

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK  
MULTILATERAL INVESTMENT FUND

**MEXICO**

**DEVELOPING NEW MARKET OPPORTUNITIES IN THE ECONOMIC  
BASE OF THE PYRAMID**

**(ME-M1010)**

**DONORS MEMORANDUM**

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**ABBREVIATIONS**

BOP	Base of the pyramid
CCE	Business Coordination Council [ <i>Consejo Coordinador Empresarial</i> ]
CESI	Committee on Environment and Social Impact
CESPEDES	Commission for Private Sector Studies for Sustainable Development [ <i>Comisión de Estudios del Sector Privado para el Desarrollo Sustentable</i> ]
CO	Country Office
GDP	Gross Domestic Product
IDB	Inter-American Development Bank
MIF	Multilateral Investment Fund
MSME	Micro, small and medium enterprise
WRI	World Resources Institute

**MEXICO: DEVELOPING NEW MARKET OPPORTUNITIES IN THE  
ECONOMIC BASE OF THE PYRAMID**

**(ME-M1010)**

**I. EXECUTIVE SUMMARY**

<b>Executing agency:</b>	The <i>Consejo Coordinador Empresarial</i> (CCE) through its <i>Comisión de Estudios del Sector Privado para el Desarrollo Sustentable</i> (CÉSPEDES)
<b>Beneficiaries:</b>	The principal beneficiaries of this project are numerous micro, small and medium enterprises that are expected to benefit from the new market opportunities presented by this Program. The other beneficiaries of this Program are the consumers in the BOP that will benefit from more affordable, higher quality products and services more tailored to their needs.
<b>Amount and Source:</b>	Modality: Grant – Small Enterprise Development Facility (III-A) MIF: US\$ 2,000,000 Local: <u>US\$ 2,000,000</u> Total: US\$ 4,000,000
<b>Terms:</b>	Execution Period: 42 months Disbursement Period: 48 months
<b>Objectives and Description:</b>	<p>The overall objective of the project is to increase market opportunities for Mexican micro, small and medium enterprises. The purpose is to develop new or modify existing products and services involving micro, small and medium enterprises to target consumers in the base of the economic pyramid.</p> <p>The project will include the following components: (i) development of project plans for new products and services; (ii) selection and implementation of project plans; and (iii) promotion of opportunities and dissemination of results.</p>
<b>Environmental/ Social review:</b>	The Committee on Environment and Social Impact (CESI) reviewed this project document in its meeting (05-05), February 4, 2005, and recommended that the review process for project plans include environmental considerations (see paragraph 3.8). In addition, the CESI recommended that a non-discriminatory practices requirement be included as part of the project selection criteria in the operational manual.
<b>Special contractual conditions:</b>	As a condition prior to the first disbursement of the contribution, CESPEDS/CCE must: (i) select the Program Director; and (ii) have formed the Advisory Council.

**Similar initiatives  
of other  
international  
entities:** None.

## II. BACKGROUND

### A. The opportunity at the economic base of the pyramid<sup>1</sup>

- 2.1 The consumer market at the base of the pyramid (BOP) – made up of the over 4 billion people worldwide with an annual per capita income of less than US\$1,500 – represents an attractive opportunity for private companies to develop new products and services. As developed economies constitute a continually smaller share of the global economy, the related changes in worldwide consumption habits will represent significant opportunities for strategic private companies. Many companies who are already offering their products and services to the world's poorest communities report important benefits such as increased operating efficiency and new sources of innovation. For these businesses – and for those following their example – the development of products and services aimed at the BOP not only addresses for a new market, but also yields tools and techniques that can give them a competitive advantage.
- 2.2 Through the design, production, and commercialization of new products or modification of existing ones, companies can increase revenues by entering the BOP market. To effectively respond to the special needs of this market, however, these companies will have to reformulate their business models and marketing strategies. The businesses that successfully make “the great leap downward”<sup>2</sup> will be those that are able to reinvent their products and services. Their rewards will be access to a large, profitable market as well as the opportunity to develop technologies that will move “upstream” in the classic pattern of breakthrough or “disruptive” technologies.<sup>3</sup>
- 2.3 The private sector can help alleviate poverty by contributing to economic growth, job creation and through jobs, the income of poor people. It can also empower the poor by providing a broad range of products and services at lower prices, thus including them as an important segment of the economy. Small and medium enterprises can be engines of job creation—seedbeds for innovation and entrepreneurship. But in many poor countries, small and medium enterprises are marginal in the domestic economic system. Many

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<sup>1</sup> This market opportunity was first identified conceptually by Professor C.K. Prahalad of the University of Michigan who has identified a variety of practical experiences of companies entering the BOP market and has been actively promoting this opportunity. A similar effort has been underway by the World Business Council for Sustainable Development (WBCSD), through its *Sustainable Livelihoods Initiative* that focuses on engaging the private sector to work with the poor for mutual benefits. Source: Prahalad, C.K. 2005. *The Fortune at the Bottom of the Pyramid: Eradicating Poverty Through Profits*. Wharton School Publishing.

<sup>2</sup> S. Hart and C. Christensen. 2002. The great leap: Driving innovation from the base of the pyramid. *MIT Sloan Management Review*. 44(1): 51-56.

<sup>3</sup> Christensen, C. M. 1997. *The Innovator's Dilemma: When New Technologies Cause Great Firms to Fail*. The President and Fellows of Harvard College Publishing.

operate outside the formal legal system, contributing to widespread informality and low productivity. Yet over time progress and economic growth have lifted hundreds of millions of people out of subsistence livelihoods into more stable, higher paying employment. Unleashing the power of local entrepreneurs can be a key ingredient in reducing poverty.

- 2.4 The private sector is central to the lives of the poor. Across the world poor consumers pay more than rich consumers for basic services. The quality of goods that poor people purchase—whether food, water or financial services—tends to be substandard. Often, an informal private sector fills the gaps with goods of higher prices and varying quality. Informality serves an important need, for informal economies sustain the majority of poor families in many countries. However, many of the advantages of economies of scale and scope are missing from the lives of people at the bottom of the pyramid.
- 2.5 It is believed that micro, small and medium enterprises (MSMEs) have a distinct advantage in the BOP market for a variety of reasons:
  - (i) *Local knowledge*: Local businesses, especially MSMEs, often have a better knowledge of local market needs than large corporations due to their understanding of the local language and culture. This local knowledge gives them a key advantage in the conceptualization, design, and commercialization of products for the BOP.
  - (ii) *Local manufacturing*: By manufacturing products locally, MSMEs are well placed to undertake the design and production of viable products that will be successful at the BOP.
  - (iii) *Distribution and logistics*: Traditional distribution channels generally do not function at the BOP, but rather multiple smaller distributors are often needed instead of large, centralized distribution centers.
- 2.6 An interesting example of a BOP initiative that involves microenterprises is from Hindustan Lever Ltd (HLL) in India. For new personal hygiene lines of products that could assist in reducing vectors for diseases, HLL created a direct distribution network in difficult to access areas (new markets with non traditional access points). For this, HLL selected a group of female-run enterprises from the local communities and trained them to be distributors, providing them with education, advice and access to products for the communities. These women, in turn, provided the company with advice on what types of products were needed in the communities, along with a new points of access. These village women entrepreneurs, called Shakti Amma (“empowered mother”), have unique knowledge about what the village needs and which products are in demand. They earn between US \$60-\$150 per month and therefore create a new capacity to consume for themselves and their families. More important, these entrepreneurial women are increasingly becoming the educators and access points for the rural BOP consumers in their communities.



