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MULTILATERAL INVESTMENT FUND

URUGUAY

INNOVATIVE SOLUTIONS FOR SMALL FOOD RETAILERS

(UR-M1016)

DONORS MEMORANDUM

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INFORMATION AVAILABLE IN THE MIF TECHNICAL FILES

- ◆ Draft Operating Regulations (includes the principal terms of reference)
- ◆ CAMBADU bylaws
- ◆ CESI minutes
- ◆ Procurement plan (Annex IV)

ABBREVIATIONS

BDS	Business development services
CAMBADU	Centro de Almaceneros Minoristas, Baristas, Autoservicistas y Afines del Uruguay [Center for Shopkeepers, Barkeepers, Supermarket Operators, and Allied Trades of Uruguay]
CESI	Committee on Environment and Social Impact
ICT	Information and communication technology
PEU	Project executing unit

INNOVATIVE SOLUTIONS FOR SMALL FOOD RETAILERS (UR-M1016)

EXECUTIVE SUMMARY

Executing agency:	Centro de Almaceneros Minoristas, Baristas, Autoservicistas y Afines del Uruguay [Center for Shopkeepers, Barkeepers, Supermarket Operators, and Allied Trades of Uruguay] (CAMBADU).	
Beneficiaries:	The direct beneficiaries of the program are 300 businesses that will implement a management system based on information and communication technologies (ICT). The beneficiaries will also include 100 business owners in at least three cities outside the capital who will receive business development services, and two institutions in countries of the region that, in response to the IDB/MIF initiative, will receive the CAMBADU model for replication. The indirect beneficiaries of the program will be the segments of the population that are neighborhood business customers, who will have access to a better supply of goods and services.	
Program objectives:	The general objective of the project is to help strengthen the competitiveness of micro, small, and medium-sized enterprises in the neighborhood retail business sector in Uruguay. The purpose is to further the professional development of retail food business owners through the design and integration of innovative management tools, particularly those involving ICT.	
Description:	The project will achieve these objectives through four components: (i) design of ICT tools for the neighborhood retail business; (ii) training and technical assistance in ICT use for business owners; (iii) professional development of the sector through collective management tools; and (iv) program dissemination.	
Amount and source:	MIF Window III-A:	US\$498,000 (60%)
	CAMBADU counterpart:	<u>US\$337,810 (40%)</u>
	Total:	US\$835,810 (100%)
Execution timetable:	Execution period:	36 months
	Disbursement period:	42 months

Special contractual conditions:	As conditions precedent to the first disbursement, the executing agency will submit evidence to the Bank's satisfaction that: (i) the project executing unit (PEU) has been established, and its staff selected, as indicated in paragraph 4.3; (ii) the project Operating Regulations have been approved by the CAMBADU board of directors and are in effect; and (iii) the project execution plan and annual work plan are in effect.
Exceptions to Bank policies:	None.
Environmental and social review:	The Committee on Environment and Social Impact (CESI) approved this operation at its 10 March 2006 meeting (CESI 10-06).
Coordination with other donors:	None.

I. BACKGROUND AND RATIONALE

A. The retail business in Uruguay

- 1.1 The neighborhood retail food business in Uruguay consists of neighborhood groceries, shops, supermarkets, cafes, bars, and restaurants. It represents 9%¹ of micro, small, and medium-sized enterprises and accounts for 66% of the mass consumer goods market. Large-surface superstores have the remaining 34%. In Montevideo there are an estimated 8,300 establishments, but just 3,600 of them, or about 43%, are registered as formal businesses. Of these, 2,130 (60%) are members of the Centro de Almaceneros Minoristas, Baristas, Autoservicistas y Afines del Uruguay [Center for Shopkeepers, Barkeepers, Supermarket Operators, and Allied Trades of Uruguay] (CAMBADU). Another 160 businesses throughout the country are also members of CAMBADU. These establishments' average net earnings are around US\$800/month, with an average of 3 employees in shops, 8 in supermarkets, and 10 in cafes, bars, and restaurants.
- 1.2 In a first project supported by MIF resources, CAMBADU successfully introduced a business development services (BDS) area comprising specialized services, tailored to the enterprises operating in the sector and meeting the needs identified seven years ago. These services are now fully autonomous and financed with the enterprises' own resources through payment by the clients themselves. This project was implemented mainly in Montevideo, with training and technical assistance on a smaller scale in other departments of Uruguay.² One of the principal outcomes is that the business owners have passed on their efficiency gains to end-consumer prices. Thus, according to a Nielsen survey conducted in 2005, prices in neighborhood businesses are 5% to 9% lower than in large supermarkets.
- 1.3 Enterprises with very different characteristics in terms of their infrastructure, size, origin, location, management methods, owners' level of training and business acumen, growth and survival strategies, etc. coexist in neighborhood business. Historically—from the immigrants of the past century to those unemployed as a result of the deindustrialization process caused by the recession or contraction of the government—this economic sector has represented an occupational alternative for those seeking to create a job and source of income for themselves. Retail food enterprises are constantly springing up without promotion and/or encouragement, even under inadequate conditions, and so in many cases are very short-lived. In Uruguay, therefore, this sector constitutes a real poverty-reduction strategy.
- 1.4 All enterprises in the sector, regardless of their characteristics, have significant weaknesses when it comes to the adoption of information and communication technologies (ICT) in their business management, hampering their management and competitiveness. Even in the case of enterprises with a more innovative profile, the

¹ Data extracted from the Uruguay Business Census conducted in October 2004 by Consultora Id Retail.

² Services were provided to 1,170 different enterprises through: 282 training courses and workshops attended by 5,183 people; 662 requests for technical assistance; and 200 retail outlets integrated into buying exchanges.

only ICT tool that they utilize is point-of-sale hardware and software. With specially designed ICT tools, business owners could improve their management; incorporate monitoring of profitability, margins, break-even points, margins by product categories and families, the share of these categories and families in invoicing and profitability, management by categories and product range; buy and sell online; etc.

- 1.5 The possibility of generating benchmarking data and indicators, with centralized business data processing, so that each enterprise knows where it stands in relation to the sector as a whole, given its size, geographical location, etc., represents a fundamental qualitative leap. With this information businesses could, for example, know whether their profitability is low, whether there are categories that are underrepresented or should be included in their product range, whether they are losing sales because of poor space management, etc.
- 1.6 CAMBADU has the critical mass of clients to achieve major economies of scale, and the sector knowledge and specialization to undertake such an initiative in addition to the program already executed. Uruguay's human resources are highly skilled and experienced in information technology in general and ICT in particular, so this program also builds on a country strength. Informal talks have been held with the Software Chamber on utilizing the capacity created within it with support from the other MIF project.
- 1.7 This project is relevant for neighborhood business, because it will make the sector's small and medium-sized enterprises more competitive through skills development based on access to the use and adoption of innovative tools, particularly ICT.

B. Program rationale and approach

- 1.8 With the first MIF project, CAMBADU showed that it is possible to introduce innovation and skills development in a traditional sector such as the retail business, yielding benefits for end consumers as reflected in lower prices, and serving in this way as a poverty-reduction tool.
- 1.9 There is no doubt that the incorporation of knowledge through technology use will improve the efficiency and profitability of these enterprises and that they cannot individually afford the development effort and adaptation required by these tools.

