

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK
MULTILATERAL INVESTMENT FUND

BOLIVIA

**COMPETITIVENESS OF AGRIFOOD CHAINS IN THE CENTRAL
VALLEY OF TARIJA**

(BO-M1015)

DONORS MEMORANDUM

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ABBREVIATIONS

ANIV	Asociación Nacional de Industriales Vitivinícolas [National Association of Grape and Wine Industries]
CENAVIT	Centro Nacional de Vitivinicultura [National Center for Grape and Wine Production]
CESI	Committee on Environment and Social Impact
FDTA-Valles	Fundación para el Desarrollo Tecnológico Agropecuario de los Valles [Foundation for the Agricultural and Technological Development of the Valleys]
MSME(s)	Micro, small, and medium-sized enterprise(s)
SIBTA	Sistema Boliviano de Tecnología Agropecuaria [Bolivian Agricultural Technology System]

**COMPETITIVENESS OF AGRIFOOD CHAINS IN THE CENTRAL VALLEY OF TARIJA
(BO-M1015)**

EXECUTIVE SUMMARY

Executing agency: Fundación para el Desarrollo Tecnológico Agropecuario de los Valles [Foundation for the Technological and Agricultural Development of the Valleys] (FDTA-Valles)

Beneficiaries: Small and medium-sized enterprises located in the Central Valley of Tarija

Amount and source of financing:	MIF IDB:	US\$1,050,000
	Local counterpart:	US\$ 450,000
	Total:	US\$1,500,000

Execution schedule: Execution period: 48 months
Disbursement period: 54 months

Objectives: The general objective of the project is to contribute to the competitive development of the Tarija Central Valley, consolidating the agrifood cluster as one of the region's mainstays of development, through the integration of agricultural production and related services chains for the promotion of specialty products—wine and grapes, berries, ham, honey, and goat cheese. The specific objective of the project is to promote entrepreneurship and improve the competitive performance of small and medium-sized agroindustrial enterprises making specialty products in the Central Valley of Tarija, through collective actions.

Description: The project consists of four components: (i) agroindustrial linkage in the Central Valley of Tarija; (ii) initiatives of public-private interest for competitiveness; (iii) linking of businesses in agroindustrial chains; and (iv) monitoring and dissemination of results.

Social and environmental review: The Committee on Environment and Social Impact approved this operation on 19 May 2006.

Special contractual conditions: As conditions precedent to the first disbursement: (i) evidence will be presented that FDTA-Valles has approved the Operating Regulations for the project, which will describe, *inter alia*, the execution mechanisms and terms of reference for contracting under the project; (ii) the executive board for the project will be created; (iii) evidence will be presented that the project manager has been selected; and (iv) the project executing unit will be established and given space in which to operate.

Exceptions to Bank policies: There are no exceptions to the Bank's policies.

I. FRAME OF REFERENCE

A. Economic characteristics of the Central Valley of Tarija

- 1.1 The department of Tarija lies in southeastern Bolivia and borders the departments of Chuquisca and Potosí to the north and west, Argentina to the south, and Paraguay to the east. It has a total area of 37,623 square kilometers (larger than countries like Holland and Belgium) and is divided into six provinces and eleven municipios, with four clearly distinguished geo-economic areas.¹
- 1.2 In recent years, Tarija's economy has expanded rapidly, between 7% and 9% per year during the 2000-2004 period, chiefly as a result of a vigorous hydrocarbons sector and, particularly, the extraction and exportation of natural gas to Argentina. The performance of the agriculture and food sectors, which together account for slightly more than 15% of the regional product, compared with the 35% contributed by the hydrocarbons sector, has been much weaker.² However, these sectors are a major source of jobs in the region, employing 25% of the economically active population, equal to the percentage employed in extractive mining, construction, and manufacturing combined, and higher than the percentage employed in the commercial sector (19.3%) and other services and government (19%).³ The Central Valley of Tarija occupies approximately 20% of the total area of the department,⁴ is home to over 60% its residents (including the capital of the department, Tarija, with a population of 130,000), and is home to much of the department's agrifood industry. The focus of agrifood production in the Central Valley is grapes and wine, but complementary activities, such as the cultivation of temperate fruits and vegetables (berries), and other small-scale activities, such as the production of cheese, honey, and Ibérico ham, are pursued as well.
- 1.3 Grape production in the Central Valley of Tarija, at more than 15,600 metric tons per year, accounts for three quarters of Bolivia's total grape production and two thirds of the total area under cultivation (2,000 hectares). In recent years, grape production has increased by 6% per year, and continued growth is expected.⁵ Although slightly more than 70% of grapes produced in the Central Valley of Tarija are used to make wine, there is a domestic market for table grapes that is going

¹ These are the Andean altiplano area, the sub-Andean area, the central valley, and the Chaco plain.

² Figures from the Instituto Nacional de Estadística [National Institute of Statistics] (2003).

³ According to the 2001 Census, the balance corresponds to temporary unskilled workers (11%).

⁴ The Central Valley of Tarija consists of the municipios of Uriondo, Padcaya, Cercado, San Lorenzo, El Puente, and Entre Ríos in the department of Tarija and the municipios of Camargo, Villa Abecia, and Las Carreras in the department of Chuquisaca.

⁵ The San Jacinto Reservoir irrigation expansion project will allow nearly 2,000 additional hectares to be cultivated.

unmet.⁶ The Central Valley of Tarija turns out more than 90% of Bolivia's wines, with 56,700 hectoliters per year (2002).⁷ Most of the country's wine is made by a few industrial wineries. The distinguishing characteristic of Bolivia's grapes and wines is that they are produced at high altitude. The Central Valley of Tarija's vineyards and wineries are located at between 1,600 and 2,800 meters above sea level, while most vineyards in the world are located at between 0 and 600 meters above sea level. The largest market for Tarija wine is the Bolivian market, with only 2% of production exported to international markets (US\$90,000 annually, according to information provided by the National Association of Grape and Wine Industries, or ANIV). Unused production capacity in the sector, estimated at nearly two thirds of installed capacity, is high. At present, the table grape, wine grape, and wine production chain is the economic lifeblood of more than 2,000 small-scale farming families in 39 communities. More than 10,000 people are employed every crop year.