## **B. Base of the pyramid experience in Mexico and problem**

- 2.7 Some 55 million Mexicans out of a total population of 105 million are poor (living on less than US\$3 per day), with 25 million surviving in extreme poverty (less than US\$2 per day), without reliable basic services<sup>4</sup>. Among the chief areas of need in the BOP in Mexico are housing/construction, nutrition, energy and water. Business leaders have been considering this market for years and there have been some BOP experiences to date. One well known example is CEMEX's *Patrimonio Hoy* program that has created an innovative financing scheme for lower income Mexicans seeking assistance to purchase building supplies for constructing or expanding their residences. The experience and activities of *Patrimonio Hoy* demonstrate the mind shift needed among businesses to reorient their strategies towards to the realities of the base of the pyramid.
- 2.8 Due to the factors cited above (paragraph 2.5), in many cases, MSMEs are well positioned to take advantage of the market opportunity offered by the BOP. Nevertheless, no concerted efforts have been undertaken to involve MSMEs in this area. Therefore, a mechanism to involve MSMEs in these BOP market opportunities, utilizing their local knowledge to facilitate the design of new products and services for BOP consumers, would be opportune.

## **C. Proposed Program**

- 2.9 MIF is interested in collaborating with companies that share the vision of addressing BOP market opportunities through support to smaller enterprises. The objective of this program is to assist smaller companies involvement in the BOP market opportunities. What this entails is a new business model approach and proactive support for companies interested in entering this yet unrealized market segment. Such support can be directed through large companies interested in involving micro, small and medium enterprises as part of their approach to the BOP market, but may also include medium size companies directly, associations of smaller enterprises or NGOs interested in working with companies in this area.
- 2.10 In the preparation of this program, various projects proposals were received from a variety of sectors including food processing, waste disposal/recycling and construction. Two examples are: (i) the development of a distribution network of new microenterprises to channel to the BOP a new nutritious dairy product that requires no refrigeration; and (ii) the development of a group of microenterprises that would provide refuse collection services to the BOP, then removing the usable plastic products for sale to a recycling center.
- 2.11 This program bears a relationship with other recent MIF efforts. For example, MIF's cluster on productive supply chains has helped to provide valuable insight as to how to work effectively in value chains. MIF's recent experiences in the CSR cluster and in particular in the projects utilizing the model of implementing CSR measures in the value chain have been useful in giving MIF experience in partnering more directly with private

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<sup>4</sup> SEDESOL.2002. Measuring Poverty: Various methodologies and preliminary estimates. (<http://www.sedesol.gob.mx/subsecretarias/prospectiva/CuadernosDoctos/PDFs%20SEDESOL/PDFs%20Documentos/Docu%2001.pdf>)

sector companies. In addition, MIF's recent regional project, *Un Techo Para mi País* (ATN/MH-9352-RG) is similar to this proposed project in that in targeting the services and products more directly to low-income groups.

- 2.12 This is an innovative initiative in at least three ways: (i) the development of new and tailored products and services that address special needs of low-income consumers in the BOP; (ii) it engages the private sector in efforts to alleviate poverty and empower the poor; and (iii) it involves smaller enterprises in these new market opportunities. The new products and services are intended to be developed to incorporate lower costs, improve available quality options, and lower environmental impacts, as well as create opportunities for entrepreneurship and income for communities in the BOP.

### III. PROGRAM OBJECTIVES AND COMPONENTS

#### A. Objectives

- 3.1 The overall objective of the project is to increase market opportunities for Mexican micro, small and medium enterprises. The purpose is to develop new products and services involving micro, small and medium enterprises to target consumers in the base of the economic pyramid.
- 3.2 To achieve this objective, the project will include the following components: (i) development of project plans for new products and services; (ii) implementation of project plans; and (iii) institutional strengthening and dissemination of results.

#### B. Components

##### **Component I: Development of project plans for new products and services (MIF US\$ 200,000; Local Counterpart US\$ 68,840)**

- 3.3 This component has the dual objective of providing the context and details of the Mexican economic BOP market and to identify the key priorities in terms of needs as well as the particular peculiarities of this market segment, coupled with providing assistance in developing action plans based on these identified needs and opportunities. The intent is to support the identification and development of specific new products and services for the BOP that could be provided by groups of micro, small and medium enterprises. For this, the following activities are included in this component: (i) compiling of studies and analysis of the BOP market in Mexico; (ii) awareness-raising sessions targeting private businesses; (iii) more detailed workshops for interested enterprises; (iv) training of local consultants and professionals to support the activities of interested project proponents; and (v) assistance in the design of projects targeting the BOP market.
- 3.4 The first activity is to develop an in-depth assessment regarding the needs of the different socio-economic strata of the BOP market with the intent of raising-awareness as to the business potential presented by the BOP that will lead to the identification of business opportunities to serve this market. Such an assessment is crucial, as this segment of the economy is not well-understood by the private sector, as traditionally their attention has been focused on the higher economic classes in society. For this assessment, a consultant

will be contracted to undertake this quantitative and qualitative analysis that will include diverse methodologies to better grasp the perspective and needs of the BOP, thus allowing for results that can assist in identifying innovative products or services that are in demand. The principal target sectors are water, nutrition, energy, and housing. To assist with this assessment, the consultant and executing agency will coordinate and form alliances with other internationally recognized entities in this area of BOP including Cornell University, University of Michigan, World Resources Institute, Ashoka and others.