C. Strategy of the MIF and the Bank

- 1.10 The proposed project is consistent with the Bank's country strategy for Uruguay in that it supports the sustained growth of small business owners by promoting competitiveness gains. It also meets the needs of low-income populations, since improving the efficiency of neighborhood businesses is expected to lower the costs of products for these populations.
- 1.11 This project is part of the MIF's Technology for Business Development cluster. The project design has taken into account the lessons learned from other MIF programs seeking to make small businesses more competitive, such as: (i) utilizing

partnering as an effective cost-cutting tool and building the negotiating capacity of businesses; (ii) using ICT tools to support small business growth; (iii) ensuring that the executing agency has contact and experience in working with the beneficiaries; and (iv) establishing financial sustainability strategies for the project; in this case, establishing a payment policy for the services offered by the program. In particular, the MIF funded a project for implementation and development of an innovative virtual supply and logistics system. This Internet-based platform (ATN/ME-7956-7) sought to modernize small businesses establishments and enhance their efficiency in the administrative, technology, business, and social areas, making them more competitive so they can create jobs and become engines of development. The project has made the distribution chain more efficient in terms of business management, lower supplier transaction costs, and supplier efficiency and logistics. The ICT tools developed under it will be adapted to Uruguay, insofar as they meet the specific needs of businesses.

II. PROGRAM DESCRIPTION

A. Objectives

- 2.1 The project's **general objective** is to help strengthen the competitiveness of micro, small, and medium-sized enterprises in the neighborhood retail business sector in Uruguay. The **purpose** is to further the professional development of small food retailers through the design and integration of innovative management tools, particularly those involving information and communication technologies (ICT).
- 2.2 The project will pursue these objectives through four components: (i) design of ICT tools for the neighborhood retail business; (ii) training and technical assistance in ICT use for business owners; (iii) professional development of the sector through collective management tools; and (iv) program dissemination.

B. Description of components

Component 1: Design of ICT tools for the neighborhood retail business (MIF: US\$64,545; Local counterpart: US\$25,305)

- 2.3 The objective of this component is to design innovative ICT tools for the implementation of an information, training, advisory, and monitoring modality with an interactive, face-to-face, semivirtual, "in business," and/or distance approach, geared to the neighborhood retail business in Montevideo and elsewhere.
- 2.4 The following activities and products will be financed: (i) a consulting engagement for survey adaptation, processing and analysis, diagnostic assessment, and baseline; (ii) gathering of ICT data from all CAMBADU members: consulting engagement for sector analysis and diagnostic assessment, survey of buying groups and other partnerships; (iii) program launch, including press conference, workshop, and invitations to participate; (iv) design of central computer tools: interactive Web page, sector management and benchmarking system; (v) ICT training to advisors and trainers; (vi) design of individual computer tools: marketing, finance, human

resources, image and public relations, etc.; and (vii) purchase of central equipment for management by CAMBADU and for training.

- 2.5 The expected outcomes of this component are as follows: (i) a baseline will be set from a sample of 200 business owners; and (ii) at least two central computer tools and at least four individual computer tools will be designed specifically for neighborhood retail businesses.

Component 2: Training and technical assistance in ICT use for business owners (MIF: US\$ 224,970; Local counterpart: US\$181,105)

- 2.6 The objective is to implement an information, training, advisory, and integration modality that is more flexible, interactive, and wider in scope (face-to-face, semivirtual, “in business,” and/or distance) and considers the various stages in the life of the business.
- 2.7 The following activities and products will be financed: technical assistance for management system implementation in 300 businesses (includes periodic support): for 200 business owners with point-of-sale; for 100 business owners without point-of-sale; benchmarking system management for the sector that will operate at two levels, namely: (i) At the central level, CAMBADU will generate monthly data on and for the sector as a whole, based on input data from the participating businesses, which will constitute a sample of retail businesses. This will make it possible to assess the status and performance of such variables as: share of neighborhood business in total household expenditure, in general and by category; consumption trends; price trends (and their comparison with the prices of big supermarket chains); structure of sales, costs, and margins, total and by product families; efficiency indicators (sales per square meter, per employee, etc.); turnover; debt; liquidity, etc. This information will be useful for projections, formulation of sector strategies, negotiation and strategic partnerships with suppliers, etc. (ii) At the individual level: each enterprise will have a scalable set of indicators (dashboard), with a standard basis common to all businesses, to which will be added other indicators chosen by users in accordance with their interests and needs. They will be able to monitor the performance of their indicators on a monthly basis and will receive support/advice from a sector specialist who will assist them in formulating strategies, identifying opportunities and problems, and generating and implementing paths to improvement, etc.
- 2.8 Business owners participating in the system will receive not only their data, converted to information useful for management, but also general information on the sector, as well as benchmarking that will compare their performance in various dimensions to that of the sector as a whole. This measurement of their position—above, similar to, or below the average—with respect to each of the variables analyzed will provide strategic guidance for improvement policies.
- 2.9 The service is expected to assist business owners regardless of their situation as regards the incorporation of technology, by adapting data input, processing, and output to the existing infrastructure in each case (point-of-sale, personal computer,

or nothing). The program will seek to bring each enterprise to the following stage of technology incorporation and ICT use: technical assistance for ICT implementation (interactive Web page, tools for specific areas: financial, marketing, human resources) in 150 businesses (includes periodic support); training in the use of ICT tools for 300 businesses; preparation and equipping of classrooms for ICT training; provision of support by CAMBADU to business owners in the drafting of loan applications and negotiations for the purchase of equipment and software; an advisor for Web-based distance queries; contracting of interns; and materials for dissemination.

- 2.10 The expected outcomes of this component are as follows: (i) 300 enterprises will use the ICT-based management system; (ii) 150 enterprises will use individual ICT tools; (iii) the sector statistics system will be continually updated and accessible from the management system demos disseminated to CAMBADU members; and (iv) CAMBADU will provide distance services to its members through an interactive Web page.

Component 3: Professional development of the sector through collective management tools (MIF: US\$47,500; Local counterpart: US\$58,500)

- 2.11 The objective is to promote the horizontal and vertical integration of micro, small, and medium-sized enterprises in the sector through the use of ICT tools. To this end the following activities and outputs will be financed: (i) gathering, generating, analyzing, and disseminating data on the business sector (environment, sector, business operations); (ii) consulting engagement to develop a quality label; (iii) consulting engagements on partnership building: technical assistance and training activities for groups of business owners; (iv) promotion of partnering (vertical and horizontal); and (v) a competition to develop innovative ideas for existing groups of enterprises.
- 2.12 The expected outcomes of this component are as follows: (i) 10 buying groups and partnerships will establish new agreements with suppliers; (ii) 5 groups will form strategic partnerships with enterprises in other, related sectors; (iii) 12 groups will use ICT tools in their business operations; and (iv) 70 enterprises will meet the quality standards for the sector, generating a demonstration effect.