- 1.4 Fruit and vegetable farming in the Central Valley of Tarija has traditionally centered on the cultivation of garlic, onions, peaches, and, more recently, new specialties such as berries (strawberries, blackberries, and raspberries), asparagus, Brussels sprouts, artichokes, and oregano, with companies such as Afrutar,⁸ Barca, Aocem, and Citrusmiel organizing and processing the production of communities of small-scale farmers. Other specialty foods produced by groups of small-scale farmers in the Central Valley of Tarija include Ibérico ham, goat cheese, and honey.⁹
- 1.5 A tourism circuit has begun to form around the grape- and wine-producing industry in the Central Valley of Tarija for Bolivian and foreign tourists wishing to visit vineyards and wineries, in what could become the highest-altitude wine circuit in the world. During the 1999-2001 period, the National Center for Grape and Wine Production (CENAVIT) recorded 1,000 visitors per year to the vineyards and wineries of the Tarija Central Valley.

⁶ Chilean grapes are believed to supply approximately 63% of demand in La Paz. Estimate from FDTA-Valles, in "Identificación, mapeo y análisis competitivo del clúster de uvas, vinos y singanis del Sur de Bolivia [Identification, mapping, and competitive analysis of the grape, wine, and Singani cluster in southern Bolivia]," Alejandro Paniagua, CAF (2003).

⁷ Figures from the National Center for Grape and Wine Production (CENAVIT), in Alejandro Paniagua, CAF (2003).

⁸ Afrutar exports US\$30,000 in raspberries to Brazil and is planning to export US\$100,000 in 2005.

⁹ Of these: (i) ham, made by 20 farmers working in a collective, although only five produce up to 15 tons/year; (ii) goat cheese, with production led by the 60-family Asociación de Criadores Caprinos de Tarija [Tarija Goat Farmers Association] (more than 10,000 molds/year); and (iii) honey, with production at approximately 40 tons/year, more than eight tons of which is produced by the 80-member Tarquinia beekeeping association, which uses invoices and bar codes and may obtain organic certification.

B. Problems facing the agrifood cluster

- 1.6 First and foremost, the agricultural and agroindustrial cluster of the Central Valley of Tarija must expand into new markets. Although it has the installed capacity and potential to expand production, local markets constitute virtually the only outlet for its products. The cluster sells a very small portion of its products on the national market and exports even fewer. Thus, the problems facing these production sectors are tied to market expansion, which is hard for Central Valley businesses to pursue on their own, due to their small size. The key to this market expansion lies in the production process itself, in the activities of the chain that makes up the export process (primary production, processing, packaging, and transport, to mention just a few phases), and in greater access to information on market conditions and opportunities. Several specific factors can be identified from among the many that affect the various phases of production and sales processes, as described below.
- 1.7 **Low quality standards**, in both agricultural production and processing. With respect to fresh products in particular, low standards in post-harvest handling, such as inadequate boxes and the absence of a cold chain, lead to significant losses during distribution, lower quality, concentration of supply within a period of a few weeks, and few market outlets, with the attendant decrease in producer prices.
- 1.8 **Weak linkage in value chains**, between farm and industrial producers (e.g., in the grape-wine chain) and between these producers and the providers of services and products needed for marketing, which leads to a high degree of uncertainty about product availability and quality, with the attendant decrease in producer prices. In some cases, the fragmentation of production in the Central Valley among very small businesses suggests a need to deepen the links between these production units and enhance integration so that common standards and innovations can be introduced. Although producer associations have been formed for some businesses, they are still too small and poorly organized to provide this type of support.
- 1.9 **Limited technical and business capacity**, a factor that holds back the region's development potential. In particular, the limited professionalism of some of the services offered, especially technological services for production, has been pointed up. Institutions like CENAVIT are very important for the grape-wine chain, but are not playing the decisive role expected by the producers. There are technical and technological problems, such as repeated infestations of the berry crop and the difficulties of minimizing hail damage to vineyards, which, while not easily solved, could be mitigated by better production practices. Moreover, a more careful handling of the processes could lower product losses.

C. Rationale and additionality

- 1.10 This project will play a decisive role in catalyzing efforts to develop types of production other than extractive mining in the Central Valley of Tarija, particularly

by focusing on developing a cluster of diverse subsectors and moving beyond strictly sectoral approaches. In recognition of the fact that progress so far has been partial, the operation will focus on expanding outbound markets for Central Valley products and developing a higher-quality supply of products adapted for these more sophisticated markets, by strengthening value chains and consolidating public-private collaboration.

- 1.11 To diversify the region's specialty products and serve markets that are larger and more demanding than the local market, the businesses will need better linkage along the production chains. The demands imposed by these markets in terms of quality and stable supply will require an increase in the technological content of production, which in turn will require greater linkage by businesses along the production chains. With this in mind, building the skills of workers and business owners, updating the supply of technological services, and expanding markets are some of the initiatives needed to ensure that diversification of production in the Central Valley is effective and sustainable. Many of these challenges call for collective solutions, inasmuch as their benefits will accrue on a scale larger than that of individual businesses. Furthermore, some of the initiatives must form part of a policy and dialogue between the public and private sectors. An interesting opportunity has been created in Bolivia this year by the first-ever election of departmental prefects by popular vote, an event that will inevitably lead local administrations to act according to a more regional and national vision.
- 1.12 The Multilateral Investment Fund (MIF) will be able to draw on experience gained and lessons learned in its *Networks and Supply Chains* project cluster for purposes of better targeting effort to strengthen and disseminate business collaboration initiatives and promote collective actions that have already yielded positive results. This operation, however, will broaden the approach, taking into account the territorial dimension and strengthening dialogue between the public and private sectors, in recognition of the benefits that such collaboration could generate in terms of the sustainability and consistency of the initiatives.¹⁰ The project will help build a shared commercial vision, as productive territory, facilitating the coordination of business initiatives and reducing production and processing costs along the chain, which will make up for the limitations faced by the businesses due to their small size.

¹⁰ The public-private dialogue began in the context of the Bolivian Productivity and Competitiveness System (sector program BO-0219), in which the grapes-wine-singani chain was one of the priorities included in the Bolivian Competitiveness Agreement (2005); moreover, both the Prefecture and Municipality of Tarija participated in the prefecture and municipal competitiveness agreements, respectively.