- 3.5 Once the assessment has been concluded, the results are to be disseminated to a wide audience through different awareness-raising sessions during the first two years of the project. Each event is expected to include representatives from private companies, business associations, civil society organizations and the public sector. As a result of these events, participants should be made aware of the opportunities in the BOP market in Mexico and, ideally, be motivated to identify concrete areas of intervention and opportunity.
- 3.6 Smaller workshop-style sessions will also be organized in order for groups of companies interested in presenting proposals for consideration of the Program so that participants may have a clearer idea as to the possibilities presented by the Program. These sessions will include specific case studies developed by consultants and additional details that companies can use to develop proposals for consideration of the Program. The workshops will focus on new business ideas for the BOP.
- 3.7 As a means to provide support to interesting BOP business ideas generated from the working sessions, technical assistance will be provided to assist with design and preparation of possible projects according to the Program guidelines (see paragraphs 3.8 - 3.10). As a precursor to this, groups of local consultants and professionals will be trained in how to prepare project plans and in the concept of BOP. Before providing support to potential BOP projects, the business ideas and project sponsor must meet the following basic criteria: (i) target an identified need in the BOP market and involve MSMEs;<sup>5</sup> (ii) represent an opportunity for innovation and growth for the project sponsor; (iii) anticipate the engineering of a productive chain that actively involves micro, small and medium enterprises; and (iv) provide an indication of the necessary counterpart resources needed to carry out the proposed project. These criteria will serve as the initial filter to safeguard against providing support to projects that will not fulfill the specific policies of the Program. As an additional safeguard, initial project ideas would also have to be cleared by the Country Office (CO) in consultation with the MIF Office before being considered eligible for technical assistance resources for developing the project plans. As a result of this activity, it is expected that at least 25 project plans will be developed for consideration.

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<sup>5</sup> MSMEs are defined as those companies with less than US\$5 million in annual sales.

**Component II: Implementation of project plans (MIF US\$ 1,320,000; Local Counterpart US\$ 1,515,000)**

- 3.8 In this component the intent is to select and implement the best projects submitted for consideration by the Program. In addition to the criteria cited in paragraph 3.7, projects must include the following: (i) represent an innovative business model that consists of real opportunity for growth for the participating companies; (ii) incorporate numerous MSMEs as a key part of developing the new product or service; (iii) comply with the environmental exclusion list and other environmental considerations used by the program (see Operational Manual); (v) identify and confirm financial resources to match those of MIF; (vi) include a clear timetable for disbursement of resources and those of the project sponsor that are based on identified deliverables (i.e. results based disbursements); and (vii) includes clear, quantifiable indicators that can be used for monitoring and evaluation. The projects may come with a variety of contractual and institutional arrangements, including: (i) projects under the leadership of one or more medium or large company sponsor; and (ii) projects from an association of MSMEs or an NGO as project proponent.
- 3.9 Projects considered eligible for selection to receive financing from the Program must also comply with the following financial characteristics: (i) MIF resources cannot finance more than 50% of a given project, up to a maximum of US\$200,000, though MIF support is expected to be US\$110,000 on average; (ii) as a minimum, projects must be for at least US\$50,000 in order to be considered; (iii) counterpart resources must be at least 50% in cash resources; (iv) all MIF financing must be directed towards providing technical assistance and training for MSMEs and MIF resources cannot be used for administrative or operational costs of the MSMEs; (v) MIF resources cannot be used for infrastructure related expenses such as construction, nor for equipment costs; and (vi) the project execution and disbursements periods must be at least four months, but no more than 24 months. Projects plans should contemplate that the project will conclude prior to the end of the execution period for the overall Program.
- 3.10 The Project plan should include the following details and information at a minimum: (i) details regarding the project sponsor, its relevant experiences, and its financial and human resources; (ii) a general description of the main product or service to be developed for the BOP; (iii) number of potential MSME as well as any details regarding identified MSME participants and the specific details as to the products and services that are to be provided; (iv) expected contractual or institutional arrangement between the project sponsor and the MSME participants (e.g., contractual, seasonal, franchise, etc.); (v) specific objectives of the proposed project and details regarding the proposed activities and expected timeline; (vi) expected results, indicators and other metrics, and monitoring plan; (vii) clearly established benchmarks and deliverables that can be used for project disbursements; and (viii) information regarding the financial contributions including a breakdown of resources from MIF and counterpart resources in cash and in kind as well as information as to the expected contribution of MSME participants.<sup>6</sup> Once completed, the Project plan is to be submitted by the Program Director (see paragraph 4.2) to the

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<sup>6</sup> These financial resources are not considered part of the counterpart contribution.

Selection Committee for approval (see paragraph 4.4), followed by submission for final approval of the CO in consultation with the MIF Office.

- 3.11 Disbursements for the projects will be undertaken according to certain pre-identified deliverables in the project plan (results-based disbursements). Project sponsors will purchase goods and contract services in accordance with Bank and MIF policies and procedures. Program staff, including a technical coordinator contracted for this particular component, will be responsible for the monitoring and evaluation of the projects. Program staff, working with project sponsors, will be responsible for preparing at least two reports for each project (mid-point and final).
- 3.12 As a result of this component, it is expected that at least 12 projects will be selected and implemented according to the Program guidelines.

**Component III: Institutional strengthening and dissemination of results (MIF US\$ 131,550; Local Counterpart US\$ 162,500)**

- 3.13 This component seeks to disseminate the results and key lessons learned of the projects implemented in the second component among private sector organizations and companies, universities and other training centers in the country. In addition, this component also is focused on strengthening the institutional aspects and knowledge management for this program that will include coordination with other entities within and outside the country. The following activities are expected: (i) implementation of a monitoring system and database for the projects; (ii) documentation of the results and lessons learned from each project; (iii) BOP protocol manual adapted to the country; (iv) implementation of a communication strategy and series of dissemination activities; and (v) participation of program staff in other events as a means to increase their technical knowledge on the subject of the BOP and to disseminate the results.
- 3.14 Among the first activities of this component is the development of a monitoring system that will help track the progress of each project supported by the Program. This system will include an information database that will be used to collect and help process the information. For this system, a consultant will be contracted to develop a specific manual that describes the principal elements for data collection including key indicators that will be used for all projects. Each selected project will include the establishment of tailored indicators and the development of a baseline to be used to measure progress and results. These indicators will be specific, realistic, quantifiable and linked to the expected project execution timeline. Program staff will be responsible for entering the data and for updating the monitoring system.
- 3.15 To assist with disseminating the activities of the Program and the specific projects, a series of different publications and materials will be developed. Each project, for instance, will have an initial technical datasheet that will include a summarized description of the project, details about the participants and the expected results. In addition, at least five of the selected projects will also have a business case study completed after the project has been implemented. These case studies will be structured in a user-friendly format to clearly articulate the entire process undertaken during the implementation, the reasons and initial interest of the project sponsor, the perspectives of

the other project participants (especially the MSME) and the economic benefits achieved among the participants and the lessons learned.