Component 4: Project dissemination (MIF: US\$22,980; Local counterpart: US\$12,000)

- 2.13 This component seeks to promote similar models of support for owners of small businesses and stores, which constitute a large percentage of micro and small enterprises in Latin American and Caribbean countries, where professional development levels are low.
- 2.14 The following activities and products will be financed: (i) a consulting engagement on packaging the CAMBADU model; (ii) promotion in at least three cities in Uruguay (travel and per diem allowances and training of trainers (workshops and materials)); and (iii) promotion in at least two Latin American and Caribbean

countries and one regional workshop (travel and per diem allowances, training of trainers, and materials).

- 2.15 The expected outcomes of this component are as follows: (i) 100 business owners from at least 3 cities will have access to BDS; (ii) 20 business owners from at least 3 cities will use ICT tools; and (iii) 2 institutions in Latin American and Caribbean countries will receive the CAMBADU model in order to replicate it.

III. COST AND FINANCING

- 3.1 The total program budget is US\$835,810 (100%), of which the MIF will contribute US\$498,000 (60%) in nonreimbursable resources. CAMBADU will contribute US\$337,810 (40%) as the local counterpart with at least 50% of that amount in cash. The CAMBADU contribution in kind will cover mainly administrative expenses, support for ICT training of staff, preparation of loan applications, management of the benchmarking system, and consulting services on building partnerships. The MIF resources will finance the design of sector-appropriate ICT tools, training and technical assistance for business owners, the development of a quality label for businesses, and much of the project dissemination activities.

Program Budget (in US\$)

Budget categories	MIF	CAMBADU	TOTAL	%
Component 1: Design of ICT tools for the neighborhood retail business	64,545	25,305	89,850	10.8%
Component 2: Training and technical assistance in ICT use for business owners	224,970	181,105	406,075	48.6%
Component 3: Professional development of the sector through collective management tools	47,500	58,500	106,000	12.7%
Component 4: Project dissemination	22,980	12,000	34,980	4.2%
Project executing unit	104,400	60,900	165,300	19.8%
Evaluation	12,300	-	12,300	1.5%
Closing workshop	5,000	-	5,000	0.6%
Audits	9,225	-	9,225	1.1%
Contingencies	7,080	-	7,080	0.8%
TOTAL	498,000	337,810	835,810	100%

- 3.2 The project will be sustainable to the extent that three essential criteria are met: (i) creation of an innovative business services market based particularly on ICT; (ii) creation of an institutional structure that provides effective ICT-based services with the requisite levels of quality and innovation; and (iii) the existence of clients willing and able to seek out and pay for these services.

IV. EXECUTING AGENCY AND MECHANISM

A. Executing agency

- 4.1 The executing agency for this program is Centro de Almaceneros Minoristas, Baristas, Autoservicistas y Afines del Uruguay [Center for Shopkeepers, Barkeepers, Supermarket Operators, and Allied Trades of Uruguay] (CAMBADU), a 113-year-old nonprofit business association led by a Board of Directors consisting of 20 honorary business owners. It has 3,102 members—2,300 of them going concerns—and 76 staff members. It provides the following services: registration, procedures, accreditation, settlements, and payments to all public agencies; legal, notarial, accounting, and architectural advisory services; member enterprise accounting; agreements with various banking, credit card, health, educational, wholesale, and service institutions, etc. All these services have been and are fully self-financed, as is the business development services (BDS) line introduced with MIF support. According to the latest balance sheet, as of 30 June 2005, the CAMBADU annual budget is US\$1,051,000, financed entirely with its own resources.
- 4.2 CAMBADU will: (i) directly supervise the progress of the project through the project executing unit; (ii) track the project measurement and monitoring parameters based on the recommendations of the consulting engagements included in Component 1; (iii) compile and process the data enabling the program impact to be assessed against the baselines ultimately recommended and approved; (iv) continually monitor project progress based on the criteria set in the Logical Framework contained in Annex I of this Donors Memorandum; and (v) endorse the six-month progress reports prepared by the project executing unit in accordance with the Bank's standard reporting requirements.

B. Execution mechanism

- 4.3 The project will have a project executing unit (PEU) with the following functions: (i) prepare and execute the annual work plans; (ii) coordinate project activities; (iii) conduct and supervise procurement of goods and services in accordance with Bank rules; (iv) supervise the timely and effective execution of project components; (v) process disbursement requests to the Bank; (vi) prepare and submit statements of account and management reports to the Bank; and (vii) monitor the performance indicators set out in the Logical Framework. The PEU will consist of a general coordinator and an administrative/accounting assistant, who will be contracted in accordance with the Bank's rules.
- 4.4 The **general coordinator** will report to the CAMBADU directors and will have the following functions: (i) assume overall responsibility for project execution and plan, organize, execute, monitor, and verify all project activities; (ii) manage project activities; (iii) conduct selection and procurement procedure for goods and services, individual consultants, and consulting firms; (iv) supervise and verify the consultants' work; (v) monitor budget management using established procedures;

(vi) process disbursement requests for Bank's contribution; (vii) prepare statements of account on the use of resources; (viii) prepare administrative and technical reports for the Bank; (ix) ensure the rational use of operating resources in order to meet the project targets; (x) represent the PEU in dealings with all public and private agencies and institutions essential to the project's viability, and with the Bank and the MIF; and (xi) monitor the fulfillment of the project performance indicators and objectives set out in the Logical Framework.

- 4.5 The **administrative/accounting assistant** will have the following functions: (i) keep records of activities and indicators for project management and monitoring; (ii) keep project records in accordance with the chart of accounts approved by the Bank; (iii) prepare basic information for the preparation of periodic project reports; (iv) prepare project disbursement requests for submission to the Bank, coordinating the requirements for each component; (v) reconcile bank statements and handle all account administration matters; and (vi) perform all activities assigned by the general coordinator within his or her specific area.

C. Project readiness

- 4.6 The need for neighborhood food businesses to adopt ICT tools in order to stay competitive has become increasingly apparent in the past two years. So that the project can meet the real needs of these business owners, CAMBADU has conducted surveys of the demand among enterprises in this sector and the supply available on the market. On the demand side, information was gathered from a sample of 730 businesses in Montevideo and 90 elsewhere in the country, especially the metropolitan area, concerning, first, whether or not hardware and software are available and their features and use, and, second, ICT tool needs as a function of the business's characteristics (size, level of computerization, product categories, location, etc.). The program design is in keeping with the actual local conditions observed.

D. Execution and disbursement periods

- 4.7 The proposed program will have a 36-month execution period and a 42-month disbursement period. Based on the projected needs of program execution, a revolving fund of up to 10% equivalent of the MIF contribution will be opened and managed as a separate account.

E. Procurement

- 4.8 **Consulting services and goods.** For the procurement of goods and services financed by the project, CAMBADU will follow the Bank procedures established in the "Policies for the procurement of works and goods financed by the IDB" (document GN-2349-7) and "Policies for the selection and contracting of consultants financed by the IDB" (document GN-2350-7). For contracts of less than US\$20,000, the selection and procurement processes will be subject to post review by the Bank, except for the first three procurements, which will be subject to prior

review. CAMBADU will prepare a detailed procurement plan to be approved by the Bank. The Procurement Plan is attached as Annex IV.

