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MULTILATERAL INVESTMENT FUND  
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**COLOMBIA**

**TECHNICAL ADVICE AND TRAINING SERVICES FOR MICROENTERPRISE  
CORPORACIÓN ACCIÓN POR ANTIOQUIA - ACTUAR FAMIEMPRESAS DE  
MEDELLÍN**

**(TC-98-05-41-9)**

**DONORS MEMORANDUM**

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## ABBREVIATIONS

AM	ACTUAR FAMIEMPRESAS de Medellín [Action for Family Businesses of Medellín]
BDC	Business development centers
CTM	Comprehensive training of microentrepreneurs
DNP	Departamento Nacional de Planeación [National Planning Department]
ICE	Instituto de Capacitación para el Empleo [Employment Training Institute]
MIF	Multilateral Investment Fund
SENA	Servicio Nacional de Aprendizaje [National Training Service]
SMEs	Small and medium-sized enterprises
TAA	Technical advice and assistance
TT	Technical training
TTO	Technical training of operators

# TECHNICAL ADVICE AND TRAINING SERVICES FOR MICROENTERPRISE

(TC-98-05-41-9)

## EXECUTIVE SUMMARY

**EXECUTING AGENCY:** Corporación Acción por Antioquia, ACTUAR FAMIEMPRESAS de Medellín (AM)

**OBJECTIVES:** The project's general objective is to increase the productivity and competitiveness of microenterprises in Medellín, with particular emphasis on microenterprises in the metalworking and woodworking sectors.

<b>FINANCING:</b>	Modality:	grant
	Beneficiary:	US\$1.2 million
	MIF (Window III):	<u>US\$1.8 million</u>
	Total:	US\$3.0 million

<b>IMPLEMENTATION PERIOD:</b>	Execution period:	48 months
	Disbursement period:	54 months

**SPECIAL CONTRACTUAL CONDITIONS:** Precedent to the first disbursement, AM will submit the following to the Bank's satisfaction: (i) a detailed business plan for start-up and execution of the project; and (ii) regulations to govern delivery of the services proposed in the project.

During project execution, the following contractual conditions will apply: (i) implementation of the metalworking and woodworking technical training component will be conditional upon the market study mentioned in paragraphs 3.6 and 3.7, which must be prepared before the start of the ninth month following the date of the first disbursement; and (ii) AM will submit annual reports describing project execution the previous year and attaching the revised business plan for the following year (see paragraph 7.1).

## I. COUNTRY ELIGIBILITY

- 1.1 The Donors Committee declared the Republic of Colombia eligible for all categories of financing under the Multilateral Investment Fund (MIF).

## II. BACKGROUND

### A. Context

- 2.1 In the last four decades, the average growth rate of the Colombian economy was 4.7%. However, serious disparities in income levels and in access to basic services persist for certain socioeconomic groups who represent hardcore poverty. In recent years, Medellín's productive apparatus has been hard hit by the opening up of the economy and drug-related terrorism and, with conditions as they are, the city currently has the highest unemployment rate of the country's seven major urban centers: 16.3%
- 2.2 A study by the National Planning Department [Departamento Nacional de Planeación] (DNP), based on the 1990 economic census, found that Colombia had some 1.2 million businesses with fewer than ten employees, which accounted for 46% of national employment. It is estimated that the ten main urban areas have over 323,000 microenterprises; over 45,000 are in the city of Medellín.

### B. Supply of business development services in Medellín

- 2.3 The scant supply of business development services and technical advice and training services available for microenterprise in Medellín is neither stable nor well organized. This, combined with areas where services overlap, make it difficult to put an exact figure on the supply. One finds the following types of services: (i) management training and technical advice, almost all of which rely on the "Carvajal model" and are tied in with loans. These services are usually offered by nongovernmental organizations and agencies that provide informal training; and (ii) the technical training, administrative training and advisory services offered by the Servicio Nacional de Aprendizaje [National Training Service] (SENA), which is less targeted at microenterprise.
- 2.4 The services supplied by three other institutions that received Bank financing for business development services were also analyzed: (i) the business development centers program (BDC) - ATN/ME-4911-CO; (ii) Acción Internacional - ATN/MH-4689-RG; and (iii) the Universidad Javeriana - ATN/ME-5126-RG. The finding was that the markets and business activities they targeted were not the same as those this operation would address. In short, the conclusion drawn from the analysis of available services is that

the Medellín market has no comprehensive, stable, systematic supply of technical advice and assistance services for manufacturing microenterprises nor technical training services for microenterprises in the woodworking and metalworking sectors. It can be reasonably inferred, therefore, that the project would not face any real competition.