- 3.16 These materials will be part of a broader communication strategy and action plan that is to be developed by a consultant for the Program. The following elements are expected to be included in this communication strategy: (i) development and updating of a Program website; (ii) seminars to be held in different parts of the country to disseminate the results; (iii) Program staff participation in different events organized by others; and (iv) a final conference to disseminate the results.
- 3.17 Finally, as a means to strengthen the capacity of the Program staff and executing agency, efforts will be undertaken to link the Program with the international reference points for BOP such as Cornell University, University of Michigan, World Resources Institute (WRI), World Business Council for Sustainable Development (WBCSD), Ashoka and others. These links and institutional connections will enable the Program and executing agency staff to improve their knowledge and technical skills related to the BOP market. Such links will be formalized through institutional agreements that will include support in specific activities throughout the Program. A key output of these alliances will be the adaptation of a BOP protocol tailored to the circumstances and situation in Mexico. This protocol will be developed with different institutions such as those mentioned previously along with local stakeholders including private companies, business associations, NGOs and universities. The protocol will be prepared as a manual and will explain each step in the process of developing new products and services in the BOP, with a special emphasis on the participation of MSME.

#### **IV. EXECUTING AGENCY AND EXECUTION MECHANISM**

##### **A. Executing Agency**

- 4.1 The *Consejo Coordinador Empresarial* (CCE) through its *Comisión de Estudios del Sector Privado para el Desarrollo Sustentable* (CESPEDES) will be the executing agency for this project. CCE is a civil society association created in 1976 as a business initiative, with the purpose of coordinating and unifying the efforts, actions and philosophy of the business associations in Mexico. The objective of CESPEDES is the instrumentation and implementation of strategies that drive the Mexican business sector towards sustainable development. CESPEDES is the Mexican chapter of the World Business Council for Sustainable Development, an organization made up of some 170 business leaders committed to sustainable development. CESPEDES focuses on a variety of strategies such as support to the regulatory framework reforms to promote sustainable development and identifying new paths to create economic value for businesses. As the national chapter of the WBCSD, CESPEDES has been involved with the promotion of the “Sustainable Livelihoods Initiative”, which is similar to the approach in this program (see footnote on page two). The Board of Directors are made of up companies including Bimbo, CEMEX, Earth Tech, Exxon Mobil, Grupo Cementos de Chihuahua, Grupo Imsa, Holcim Apasco, Industrias Peñoles, Kimberly Clark and PEMEX.

## **B. Execution mechanism**

- 4.2 For the administration of the activities, CESPEDS/CCE will hire a Program Director and an administrative assistant. The Program Director will be responsible for: (i) managing project activities in accordance with the annual plans; (ii) following Bank processes and policies for contracting consultants and procuring goods; (iii) supervising the consultants contracted in the Program; (iv) monitoring the management and handling of the budget; (v) employing established procedures; (vi) processing requests for disbursement of the Bank's contribution; (vii) submitting administrative and technical reports to the Bank; and (viii) coordinating necessary actions with the institutional partners and other entities involved. The Program Director will report to the Executive Director of CESPEDS.
- 4.3 There will be an Advisory Council for the Program as well that will consist of representatives from such entities as SEDESOL, Secretariat of the Economy, universities, business associations such as CANACINTRA, CONCAMIN, COPARMEX and relevant civil society organizations and other institutions that play a key role in terms of the research or development associated with the BOP market. It is anticipated that several international institutions will be invited to form part of the Council including Cornell University, University of Michigan and World Resources Institute (WRI). The Council's responsibilities will include: (i) provide feedback on the methodologies and strategies developed in the Program; (ii) review the progress of the Program; (iii) identify ways to attract additional companies to participate; and (iv) assist with disseminating the results of the Program.
- 4.4 A specific Selection Committee will be designated by the Advisory Council for evaluating and selecting the project plans submitted to the Program for consideration. This Committee will consist of a subset of the members of the Advisory Council and will base its decisions on the criteria developed in the Operational Manual. All decisions made by the Selection Committee related to the projects require the additional approval of the CO in consultation with the MIF Office.

## **D. Execution and disbursement periods**

- 4.5 Execution and disbursement periods of 42 and 48 months, respectively, are anticipated. A revolving fund will be set up for 10% of the MIF contribution, which will be disbursed and managed in a separate sub-account. The Executing Agency will submit semi-annual financial reports on the status of the revolving fund to the Country Office in Mexico. Disbursements of grant funds and the purchase of goods and the contracting of services will be done in accordance with Bank and MIF policies and procedures.
- 4.6 **Procurement of goods and services.** For contracting consulting and training services and for the procurement of goods with MIF resources, the executing agency must comply with all the rules, procedures, and policies established by the Bank for that purpose. For contracting consulting services, the executing agency will use the methods of selection described in the policies for selection and contracting of consultants (document GN-2350-4). Similarly, the executing agency will adhere to the Bank's policies and rules for the procurement of goods, as established in document GN-2349-4. The initial draft procurement plan is set out in Annex IX in the technical files. The executing agency will

prepare a more detailed finalized procurement plan to be approved by the Bank prior to any contracting of services or procurement of goods.

- 4.7 **Status of project preparation.** The design and budget planned in the project have been prepared and discussed with CESPEDS. CESPEDS has already received letters of commitment from numerous companies interested in participating in the Program (see Annex VIII in the technical files for the letters of commitment). In addition, the Ministry of Economy, through its SME Fund, have expressed interest in providing US\$485,000 for this Program.

## V. COST AND FINANCING

- 5.1 **Cost and financing.** The total program cost is expected to be US\$4,000,000. The MIF would contribute US\$ 2,000,000 on a non-reimbursable basis and CESPEDS/CCE would be responsible for providing US\$ 2,000,000 as counterpart contribution, of which at least half must be in cash. The table below provides a detailed breakdown of the use of Program resources.
- 5.2 An amount of up to US\$8,000 in cash resources for undertaking two workshops with interested project proponents prior to approval will be recognized as part of the counterpart contribution (see paragraph 3.6). This was deemed justified for two principal reasons: (i) the process of identifying and developing specific project plans for new products and services can take considerable time; (ii) it is important to maintain momentum with the group of companies that have expressed strong interest in participating in the Program.

<b>Table 1. BUDGET BY ACTIVITIES</b> (IN US\$)				
<b>ACTIVITIES</b>	<b>MIF</b>	<b>LOCAL COUNTERPART</b>	<b>TOTAL</b>	<b>%</b>
Development of action plans for new products and services	200,000	68,840	268,840	6.7
Implementation of action plans	1,320,000	1,515,000	2,835,000	70.9
Promotion of opportunities and dissemination of results	131,550	162,500	294,050	7.4
Administration	159,400	252,120	411,520	10.3
Evaluations	50,000	--	50,000	1.3
Financial Audits	40,000	--	40,000	1.0
Contingencies	99,050	1,540	100,590	2.5
<b>TOTAL</b>	<b>2,000,000</b>	<b>2,000,000</b>	<b>4,000,000</b>	<b>100.0</b>
<b>Percentage</b>	<b>50%</b>	<b>50%</b>	<b>100%</b>	

- 5.3 **Sustainability.** The sustainability associated with this program is predicated primarily on its demonstration effect. Given the new products and services target of this vast BOP market, the projects are expected to continue to thrive and grow past the life of this particular Program. By demonstrating to the private sector that a real opportunity exists in the BOP, the expectation is that additional companies and other entities will increase



their attention to this segment of the economy. Additional MSMEs will be incorporated into the projects as the demand for the new products and services increases over time. Through the activities in the Program, CESPEDES/CCE is expected to be strengthened, transforming itself into a national BOP reference center.