II. DESCRIPTION

A. Objective

- 2.1 The **general objective** of the project is to contribute to the competitive development of the Central Valley of Tarija, consolidating the agrifood cluster as one of the region's mainstays of development, through the integration of agricultural production and related services chains for the promotion of specialty products—wine and grapes, berries, ham, honey, and goat cheese.
- 2.2 The **specific objective** of the project is to promote entrepreneurship and improve the competitive performance of small and medium-sized agroindustrial enterprises making specialty products in the Central Valley of Tarija, through collective actions.

B. Components and activities

- 2.3 The main program activities are based on a shared vision of development of the Tarija Central Valley and on its promotion as a nexus of agrifood production and tourism, with particular emphasis on the aspects of quality that confer value on the indication of origin of table grapes, wines, and complementary specialty products, especially due to the altitude at which they are produced. The project consists of four components. The first component will focus on creating the conditions and capacity needed to promote linkage among companies, organize collective actions, and define the vision of both public and private local actors with respect to the market positioning of the Central Valley and the initiatives needed to achieve it. The second and third components are aimed at making businesses in the Central Valley more competitive and implementing the market positioning strategy with different nuances: the second component will support initiatives with common benefits for the agrifood and specialty products sector, offering a frame of action for the businesses, while the third component will finance the businesses' own initiatives, provided they are collective in nature and proposed by at least three businesses, in areas of trade and technology promotion and other areas that can reinforce the likelihood that the region's benchmark markets will expand. Under the fourth component, a system will be developed to monitor and disseminate results and best practices.

1. Component 1: Agroindustrial linkage in the Central Valley of Tarija (MIF: US\$169,800 / Local counterpart: US\$48,200)

- 2.4 This component seeks to consolidate a development vision for the Central Valley of Tarija that is shared by the producers, businesses, and public and private institutions, and create the conditions and build the skills needed for collective actions.

2.5 In particular, financing will be provided for activities in the following three areas:

- a. **Assessment of the business climate and coordination of a shared strategic vision.** The program calls for two initiatives: (i) *mapping the supply and demand of business services*, by means of an exhaustive survey of the supply of financial and nonfinancial business services available to small and medium-sized enterprises and classification of current and latent demand by type of business; and (ii) *creating a vision for the development of the Central Valley of Tarija*, with representatives from the business community, local government, and other institutions, for the purpose of identifying and prioritizing core markets for the production chains' commercial strategies and logistical and investment needs for the production system, to have input into the planning process.¹¹
- b. **Strengthening of production chains through collective actions.** The project will support the development of production chains by: (i) *strengthening the entities that organize the various production chains*, particularly in the ANIV (the coordinating entity for the grape and wine chain), to help micro, small, and medium-sized enterprises pursue collective actions and become legally constituted. This experience will be transferred to entities that organize other specialty product chains, with financing provided for up to 50% of the cost of the technical assistance; and (ii) *training facilitators and operators of business networks*, through intensive workshops. The beneficiaries must have demonstrable vocational training and at least one year of professional experience with one of the project's beneficiary chains, and must make a copayment of at least 10%.
- c. **Dissemination of project activities.** Materials for dissemination describing the program, the opportunities it offers, and the results it is achieving will be prepared in order to motivate local actors to participate. In addition, an international expert with extensive experience in production chains and agribusiness will be identified to: (i) support and guide the project; and (ii) conduct awareness-raising events regarding conditions for gaining access to markets and other topics of relevance to the businesses.

2. Component 2: Initiatives of public-private interest for competitiveness (MIF: US\$168,000 / Local counterpart: US\$163,000)

2.6 This component will support a set of activities that is strategically important to the competitiveness of the companies and to the more active promotion of products from the Central Valley. The proposed activities have been identified through

¹¹ The resources to implement the actions identified may come from the government budgets or other sources; the prefecture's participation in the financing and management of this project represents an expression of the interest in potential products that could emerge from this project.

dialogue with local stakeholders, will benefit both the public and private sectors, and are consistent with the general development strategy for the Central Valley. The project will focus on two key areas of activity that are considered priorities and will have a major impact on the various production chains, as follows:

- a. **Commercial platform for Tarija Central Valley products.** This calls for building the image of the Central Valley and identifying an initial platform for a commercial strategy for the most important chains, which the businesses will be able to develop, drawing on the competitive financing facility described in the third component. Support will be provided for three specific initiatives: (i) the *Tarija Image Campaign* focused on target markets, to include specialty products from the Central Valley and strengthen its image as a tourist destination. Project financing will be provided to design the campaign and several initial dissemination activities, to spur other financing arrangements of a broader scope; (ii) *tourism-wine circuit*, as a specific focus of territorial coordination. Project financing will be provided to assess supply and capacity, design the circuit, and implement it; and (iii) *support for cultural identity*. Project financing will be provided for three initiatives linked to specialty products that strengthen the cultural identity of the Central Valley, to be selected by the project's executive board.
- b. **Strengthening of the supply of business services.** Based on the results of the business services mapping exercise, the project will support the development of: (i) *the supply of services*, through training to build the skills of service providers and the design of new products; in the case of financial services, a number of initiatives will be promoted to bring financial institutions closer to the production sectors identified and to detect possible improvements and adaptations of a number of financing products; (ii) *technological services for the grape-wine chain*, supporting the process to modernize CENAVIT—a research institution and provider of applied technology services—and improve its technical team's skills; and (iii) *basic business skills* for small businesses and microenterprises, including courses and advisory services in areas such as the preparation of business plans, administrative and accounting management, quality management, and good environmental practices.¹²

3. Component 3: Linking of businesses in agroindustrial chains (MIF: US\$482,000 / Local counterpart: US\$78,000)

- 2.7 This component is designed to improve the capacities and competitive position of micro, small, and medium-sized enterprises (MSMEs) in the Central Valley of

¹² This activity will strengthen the Rural Enterprises Development Program, which receives financing from the Royal Danish Embassy.

Tarija in production, marketing, and innovation, through support for collective business initiatives that create synergies.