V. MONITORING AND EVALUATION

A. Monitoring

- 5.1 The Bank's Country Office in Uruguay will be responsible for supervision and oversight, monitoring of compliance with contractual provisions, processing of disbursement requests, and receiving audited financial statements. CAMBADU will be responsible for compiling and analyzing pertinent information for continual monitoring of the indicators set out in the program's Logical Framework (Annex I). It will also submit six-month progress reports both on the activities financed by the MIF and on those supported by CAMBADU, in accordance with the Bank's standard reporting requirements. These reports will be used for program tracking and preparation of the program completion report in accordance with Bank rules.

B. Evaluation

- 5.2 The Bank will contract two (2) consulting engagements for the project midterm and final evaluations, using resources under the "Evaluation" and "Audits" budget items. The midterm evaluation will be done once at least 50% of the MIF resources have been disbursed, or after 18 months of execution, whichever occurs first. Its objective will be to verify the performance of activities using the Logical Framework indicators as a benchmark for the use of resources, delivery of products and services, and achievement of objectives in terms of impact on beneficiaries and other stakeholders.
- 5.3 The midterm evaluation will focus on: (i) the progress of project activities; (ii) the performance of Logical Framework indicators; (iii) the local counterpart's compliance with the *pari passu* requirement of the Operating Regulations; (iv) the assignment by CAMBADU of the necessary staff to the project in keeping with its counterpart responsibilities; and (v) the level of satisfaction of the beneficiary business owners. This report will also indicate any corrective action needed to ensure proper project execution. Based on the external evaluations and the six-month progress reports, the Country Office in Uruguay will, with support from CAMBADU, determine whether the program should continue, be suspended, or be cancelled. The final evaluation will focus on: (i) the level of execution of program activities; (ii) the fulfillment of specific objectives; (iii) the program's impact on participating enterprises; (iv) user satisfaction; and (v) the sustainability of the actions promoted by the project once the MIF contribution is complete.

VI. BENEFITS AND RISKS

- 6.1 **Project benefits.** The program will make neighborhood businesses more competitive, which will be reflected in a stronger sector, a decrease in the failure

- rate, an increase in the longevity of enterprises, improved performance, and a better products and services for the public.
- 6.2 **Beneficiaries.** The direct beneficiaries of the program are: 300 businesses that will implement an ICT-based management system; 150 businesses that will have access to individual information and use of ICT tools; 70 enterprises that will work on the implementation of a CAMBADU quality label; and 15 groups that will use collective management tools. The beneficiaries also include 100 business owners in at least three cities outside the capital who will receive business development services, and two institutions in countries of the region that, in response to the IDB/MIF initiative, will receive the CAMBADU model for replication. The indirect beneficiaries of the program will be the segments of the population that are neighborhood business customers, who will have access to a better supply of goods and services.
- 6.3 Businesses associated with the subsectors represented in CAMBADU will be eligible in all cases. With the exception of businesses outside the capital and groups, preference will be given to CAMBADU members, but this will not be an eligibility requirement if the business is willing to pay for the services. Broader sector criteria will apply to businesses outside the capital, which may access services through their local business/manufacturing centers and/or SME associations, but CAMBADU membership will not be required or preferred. Depending on their nature and purpose, beneficiary groups may include some enterprises in other lines of business, and do not necessarily have to be members of CAMBADU.
- 6.4 **Risks.** The program carries potential risks that: (i) once the economic crisis has passed, the supermarket chains will compete more aggressively; (ii) the government's announced price controls will create market distortion; and (iii) the businesses do not have sufficient resources to invest in purchases of hardware, software, and connectivity.
- 6.5 To mitigate these risks: (i) the strengthening of neighborhood businesses will seek to make them more competitive, even with the big supermarket chains; this has been the experience of the previous CAMBADU project, and this project is based on that experience; (ii) the project will support the implementation of benchmarks as a basis for pricing, inventory control, and merchandise management in small businesses; moreover, as an association, CAMBADU has bargaining power with regard to public policy issues that may affect the competitiveness of the sector; and (iii) one of the project activities is to support businesses in applying for loans to purchase equipment. Once it has been shown that computers are a tool for improving competitiveness, businesses are expected to have an incentive for purchasing them.

VII. ENVIRONMENTAL AND SOCIAL REVIEW

- 7.1 The Committee on Environment and Social Impact (CESI) reviewed this operation at its 10 March 2006 meeting (CESI 10-06), and determined that it carries no environmental risks and will have a positive social impact, given its support for low-income individuals in Uruguay.

LOGICAL FRAMEWORK

INNOVATIVE SOLUTIONS FOR SMALL FOOD RETAILERS (UR-M1016)

Narrative summary	Indicators	Means of verification	Assumptions
Goal			
The general objective is to help strengthen the competitiveness of small and medium-sized enterprises in the neighborhood retail business sector in Uruguay.	Three years after project-end: 1. The neighborhood retail business will maintain its market share.	1. Post evaluation 2. Production statistics on the retail business sector	1. There is no major deterioration in the macroeconomic scenario.
Purpose			
The specific objective is to further the professional development of small food retailers through the design and integration of innovative management tools, particularly those involving information and communication technologies (ICT).	Participating business owners report, on average, the following results relative to their baselines: 1. A 10% increase in business profitability. 2. Customers' buying power is 5% higher (measured against a basket of eight basic products). 3. At least 80% of enterprises receiving support report a high level of satisfaction with ICT tools and CAMBADU services.	1. Six-month progress reports by the executing agency 2. Midterm and final project evaluation reports 3. Baseline data 4. Oversight system reports on project management and monitoring 5. Project performance monitoring reports (PPMR) and project completion report (PCR) for the project	1. Business owners are willing to pay for part of the services developed and offered by the project. 2. There are no excessive increases in the basket of products offered by businesses. 3. Customer buying power remains the same or increases.
Components			
1. Design of ICT tools for the neighborhood retail business.	6 months after the first disbursement: 1.1 The baseline is set from a sample of 200 business owners. 12 months after the first disbursement: 1.2 At least two central computer tools and at least four individual computer tools have been designed specifically for neighborhood retail businesses.	1. Six-month progress reports 2. Sector diagnostic assessments 3. Baseline study 4. Project performance monitoring reports (PPMR) and project completion report (PCR) for the project 5. Midterm and final evaluations	1. Business owners confirm their participation in the project. 2. Qualified personnel are available to prepare the baselines.