## **VI. BENEFITS AND RISKS**

### **A. Benefits**

- 6.1 In strategic terms the Program intends to demonstrate a new vision for sustainable development and economic growth and innovation that is predicated on a new business model that is expected to have benefits that extend beyond just those for the participating enterprises. The principal direct benefits are the development of new products and services adapted to the needs of the BOP, and in this process, not only will the consumers in this segment receive improved products and services at better prices, but there will also be the ancillary effect of empowering these consumers in the BOP, which should have broader positive repercussions in the society. Instead of being neglected and marginalized, this market segment will be the focus of attention of companies seeking to better serve these consumers.
- 6.2 In addition, the Program is structured to offer MSME an opportunity to form part of the productive chain of larger enterprises, sharing experiences and know-how needed to develop new products and services for the BOP market. Through their participation, the MSMEs are expected to also develop new specialized skills, practices and processes that will benefit their own productivity and marketability in the economy, leading to increased business opportunities.

### **B. Beneficiaries**

- 6.3 The principal beneficiaries of this project are numerous micro, small and medium enterprises that are expected to benefit from the new market opportunities presented by this Program. The other beneficiaries of this Program are the consumers that live within the BOP that will benefit from more affordable, higher quality products and services, more tailored to their needs.

### **C. Risks**

- 6.4 The following risks have been identified: (i) Given the novelty of the approach of this Program in terms of targeting a new segment of the economy, interest and demand among project sponsors could be less than expected. Mitigant: The executing agency has received letters of commitment from several companies along with detailed project plans that appear eligible for Program support; (ii) The intellectual know-how and experience of the executing agency may not be sufficient for this innovative Program. Mitigant: The Program expects to include several international reference points for this BOP market concept that should help bolster the knowledge and skills of the Program and executing agency staff; (iii) That the actual new products and services to be provided to the BOP will be of inferior quality or will be simply marketing the same, existing products or services to this segment. Mitigant: The Program includes detailed criteria for eligible

projects and a specific Selection Committee made of different organizations that will review the project proposals to make certain that the focus is on providing new or adapting existing products or services tailored to the BOP market.

## VII. MONITORING AND EVALUATION

- 7.1 **Monitoring.** The Executing Agency will prepare and submit to the Bank's Country Office (CO) in Mexico project progress reports within thirty (30) days after the completion of each semester and a final report within 30 days from the final disbursement. These reports will follow a format previously agreed with the Country Office and will address project activities and finances, as well as results measured in terms of the indicators and benchmarks identified in the project's logical framework. The CO will utilize these reports to monitor project implementation progress and to prepare a Project Completion Report within three months of the last disbursement. The MIF/Bank may undertake periodic visits to specific projects as part of its monitoring efforts.
- 7.2 **Evaluations.** An intermediate and a final evaluation of the Program will be undertaken by external consultants to be contracted by the Bank with project funds. The mid-term evaluation will be prepared 18 months after the commencement of Program implementation or when 50% of the resources have been disbursed. A final evaluation will be conducted three months prior to the end of Program execution or when 95% of the Bank's contribution has been disbursed. For the intermediate evaluation, the consultant will consider, among other items: (i) number of project ideas presented in Component I and the percentage of those ideas that are considered eligible for further support; (ii) the percentage of business ideas that receive assistance in order to develop a project plan compared with the number of project plans selected for implementation; (iii) number of MSMEs involved in each selected project; and (iv) level of clear and quantifiable indicators and their relevance in terms of measuring the impact in each selected project. For the final evaluation, the consultant will take into account: (i) the economic benefits achieved among all participating actors in each project; and (ii) the exact role of MSMEs in each project. With its own financial resources distinct from the counterpart requirement, the executing agency has agreed to undertake an *ex post* evaluation of this Program one year after completion to measure the impact and assess the lessons learned. These results will be shared with the Bank.
- 7.3 During the Program's execution, the executing agency will compile supervision and project evaluation indicators. These indicators are set forth in the Logical Framework (see Annex I) and will be used by the CO, the MIF Office and the executing agency to gauge the overall impact and to assess the results. The executing agency will provide access to all the information and documentation needed to conduct these evaluations.

## VIII. ENVIRONMENTAL AND SOCIAL IMPACTS

- 8.1 This Program is expected to have positive social effects, since the approach is centered on offering new products and services to those consumers that live in the base of the economic pyramid. In addition, the idea of all the programmed activities is to work with micro, small and medium companies in developing and introducing new products and

services in collaboration with large companies that are interested in dedicating financial resources to the development of these new products and services. The MIF environmental exclusion list will be included in the operational manual to restrict against possible adverse environmental impacts.

- 8.2 The Committee on Environment and Social Impact (CESI) reviewed the project abstract at its meeting (05-05), February 4, 2005 and recommended that the review process for project plans include environmental considerations (see paragraph 3.8). In addition, the CESI recommended that a non-discriminatory practices requirement be included as part of the project selection criteria in the operational manual.

## **IX. SPECIAL CONTRACTUAL CONDITIONS**

- 9.1 As a condition prior to the first disbursement of the contribution, CESPEDDES/CCE must: (i) select the Program Director; and (ii) have formed the Advisory Council.

**DEVELOPING NEW MARKET OPPORTUNITIES IN THE ECONOMIC BASE OF THE PYRAMID (ME-M1010)**  
**LOGICAL FRAMEWORK**

<b>Narrative summary</b>	<b>Indicators</b>	<b>Means of verification</b>	<b>Assumptions</b>
<b>Goal</b>			
To increase market opportunities for Mexican micro, small and medium-sized enterprises (MSMEs).	One year after program completion:  An increase of 20% since program end in the number of MSMEs involved in BOP businesses implemented under the program.	Ex post evaluation by CESPEDES  Records of institutions that collect statistics on Mexican MSMEs	Macroeconomic conditions remain stable.
<b>Purpose</b>			
To develop new products and services involving MSMEs to target consumers at the base of the economic pyramid.	By program end:  – At least 12 project plans implemented with counterpart funding from large businesses or SME associations that involve a number of MSMEs and target BOP consumers. <sup>1</sup>  – 12 new products or services that target BOP needs are on the market and gaining acceptance.  By month 24:  – At least 5 new products or services that target BOP needs are on the market.	Midterm and final project evaluation reports  Baseline information for each project supported  Reports from the CESPEDES management and monitoring control system  Semiannual and final project reports from the executing agency  PPMRs and PCR	Program management succeeds in enlisting a significant group of “champions” from the business community, including leaders of large businesses and MSME entrepreneurs and owners.