C. Demand for technical advice and training services in Medellín

- 2.5 The potential market for technical advice and training services in Medellín was found to be on the order of 18,000 manufacturing microenterprises <sup>1/</sup>, and 8,100 owners and operators of manufacturing microenterprises whose business is metalworking and woodworking. Both these sectors are considered to have high growth potential. With project resources, the Corporación Acción por Antioquia, ACTUAR FAMIEMPRESAS de Medellín (AM) will attempt to service approximately 5.0% of the manufacturing market and 18% of the metalworking and woodworking market.

D. Prior experiences

- 2.6 In 1991, the Bank provided AM with a loan in the amount of US\$500,000 equivalent (SP/SF-9131-CO), and nonreimbursable technical-cooperation funding in the amount of US\$103,000 (ATN/SF-3805-CO) under the Small Projects Financing Program. The loan was to finance a lending program that was fully disbursed, and is still part of AM's loan portfolio. The technical cooperation was designed to provide broad, general institutional strengthening, but was basically earmarked to strengthen AM's managerial, financial, administrative and technical capacity.

### III. OBJECTIVES AND ACTIVITIES

A. Objectives

- 3.1 The project's objective is to make microenterprises in the city of Medellín more productive and competitive, with particular emphasis on those in the metalworking and woodworking sectors. This would be accomplished by expanding the technical advice and training services now provided by AM. The project's specific objectives are: (i) to implement demand-driven comprehensive technical assistance and training programs, based on criteria of institutional sustainability; and (ii) to create the Centro de

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<sup>1/</sup> There are an estimated 47,000 microenterprises in Medellín with between two and ten employees; of these, some 18,000 are in the manufacturing sector.



Formación Técnica en Metalmecánica y Maderas [metalworking and woodworking technical training center].

B. Program activities

- 3.2 The project will finance three components: (i) a technical advice and assistance service (TAA); (ii) a technical training service (TT) for owners and operators of metalworking and woodworking microenterprises; and (iii) management support.

a. Technical advice and assistance

- 3.3 This service will offer personalized, intensive and comprehensive advisory assistance in the administrative, financial, commercial, and production areas, to at least 900 manufacturing microenterprises. The service will be provided on site, i.e., at the microenterprise itself, and will last one year in each case. The advisory services to be provided by specialized advisers will address specific problems and be coupled with services like technological and business information and news. The advisers will also help microentrepreneurs analyze their business situation and prepare and carry out a business strategy. Thus conceived, the service will correct the problems caused by piecemeal, disorganized advisory services, and will take the microenterprise-market angle.
- 3.4 The functional core of the service will be a specific number of additional advisers, expressly hired and trained for the project's purposes. They will also be strong in the administrative and production areas. Each will be assigned a group of enterprises as his or her personal responsibility, will identify and pinpoint the specialized advisory services needed and make certain that the prompt, personalized service provided fits the microentrepreneurs' needs. The service will also be supported by information provided by Promotora de Comercio Social [Alliance to Promote Social Enterprise], an AM affiliate (see paragraph 4.2).

b. Technical training in metalworking and woodworking

- 3.5 After the garment and food sectors, metalworking and woodworking are the most common businesses in Medellín with considerable room for increased demand and capable of accommodating a substantial volume of employment. Therefore, given these sectors' potential for growth, a metalworking and woodworking technical training center will be created under the project to make microenterprises in these sectors more productive and competitive. This program will complement others that AM already has in progress related to the foods industry, the garment industry and crafts. The TT service combines two basic delivery methods: (i) courses that provide comprehensive training for microentrepreneurs (CTM); and (ii) courses that provide technical training for operators (TTO).