- 2.8 To this end, *a competitive financing facility will be created for collective projects* requested by at least three local businesses, or two businesses and one institution, belonging to production chains benefiting from the project. Financing may be provided for collective actions in the following areas: (i) market development, prospecting, and/or deepening; (ii) transfer of technology to local MSMEs; (iii) development and improvement of products and services, including the development of ecological products; and (iv) business training.
- 2.9 The criteria for financing eligibility are as follows: (i) the collective project must have a positive effect on the respective production chains and/or on the regional economy; (ii) the proposal must be technically sound and consistent, and must include evidence of the applicants' ability to make the copayment; (iii) there must be evidence that the applicant businesses share the same objectives; (iv) the project must comply with the country's environmental regulations and occupational safety laws; otherwise, it must include—among the activities to be carried out—specific plans to come into compliance with the regulations and laws; (v) the businesses must be willing to provide the information needed to set a baseline and conduct monitoring; and (vi) the collective project must not discriminate on the basis of gender or ethnicity.
- 2.10 The facility will operate under the open window modality, and calls for projects will be issued if necessary. Projects submitted for financing will be scored by the executing unit and forwarded to the executive board, which will grant or deny financing. Using funds from the facility, up to 70% of the cost of each collective project may be cofinanced, to a maximum of US\$35,000 per initiative. MIF resources will be used primarily for technical assistance and training services. However, these resources may also be used to purchase equipment for collective use, for up to 20% of the amount of each project. Copayments may be drawn on any legal source, with the exception of the Bank.

4. Component 4. Monitoring and dissemination of results (MIF: US\$27,000 / Local counterpart: US\$7,000)

- 2.11 As part of this component, a system will be created to monitor and oversee the project's progress. This system will establish indicators to: (i) regularly evaluate the performance of the various participating agricultural production chains; and (ii) evaluate the economic performance of the Central Valley of Tarija. At project startup, data will be collected to set a baseline for each indicator.
- 2.12 Under this component, financing will be provided for the following activities: (i) the identification of project progress and impact indicators; (ii) a baseline assessment; (iii) the implementation and maintenance of an information and

monitoring system; (iv) the systematization of related experiences and lessons learned, including with regard to the implementation of good environmental practices and the minimization of the use of fertilizers and pesticides; and (v) the organization of two public events to disseminate information on the scope and outcomes of the program.

III. COST AND FINANCING

- 3.1 The cost of the program will be US\$1.5 million, of which the MIF will contribute 70%, or US\$1,050,000. Of the resources contributed by the local counterpart, 80% will be in cash and the remainder will be in kind. Local counterpart resources have been committed by the Fundación para el Desarrollo Tecnológico Agropecuario de los Valles [Foundation for the Technological and Agricultural Development of the Valleys] (FDTA-Valles), ANIV, and the Prefecture of Tarija.
- 3.2 **Project sustainability.** The project will entail the active participation of the public and private entities of the Central Valley of Tarija, including the Prefecture of Tarija, an office recently elected by popular vote for the first time ever, in order to create an enabling environment for local businesses to become more competitive. Accordingly, sustainability will be guaranteed by the project outcomes themselves—in terms of the competitiveness of businesses and production chains, and sales increases—and by the monitoring that participating public and private entities will conduct of activities pursued and their outcomes.

Budget (in United States dollars)

Expense categories	MIF	Local contribution	Total	MIF %	Total %
C1: Agroindustrial linkage in the Tarija Central Valley	169,800	48,200	218,000	16.2	14.5
Assessment and coordination of a strategic vision	67,600	6,200	73,800	6.4	4.9
Strengthening of production chains	55,200	20,000	75,200	5.3	5.0
Dissemination of project activities	47,000	22,000	69,000	4.5	4.6
C2: Initiatives of public-private interest	168,000	163,000	331,000	16.0	22.1
Commercial platform for Tarija Central Valley products	93,000	68,000	161,000	8.9	10.7
Strengthening of the supply of business services	75,000	95,000	170,000	7.1	11.3
C3: Linking of businesses in agroindustrial chains	482,000	78,000	560,000	45.9	37.3
C4: Monitoring and dissemination of results	27,000	7,000	34,000	2.6	2.3
Executing unit	128,000	144,000	272,000	12.2	18.1
Evaluation and audits	50,000	-	50,000	4.8	3.3
Contingencies	25,200	9,800	35,000	2.4	2.3
Total	1,050,000	450,000	1,500,000		

IV. EXECUTION MECHANISMS

- 4.1 The **executing agency for the project** will be the Foundation for the Agricultural and Technological Development of the Valleys (FDTA-Valles), a private institution working in the public interest to support sustainable agricultural development through technological innovation and modernization. FDTA-Valles is an operating unit of the Bolivian Agricultural Technology System (SIBTA) and successfully manages projects financed by the United States Agency for International Development (Market Access and Poverty Alleviation Project) and the SIBTA Common Support Fund (European donor governments), among others. It is governed by an assembly of 40 active member institutions, which elects a board of directors consisting of 12 people representing the public and private sectors.
- 4.2 **Organization of project execution.** To implement the project, FDTA-Valles will create an executing unit that will be responsible for the project vis-à-vis the Bank and for its operational, administrative, and financial aspects. In addition, an executive board will be formed to chart the project's strategic course and make important decisions.
- 4.3 The **executing unit** will consist of:
- a. A *project manager*: a highly skilled professional who will work full time on the project to: (i) coordinate the implementation of the project and its financial, administrative, and operational management; (ii) liaise with the Bank on the operation and status of the project; and (iii) act as secretary of the executive board;
 - b. A *technical assistant*, who will provide support to the project manager and dedicate considerable efforts to promoting the project to its actual and potential beneficiaries and monitoring it;
 - c. *Administrative and accounting support* provided by FDTA-Valles.
- 4.4 The **executive board** for the project will be a decision-making body and will coordinate the participating public and private entities and meet at least once a month. It will have six members, representing the following entities and groups: FDTA-Valles, ANIV, the Tarija Prefecture, the Cadena de Competitividad de Turismo de Tarija [Tourism Competitiveness Chain of Tarija], small-scale grape producers, and the other specialty production chains.
- 4.5 The duties of the executive board will be to: (i) set strategic guidelines for project implementation; (ii) select a project manager; (iii) approve the annual operating budget presented by the executing unit; (iv) approve or reject, by a simple majority, applications for cofinancing for collective projects submitted to the facility described in the third component; (v) approve progress reports and supervise

project implementation; and (vi) discuss and propose features to emphasize or redirect during the course of the project.