Narrative summary	Indicators	Means of verification	Assumptions
<p>2. Training and technical assistance in ICT use for business owners.</p>	<p>12 months after the first disbursement:</p> <p>2.1 30 enterprises have been trained in the implementation of ICT tools for individual use.</p> <p>14 months after the first disbursement:</p> <p>2.2 The sector statistics system is continually updated and accessible from the management system demos disseminated to CAMBADU members.</p> <p>24 months after the first disbursement:</p> <p>2.3 150 enterprises are utilizing the ICT-based management system.</p> <p>2.4 CAMBADU is providing distance services to its members through the interactive Web page.</p> <p>36 months after the first disbursement:</p> <p>2.5 300 enterprises are utilizing the ICT-based management system.</p> <p>2.6 150 enterprises are utilizing ICT tools for individual use.</p>	<p>1. Retailers' business plans</p> <p>2. Six-month progress reports</p> <p>3. PPMR and PCR for the project</p> <p>4. Midterm and final evaluations</p>	<p>1. Retail food businesses participating in the training and technical assistance events are willing and able to pay.</p> <p>2. Local or national entities are willing to contribute the resources that they have agreed to provide for training and technical assistance.</p>
<p>3. Professional development of the sector through collective management tools.</p>	<p>18 months after the first disbursement:</p> <p>3.1 At least 25 enterprises have introduced the quality label.</p> <p>36 months after the first disbursement:</p> <p>3.2 10 buying and partnership groups have established new agreements with suppliers.</p> <p>3.3 5 groups have established strategic partnerships with enterprises in related sectors.</p> <p>3.4 12 groups are using ICT tools in their business operations.</p> <p>3.5 70 enterprises meet the quality standards for the sector, generating a demonstration effect.</p>	<p>1. Six-month progress reports</p> <p>2. Oversight system reports on program management and monitoring</p> <p>3. Business owner satisfaction survey</p> <p>4. Information and software systems for businesses</p> <p>5. PPMR and PCR for the project</p>	<p>1. Price levels of products remain the same.</p> <p>2. Individual enterprises maintain their commitments to the group.</p> <p>3. Enterprises are willing to pay for the services received.</p>

Narrative summary	Indicators	Means of verification	Assumptions
<p>4. Program dissemination.</p>	<p>6 months after the first disbursement:</p> <p>4.1 The management and monitoring system is up and running.</p> <p>36 months after the first disbursement:</p> <p>4.2 At least 100 business owners from at least 3 cities have access to business development services.</p> <p>4.3 At least 20 business owners from at least 3 cities are utilizing ICT tools.</p> <p>4.4 At least 2 institutions in Latin American and Caribbean countries have received the CAMBADU model for replication.</p>	<p>1. Six-month progress reports</p> <p>2. Oversight system reports on program management and monitoring</p> <p>3. Business owner satisfaction survey</p> <p>4. Information and software systems for businesses</p> <p>5. PPMR and PCR for the project</p>	<p>1. Other associations are interested in replicating the model.</p>
Activities			
<p>Component 1. Design of ICT tools for the neighborhood retail business</p> <ul style="list-style-type: none"> Consulting engagement for survey adaptation, processing and analysis, diagnostic assessment, and baseline Gathering of ICT data from all CAMBADU members: consulting engagement for sector analysis and diagnostic assessment Survey of buying groups and other partnerships Program launch, including press conference, workshop, invitations to participate Design of central computer tools: interactive Web page, sector management and benchmarking system Design of computer tools: marketing, finance, human resources, image and public relations, etc. ICT training to advisors and trainers Purchase of central equipment for management by CAMBADU and for 	<p>Total: US\$89,850 MIF: US\$64,545 Counterpart: US\$25,305</p> <ul style="list-style-type: none"> Project executing unit team formed at the end of month 1: the project director, information technology chief, administrative/accounting assistant Baseline by month 4 Sector diagnostic assessment on ICT issues by month 5 Partnership groups assessment by month 5 Project launch by month 6 Management system for sector information by month 12 Management system for sector information by month 12 Individual computer tools designed by month 11, for 200 enterprises with point-of-sale and 100 without point-of-sale Training of 15 advisors and 5 interns by month 12: 3 for classroom training, 1 coordinator, 1 director, 3 from CAMBADU and 7 external 	<p>1. Program work plan</p> <p>2. Six-month progress reports</p> <p>3. Baseline reports</p> <p>4. Business owner assessments</p> <p>5. Training workshop evaluations</p> <p>6. Inspection visits</p>	<ul style="list-style-type: none"> Local experts trained to work with business owner groups are available. Business owners are interested in participating in the project, including those not members of UNDETCO.

Narrative summary	Indicators	Means of verification	Assumptions
training	- Purchase of 1 server, 12 computers, 5 laptops, 3 printers, and the software and security system by month 7		

Narrative summary	Indicators	Means of verification	Assumptions
<p>Component 2. Training and technical assistance in ICT use for business owners</p> <ul style="list-style-type: none"> • Technical assistance for management system implementation in 300 businesses (includes periodic support): for 200 business owners with point-of-sale; for 100 business owners without point-of-sale • Benchmarking system management for the sector • Technical assistance for ICT implementation (interactive Web page, tools for specific areas: financial, marketing, human resources) in 150 businesses (includes periodic support) • Training in the use of ICT tools for 300 businesses • Preparation and equipping of classrooms for ICT training • Provision of support by CAMBADU to business owners in the drafting of loan applications and negotiations for the purchase of equipment and software • An advisor for Web-based distance queries • Contracting of interns • Dissemination materials 	<p>Total: US\$406,075 MIF: US\$224,970 Counterpart: US\$181,105</p> <ul style="list-style-type: none"> - Assistance provided by a team consisting of: the project director, the information technology chief, 1 senior advisor and 2 junior advisors, 5 interns - 150 enterprises with an ICT-based management system implemented by month 24 - 300 enterprises with an ICT-based management system implemented by month 36 - Benchmarking system implemented and turned over to CAMBADU staff by month 12 - 150 enterprises have implemented ICT tools, including: interactive Web page, tools for specific areas: financial, marketing, human resources, from month 12 to month 30. - Classroom training in ICT tools provided by CAMBADU to 300 enterprises from month 8 to month 30; in the management system, from month 12 - CAMBADU classroom prepared in month 7 - 100 business owners will purchase equipment and/or software for implementing ICT solutions by month 24. - 100 distance queries per month through the interactive Web page in month 24 and twice as many in month 36 - Interns contracted by month 12 - Communication about the program starting in month 2; 1 issue of the program services magazine per year 	<ol style="list-style-type: none"> 1. Six-month progress reports 2. Technical advisory services reports 3. Records of user enterprises' satisfaction with technical advisory services 4. Evaluations of training workshops 5. Inspection visits 6. Monitoring reports by sample of business owner groups 	<ul style="list-style-type: none"> • Business owners are capable of paying the percentages established for training and technical assistance services. • Trainers and advisors are interested in supporting the small business sector.

Narrative summary	Indicators	Means of verification	Assumptions
<p>Component 3: Professional development of the sector through collective management tools.</p> <ul style="list-style-type: none"> Gathering, generating, analyzing, and disseminating data on the business sector (environment, sector, business operations) Consulting engagement to develop a quality label Consulting engagement on implementation of customer service Consulting engagement on building partnerships: technical assistance and training activities for groups of business owners; promotion of partnering (vertical and horizontal) A competition to develop innovative ideas for existing groups of enterprises 	<p>Total: US\$106,000 MIF: US\$47,500 Counterpart: US\$58,500</p> <ul style="list-style-type: none"> Subscriptions to three specialized magazines beginning in month 3 Purchase of 30 books on business management, retail, marketing, ICT for the sector by month 24 Participation by the director and the information technology chief in events and specialized seminars on the sector by month 36 Specialized consulting engagement to formulate quality standards and parameters for the sector, provision of support to 25 enterprises in implementation of the quality label, and periodic verification by month 24 Implementation of the quality label in 70 enterprises by month 36 3 consulting engagements at US\$2,500 each. Outputs disseminated to at least 500 enterprises by month 30 Assistance in the formation and/or consolidation of 15 groups of enterprises, with implementation of innovative ways of working together by month 30 1 competition for ideas involving products/services/business formats/group businesses per year 	<ol style="list-style-type: none"> Six-month progress reports Specialized advisory services reports Survey results Dissemination materials Inspection visits 	<ul style="list-style-type: none"> Business owners are interested in forming partnerships. CAMBADU remains interested in the professional development of its members.