- 3.6 The TT supply will be demand driven, as it will be based on information obtained by the technical advice and assistance service about microentrepreneurs' actual, concrete requirements. The basic machinery and equipment in the metal and wood training workshops will be technologically sophisticated by comparison to that commonly used in the sectors' microenterprises. However, it will be light-weight and easy to adapt to accommodate technological change. Given the current recession in the city's construction sector, which directly affects metalworking and woodworking microenterprises, the final decision regarding implementation will not be taken until the market study mentioned in paragraph 3.7 has been completed, in order to ensure that the investment in the workshops meets reasonable cost-benefit expectations. This analysis must be satisfactory to the Bank and carefully track trends in these sectors, using information compiled in the process of providing the TAA service. If the market study fails to detect any real demand for this service in the metalworking and woodworking sectors, the Bank and AM will agree on appropriate measures, one of which might be to introduce other sectors not covered under the program. In order to be able to begin this program promptly, the plan is that the analysis will have to be completed before the start of the ninth month following the first disbursement.

c. Management support

- 3.7 Although AM has the necessary institutional base and experience, a specific effort must be made to determine the strategy for adapting to the market (matching the supply of services to the services in demand), and to develop the teaching method and technique that will accomplish the project's objectives. The objective of this component is to help AM design services based on demand, i.e., services tailored to the client microentrepreneurs' specific needs. To that end, specialized consulting services will be contracted in the following areas: (i) methodological development; (ii) design of services as a function of demand, using focus groups, surveys, and other means; (iii) training of advisers and instructors; and (iv) market analysis for the woodworking and metalworking sectors.

#### IV. PROJECT EXECUTION AND BENEFICIARIES

A. Executing agency

- 4.1 The Corporación Acción por Antioquia, ACTUAR FAMIEMPRESAS - Medellín (AM) is a non-profit institution created in 1983 to generate long-term employment in the Department of Antioquia by creating and consolidating small units of production, trade, and services. AM has had great success with the concept it developed, which was one of comprehensive services to microenterprise.

- 4.2 The approach involves four forms of assistance to microenterprise: (i) a lending program; (ii) a product-marketing support program, carried out through an affiliate: Promotora de Comercio Social [Alliance to Promote Social Enterprise] <sup>2/</sup>; (iii) an environmental program; and finally, (iv) with support from the European Union, the 1994 launch of the activities of Instituto de Capacitación para el Empleo [Employment Training Institute] (ICE), a unit whose costs are carried separately within AM's structure. AM's existing infrastructure is very good. There, it provides training and technical assistance to the garment, food, craft, design and agroindustrial sectors. The areas of activity include technical training (2,478 registrations since 1997); business training and human development (16,556 registrations since 1995); administrative, technical, commercial, and marketing consulting services (3,935 microenterprises assisted since 1995); and facilitation of access to other services. During 1997, coverage of the variable costs of these services has been on the order of 18%. With AM as the supplier of these services, they will be administered through its ICE.
- 4.3 As of June 30, 1998, AM's assets totaled US\$14.2 million equivalent, and its net worth approximately US\$10 million. The institution's assets were distributed as follows: 10% in banks and temporary investments; 31% in its loan portfolio; 37% in fixed assets; and 22% in other assets (debts outstanding and long-term investments). AM's goal is to be efficient, operationally self-sufficient and a leader in the delivery of services to microenterprise. Because it was established by representatives of private enterprise, from the beginning AM has been managed by and had the support of important Medellín entrepreneurs.
- B. Disbursements
- 4.4 Execution of the project will take four years. The plan is that the project will be carried out within 48 months, and that the disbursements will be completed within no more than 54 months. As the metalworking and woodworking technical training component would not begin until the project's second year, the time frame is sufficient to generate the volume and cost coverage required to gear the project toward establishing the services' long-term sustainability.
- 4.5 Once the requirements stipulated under the conditions precedent to the first disbursement have been met, the Bank may advance resources to establish an advance of funds of up to 10% of the

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<sup>2/</sup> Promotora de Comercio Social was formed as a partnership between a group of nongovernmental organizations (NGOs), one of which was AM, and leading private sector institutions in Medellín. Regarded as a successful venture, in 1997 Promotora marketed a total of approximately US\$4.5 million in microenterprise products.

grant and chargeable thereto, provided it is shown that the advance is needed for program execution-related costs that the grant will cover.

C. Procurement of goods and services

- 4.6 AM will contract the advisers, instructors and services required to execute the project and procure the machinery and equipment planned for the metalworking and woodworking technical training component. In doing so, it will conform to the Bank's applicable rules, procedures, and policies.

D. Beneficiaries

- 4.7 During the four years of project execution, AM will provide technical advice and assistance services to approximately 900 microentrepreneurs working in different areas, and instruction and technical training to some 1500 owners and operators of metalworking and woodworking microenterprises.