<sup>1</sup> Given the project support structure of the program, it is not possible to specify the number of beneficiary MSMEs at this time. But based on project proposals already received, it is expected to be in the hundreds. Each project will include qualitative and quantitative indicators, so the logical framework may be updated over the course of the program to more accurately reflect the number of beneficiary MSMEs.

Narrative summary	Indicators	Means of verification	Assumptions
<b>Components</b>			
<p>1. Development of project plans for new products and services.</p>	<p>By month 12:</p> <ul style="list-style-type: none"> <li>– Study of BOP market needs in Mexico completed and disseminated in Mexico City, Monterrey, and Guadalajara.</li> <li>– At least 15 BOP ideas received and 10 preliminary BOP business plans presented.</li> <li>– At least eight BOP project plans developed with program support.</li> </ul> <p>By month 24:</p> <ul style="list-style-type: none"> <li>– At least 45 BOP ideas received and 25 preliminary BOP business plans presented.</li> <li>– At least 25 BOP project plans developed with program support.</li> </ul>	<p>Attendance records for events</p> <p>Midterm and final project evaluation reports</p> <p>Semiannual and final project reports from the executing agency</p> <p>PPMRs and PCR</p>	<p>Program managers (CESPEDES, PEU and CCE) promote/disseminate the program actively through the media and business circles.</p>
<p>2. Selection and implementation of projects.</p>	<p>By month 12: At least 5 project plans selected.</p> <p>By month 18: at least 8 project plans selected.</p> <p>By month 24: At least 12 project plans selected and being implemented.</p>	<p>Project proposals submitted by large businesses and MSMEs</p> <p>Project data bank</p> <p>Midterm and final project reports</p> <p>Baseline information for each project supported</p> <p>Semiannual project reports from the executing agency</p> <p>PPMRs and PCR</p>	<p>Participating businesses maintain their interest in the initiatives and continue to make counterpart contributions.</p> <p>The business proposals/models selected are commercially viable.</p>

Narrative summary	Indicators	Means of verification	Assumptions
<p>3. Institutional strengthening and dissemination of results.</p>	<p>12 months into execution:</p> <ul style="list-style-type: none"> <li>– CÉSPEDDES monitoring system implemented.</li> <li>– Program website is up and running.</li> </ul> <p>By program end:</p> <ul style="list-style-type: none"> <li>– BOP protocol manual available on the program website.</li> <li>– Program management (CESPEDES or PEU) has participated in at least 5 national or international events, 15 national presentations at business gatherings and events; 8 stories have appeared in the national and international press, and 5 articles in magazines dealing with BOP issues.</li> <li>– At least 5 successful projects from the program have been documented and presented internationally as BOP case studies.</li> <li>– At least 500 representatives of private firms, civil society organizations, universities and the public sector are familiar with the program.</li> </ul>	<p>Collection of printed articles</p> <p>Midterm and final project evaluation reports</p> <p>Semiannual project reports from the executing agency</p> <p>PPMRs and PCR</p>	<p>CESPEDES offers potential that can be strategically nurtured and developed to make it a national and international example for promoting the concept of businesses and production chains serving the BOP market.</p>

Narrative summary	Indicators	Means of verification	Assumptions
<b>Activities</b>			
<p>1.1. Analysis of the BOP market in Mexico.</p> <p>1.2. Training for consultants</p> <p>1.3. Public awareness events.</p> <p>1.4. Workshops with large companies to develop the concept of new businesses and productive chains targeted at the BOP market</p> <p>1.5. Workshops with firms interested in developing projects for the program.</p> <p>1.6. Facilitate project design.</p>	<ul style="list-style-type: none"> <li>– Market study prepared by the market research firm (4 months after first disbursement)</li> <li>– At least 2 training courses have been held, each with 15 participants, for a total of 30 consultants trained.</li> <li>– A 1-day session held in Mexico City, Monterrey, and Guadalajara during the first two years of the program. Each session must attract 100-150 people including representatives of large businesses, MSMEs, NGOs, and public/private-sector associations.</li> <li>– Two 2-day workshops held in Mexico City, Monterrey and Guadalajara in the first two years of the program. Each workshop must attract 20-30 people</li> <li>– Two 2-day workshops in the first year of the program with at least 6 firms participating in each.</li> <li>– At least 25 proposals prepared for the selection process in the first 24 months of the program.</li> </ul>	<ul style="list-style-type: none"> <li>– Final report</li> <li>– PowerPoint presentation available via Internet</li> <li>– Presentation seminar</li> <li>– Report including: proceedings of the event; attendance list; press clippings</li> <li>– Report including: proceedings of the event; attendance list</li> <li>– Semiannual project reports from the executing agency</li> <li>– PPMRs and PCR</li> </ul>	

Narrative summary	Indicators	Means of verification	Assumptions
<p>2.1 Analyze, evaluate and select project work plans.</p> <p>2.2 Track and monitor projects.</p>	<ul style="list-style-type: none"> <li>– Number of plans received, analyzed and finally selected.</li> <li>– Update on the progress of each project.</li> </ul>	<ul style="list-style-type: none"> <li>– Minutes of the meetings of the Selection Committee</li> <li>– Project monitoring manual; Project data bank; and midterm and final project evaluation reports.</li> </ul>	<p>The business community of large companies and MSMEs has the capacity to generate high-quality proposals.</p> <p>Counterpart funds are available.</p>
<p>3.1 Design a project tracking, monitoring and evaluation system.</p> <p>3.2 Prepare and implement a specific communication plan for the dissemination stage.</p> <p>3.3 Document results and lessons learned from the projects.</p> <p>3.4 Dissemination workshops</p> <p>3.5 Feature the program at other national and international events</p> <p>3.6 Develop a manual on seizing opportunities and doing business in the BOP market.</p>	<ul style="list-style-type: none"> <li>– Tools approved for monitoring projects and assessing their outcomes.</li> <li>– Internet portal, presentation of the project to large companies, events (seminars, presentations at sector events).</li> <li>– Project fact sheets (all projects) and case studies (at least five).</li> <li>– Three dissemination workshops with 50 participants each.</li> <li>– CESPEDDES participation in 5 national and international BOP labs, WRI events, etc.</li> <li>– BOP protocol manual.</li> </ul>	<ul style="list-style-type: none"> <li>– Report</li> <li>– Report including: CD-ROM. Press clippings. Promotional graphics</li> <li>– Collection of records (presentations, press clippings, mission report, etc.</li> <li>– Proceedings and list of participants</li> <li>– Proceedings and list of participants</li> <li>– Manual published and available</li> </ul>	