Narrative summary	Indicators	Means of verification	Assumptions
<p>Component 4: Project dissemination</p> <ul style="list-style-type: none"> Consulting engagement on packaging the CAMBADU model Promotion in at least 3 cities in Uruguay Travel and per diem allowances Training of trainers (workshops and materials) Promotion in at least 2 Latin American and Caribbean countries and one regional workshop Travel and per diem allowances Training of trainers (workshops and materials) 	<p>Total: US\$34,980 MIF: US\$22,980 Counterpart: US\$12,000</p> <ul style="list-style-type: none"> - Systematized model by month 24 - Promotion and training workshops in at least 3 cities outside the capital of Uruguay that are willing to cofinance replication of the model by month 30 - Promotion and training workshops in at least 2 Latin American and Caribbean countries that are willing to cofinance replication of the model by month 36 - Presentation of the business owners support model at an international workshop in month 36 	<ol style="list-style-type: none"> Six-month progress reports Specialized advisory services reports Materials for dissemination in workshops Systematized data systems Inspection visits 	<ul style="list-style-type: none"> Other associations are interested in replicating the model both in Uruguay and in other countries.

**INNOVATIVE SOLUTIONS FOR SMALL FOOD RETAILERS
(UR-M1016)**

BUDGET

		MIF	CAMBADU Counterpart			TOTAL	% of total
			In cash	In kind	Subtotal		
1	Component 1: Design of ICT tools for the neighborhood retail business	64,545	19,305	6,000	25,305	89,850	10.8%
1.1	Consulting engagement for survey adaptation, processing and analysis, diagnostic assessment, and baseline	3,000	-	-	-	3,000	0.4%
1.2	Survey of buying groups and other partnerships	1,500	-	-	-	1,500	0.2%
1.3	Program launch, including press conference, workshop, invitations to participate	5,000	5,000	-	5,000	10,000	1.2%
1.4	Gathering of ICT data from all CAMBADU members: consulting engagement for sector analysis and diagnostic assessment	-	-	2,000	2,000	2,000	0.2%
1.5	Design of central computer tools: interactive Web page, sector management system	24,000	-	-	-	24,000	2.9%
1.6	Design of individual computer tools: marketing, finance, human resources, image and public relations, etc.; information technology experts	10,000	-	-	-	10,000	1.2%
1.7	Purchase of central equipment for management by CAMBADU and for training	21,045	14,305	4,000	18,305	39,350	4.7%
2	Component 2: Training and technical assistance in ICT use for business owners	224,970	106,600	74,505	181,105	406,075	48.6%
2.1	Information technology chief	-	54,000	-	54,000	54,000	6.5%
2.2	Technical assistance for management system implementation in 300 businesses (includes periodic support)	100,000	-	-	-	100,000	12.0%
2.2.1	For business owners with point-of-sale	80,000	-	-	-	80,000	9.6%
2.2.2	For business owners without point-of-sale	20,000	-	-	-	20,000	2.4%
2.3	Technical assistance for the implementation of other ICT tools in 150 businesses (includes periodic tracking)	37,500	-	-	-	37,500	4.5%
2.4	Benchmarking management system for the sector	-	9,000	9,000	18,000	18,000	2.2%
2.5	Management system maintenance and hosting	12,000	-	-	-	12,000	1.4%
2.6	Web page maintenance, hosting and updating	7,500	13,500	-	13,500	21,000	2.5%

		MIF	CAMBADU Counterpart			TOTAL	% of total
			In cash	In kind	Subtotal		
2.7	Training in the use of ICT tools for 300 businesses	18,900	-	18,900	18,900	37,800	4.5%
2.8	Preparation and equipping of classrooms for ICT	-	7,000	-	7,000	7,000	0.8%
2.9	Internet connection training	-	2,100	-	2,100	2,100	0.3%
2.10.	Equipment maintenance	-	3,000	-	3,000	3,000	0.4%
2.11.	Provision of support by CAMBADU to business owners in the drafting of loan applications and negotiations for the purchase of equipment and software	-	-	30,000	30,000	30,000	3.6%
2.12.	Advisor for Web-based distance queries	11,070	-	16,605	16,605	27,675	3.3%
2.13	Contracting of interns	20,000	-	-	-	20,000	2.4%
2.14	Materials for dissemination	18,000	18,000	-	18,000	36,000	4.3%
3	Component 3: Professional development of the sector through collective management tools	47,500	22,500	36,000	58,500	106,000	12.7%
3.1	Gathering, generating, analyzing, and disseminating data on the business sector (environment, sector, business operations)	12,000	15,000	-	15,000	27,000	3.2%
3.2	Consulting engagement to develop a quality label for 75 enterprises	17,500	-	-	-	17,500	2.1%
3.3	Consulting engagement on implementation of customer service	-	7,500	-	7,500	7,500	0.9%
3.4	Consulting engagements on partnership building: technical assistance and training activities for groups of business owners; promotion of partnering (vertical and horizontal)	18,000	-	12,000	12,000	30,000	3.6%
3.5	Competition to develop innovative ideas for existing groups of enterprises	-	-	24,000	24,000	24,000	2.9%
4	Component 4: Project dissemination	22,980	-	12,000	12,000	34,980	4.2%
4.1	Consulting engagement on packaging the CAMBADU model	-	-	12,000	12,000	12,000	1.4%
4.2	Promotion in at least three regions of Uruguay	10,680	-	-	-	10,680	1.3%
4.2.1	Travel and per diem allowances	1,680	-	-	-	1,680	0.2%
4.2.2	Training of trainers (workshops and materials)	9,000	-	-	-	9,000	1.1%
4.3	Promotion in at least two Latin American and Caribbean countries and one regional workshop	12,300	-	-	-	12,300	1.5%
4.3.1	Travel and per diem allowances	12,300	-	-	-	12,300	1.5%
4.3.2	Training of trainers (workshops and materials)	-	-	-	-	-	0.0%
5	Project executing unit	104,400	21,300	39,600	60,900	165,300	19.8%
5.1	Program director	102,000	8,700	-	8,700	110,700	13.2%
5.2	Program assistant	-	-	28,800	28,800	28,800	3.4%
5.3	Equipment	2,400	-	-	-	2,400	0.3%

		MIF	CAMBADU Counterpart			TOTAL	% of total
			In cash	In kind	Subtotal		
5.4	Leasing	-	-	10,800	10,800	10,800	1.3%
5.5	Operating costs	-	12,600	-	12,600	12,600	1.5%
6	Evaluations and audits	33,605	-	-	-	33,605	4.0%
6.1	Evaluations	12,300	-	-	-	12,300	1.5%
6.1.1	Midterm evaluation	6,150	-	-	-	6,150	0.7%
6.1.2	Final evaluation	6,150	-	-	-	6,150	0.7%
6.2	Closing workshop	5,000	-	-	-	5,000	0.6%
6.3	Audits	9,225	-	-	-	9,225	1.1%
6.4	Contingencies	7,080	-	-	-	7,080	0.8%
	TOTAL	498,000	169,705	168,105	337,810	835,810	100%
	% SHARE	59.6%	20.3%	20.1%	40.4%		