- 4.6 **Execution mechanism.** During project implementation, prior reviews will be conducted to verify expenditures. Based on a successful disbursement record, the Bank may decide to implement post reviews for items that do not exceed a certain amount, to be determined. However, the Bank, based on the semiannual operating schedule, which should include the contracting plan, may stipulate that a certain item be subject to prior review. It may also, at any time, require that all items undergo a prior review. Eligible expenses that individually do not exceed US\$1,000 or the equivalent will not require the Bank's prior nonobjection, and the executing agency may submit a list of the expenditures, for review of the corresponding invoices and vouchers.
- 4.7 **Procurement.** The executing agency will procure all goods and services required by the project and approved in advance by the Bank through the semiannual contracting plan. These goods and services will be procured through competitive processes at market rates, in accordance with the policies set forth in document GN-2349-6. The executing agency may use any simplified procedures adopted by the MIF pursuant to that document. Shopping will be the preferred method for procuring any item costing US\$30,000 or less (paragraph 3.5 of document GN-2349-6), in which case the Bank's nonobjection to the technical characteristics of the goods in question will be required. For items costing more than US\$30,000, the preferred procurement method will be international or national competitive bidding, in accordance with the Bank's policy.
- 4.8 **Contracting of individual consultants and consulting firms.** When contracting consultants (individuals or firms), the executing agency will follow the guidelines set forth in chapter five of document GN-2350-6. The executing agency may use any simplified procedures adopted by the MIF pursuant to that document. The contracting of consultants (individuals or firms) for services lasting more than one week and/or in an amount equal to or below US\$2,000 or its equivalent will be categorized as minor goods, and the fee will be paid upon receipt of an invoice, without the need for a contract or registration in the Procurement Information System (PRISM).

V. MONITORING AND EVALUATION

- 5.1 The Bank's Country Office in Bolivia will perform supervision, monitor the fulfillment of contractual conditions, process disbursement requests, and receive audited financial statements. Through the executing unit, the Foundation for the Agricultural and Technological Development of the Valleys (FDTA-Valles) will deliver semiannual progress reports on the project to the Bank within 30 days after the end of each six-month period. Each report will take into account the indicators

established in the logical framework. In addition, the project manager will prepare quarterly management reports, which the executive board will use to continually monitor the project. A **closing workshop** will be scheduled for the end of project implementation to evaluate outcomes and identify the activities needed to increase project impact.

- 5.2 The Bank, together with the executing agency, will engage consulting services to conduct evaluations and, at project startup, to establish the baseline indicators and develop the performance monitoring system. The project calls for two evaluations. The first will be conducted when 50% of MIF resources have been disbursed or halfway through the execution period, whichever occurs first. The second will be conducted three months before the end of the execution period. The *midterm evaluation* will take into consideration, *inter alia*: (i) progress made in accordance with the indicators in the logical framework; (ii) the implementation status of each program component; (iii) any areas of weakness shown by the executing agency and other institutions involved in the project; (iv) the counterpart's compliance with *pari passu*; and (v) compliance with environmental and occupational safety laws. This report will indicate any corrective action that needs to be taken to ensure proper implementation of the project. The *final evaluation* will include: (i) the degree of fulfillment of the project's specific objectives and purposes, taking into account the baseline indicators and the achievement of the logical framework indicators; (ii) user satisfaction, based on a survey of the businesses participating in each chain; and (iii) the sustainability of the collective actions pursued under the project, including compliance with environmental and occupational safety rules.

VI. ENVIRONMENTAL AND SOCIAL CONSIDERATIONS

- 6.1 Every component of the project will take into consideration environmental sustainability, as well as precautionary and preventive measures for any environmental impacts associated with its implementation. To this end, priority will be given to disseminating good practices in clean production and environmental management (paragraphs 2.6 (b) and 2.9), which are understood to be key factors in competitive differentiation, with "ecological" products promoted as a way to increase the value added of the products.

VII. RISKS AND BENEFITS

- 7.1 **Risks.** The main risks to this operation are: (i) climate conditions in the Central Valley and pest control. Although solving these problems is not within the scope of this project, activities will be pursued to strengthen the supply of technological services, especially for the main wine-grape chain, to disseminate the tools needed to mitigate these risks. In addition, the business training activities will be geared towards pest risk management; and (ii) local entities, particularly those in

production chains, do not have sufficient capacity to implement a more efficient system of interaction with businesses. With this in mind, training and technical assistance are planned for personnel involved in activities related to implementing the collective actions.

- 7.2 **Benefits.** The project will yield the following direct benefits: (i) a greater awareness and willingness on the part of the businesses to strengthen their relations in the context of production chains (200 businesses have participated in business association strategies, 40 collective projects); (ii) the implementation of public-private practices that help address more consistently any bottlenecks in production development that may exist in the region (development of factors of competitiveness and improved business services); (iii) an increase in the value of agrifood exports (an increase of 50%) based on improvements in quality and the competitiveness of production processes; and (iv) higher sales revenue and annual average profits among small-scale producers in the Central Valley of Tarija.

VIII. SPECIAL CONTRACTUAL CONDITIONS

- 8.1 As conditions precedent to the first disbursement: (i) evidence will be presented that FDTA-Valles has approved the Operating Regulations for the project, which will describe, *inter alia*, the execution mechanisms and terms of reference for contracting under the project; (ii) the executive board for the program will be created; (iii) evidence will be presented that the project manager has been selected; and (iv) the project executing unit will be established and given space in which to operate.

IX. EXCEPTIONS TO BANK POLICIES

- 9.1 The project does not call for any exceptions to Bank policies.

