

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

## **GUATEMALA**

### **PLAN OF OPERATIONS**

### **STRENGTHENING OF THE NATIONAL NETWORK OF COMMUNITY PROMOTION GROUPS**

**(GU-T1059)**

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## **BASIC SOCIOECONOMIC DATA**

For basic socioeconomic data, including public debt information, please refer to the following address:

<http://www.iadb.org/RES/index.cfm?fuseaction=externallinks.countrydata>

**INFORMATION AVAILABLE IN THE RE2/FI2 TECHNICAL FILES**

**IN PREPARATION:**

Letter of request

National Decentralization Policy

PRONACOM-RNGG agreement

Terms of reference of project consultants

RNGG institutional analysis

RNGG strategic plan

Final report on operation ATN/SF-9209

Demand Analysis: Community Promotion Groups and Nodes

List of existing Community Promotion Groups and their ethnic composition

RNGG financial projection for 2007-2009

List of RNGG agreements with financing agencies, donors, and service providers

## **ABBREVIATIONS**

CACIF	Comité Coordinador de Asociaciones Agrícolas, Comerciales, Industriales y Financieras [Coordinating Committee of Agricultural, Commercial, Industrial, and Financial Associations]
CESI	Committee on Environment and Social Impact
FUNDESA	Fundación para el Desarrollo de Guatemala [Guatemalan Development Foundation]
GTZ	Deutsche Gesellschaft für Technische Zusammenarbeit [German Agency for Technical Cooperation]
MINECO	Ministry of the Economy
PRONACOM	Programa Nacional de Competitividad [National Competitiveness Program]
RNGG	Red Nacional de Grupos Gestores [National Network of Community Promotion Groups]
USAID	United States Agency for International Development

**STRENGTHENING OF THE NATIONAL NETWORK OF COMMUNITY  
PROMOTION GROUPS  
(GU-T1059)**

**EXECUTIVE SUMMARY**

<b>Beneficiaries:</b>	The inhabitants of project areas where the National Network of Community Promotion Groups are active.	
<b>Project team leader and members:</b>	Carlos Miranda (RE2/FI2), Project Team Leader; William Armstrong (COF/CGU); Javier Cayo (LEG/OPR); Sarah S. Almonte (consultant); Juan Carlos Martell (DEV/CGU); and Yolanda Galaz (RE2/FI2).	
<b>Executing agency:</b>	Red Nacional de Grupos Gestores [National Network of Community Promotion Groups] (RNGG).	
<b>Direct beneficiaries:</b>	Community Promotion Groups.	
<b>Amount and source:</b>	IDB: (JSF)	US\$1,500,000
	Local:	US\$ 375,000
	Total:	US\$1,875,000
<b>Objectives:</b>	The project's general objective is to contribute to the economic development of the areas served by the RNGG, thereby improving the living conditions of their inhabitants. To achieve this objective, the present project would strengthen the RNGG by making its management model sustainable.	
<b>Execution timetable:</b>	Execution period:	36 months
	Disbursement period:	42 months
<b>Environmental/social review:</b>	The Committee on Environment and Social Impact (CESI) reviewed the operation on 17 November 2006 and approved the project profile as presented without requesting further action.	
<b>Special contractual conditions:</b>	None.	
<b>Exceptions to Bank policies:</b>	None.	
<b>Coordination with other donors:</b>	The Japan Special Fund (JSF) will provide the resources for this technical cooperation funding operation.	

## **I. FRAME OF REFERENCE**

### **A. The problem to be addressed**

- 1.1 In Guatemala, 60% of people live in rural areas, in a country where nearly 80% of the population is poor, and 43% indigenous, representing the highest concentration of indigenous people in Central America. Guatemala has signed up to the United Nations Millennium Development Goals, which commit countries to halving poverty levels by 2015 and guaranteeing primary education for all. One of the ways of reducing poverty is to promote economic development at the local level through expansion of the entrepreneurial base, productive investment projects, and job creation. One of the main thrusts of the government's national decentralization policy is to foster the conditions for economic growth in subnational territories, so that the residents can raise their incomes and standard of living, thereby helping to finance their local government budgets. To achieve this goal, strategic partnerships must be established between government and the private sector through diversification and development of their geographic, cultural, ethnic, gender, and natural resource potential, based on the principle of cooperation.<sup>1</sup>
- 1.2 In spite of the country's economic potential and its wealth of resources, the main obstacle to the government's decentralization policy is a general lack of capacity to identify good investment projects. To achieve these objectives, the government has allocated budgetary resources to the National Competitiveness Program (PRONACOM). PRONACOM has in turn signed an agreement with the RNGG (the Network) to become one of the hubs for production project formulation and management.
- 1.3 The Network promotes a local development model based on partnerships between the private sector and local (municipal) government that engenders the formulation and management of production-oriented projects. The members of each Community Promotion Group in the Network are community leaders, most of whom are small businessmen and members of the local authority who meet on their own initiative to prepare investment projects at the prefeasibility stage. Such projects may have to do with basic infrastructure or the development of a specific productive activity. The first community promotion group was founded in the city of Quetzaltenango in 1996, and since then other groups have sprung up in nine departments: Alta Verapaz, Baja Verapaz, Quetzaltenango, El Quiché, Retalhuleu, San Marcos, Solola, Suchitepequez, and Totonicapán, encompassing 45 municipios. The Network consists of 45 community promotion groups, each of which is organized as an independent, politically neutral nonprofit association for the promotion of economic development in its community. The Network has entered into contracts and agreements with the Spanish Agency for International Cooperation, OXFAM Novib, GTZ, USAID, the World Bank, the IDB, the

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<sup>1</sup> National Decentralization Policy of the Executive Branch, 28 May 2005.