SIMILAR AND RELATED PROJECTS
URUGUAY: INNOVATIVE SOLUTIONS FOR SMALL FOOD RETAILERS (UR-M1016)

A. Similar or related MIF projects in Uruguay

Project number / date of approval	Title of project, executing agency and amount	Date of signing, original disbursement period and extensions in months	Percentage disbursed	Comments
<u>ATN/ME-6604-UR</u> 4-Aug-99	Business Development Center Program Manufacturers Association of Uruguay (CIU) US\$1,266,000	4-Nov-99 54 11	100%	Program execution was satisfactory because the major objectives were met and the predetermined critical mass of businesses and entrepreneurs were successfully incorporated as beneficiaries. In the context of the 2000-2002 economic recession and great uncertainty as to the economic future of their businesses, the entrepreneurs now place greater value on the business development center as a source of outside support for improving competitiveness within their businesses, without waiting for a better macroeconomic environment to improve their financial position.
<u>ATN/ME-7423-UR</u> 16-May-01	Information Technology Company Startup Program Laboratorio Tecnológico del Uruguay [Technology Laboratory of Uruguay] (LATU) US\$946,000	26-Jun-01 42 30	74%	Project progress continues at a swift pace, receiving new impetus from a partnership with the Uruguayan Chamber of Information Technologies (CUTI). Solicitations were issued with CUTI for partnership projects on internationalization and, more recently, for a video games tender. The MIF approved both activities, leading to an extension of the project execution period.
<u>ATN/ME-7424-UR</u> 16-May-01	Business Development Program for the Software Industry Uruguayan Software Association (CUS) US\$891,000	26-Jun-01 42 7	100%	Nearly all project targets have been met, despite the fact that the assumption of a stable macroeconomic environment did not hold. The initial relative lag in meeting conditions precedent, coupled with the economic crisis, resulted only in slight delays of certain activities, leading to a 12-month total extension of the execution period.

Project number / date of approval	Title of project, executing agency and amount	Date of signing, original disbursement period and extensions in months	Percentage disbursed	Comments
<u>ATN/ME-9558-UR</u> 2-Dec-05	Technology Transfer System for the Agriculture Sector Using ICTs Instituto Plan Agropecuario US\$100,000	15-Mar-06 24 0	20%	In this period, the project addressed issues of internal and external coordination, meeting contractual requirements, coordinating with the Inter-American Institute for Cooperation in Agriculture (IICA) on monitoring and the makeup of the in-house technical team, and weighing options and technical issues relating to the courses. This project is more complex, in that a series of consulting engagements early in the project (next six months) must be coordinated up front, and a knowledge and experience base built up for ongoing use by the project technical team on activities in other areas.

B. Similar or related Bank projects in Uruguay

Project number	Title of project, executing agency and amount	Date of approval and disbursement period	Objective
UR-0110	Technology Development Program Ministry of Education and Culture (MEC) US\$30 million (IDB)	13-Dec-00 5 years	The general objective of the technology development program is to help mobilize the country's innovative capacity with the goals of boosting the competitiveness of small and medium-sized enterprises (SMEs) that produce goods and services and improving the conditions for science and technology development. Increased capacity for innovation will be achieved through the generation, use and adaptation of new technologies in production, management and distribution processes and through science and technology activities.
UR-L1030	Technology Development Program II Ministry of Education and Culture (MEC) US\$30 million (IDB)	In preparation by RE1/FI1 (<i>Pipeline</i> 2007A)	This operation will continue the activities begun under the Technology Development Program I, with the following components: (1) innovation and competitiveness support for businesses; (2) science and technology development; and (3) integration and dissemination of technological innovations and applied research.

C. MIF Technology for Business Development (TECH) cluster projects

Project number / date of approval	Title of project, executing agency and amount	Date of signing, original disbursement period and extensions in months	Percentage disbursed	Comments
<u>ATN/ME-7956-RG-1</u> 24-Jul-02	ICT Innovation Program for e-Business and SME Development Inter-American Development Bank US\$525,479	24-Jul-02 54 0	76%	Program to enhance the competitiveness of the region's SMEs. The planned two rounds for project selection are complete, and are considered a best practice.
<u>ATN/ME-7956-RG-2</u> 24-Jul-02	ICT4BUS Pilot Project (ME) - LANIA Veracruz Coffee Laboratorio Nacional de Informática Avanzada [National Laboratory for Advanced Information Technology] (LANIA) US\$368,700	15-Aug-03 30 13	99%	Project to support certification, quality control, and marketing activities for the Veracruz Coffee appellation of origin. The project is in its final phase, and execution has been highly satisfactory.
<u>ATN/ME-7956-RG-3</u> 24-Jul-02	ICT4BUS Pilot Project (AR) - ACDI Meat Exportation Asociación Cultural para el Desarrollo Integral [Cultural Association for Integral Development] (ACDI) US\$490,000	28-Jul-03 30 8	100%	Project to make Argentine meat more competitive on the international market through development of a traceability system. The project is in its final phase, and execution has been highly satisfactory.
<u>ATN/ME-7956-RG-4</u> 1-Mar-04	ICT4BUS Pilot Project (CH) - CCS Web Services Santiago Chamber of Commerce US\$302,000	1-Mar-04 30 7	70%	Project to help SMEs improve productivity and competitiveness through access to innovative logistics management and business management technology tools. To date, activities are proceeding as planned.

Project number / date of approval	Title of project, executing agency and amount	Date of signing, original disbursement period and extensions in months	Percentage disbursed	Comments
<u>ATN/ME-7956-RG-5</u> 1-May-03	ICT4BUS Pilot Project (VE) - FUNDES Pharmacy Sector Fundación para el Desarrollo Sostenible [Sustainable Development Foundation] (FUNDES) US\$229,000	18-Jun-03 30 14	53%	Project to strengthen the business model and competitiveness of independent SMEs in the pharmacy sector using an Internet-based platform. The project had problems in the startup phase, due to political instability in Venezuela. Action has been taken to ensure that targets are met.
<u>ATN/ME-7956-RG-6</u> 1-May-03	ICT4BUS Pilot Project (BR) - FAT Electronic Commerce Fundación Andrés Tosello [Andrés Tosello Foundation] (FAT) US\$435,000	4-Jun-03 30 0	20%	Project to promote SME competitiveness through e-commerce.
<u>ATN/ME-7956-RG-7</u> 1-May-03	ICT4BUS Pilot Project (CO) - FUNDECOMERCIO Virtual Provisioning and Logistics Fundación Centro Para el Desarrollo Tecnológico Comercio Turismo y Servicios [Foundation of the Center for Technological Development of Business, Tourism and Services] (FUNDECOMERCIO) US\$411,000	16-Jun-03 30 9	100%	Project to improve the supply chain processes of small retailers (neighborhood stores or small supermarkets) using an Internet based platform. The project is in its final phase, and execution has been highly satisfactory.

