p> <ul style="list-style-type: none"> A 45-month technical consulting assignment has been contracted for monitoring and evaluation. A 36-month consulting assignment has been contracted to systematize experiences. The project baseline is established by month 12. 	<ul style="list-style-type: none"> Baseline documentation. Documentation for systematization of experiences. Informational video. Reports on exchanges of experiences. Documentation of communication strategy design. Surveys of mayors Semiannual progress report. 	<ul style="list-style-type: none"> The beneficiary producers and competitiveness boards are interested in taking part in sharing of experiences. National and international events relating to the productive sectors are held during project execution. Events relating to LED are held and project participants are able to attend.

<p>4.4 Individual responsible for monitoring and evaluation (includes design).</p> <p>4.5 Project baseline.</p>	<ul style="list-style-type: none">• Two national events have been held by the project competitiveness boards by month 36 and month 42.• Two competitiveness board representatives gain knowledge of local economic development experiences from other countries and replicate them nationally by month 18 and month 24.• The project activities are viewed favorably by 90% of the mayors of participating municipios.• At least three presentations of the proposal have been given at national and international events by month 48.• The MIF manual of indicators for the Local Economic Development cluster has been adapted by month 48.		
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GU-M1030 - GU-T1143 Itemized budget
Support for Competitiveness in Guatemala's Southwest Region

	Unit of Measure	Quantity	Timeframe (months)	Unit Cost (monthly)	TOTAL COST	MIF	ICR	COUNTERPART	IN KIND	CASH
COMPONENT I. Development of mechanisms for public-private coordination to promote local economic development in Guatemala's southwest region										
Design of public-private partnership building strategy	Consulting assignment	1	3	\$ 2,000.00	\$ 6,000.00	\$ -		\$ 6,000.00	\$ -	\$ 6,000.00
Heightening of actors'awareness to create competitiveness boards	Events	-	-	\$ -	\$ 20,000.00	\$ 5,000.00	\$ 5,000.00	\$ 10,000.00	\$ 10,000.00	\$ -
Training of consultants to create and support competitiveness boards	Events	-	-	\$ -	\$ 4,000.00	\$ 1,000.00	\$ 1,000.00	\$ 2,000.00	\$ 2,000.00	\$ -
Establishment of and support for competitiveness boards	Consulting assignment	6	12	\$ 1,000.00	\$ 72,000.00	\$ 36,000.00	\$ 36,000.00	\$ -	\$ -	\$ -
Updating of municipal local economic development agendas	Consulting assignment	14		\$ 2,000.00	\$ 28,000.00	\$ -	\$ -	\$ 28,000.00	\$ 14,000.00	\$ 14,000.00
Preparation of departmental local economic development agendas	Consulting assignment	6	3	\$ 2,000.00	\$ 36,000.00	\$ -	\$ -	\$ 36,000.00	\$ 36,000.00	\$ -
Preparation of projects to improve local competitiveness	Consulting assignment	20	3	\$ 1,000.00	\$ 60,000.00	\$ 15,000.00	\$ 15,000.00	\$ 30,000.00	\$ 30,000.00	\$ -
Training for competitiveness board members	Training	-	-	\$ -	\$ 20,000.00	\$ 7,500.00	\$ 7,500.00	\$ 5,000.00	\$ 5,000.00	\$ -
Board workshops, visits, and working meetings	Meetings	20	12	\$ 50.00	\$ 12,000.00	\$ 3,000.00	\$ 3,000.00	\$ 6,000.00	\$ 6,000.00	\$ -