## V. COST AND FINANCING

- 5.1 The total cost of the project is estimated at US\$3 million. The MIF will contribute a non-reimbursable sum of US\$1.8 million. For its part, AM will contribute US\$1.2 million, approximately 50% of which will be in cash. As for procurements of equipment and machinery, AM will finance at least 40% of each piece. AM clients, who will pay for the services they receive, will thus be contributing the sum of US\$1 million equivalent, contributions reflected in the performance benchmarks. The following table summarizes the project's budget.

Table 1. Budget of the Project (US\$ thousands)

COMPONENTS	MIF	AM	TOTAL	%
1. Technical advice and assistance service	751	306	1,057	35
2. a) Metal/wood TT	335	545	880	29
b) Metal/wood equipment	264	204	468	16
3. Management support	250	0	250	8
<b>SUBTOTAL</b>	<b>1,600</b>	<b>1,055</b>	<b>2,655</b>	<b>88</b>
1. External evaluation	110	0	110	4
2. Contingencies	90	145	235	8
<b>GRAND TOTAL</b>	<b>1,800</b>	<b>1,200</b>	<b>3,000</b>	<b>100</b>

A. Sustainability strategy

- 5.2 There are two basic challenges to the project's sustainability: (i) the target population is unaccustomed to using such services, a problem still found among small and medium-sized enterprises (SMEs); and (ii) microentrepreneurs are chronically short of resources, especially liquidity. This project, however, was designed on the premise that beneficiaries had to be instrumental in financing it. To that end, two strategies have been adopted: (i) the basic strategy relies on the quality, relevance and effectiveness of the services provided, so that results and the demonstration effect stimulate effective demand; and (ii) incrementality, which gradually increases the beneficiaries' participation in financing the services. Given the relatively high cost of offering quality services, the goal adopted for the medium-term (4 years) is that beneficiaries' contributions will cover 70% of the variable costs for the technical advice and assistance services, and 48% of the technical training costs, with a baseline of 15%.
- 5.3 An additional sustainability strategy will be introduced during project execution, which is to use a portion of the installed capacity, which may be excess capacity, to sell services to two other types of users: (i) government programs that enter into contracts to service specific populations, including microenterprises (e.g., SENA, the Corporación Mixta para la Microempresa [Mixed Microenterprise Corporation] and the like); and (ii) businesses or workers from other sectors of the population. This strategy will be used on condition that it does not compromise AM's capacity to make the microentrepreneurial population its priority. In these cases, commercial rates will be applied, in order to cover all fixed and variable costs related to the service.
- 5.4 To pursue the long-term sustainability strategy, and in furtherance of the required third annual evaluation, mentioned in paragraph 7.2, AM will submit a long-term sustainability strategy that will show: (i) how clients' share of variable costs increases; and (ii) if necessary, how funds will be gotten from other public, international and/or private organizations.

VI. JUSTIFICATION AND RISKS

- 6.1 Extensive national and international evidence and AM's own immediate experience indicate that to bolster the impact of microenterprise support programs, the financial services supplied need to be coupled with non-financial services that enable microenterprises to establish their niche in the market, so that the employment generated is stabilized and/or expanded. This is especially true of manufacturing microenterprises where

technological development of processes/products plays a key role in increasing competitiveness.

A. Complementarity with other Bank projects

- 6.2 The complementarity of this operation with the business development centers program (BDCs) - ATN/ME/4911-CO; the microenterprise training program: development, consolidation, and expansion (Acción Internacional) - ATN/MH-4689-RG; and strengthening of university programs to advise microenterprise (Universidad Javeriana) - ATN/ME-5126-RG, is minimal. Some complementarity with the business development centers program (BDCs) might happen if experiences applicable to both SMEs and microenterprise are shared and if ICE is eventually able to avail itself of BDC-developed information systems on advisers, consultants, and other technical services, including instructor training services. Complementarity with Acción Internacional might occur through the use of manuals and materials developed under the project. Finally, given the characteristics of the Universidad Javeriana project, no complementarity is anticipated.