Project number / date of approval	Title of project, executing agency and amount	Date of signing, original disbursement period and extensions in months	Percentage disbursed	Comments
<u>ATN/ME-7956-RG-8</u> 16-Jul-04	ICT4BUS Pilot Project: Inca Homeland Project - Access to the Tourism Market Asociación Civil Khipu [Khipu Association] US\$197,150	16-Jul-04 30 0	72%	Project to improve the competitive position of tourism SMEs of the Machu Picchu destination. Administrative problems have been solved, and project execution is satisfactory.
<u>ATN/ME-7956-RG-9</u> 6-Aug-04	ICT4BUS Pilot Project: Fundação de Desenvolvimento da Pesquisa Fundação de Desenvolvimento da Pesquisa [Research Development Foundation] US\$351,733	6-Aug-04 30 0	94%	Project to develop low-cost open source systems for SMEs. Project execution is satisfactory.
<u>ATN/ME-7956-RG-10</u> 24-Jul-02	ICT4BUS Pilot Project: External Trade Facilitation and Development in Guatemala Asociación Gremial de Exportadores No Tradicionales [Union of Nontraditional Exporters] US\$436,000	30-Mar-05 30 0	0%	The project started recently with only the counterpart contribution.

Project number / date of approval	Title of project, executing agency and amount	Date of signing, original disbursement period and extensions in months	Percentage disbursed	Comments
<u>ATN/ME-7956-RG-11</u> 18-Jun-04	ICT4BUS Pilot Project: Creative SMEs Monterrey Institute of Technology and Advanced Studies (ITESM) US\$413,700	18-Jun-04 30 8	76%	Project to develop new ICT-based business models for SMEs in manufacturing. Project execution is currently satisfactory.
<u>ATN/ME-7956-RG-12</u> 1-Jul-04	ICT4BUS Pilot Project: 'Productive E-Chain' Project University of Guadalajara US\$320,400	1-Jul-04 30 6	75%	Project to enhance the individual competitiveness of SMEs and integrate their value chain using ICT. Project execution is satisfactory.
<u>ATN/ME-7956-RG-14</u> 10-Aug-04	ICT4BUS Pilot Project: ICT Platform Centro de Productividad Integral (CEPRI) US\$370,096	10-Aug-04 30 16	90%	Project to enhance the efficiency, management capacity, and cost structure of SMEs, as well as promote partnering and productive linkages. To date, activities are proceeding as planned.
<u>ATN/ME-7978-CO</u> 7-Aug-02	Support for Business Performance Through the Use of Information and Communication Technologies Confederation of Colombian Chambers of Commerce (CONFECÁMARAS) US\$1 million	10-Oct-02 42 0	100%	Project to increase the performance of Colombian SMEs by encouraging the formation of business communities through the use of information technologies and electronic commerce. To date, project execution is highly satisfactory.
<u>ATN/ME-8081-PN</u> 30-Oct-02	Electronic Commerce Development Panamanian Chamber of Commerce, Industry and Agriculture (CCIAP) US\$622,300	9-Jan-03 42 8	37%	Project to improve the competitiveness of Panamanian SMEs through access to e-commerce. Project execution is satisfactory.

Project number / date of approval	Title of project, executing agency and amount	Date of signing, original disbursement period and extensions in months	Percentage disbursed	Comments
<u>ATN/ME-8431-BO</u> 10-Sep-03	Developing E-Commerce Opportunities for SMEs in the Santa Cruz Region Santa Cruz Chamber of Industry, Commerce, and Services (CAINCO) US\$626,000	2-Dec-03 42 0	47%	Project to develop an innovative model for spreading the adoption of information technologies by SMEs. Project execution has been satisfactory to date, with a classification of S/P.
<u>ATN/ME-8586-HA</u> 18-Dec-03	On-Line Networks for Culture, Tourism and Commerce in Haiti PEOPLink, Haiti US\$470,400	28-Jan-04 30 0	Canceled	Project suspended. Reassignment of executing agency is still in process.
<u>ATN/ME-8762-AR</u> 7-Jul-04	Making SMEs in the Metallurgical Sector More Productive Through ICTs Association of Metallurgical Industries of the Argentine Republic (ADIMRA) US\$910,000	6-Oct-04 42 0	24%	Project to help make SMEs in Argentina's metallurgical sector more productive through the adoption of ICT tools. To date, activities are proceeding as planned.
<u>ATN/ME-9031-GU</u> 17-Dec-04	Funding to Support e-Commerce Development Chamber of Commerce of Guatemala US\$403,750	10-Jan-05 42 0	27%	Project to increase SME productivity and efficiency in Guatemala through the adoption of ICTs. Project execution is satisfactory.
<u>ATN/ME-9076-AR</u> 2-Feb-05	Government e-Procurement Support for SMEs (B2G) Assembly of Small and Medium-sized Enterprises US\$696,281	1-Jul-05 42 0	23%	This regional project is in the startup phase.

Project number / date of approval	Title of project, executing agency and amount	Date of signing, original disbursement period and extensions in months	Percentage disbursed	Comments
<u>ATN/ME-9077-CH</u> 2-Feb-05	Government e-Procurement Support for SMEs (B2G) National Chamber of Commerce of Chile US\$707,207	18-Jul-05 42 0	22%	
<u>ATN/ME-9078-PE</u> 2-Feb-05	Government e-Procurement Support for SMEs (B2G) National Chamber of Commerce of Peru US\$490,831	12-Apr-05 42 0	16%	
<u>ATN/ME-9669-BO</u> 23-Jan-06	Improving Strategic Management and Productivity of SMEs through ICTs Fundación para el Desarrollo Sostenible [Sustainable Development Foundation] (FUNDES) US\$472,595	31-Mar-06 42 0	3%	Since the agreement was signed on 31-Mar-06, FUNDES worked on the documentation to fulfill the conditions precedent, and was declared eligible on 15-Aug-06.
<u>ATN/ME-9733-RG</u> 22-Mar-06	ICT Innovation Program for e-Business and SME Development ICT4BUS-II Inter-American Development Bank US\$750,000	22-Mar-06 66 0	3%	Program to make SMEs in the Latin American and Caribbean region more competitive by expanding their access to new ICT solutions and services.
<u>ATN/MT-8127-CH</u> 4-Dec-02	Program to Strengthen Chilean e-Commerce Security and Trust Santiago Chamber of Commerce US\$1 million	1-Apr-03 42 11	58%	Project to develop security services and applications and establish self-regulation mechanisms and the use of good Internet practices. To date, activities are proceeding as planned

Project number / date of approval	Title of project, executing agency and amount	Date of signing, original disbursement period and extensions in months	Percentage disbursed	Comments
<u>ATN/MT-9120-CH</u> 9-Mar-05	Development of Electronic Invoicing System and Tax Portal for MSMEs Internal Revenue Service (SII) US\$1,279,000	9-Apr-05 42 0	8%	Project to transfer technical and managerial skills that enable Chilean SMEs to use ICTs in their accounting and tax management systems. To date, activities are proceeding as planned.