COMPETITIVENESS OF AGRIFOOD CHAINS IN THE CENTRAL VALLEY OF TARIJA (BO-M1015)
LOGICAL FRAMEWORK

Narrative summary of objectives	Indicators	Means of verification	Assumptions
Goal			
To contribute to the competitive development of the Central Valley of Tarija, consolidating the agrifood cluster as one of the region's mainstays of development, through the integration of agricultural production and related services chains to promote the supply of specialty products	<p>2 years after project completion:</p> <ol style="list-style-type: none"> 1. An increase of at least 50% in the value of agrifood exports from the Central Valley of Tarija with respect to the baseline at project completion. 2. An increase of 100% in the number of Bolivian and foreign tourists who visit the Central Valley. 	<ol style="list-style-type: none"> 1. Sales records of businesses in participating chains 2. Final evaluation report 3. Record of shipments of exports 	<ul style="list-style-type: none"> - Stable macroeconomic environment
Purpose			
To promote entrepreneurship and improve the competitive performance of small and medium-sized agroindustrial enterprises making specialty products (such as wine and table grapes, berries, ham, honey, and goat cheese) in the Central Valley of Tarija, through collective actions	<p>Upon project completion, the following outcomes are expected to have been achieved:</p> <ol style="list-style-type: none"> 1. At least 20 collective business initiatives successfully implemented in the identified production chains, using local counterpart resources. 2. An increase in aggregate sales of the five principal specialty products from the Central Valley of at least 25% in real value (adjusted for price variations) with respect to the baseline. 3. At least 80% of participating business owners/producers report specific improvements in productivity indicators and/or satisfaction with project interventions. 	<ol style="list-style-type: none"> 1. Project monitoring system 2. Midterm and final evaluations of the project 3. Record of shipments of exports 4. Evaluation surveys 5. Progress and final reports of the executing agency 6. Project Performance Monitoring Reports (PPMRs) and the project completion report (PCR) 7. Record of baselines 	<ul style="list-style-type: none"> - Demand and the prices of products and services associated with the agrifood cluster do not unexpectedly fall. - The terms of trade for the Bolivian export sector do not take a drastic turn for the worse. - Local businesses show an interest in improving the competitiveness of specialty products from the Central Valley.

Narrative summary of objectives	Indicators	Means of verification	Assumptions
	<p>4. At least three new agrifood products exported with the Central Valley of Tarija as the appellation of origin, based on the business association strategies, and recognized in Bolivian and foreign markets.</p>		
Components/Products			
<p>Component 1: Agroindustrial linkage in the Central Valley of Tarija</p>	<p>At 12 months:</p> <ul style="list-style-type: none"> - Production and marketing strategy for the Central Valley developed with the collaboration of the main stakeholders of the three identified chains. - Network of business development support institutions in the three chains being consolidated (ANIV, CENAVIT, and universities/schools of agronomy). <p>At 24 months:</p> <ul style="list-style-type: none"> - At least 60 businesses in the wine-grape chain and at least 40 business owners and producers in other chains associated with agrifood specialty products participating in business association strategies. - Network of support institutions for the five chains consolidated. 	<p>Project monitoring system</p> <p>Midterm and final evaluation reports</p> <p>Project monitoring system and record of activities of intermediary entities and providers of business development services</p>	<ul style="list-style-type: none"> - Central Valley businesses visualize market opportunities arising as a result of productive coordination. - Local authorities promote business association strategies. - There is sufficient supply of business services to meet increased demand among businesses. - The local authorities promote the sociocultural development of the Central Valley.

Narrative summary of objectives	Indicators	Means of verification	Assumptions
	<p>Upon project completion:</p> <ul style="list-style-type: none"> - At least 120 business owners and producers in the wine-grape chain and at least 80 business owners and producers in other chains involved in agrifood specialty products participating in business association strategies promoted under the project. 	<p>Progress and final reports of the executing agency</p>	
<p>Component 2: Initiatives of public-private interest for competitiveness</p>	<p>At 24 months:</p> <ul style="list-style-type: none"> - Tarija image campaign implemented. - Wine circuit implemented as a tourism product. - CENAVIT restructuring and strengthening process completed, based on the development strategy for the identified sectors. <p>Upon project completion:</p> <ol style="list-style-type: none"> 1. Increase of at least 200% in the number of businesses using the services offered by intermediary entities and other local providers, with respect to the baseline. 	<p>Project monitoring system</p> <p>Record of shipments of exports</p> <p>Statistics on visits to the department by Bolivian and foreign tourists</p>	<ul style="list-style-type: none"> - Tariff and para-tariff barriers to foreign trade are not erected. - Movement of people in the country is not impeded, nor is the entry of foreign tourists.
<p>Component 3: Linking of businesses in agroindustrial chains</p>	<p>At 24 months:</p> <ol style="list-style-type: none"> 1. At least 20 proposals for collective actions consistent with the priorities identified in the development strategy for the selected chains, with baselines developed and in process of implementation. 	<p>Project monitoring system</p>	<ul style="list-style-type: none"> - There are no major changes in the project's operating schedule. - There is sufficient local capacity to submit eligible proposals.

Narrative summary of objectives	Indicators	Means of verification	Assumptions
	<p>Upon project completion:</p> <p>2. At least 40 proposals implemented.</p>	Contracts for collective actions	
Component 4: Monitoring and dissemination of results	<p>Six months after the first disbursement:</p> <p>1. Project monitoring system in operation.</p> <p>As of the third year of the project:</p> <p>2. Replicability: in at least two regions, initiatives based on a similar methodology launched.</p>	<p>Reports from the executing unit</p> <p>Reports from the executing unit, validated by the Bank's Country Office in Bolivia</p>	
Activities			
<p>Component 1: Agroindustrial linkage in the Central Valley of Tarija</p> <p>MIF: US\$169,800 Local counterpart: US\$48,200 Total: US\$218,000</p> <p>1. Mapping of business services</p> <p>2. Development of integrated vision in target markets:</p> <p>2.1. Shared vision/image</p> <p>2.2. Ranking of markets</p> <p>2.3. Logistical/investment planning</p>	<p>At six months:</p> <p>1. Survey of business and financial services offered in the Central Valley of Tarija.</p> <p>At 18 months:</p> <p>1. Competitiveness improvement plan with implementation targets, terms, and responsible parties.</p> <p>2. Development of at least two chains for specialty products from the Central Valley.</p> <p>3. 10 new promoters of business networks.</p> <p>4. Project disseminated according to schedule.</p>		

Narrative summary of objectives	Indicators	Means of verification	Assumptions
3. Strengthening of entities in participating chains and development of networks 4. Training in collective actions 5. Dissemination of project and MSMEs awareness raising	Upon project completion: 1. Development of at least three new chains for specialty products from the Central Valley.		
Component 2: Initiatives of public-private interest for competitiveness MIF: US\$168,000 Local counterpart: US\$158,000 Total: US\$331,000 1. Tarija image campaign in target markets 2. Tourism, specific focus of territorial coordination: wine circuit 3. Support for the cultural dimension 4. Support for the expansion and strengthening of the supply of business services 5. Development of technological services 6. Development of basic business skills	At 12 months: 1. Design of the Tarija image campaign. At 24 months: 1. Leveraging of resources to provide continuity and greater coverage of publicity in target markets. 2. Two new products that complement the supply of baseline services. 3. At least 50 microentrepreneurs trained. 4. Sociocultural development of the Central Valley: at least two new cultural activities focused on production in the Central Valley developed; implementation of the wine circuit. Upon project completion: 1. At least 150 microentrepreneurs trained. 2. At least 100 businesses attended conferences and events on the topic.		