**DEVELOPING NEW MARKET OPPORTUNITIES  
IN THE ECONOMIC BASE OF THE PYRAMID (ME-M1010)  
DETAILED BUDGET SUMMARY**

	MIF	Counterpart		Total
Categories		In cash	In kind	
<b>Component I: Development of project plans for new products and services</b>	<b>128,000</b>	<b>61,140</b>	<b>7,700</b>	<b>196,840</b>
1.1 Detailed analysis of the BOP market in Mexico (3-4 months)	72,000	0	0	72,000
1.2 Training for consultants	0	8,800	900	9,700
1.3 Public awareness events (6 sessions, each with 100 participants)	16,000	8,400	1,400	25,800
1.4 General workshops with firms	16,000	6,900	0	22,900
1.5 Workshops targeted at interested firms	0	7,040	0	7,040
1.6 Projects design	96,000	30,000	5,400	131,400
<b>Component II: Selection and implementation of projects</b>	<b>1,320,000</b>	<b>1,515,000</b>	<b>0</b>	<b>2,835,000</b>
2.1 Implementation of projects	1,320,000	1,320,000	0	2,640,000
2.2 Tracking, monitoring and evaluation	0	48,000	0	48,000
2.3 Technical coordinator (US\$3,500/month x 42 months)	0	147,000	0	147,000
<b>Component III: Institutional strengthening and dissemination of results</b>	<b>131,550</b>	<b>173,650</b>	<b>0</b>	<b>294,050</b>
3.1 Production of the project tracking, monitoring and evaluation system	16,000	0	0	16,000
3.2 Promotional campaign	74,000	88,500	0	162,500
3.3 Documentation of projects	19,600	30,000	0	49,600
3.4 Dissemination workshops (3 national workshops)	21,950	10,400	0	32,350
3.5 Participation in national and international discussions of the topic.	0	44,750	0	33,600
<b>Administration</b>	<b>0</b>	<b>7,620</b>	<b>86,100</b>	<b>93,720</b>
IV.1 Program administrative personnel	159,400	158,400	0	317,800
IV.2 General management	0	0	42,000	42,000
IV.2 Operating expenses	0	0	44,100	44,100
IV.3 Equipment and materials	0	7,620	0	7,620
<b>Program evaluations</b>	<b>50,000</b>	<b>0</b>	<b>0</b>	<b>50,000</b>
<b>Financial audit</b>	<b>40,000</b>	<b>0</b>	<b>0</b>	<b>40,000</b>
<b>Contingencies</b>	<b>99,050</b>	<b>1,540</b>	<b>0</b>	<b>100,590</b>
<b>Grand total</b>	<b>2,000,000</b>	<b>1,917,350</b>	<b>93,800</b>	<b>4,000,000</b>

**DEVELOPING NEW MARKET OPPORTUNITIES IN THE ECONOMIC BASE OF THE PYRAMID (ME-M1010)  
RELATED PROJECTS AND COUNTRY PORTFOLIO**

**A. Similar or related MIF projects**

N/A

**B. Similar or related Bank projects**

N/A

**C. MIF projects relating to the same sector or beneficiaries**

<b>Project number / date of approval</b>	<b>Title of project, executing agency and amount</b>	<b>Date of signing and original period of disbursement in months</b>	<b>Percentage disbursed</b>	<b>Comments</b>
ATN/MT-7139-ME  20 September 2000	<b>Productive Integration Program</b>  Confederación de Cámaras Industriales  US\$2 million	15 November 2000  54 months (24 months of extensions)	47%	Project rated unsatisfactory (U/LP). Some activities are still pending completion, and the action plan for those activities has been requested. The program is supporting seven integration centers and is in the final stages of preparing courses and advisory services to businesses for implementing productive integration programs and developing suppliers and business networks.
ATN/ME-8864-ME  22 September 2004	<b>Implementing Corporate Social Responsibility Measures in Small and Medium Enterprises in the Value Chain</b>  Universidad ANAHUAC  US\$1,275,000	28 September 2004  42 months	15%	Project implementation rated satisfactory (S/P). Five firms in four different industries are now committed. Four have signed the agreement and paid their cash contributions at least for the first year. In the last quarter of the year there will be five projects, each consisting of a “key firm” with 10 SMEs in its value chain.

**D. Cartera FOMIN en México**

<b>MULTILATERAL INVESTMENT FUND</b>										
<b>No.</b>	<b>Memo #</b>	<b>Project #</b>	<b>ATN #</b>	<b>Name</b>	<b>Exec. Agency</b>	<b>FAC</b>	<b>Approval</b>	<b>Status</b>	<b>MIF Amount</b>	<b>% Disb</b>
1	MIF/AT-19	TC9408099	ATN/ME-4709-ME	"Accion" Fund for the Development of Productive Projects in Rural Areas	BANAMEX	IIla	9-Nov-94	Completed	1,200,000	100.00
2	MIF/AT-27	TC9407182	ATN/MH-4744-ME	Training and Services for Street Youth	FBC	II	7-Dec-94	Completed	745,000	100.00
3	MIF/AT-56	TC9505366	ATN/MH-5050-ME	Technical Training for the Electronics Industry	CANIECE	II	1-Nov-95	Completed	28,611	100.00
4	MIF/AT-78	TC9502239	ATN/MT-5198-ME	Energy Regulations	CORE	I	24-Apr-96	Completed	0	0.00
5	MIF/AT-89	TC9509376	ATN/MH-5333-ME	Pilot Skill Standards and Certification Project	CNCCL	II	11-Sep-96	Completed	2,383,782	100.00
6	MIF/AT-128	TC9605017	ATN/ME-5593-ME	Productivity Center in Jalisco	IFMJ	IIla	4-Jun-97	Completed	1,767,550	100.00
7	MIF/AT-139-1	TC9508401	ATN/MH-5709-ME	Human Resources Investment for Regional Business Development: Nueva Viscaya	UNIAC	II	1-Oct-97	Completed	1,253,083	100.00
8	MIF/AT-187	TC9805120	ATN/MT-6085-ME	Capital Market Development	INDEVAL	I	5-Aug-98	Completed	1,449,912	100.00
9	MIF/AT-202-1	ME0216	8/MS-ME	MIC/ Rural Financing for Small Farmers	FMDR	IIlb	11-Nov-98	Cancelled	0	0.00
10	MIF/AT-202-1	TC9802259	ATN/ME-6239-ME	MIC/ Rural Financing for Small Farmers	FMDR	IIla	11-Nov-98	Cancelled	0	0.00
11	MIF/AT-303	TC9907013	ATN/MH-6742-ME	Training in Environmental Management Systems	IPA	II	9-Nov-99	Completed	304,196	100.00
12	MIF/AT-309	TC9808322	ATN/ME-6811-ME	Capital Development Fund in Tijuana	CDT	IIla	8-Dec-99	In execution	1,370,000	84.95
13	MIF/AT-313	TC9710147	ATN/MH-6887-ME	Professionalization of NGO's Project	VAMOS	II	9-Feb-00	In execution	2,000,000	87.43
14	MIF/AT-326	TC9909009	ATN/ME-6974-ME	Institutional Strengthening of Compartamos	APC	IIla	16-May-00	Completed	0	0.00
15	MIF/AT-341	TC9910000	ATN/MT-7066-ME	Alternative Dispute Resolution Project	ITAM	I	26-Jul-00	Completed	727,109	100.00
16	MIF/AT-358	TC9810509	ATN/MT-7139-ME	Program to Support Productive Integration	CONCAMIN	I	20-Sep-00	In execution	2,000,000	47.42
17	MIF/AT-440	TC0105028	ATN/ME-7630-ME	Insitutional Strengthening FINCOMUN	FINCOMUN	IIla	15-Oct-01	In execution	296,000	46.23
18	MIF/AT-450	TC0106003	ATN/ME-7717-ME	Capitalization of Remittances for Local Economic Development	NAFIN	IIla	12-Dec-01	In execution	1,115,000	44.89