Fund to finance local competitiveness improvements	Competitively awarded fund	8	-	\$ 25,000.00	\$ 200,000.00	\$ 50,000.00	\$ 50,000.00	\$ 100,000.00	\$ -	\$ 100,000.00
SUBTOTAL					\$ 458,000.00	\$ 117,500.00	\$ 117,500.00	\$ 223,000.00	\$ 103,000.00	\$ 120,000.00
COMPONENT II. Development of linkages and improvement of productivity										
Consulting assignment for integration and strengthening of linkages	Consulting assignment	3	44	\$ -	\$ 160,000.00	\$ 80,000.00	\$ 80,000.00	\$ -	\$ -	\$ -
Establishment and strengthening of business and/or trade associations	Consulting assignment	6	-	\$ -	\$ 15,000.00	\$ 7,500.00	\$ 7,500.00	\$ -	\$ -	\$ -
Consulting assignment to prepare diagnostic assessments of linkages and prepare work plans	Consulting assignment	3	3	\$ 4,000.00	\$ 36,000.00	\$ 18,000.00	\$ 18,000.00	\$ -	\$ -	\$ -
Training in production organization, marketing, management, and finance	Training	-	-	\$ -	\$ 50,000.00	\$ 20,000.00	\$ 20,000.00	\$ 10,000.00	\$ 10,000.00	\$ -
Workshops, visits, and working meetings for organizational technical assistance	Meetings	3	42	\$ 200.00	\$ 25,200.00	\$ 6,300.00	\$ 6,300.00	\$ 12,600.00	\$ 6,300.00	\$ 6,300.00
Support for community promotion groups	Consulting assignment	14	36	\$ 150.00	\$ 75,600.00			\$ 75,600.00	\$ 75,600.00	\$ -
Implementation of linkage work plans	Consulting assignment	-	42	\$ -	\$ 100,000.00	\$ 37,500.00	\$ 37,500.00	\$ 25,000.00	\$ -	\$ 25,000.00
Financing for productive projects	Competitively awarded fund	6	-	\$ 30,000.00	\$ 180,000.00	\$ 45,000.00	\$ 45,000.00	\$ 90,000.00	\$ -	\$ 90,000.00
SUBTOTAL					\$ 641,800.00	\$ 214,300.00	\$ 214,300.00	\$ 213,200.00	\$ 91,900.00	\$ 121,300.00
COMPONENT III. Market access										
Preparation of market studies	Consulting assignment	3	4	\$ 4,000.00	\$ 48,000.00	\$ 24,000.00	\$ 24,000.00	\$ -	\$ -	\$ -
Trademark, packaging design, and licensing	Consulting assignment	-	-	\$ -	\$ 20,000.00	\$ 10,000.00	\$ 10,000.00	\$ -	\$ -	\$ -
Implementation of marketing system	Consulting assignment	-	-	\$ -	\$ 10,000.00	\$ 5,000.00	\$ 5,000.00	\$ -	\$ -	\$ -
Technical assistance for national and international marketing	Consulting assignment	1	36	\$ -	\$ 48,750.00	\$ 24,375.00	\$ 24,375.00	\$ -	\$ -	\$ -
Participation and organization of trade shows, trade missions, and marketing events	Event	-	-	\$ -	\$ 60,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 10,000.00	\$ 10,000.00
Access to commercial information	Service	-	-	\$ -	\$ 15,000.00	\$ 7,500.00	\$ 7,500.00	\$ -	\$ -	\$ -
Support for internships	Internships	-	-	\$ -	\$ 18,000.00	\$ 9,000.00	\$ 9,000.00	\$ -	\$ -	\$ -
Creation of marketing firm	Legal consulting	-	-	\$ -	\$ 25,000.00	\$ 10,000.00	\$ 10,000.00	\$ 5,000.00	\$ 5,000.00	\$ -
Sales promotion (product advertisement)	Contract	-	-	\$ -	\$ 20,000.00	\$ 7,500.00	\$ 7,500.00	\$ 5,000.00	\$ -	\$ 5,000.00
SUBTOTAL					\$ 264,750.00	\$ 117,375.00	\$ 117,375.00	\$ 30,000.00	\$ 15,000.00	\$ 15,000.00
COMPONENT IV. Knowledge management, training, and dissemination										
Preparation and application of methodology to systematize experiences	Consulting assignment	1	36	\$ -	\$ 29,250.00	\$ 14,625.00	\$ 14,625.00	\$ -	\$ -	\$ -
Sharing of national and international experiences	Event	6	-	\$ 5,000.00	\$ 33,100.00	\$ 14,050.00	\$ 14,050.00	\$ 5,000.00	\$ -	\$ 5,000.00
Sharing among competitiveness boards	Events	2	-	\$ 1,800.00	\$ 3,600.00	\$ 1,800.00	\$ 1,800.00	\$ -	\$ -	\$ -