B. Risks

- 6.3 The main risk of the project lies in the difficulty of getting microentrepreneurs, under pressure from the demands of day-to-day business, to commit themselves to serious, sustained efforts to improve their competitiveness. Compounding this risk is the customary subsidy culture, whereby microentrepreneurs have come to expect that public and private suppliers will heavily subsidize non-financial services. The project's strategy, implementation of the management support component, the requirements vis-à-vis business plans, the rules that will regulate the provision of the services mentioned in paragraph 8.1, and the annual evaluations mentioned in paragraph 7.2: all these will serve to mitigate this risk.
- 6.4 Another risk is that AM might become the sole supplier of long-term services. This risk will be minimized with the spread of the technology used under the project and the experience gained through it, as mentioned in paragraph 7.2.

## VII. MONITORING AND EVALUATION

A. Monitoring

- 7.1 Project execution will be monitored by means of a business plan that AM will submit to the satisfaction of the Bank. That plan will be aimed at meeting, as the minimum goals, the indicators established in the Logical Framework, shown in Annex I of this

document. In addition, AM will present annual reports describing the preceding year's execution and annexing the revised business plan for the following year. The business plan will also include activities to promote the use of environmentally-acceptable technologies, and improvements in microenterprise management in relation to worker health and safety. The submission of the business plan will be a condition precedent to the first disbursement from the Bank. Before the Bank clears the business plan, the latter and the regulations governing the provision of the proposed services, mentioned in paragraph 8.1, will be reviewed and approved by the project team.

B. Evaluation

- 7.2 The project provides for three annual evaluations and a final report, all done by Bank-contracted external consultants. The first evaluation will be done one year after the date of the first disbursement; the second and third evaluations will be done at the end of the second and third years, respectively. These reports will evaluate implementation of the business plan (original and revised versions), clients' payment of services received, the growth in the supply of technical advice and training services in Medellín, and the institutional sustainability strategy. They will also show what advisors and instructors were contracted for the project and how long they worked full-time for it. If a supply of technical advice and training services for microenterprise is found in Medellín, AM will circulate information on the technology and the experiences that the project offers. Also, for the third evaluation, AM will be required to submit a long-term sustainability strategy in accordance with paragraph 5.4. If these evaluations are satisfactory to the Bank, it will authorize AM to continue committing funds. Otherwise, AM will have to take the corrective measures required for the Bank to authorize disbursements to resume. In addition, the final project will include the results of a survey on the microentrepreneurs' satisfaction with the services, and will present an evaluation of the project's results, including the indicators set out in the Logical Framework in Annex I of this document.

VIII. SPECIAL CONDITIONS

- 8.1 Precedent to the first disbursement, AM will submit the following to the Bank's satisfaction: (i) a detailed business plan for project start-up and execution; and (ii) regulations that will govern the delivery of the services proposed for the project.
- 8.2 The following contractual conditions will apply during project execution: (i) implementation of the metalworking and woodworking technical training component will be conditional upon the market

study mentioned in paragraphs 3.6 and 3.7, which must be prepared before the start of the ninth month following the date of the first disbursement; and (ii) AM will submit annual reports describing execution in the preceding year and annexing the revised business plan for the following year (see paragraph 7.1).



LOGICAL FRAMEWORK

TECHNICAL ADVICE AND TRAINING SERVICES FOR MICROENTERPRISE  
ACTUAR MEDELLIN (AM)

OBJECTIVES	INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS
<p>microenterprises in Medellín to make productive and competitive, thus able to respond successfully to the market experiencing the effects generated by liberalized trade and restructuring.</p>	<ul style="list-style-type: none"> <li>• Percentage of microenterprises that achieve and maintain a competitive niche in productive chains linked to dynamic markets.</li> <li>• Stable jobs generated by microenterprises.</li> <li>• Physical output increases.</li> <li>• Job productivity increases.</li> <li>• Volume of production increases.</li> <li>• Volume of sales increases.</li> <li>• Level of technological sophistication improves.</li> <li>• Product quality improves.</li> <li>• Profits hold steady or improve.</li> <li>• Number of added jobs holds steady or increases.</li> </ul>	<ul style="list-style-type: none"> <li>• AM's annual reports</li> <li>• Project monitoring and evaluation studies</li> <li>• External studies, studies of sectoral and/or local competitiveness</li> <li>• External studies, studies of labor market</li> <li>• Continuous statistics on industrial output and labor market</li> <li>• Household surveys</li> <li>• Final project report</li> </ul>	<ul style="list-style-type: none"> <li>• National economy is reactivated</li> <li>• Government policy succeeds in achieving fiscal and macroeconomic equilibrium</li> <li>• The growth rate and exports of the economy rebound and product diversification continues.</li> </ul>