No.	Memo #	Project #	ATN #	Name	Exec. Agency	FAC	Approval	Status	MIF Amount	% Disb
19	MIF/AT-459	TC0109002	ATN/MT-7792-ME	Strengthening of the Network of Savings and Loan Entities	BANSEFI	I	20-Feb-02	In execution	3,500,000	46.57
20	MIF/AT-462	TC0202009	ATN/ME-7832-ME	Tourism Sector Auxiliary Industry Fund	FEC	IIla	3-Apr-02	Approved	45,000	0.00
21	MIF/AT-465	TC0108017	ATN/ME-7834-ME	Investment of Remittances for Rural Development in Migrant Economies	FPC	IIla	4-Apr-02	In execution	460,000	66.35
22	MIF/AT-478	TC0107010	ATN/MT-7921-ME	Water Sector Reform for the State of Veracruz	SEDERE	I	26-Jun-02	In execution	1,000,000	42.80
23	MIF/AT-509	TC0207015	ATN/ME-8085-ME	Venture Capital Fund for Small Enterprises in Chihuahua	FCHIHUAHUA	IIla	30-Oct-02	In execution	110,000	54.55
24	MIF/AT-525	TC0201100	ATN/MT-8243-ME	Development of Standards for Financial Information	ICP	I	12-Mar-03	In execution	1,675,000	57.88
25	MIF/AT-527	TC0206011	ATN/MT-8245-ME	Property Rights Facilities Financial States	CONAFOVI	I	12-Mar-03	In execution	2,000,000	17.92
26	MIF/AT-533	TC0202012	ATN/ME-8378-ME	Expansion of Cleaner Production Support	IPN	IIla	30-Jul-03	In execution	980,000	15.95
27	MIF/AT-542	TC0210061	ATN/ME-8424-ME	Promotion of Cleaner Production Opportunities in the Bajío Region	CCMEU	IIla	9-Sep-03	In execution	465,000	10.00
28	MIF/AT-548	TC0302013	ATN/ME-8432-ME	Supply Chain Development for Micro and Small Enterprises in Guanajuato	COFOCE	IIla	10-Sep-03	In execution	970,000	22.66
29	MIF/AT-587	ME-M1002	ATN/MT-8654-ME	Support for a Program to Incorporate Business Assets into the Formal Sector	SDS	I	10-Mar-04	Approved	2,600,000	0.00
30	MIF/AT-597	ME-M1005	ATN/ME-8764-ME	Venture Financing for Mexican early-stage technology firms	LIMVCF	IIlb	7-Jul-04	Approved	75,000	0.00
32	MIF/AT-611	ME-M1003	ATN/ME-8864-ME	Implement Corporate Social Responsibility Measures in SMEs	ANAHUAC	IIla	22-Sep-04	In execution	1,275,000	15.19
33	MIF/AT-644	ME-M1004	ATN/ME-9118-ME	Support Program to Rural Financial Intermediaries	FR	IIla	9-Mar-05	Approved	675,000	0.00
34	MIF/AT-646	ME-M1006	ATN/MT-9138-ME	Access to Housing Financing for Remittance Recipients	SOHIFE	I	23-Mar-05	Approved	1,700,000	0.00
35	MIF/AT-658	ME-M1008	ATN/MH-9272-ME	Skill standards and certification for savings and credit institutions	COMACREP	II	30-Jun-05	Approved	745,000	0.00
36	MIF/AT-660	ME-M1007	ATN/ME-9330-ME	New Small Farms and SME-Specialized Financial Institution	BANCO VE POR MAS	IIla	3-Aug-05	Approved	5,075,000	0.00

No.	Memo #	Project #	ATN #	Name	Exec. Agency	FAC	Approval	Status	MIF Amount	% Disb
37	MIF/AT-666	ME-M1012	ATN/ME-9342-ME	Equity Investment by Community Savings and Loan Sector in BANSEFI	BANCO DEL AHORRO NACIONAL Y SERVICIOS FI	I	5-Aug-05	Approved	500,000	0.00
								<b>Total MIF Amount</b>	<b>40,490,242</b>	

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK  
MULTILATERAL INVESTMENT FUND

PROPOSED RESOLUTION MIF/DE-\_\_\_/05

Mexico. Nonreimbursable Technical Cooperation ATN/\_\_\_-\_\_\_-\_\_\_ for Developing  
New Market Opportunities in the Economic Base of the Pyramid

The Donors Committee of the Multilateral Investment Fund

RESOLVES:

1. That the President of the Inter-American Development Bank or such representative as he shall designate is authorized, in the name and on behalf of the Bank, as Administrator of the Multilateral Investment Fund, to enter into such agreements as may be necessary with the Consejo Coordinador Empresarial CCE, and to take such additional measures as may be pertinent for the execution of the project proposal contained in document MIF/AT-\_\_\_ with respect to a technical cooperation for developing new market opportunities in the economic base of the pyramid.

2. That up to the amount of US\$2,000,000, or its equivalent in other convertible currencies, shall be authorized for the purpose of this resolution, chargeable to the technical cooperation 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.

(Adopted on \_\_\_ 200\_\_)

LEG/OPR/RGII/IDBDOCS#620671  
ME-M1010