Sharing among producers	Event	6	-	\$ 2,500.00	\$ 15,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ -	\$ 5,000.00
Two national workshops	Event	2	-	\$ 5,000.00	\$ 10,000.00	\$ 5,000.00	\$ 5,000.00	\$ -	\$ -	\$ -
Participation in three international events	Event	3	-	\$ 1,500.00	\$ 4,500.00	\$ 2,250.00	\$ 2,250.00	\$ -	\$ -	\$ -
Design and implementation of communication strategy	-	-	-	\$ 40,000.00	\$ 40,000.00	\$ 15,000.00	\$ 15,000.00	\$ 10,000.00	\$ 10,000.00	\$ -
Individual responsible for monitoring and evaluation (includes design)	Consulting assignment	1	45	\$ -	\$ 60,000.00	\$ 30,000.00	\$ 30,000.00	\$ -	\$ -	\$ -
Sustainability workshops (initial and final)	Consulting assignment	2		\$ 5,000.00	\$ 10,000.00	\$ 5,000.00	\$ 5,000.00			
Project team training/experiences and events		4		\$ 2,500.00	\$ 10,000.00	\$ 5,000.00	\$ 5,000.00			
Project baseline	Consulting assignment	1	2	\$ -	\$ 6,000.00	\$ 3,000.00	\$ 3,000.00	\$ -	\$ -	\$ -
SUBTOTAL					\$ 188,350.00	\$ 86,675.00	\$ 86,675.00	\$ 15,000.00	\$ 10,000.00	\$ 5,000.00
Component V. Administration, evaluation, and monitoring										
Project coordinator	Consulting assignment	1	54	\$ -	\$ 96,500.00	\$ 48,250.00	\$ 48,250.00	\$ -	\$ -	\$ -
Financial assistant	Consulting assignment	1	50	\$ -	\$ 58,900.00	\$ 29,450.00	\$ 29,450.00	\$ -	\$ -	\$ -
Two RNEG professionals (technical counterpart)	Consulting assignment	-	-	\$ -	\$ 48,000.00	\$ -	\$ -	\$ 48,000.00	\$ 48,000.00	\$ -
Executive board monitoring	Project	-	-	\$ -	\$ 13,500.00	\$ -	\$ -	\$ 13,500.00	\$ 13,500.00	\$ -
Per diem (lodging, travel, and meals for the entire team)	Monthly	1	48	\$ 850.00	\$ 40,800.00	\$ 20,400.00	\$ 20,400.00	\$ -	\$ -	\$ -
Office furniture and equipment	Workstation	8	-	\$ 1,500.00	\$ 12,000.00	\$ 3,000.00	\$ 3,000.00	\$ 6,000.00	\$ 6,000.00	\$ -
Office expenses	Office	1	48	\$ 1,500.00	\$ 72,000.00	\$ -	\$ -	\$ 72,000.00	\$ -	\$ 72,000.00
SUBTOTAL					\$ 341,700.00	\$ 101,100.00	\$ 101,100.00	\$ 139,500.00	\$ 67,500.00	\$ 72,000.00
Midterm and final evaluations	Consulting assignment	2	1	\$ 7,500.00	\$ 15,000.00	\$ 7,500.00	\$ 7,500.00	\$ -	\$ -	\$ -
External audits (3)	Firm	3	-	\$ 6,500.00	\$ 19,500.00	\$ 9,750.00	\$ 9,750.00	\$ -	\$ -	\$ -

	Unit of Measure	Quantity	Timeframe (months)	Unit Cost (monthly)	TOTAL COST	MIF	ICR	COUNTERPART	IN KIND	CASH
Closing workshop, presentation of outcomes	Event	1	-	\$ -	\$ 3,000.00	\$ 1,500.00	\$ 1,500.00	\$ -	\$ -	\$ -
Contingencies		-	-	\$ -	\$ 23,870.00	\$ 11,935.00	\$ 11,935.00	\$ -	\$ -	\$ -
SUBTOTAL					\$ 61,370.00	\$ 30,685.00	\$ 30,685.00	\$ -	\$ -	\$ -

	Unit of Measure	Quantity	Timeframe (months)	Unit Cost (monthly)	TOTAL COST	MIF	ICR	COUNTERPART	IN KIND	CASH
Training on financial management and procurement	Consulting assignment	1	1	\$ 5,000.00	\$ 5,000.00	\$ 2,500.00	\$ 2,500.00			
MIF local development cluster	MIF	-	-	\$ -	\$ 25,000.00	\$ 12,500.00	\$ 12,500.00	\$ -	\$ -	\$ -
Impact evaluation	Consulting assignment	1	2	\$ 6,730.00	\$ 6,730.00	\$ 3,365.00	\$ 3,365.00	\$ -	\$ -	\$ -
SUBTOTAL					\$ 36,730.00	\$ 18,365.00	\$ 18,365.00	\$ -	\$ -	\$ -
Grand total (dollars)					\$ 1,992,700.00	\$ 686,000.00	\$ 686,000.00	\$ 620,700.00	\$ 287,400.00	\$ 333,300.00
Participation percentages					MIF	34%				
					ICR CONTRIBUTION	34%			0.46	0.54
					LOCAL COUNTERPART	32%				
					TOTAL	100%				