OBJECTIVES	INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS
<p>Design and supply demand-driven, technical assistance and training to make the microenterprises more competitive.</p>	<ul style="list-style-type: none"> <li>• 900 manufacturing microenterprises are advised and have business plans.</li> <li>• 855 owners and operators of woodworking microenterprises receive technical training.</li> <li>• 571 owners and operators of metalworking microenterprises receive technical training.</li> <li>• In the case of TAA: clients cover at least 18%, 31%, 47% and 70% of the variable costs for years 1, 2, 3 and 4 respectively.</li> <li>• In the case of TT, clients cover at least 15%, 26% and 48% of the variable costs for years 2, 3 and 4, respectively.</li> <li>• In the case of TAA, dropout rates for years 1, 2, 3 and 4 do not exceed 15%, 14%, 12% and 10%, respectively.</li> <li>• In the case of the TT, dropout rates for years 2, 3 and 4 do not exceed 15%, 12% and 10%, respectively.</li> </ul>	<ul style="list-style-type: none"> <li>• AM's annual reports</li> <li>• Management information system</li> <li>• Evaluations and progress reports, with special reference to evaluation criteria and performance benchmarks</li> <li>• Final project report</li> </ul>	<ul style="list-style-type: none"> <li>• The technical advice program has been designed and implemented satisfactorily.</li> <li>• The equipment and machinery have been installed and the technical training programs in woodworking and metalworking have been put into operation.</li> <li>• Technical training programs in woodworking and metalworking have been designed and implemented satisfactorily.</li> <li>• There is a real demand for the services offered.</li> <li>• Support to AM's management has been provided, a demand for the services, and the microenterprises are operating by criteria of sustainability.</li> </ul>

OBJECTIVES	INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS
<b>TS</b> Advice and Assistance to entrepreneurs (TAA)	1.1 At least 720 microentrepreneurs complete the TAA cycle.  1.2 Each microentrepreneur receives 96 hours of Comprehensive Technical Assistance (CTA) per year.  1.3 Each microentrepreneur receives 16 hours of Specialized Consulting Services (SCS) per year.  1.4 At least 90 microentrepreneurs received Specialized Technological Services (STS).  1.5 At least 180 STS have been given (2 per microentrepreneur).	<ul style="list-style-type: none"> <li>• AM's annual reports</li> <li>• Management information system</li> <li>• Evaluations and progress reports</li> <li>• Final project report</li> </ul>	<ul style="list-style-type: none"> <li>• A real demand exists for the services offered.</li> <li>• The services offered are a function of demand.</li> </ul>
Training of owners and operators in carpentry and woodworking microenterprises (TT)	2.1 At least 16 courses in Comprehensive Training for Microentrepreneurs (CTM) are given (240 registered, average 15/course).  2.2 At least 216 complete the CTM courses.  2.3 At least 79 courses in technical training for operators (TTO) of microenterprises are given (1,186 registered, average 15/course).  2.4 At least 1,067 complete TTO courses.	<ul style="list-style-type: none"> <li>• AM's annual reports</li> <li>• Management information system</li> <li>• Evaluations and progress reports</li> <li>• Final project report</li> </ul>	<ul style="list-style-type: none"> <li>• A real demand exists for the services offered.</li> <li>• The services offered are a function of demand.</li> </ul>