Narrative summary of objectives	Indicators	Means of verification	Assumptions
	3. Sociocultural development of the Central Valley: at least four new cultural activities, focused on production in the Central Valley.		
Component 3: Linking of businesses in agroindustrial chains MIF: US\$482,000 Local counterpart: US\$78,000 Total: US\$560,000 1. Implementation of collective actions, through selection mechanism and allocation of resources by ad hoc committee	1. At least 40 specific and/or small-scale collective actions implemented with the support of the mechanism.		
Component 4: Monitoring and dissemination of results MIF: US\$27,000 Local counterpart: US\$7,000 Total: US\$34,000 1. Definition of baseline 2. Monitoring system: design and implementation 3. Dissemination of results, systematization of methodology and lessons	1. At least 50 small and medium-sized enterprises and 80 microenterprises in three specialty chains participate in the baseline evaluation. 2. At least one bimonthly monitoring report by the third quarter of execution. 3. At least two events with more than 20 attendees from outside the Central Valley at each one, to disseminate the project methodology, outcomes, and lessons learned.		

**COMPETITIVENESS OF AGRIFOOD CHAINS IN THE CENTRAL VALLEY OF TARIJA
(BO-M1015)
ITEMIZED BUDGET**

Components / Activities / Items	MIF	Local contribution		Total
		Cash	In-kind	
C1: Agroindustrial linkage in the Central Valley of Tarija	169,800	30,600	17,600	218,000
Assessment of the business climate and coordination of a shared strategic vision				
1.1 Mapping of business services	4,200		4,000	8,200
a.1 Mapping of services and chains	2,000		4,000	6,000
b.2 Mapping of financial services	2,200			2,200
1.2 Strategy development	63,400	600	1,600	65,600
1.2.1 Shared vision, image	8,300	200	800	9,300
a. Facilitation and workshops	3,000	200	800	4,000
b. Technical consulting services	1,800			1,800
c. Development of image strategy	3,500			3,500
1.2.2 Ranking of markets	7,200	200	400	7,800
a. Facilitation and workshops	1,400	200	400	2,000
b. Local technical consulting services	800			800
c. Design of target market penetration strategies	2,500			2,500
d. Report on target market strategies	2,500			2,500
1.2.3 Critical logistical and preinvestment factors	47,900	200	400	48,500
a. Facilitation and workshops	1,400	200	400	2,000
b. Consulting services of an international expert	37,500			37,500
c. Local consulting services	9,000			9,000
Strengthening of production chains through collective actions				
1.3 Strengthening of production chains	43,200	8,000		51,200
a. Development of the supply of support services to help micro, small, and medium-sized enterprises (MSMEs) in the wine-grape chain	11,400	3,000		14,400
b. Support for the promotion of collective actions and MSME networks, the grape-wine chain, and integration with other chains	23,800	5,000		28,800
c. Support for MSME networks, other chains	8,000			8,000
1.4 Training of promoters and operators of networks	12,000	12,000		24,000
Dissemination of project activities				
1.5 Dissemination of project activities	47,000	10,000	12,000	69,000
a. Dissemination and awareness-raising in the Central Valley of Tarija	7,000	10,000		17,000
Year 1	4,000	4,000		8,000
Years 2, 3, and 4	3,000	6,000		9,000
b. International guidance and support for the project	40,000		12,000	52,000
b.1 International advisor	40,000			40,000
b.2 General management FDTA-Valles			12,000	12,000
C2: Initiatives of public-private interest	168,000	158,000	5,000	331,000
Commercial platform for products from the Central Valley of Tarija				
2.1 Tarija image campaign in target markets	52,000	48,000		100,000
a. Campaign design and production of image materials	32,000	8,000		40,000
b. Dissemination	20,000	40,000		60,000

Components / Activities / Items	MIF	Local contribution		Total
		Cash	In-kind	
2.2 Tourism: territorial coordination focus	29,000	20,000		49,000
a. Special advisory services to design the circuit	9,000			9,000
b. Implementation of the circuit	20,000	20,000		40,000
2.3 Cultural dimension	12,000			12,000
a. Cultural identity initiatives	12,000			12,000
Strengthening of the supply of business services				
2.4 Support for the supply of business services	30,000	10,000		40,000
a. Skills training for service providers	15,000	10,000		25,000
b. Design of new products/services	15,000			15,000
2.5 Development of technological services	30,000	30,000		60,000
a. Support for the institutional strengthening of CENAVIT	30,000	30,000		60,000
2.6 Development of basic business skills	15,000	50,000	5,000	70,000
a. Business training	15,000	50,000	5,000	70,000
C3: Linking of businesses in agroindustrial chains	482,000	78,000		560,000
3.1 Cofinancing facility for collective actions	482,000	78,000		560,000
a. Projects of greater complexity and scope	342,000	8,000		350,000
b. Specific projects	120,000	20,000		140,000
c. Small-scale projects	20,000	50,000		70,000
C4: Evaluation, monitoring, and dissemination of project results	27,000		7,000	34,000
a. Definition of baseline	5,000			5,000
b. Support for the design and implementation of the monitoring system			7,000	7,000
c. Systematization of experiences and lessons learned	12,000			12,000
d. Workshops to disseminate results and lessons learned	10,000			10,000
Project executing unit	128,000	98,300	45,700	272,000
Executing unit team	120,000	44,000	35,200	199,500
a. Project manager	120,000			120,000
b. Technical assistant		44,000		44,000
c. Administrative assistant			22,000	22,000
d. Accounting			13,200	13,200
Operating and administrative costs	8,000	54,300	10,500	72,800
a. Office rental		9,600		9,600
b. Office furniture	1,000			1,000
c. Office equipment	7,000	500	2,500	10,000
d. Transportation		8,000	8,000	16,000
e. Materials		7,200		7,200
f. Communications		9,600		9,600
g. Financial costs		5,000		5,000
h. Travel		14,400		14,400
Total – Evaluations, audits, and contingencies	75,200	9,800		85,000
a. Midterm and final evaluations	36,000			36,000
b. External audit (annual)	14,000			14,000
c. Contingencies	25,200	9,800		35,000
TOTAL	1,050,000	374,700	75,300	1,500,000

SIMILAR AND RELATED PROJECTS

BOLIVIA: COMPETITIVENESS OF AGRIFOOD CHAINS IN THE CENTRAL VALLEY OF TARIJA BO-M1015

Similar or related MIF projects

Project number and date of approval	Project title, executing agency, and amount	Date of signature, original disbursement period, and extensions in months	Amount disbursed	Comments
ATN/ME-6242-BO 11 November 1998	Support to small industrial enterprise Fundación BOLINVEST US\$3,000,000 Total US\$2,100,000 MIF approved US\$1,729,968 MIF Final US\$900,000 BOLINVEST	15 July 1999 signature 15 July 2003 last disbursement 48 months – initial period No extension	100%	The project supported four sectors, one of which was food; direct subsidies were provided to finance projects aimed at boosting efficiency and productivity through enterprises or associations, primarily involved in industrial processing, and including some marketing aspects. While the program was supposed to cover the whole country, it has focused on La Paz, Cochabamba, and Santa Cruz. The project was not completed because it was cancelled in 2002 for administrative problems. For this reason, it did not achieve its objectives.
ATN/ME-8431-BO 10 September 2003	Developing e-commerce opportunities for SMEs in the Santa Cruz region Cámara de Industria, Comercio y Servicios de Santa Cruz (Cainco) US\$890,000 Total US\$626,000 MIF US\$264,000 Cainco	12 December 2003 signature 2 July 2003 last disbursement 42 months - initial period No extension	37.09%	The project has some sector integration components, with sector studies and the implementation of information technology for e-commerce in three sectors. In addition, the first electronic payment system in Bolivia will be generated through the project, which is an essential step toward the development of e-commerce and will enable the integration of a number of commercial activities in SMEs.

Project number and date of approval	Project title, executing agency, and amount	Date of signature, original disbursement period, and extensions in months	Amount disbursed	Comments
ATN/ME-6716-BO 27 October 1999	Craft development program Fundación Quipus US\$1,430,000 Total US\$1,000,000 MIF US\$ 997,991 MIF approved final US\$430,000 Fundación Quipus	28 January 2000 signature 28 July 2004 initial last disbursement 15 December 2004 current last disbursement 52 months – initial period 4.5 months’ extension	100%	The project has improved the situation in Bolivia’s handicraft sector by creating a system within the foundation to develop Bolivian handicrafts by promoting their marketing domestically and worldwide. Although the project was not focused on production integration, the establishment of a handicraft development unit in charge of training and handicraft marketing within Fundación Quipus has generated a process of integration with craftmakers that have become the foundation’s suppliers.
ATN/ME-9524-BO 22 November 2005	Ecoefficient MSMEs promote sustainable tourism development in Uyuni Instituto de Investigación Agrícola y Veterinaria de Altura y Trópico - INAGRO US\$128,640 Total US\$90,000 MIF US\$38,640 INAGRO	2 March 2006 signature 2 March 2008 last disbursement 24 months No extension	0%	The project provides for a public-private partnership between the Regional Tourism Bureau and the Municipality of Uyuni to undertake actions to strengthen tourism areas and provide refuse collection services. This project is in the process of fulfilling conditions precedent.

Similar or related Bank projects

Project number	Project title, executing agency, and amount	Date of approval and disbursement period	Objective
1057/SF-BO	<p>Agricultural services program</p> <p>Ministry of Agriculture and Rural Development (today Ministry of Rural Development, Agriculture, and Environment)</p> <p>Servicio Nacional de Sanidad e Inocuidad Alimentaria (SENASAG): subexecuting agency for the agricultural health subprogram</p> <p>The four agricultural technology development foundations (FTDAs) participate in the technology generation and transfer subprogram.</p> <p>US\$44,000,000 Total US\$34,000,000 IDB US\$10,000,000 local contribution</p>	<p>26 April 2000 approval</p> <p>23 May 2000 signature</p> <p>27 June 2005 initial last disbursement</p> <p>27 June 2007 current last disbursement</p> <p>57.23 % disbursed</p>	<p>The general objective of the agricultural services program is to raise the income of Bolivian farmers through investments, which, by strengthening technical services to generate and transfer technology and improving agricultural health practices, will boost the productive efficiency and the quality of the country's agrifood products. The specific objectives are to: (i) establish new institutional models for technology and agricultural health services generation and transfer; (ii) boost the productivity and production volumes of the main crops; and (iii) improve the health of agricultural products and food safety to enable the country to comply with regional (Andean Community and MERCOSUR) and international health and quality requirements and gain more access to foreign markets.</p> <p>Work is being done with the Bolivian agricultural technology system (SIBTA) for the transfer of technology through agricultural technology integration programs supporting production chains, including the grape (table and wine) chain. Actions related to this chain have already concluded.</p>
1515/SF-BO	<p>Program of support for rural productive development</p> <p>Ministry of Campesino Affairs and Agriculture (MACyA) (today, Ministry of Rural Development, Agriculture, and Environment)</p> <p>US\$15,000,000 Total US\$13,500,000 IDB US\$1,500,000 local contribution</p>	<p>10 December 2003 approval</p> <p>17 December 2003 signature</p> <p>24 June 2009 last disbursement</p> <p>7.45% disbursed</p>	<p>The goal of the program is to contribute to the sustainable reduction of rural poverty levels, by generating sustainable income opportunities in rural areas through the promotion of productive projects based on viable business plans. The specific objectives are to: (i) strengthen the capacity of producer associations and institutions in the sector to develop agribusiness-oriented rural production projects; (ii) support productive investments that generate sustainable employment and higher earnings among low-income rural inhabitants; and (iii) provide support for the preparation of production projects.</p> <p>The project is at an initial stage; the first formal call for proposals is about to take place. Projects will compete for financing of US\$30,000 to US\$1 million. They may be presented by the FDTAs or by the beneficiaries or associations of producers themselves, who must be at 1.2 to 1.8 times the poverty line.</p>

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK
MULTILATERAL INVESTMENT FUND

PROPOSED RESOLUTION

Bolivia. Nonreimbursable Technical Cooperation ATN/----BO for the Competitiveness of
Agrifood Chains in the Central Valley of Tarija

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 Fundación para el Desarrollo Tecnológico Agropecuario de los Valles (FDTA-Valles), 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 to contribute to developing the competitiveness of agrifood chains in the Central Valley of Tarija.

2. That up to the amount of US\$1,050,000, 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.