OBJECTIVES	INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS
<p>ent support</p>	<p>3.1 Focus groups, surveys, consultations with clients, and design of services satisfactorily conducted.</p> <p>3.2 Design system and methodological and technical-pedagogical upgrading is in operation.</p> <p>3.3 Analysis of woodworking and metalworking market is conducted.</p> <p>3.4 At least 20 advisers and 5 instructors are trained appropriately.</p> <p>3.5 Management information system designed and in operation (management and coordination).</p>	<ul style="list-style-type: none"> <li>• Results of focus groups, surveys, and design of services</li> <li>• Market study of metalworking and woodworking sectors</li> <li>• Training certificates of advisers and instructors</li> <li>• AM's annual reports</li> <li>• Project evaluations and reports</li> </ul>	<ul style="list-style-type: none"> <li>• Suitable consultants of high pro caliber are identified and hired.</li> <li>• Through its counterpart, AM ma that the management informatio operating satisfactorily.</li> </ul>
<p><u>Component of technical advice and to the microentrepreneur</u></p> <p>and hiring of advisers.</p> <p>of advisers.</p> <p>on of TAA support materials.</p> <p>and launching of promotional ility campaign.</p> <p>tion and selection of ries.</p> <p>n of TAA.</p>	<p>1.1 Contracts of personnel on record and records of work time devoted to services.</p> <p>1.2 Instruction and training of advisers.</p> <p>1.3 TAA support materials available.</p> <p>1.4 Programming of service completed and available.</p> <p>1.5 Workshops and other resource centers installed and in operation.</p> <p>1.6 Records of technical advisory services and consulting services received and accepted by microentrepreneurs.</p> <p>1.7 Rates of registration, performance, dropping out, and completion of training.</p>	<ul style="list-style-type: none"> <li>• AM's annual reports</li> <li>• Technical and financial progress reports</li> <li>• Progress evaluations</li> <li>• Monitoring visits</li> <li>• Management information system</li> </ul>	<ul style="list-style-type: none"> <li>• Specialized advisers are identifi hired by AM.</li> <li>• Institutions capable of providing quality services for training advi identified.</li> <li>• A real demand exists for the ser offered.</li> </ul>

OBJECTIVES	INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS
<p><u>metalworking and woodworking training component</u></p> <p>and production of methodological training materials.</p> <p>and hiring of instructors.</p> <p>of instructors.</p> <p>ment and installation of machinery and equipment for training shops.</p> <p>on of installations for training shops.</p> <p>and execution of promotional and strategy.</p> <p>tion and selection of courses.</p> <p>n of TT.</p> <p><u>management support component</u></p> <p>business/consultant for focus surveys, and design of services.</p> <p>ing of consulting services to and implement the methodological system and teaching e.</p> <p>ing of consulting services for the metalworking and woodworking market</p> <p>ing for advisor and instructor services.</p> <p>ing of consulting services for the management information system (management and coordination).</p>	<p>2.1 CTM and TTO support materials available.</p> <p>2.2 Instructors' contracts on record and records of work time devoted to services.</p> <p>2.3 Instructors' training courses given.</p> <p>2.4 Machinery, equipment, and workshops installed and in operation.</p> <p>2.5 Promotional and publicity materials used.</p> <p>2.6 Records of technical training received and accepted by microentrepreneurs.</p> <p>2.7 Rates of registration, performance, dropping out, and completion of training recorded.</p> <p>3.1 Terms of reference, contracts and reports of the respective consulting services.</p>	<ul style="list-style-type: none"> <li>• AM's annual reports</li> <li>• Technical and financial progress reports</li> <li>• Progress evaluations</li> <li>• Monitoring visits</li> <li>• Management information system</li> <li>• AM's annual reports</li> <li>• Technical and financial progress reports</li> <li>• Progress evaluations</li> <li>• Monitoring visits</li> <li>• Final project report</li> </ul>	<ul style="list-style-type: none"> <li>• Specialized instructors are identified and hired by AM.</li> <li>• The workshop's equipment and machinery have been satisfactorily installed.</li> <li>• A real demand exists for the services offered.</li> <li>• Appropriate consultants have been identified and contracted.</li> <li>• AM, through its counterpart (management and coordination), is making use of the management information system designed.</li> </ul>

PROPOSED RESOLUTION

COLOMBIA. NONREIMBURSABLE TECHNICAL COOPERATION FOR MICROENTERPRISE  
CONSULTING AND TECHNICAL ASSISTANCE SERVICES

The Donors Committee of the Multilateral Investment Fund

RESOLVES:

1. That the President of the Inter-American Development Bank or such representative as he shall designate is authorized, in the name and on behalf of the Multilateral Investment Fund, to enter into such agreements as may be necessary with the Corporación por Antioquia, ACTUAR FAMIEMPRESAS - Medellín (AM), and to take such additional measures as may be pertinent for the execution of the project proposal referred to in Document MIF/AT- with respect to a technical cooperation for microenterprise consulting and technical assistance services.

2. That up to the amount of US\$1,800,000, or its equivalent in other convertible currencies, is authorized for the purpose of this resolution, chargeable to resources of the Small Enterprise Development Facility of the Multilateral Investment Fund.

3. That the above-mentioned sum is to be provided on a nonreimbursable basis.