Ministry of Economy, the Friedrich Ebert Foundation, FUNDESA, CACIF, the Guatemalan Chamber of Industry, and others.

- 1.4 Despite its previous experience, the Network still needs to address some specific issues in order to consolidate a sustainable national model. These issues are: (i) the lack of a suitable institutional structure for transparent governance that provides organizational cohesion at all levels; (ii) the absence of an experience sharing mechanism enabling each group to draw on the lessons learned; (iii) a lack of capacity to continue meeting the demand of new community promotion groups. There is currently an unmet need of approximately 150 groups; (iv) given the country's size and geography and PRONACOM's interest in pursuing a subnational-based competitiveness agenda, the groups need to be organized according to similar sectoral themes or strategic areas; (v) the Network still needs technical, financial, and environmental strengthening to ensure quality projects; and (vi) a communications and information system is wanting. This is a fundamental consideration in the formation of new promotion groups and in actions centering around a subnational or sectoral strategy.
- 1.5 The Network's efforts, thus far provided free of charge, have concentrated on project formulation at the prefeasibility level, and its operating costs have been covered with grants from a number of sources that include PRONACOM, the World Bank, USAID, GTZ, and the IDB. Accordingly, it is essential for the network to generate resources of its own to ensure its financial sustainability. The present operation includes activities to initiate this process.

## **B. The Bank's country strategy**

- 1.6 The Bank's strategy with Guatemala for 2004-2007, approved in May 2005, is designed to reduce poverty through two strategic objectives. These objectives are: (i) to improve the conditions for more efficient production and bring excluded sectors into the production process; and (ii) to strengthen human capital with equity. In addition, the conceptual framework of the Bank's Rural Development Strategy (CP-2732-3) is subnational rural development, which is understood as a simultaneous process of productive, institutional, and social transformation in a given rural area, with a view to reducing poverty. The Bank granted financing in the amount of US\$150,000 to the Network, in the form of nonreimbursable technical-cooperation funding (ATN/SF-9209-GU), to support the following activities: (i) implementation of a technical assistance system to help a community promotion pilot group formulate, manage, and evaluate productive projects; (ii) design and implementation of an impact measurement system; and (iii) design and implementation of a communications system. This technical cooperation project has been completed successfully.



**C. Coordination with other financing agencies**

- 1.7 The Bank works closely with other financing agencies in all of its loan operations with the country. The Rural Economic Development Program financed with loan operation 1733/OC-GU, approved in early 2006, was prepared jointly with the World Bank. For the present operation, the Embassy of Japan in Guatemala and the Japan International Cooperation Agency (JICA) have already begun talks with the Network to define their assistance to it. Such assistance would complement the technical assistance components proposed in the present document.

**D. Lessons learned**

- 1.8 The principal lesson learned from the previous technical-cooperation project was the potential impact operations like these have on maintaining the agency's leadership position among civil society organizations, regardless of the amounts involved. Also important was the implementation of training programs for Community Promotion Group members in project identification, formulation, and management, for which a valuable tool kit already exists. Another lesson is that when appropriate project formulation methods are available, the projects are of better quality and resources are used more efficiently. Less than 30% of the Bank's financing of US\$150,000 resulted in 25 project proposals, amounting to US\$8 million.

**E. Project strategy**

- 1.9 The present project is designed to consolidate a sustainable Community Promotion Group model as a determining factor in Guatemala's economic development. To make the Community Promotion Groups' work more effective and facilitate expansion of the model at the national level, the present operation would set up a series of Nodes (defined as a point of intersection of light or sound waves), each one comprising up to nine Community Promotion Groups, to prepare proposals for investment projects on a larger scale than normally done by an individual group. The nodes will be organized on a geographic or thematic basis, such as tourism or a specific crop. It would also incorporate the lessons learned from operation ATN/SF-9209-GU and the products it generated.

## **II. THE PROJECT**

**A. Objectives**

- 2.1 The project's general objective is to contribute to the economic development of the areas served by the RNGG, thereby improving the living conditions of their inhabitants. The purpose of the present project is to strengthen the Network by making its management model sustainable.

**B. Description:** To achieve these objectives, the project is divided into four components:

**2.2 Component 1. Institutional strengthening of the RGG (US\$1,046,000).**

According to the analysis mission review, the amount allocated to this component in the project profile needed to be increased because of the Network's experience with promoter and group creation costs and the revised cost of forming individual Nodes. To make the RGG management model sustainable after completion of the project: (a) the Network's governance instruments would be designed and implemented. These instruments are the Network's strategic plan for the next five years, its business plan for 2007-2009, and its Operating Regulations setting out the policies, procedures, and standards that will govern the institution as it pursues its mission; (b) at least five Nodes would be created; (c) support would be provided for the establishment of 60 new Community Promotion Groups; and (d) a mechanism for experience exchanges between Nodes and Community Promotion Groups, and between the Groups themselves, would be designed and implemented.

2.3 For the design of the governance instruments mentioned, a consultant specializing in organizational and institutional matters will be hired for six months, to work in coordination with a professional from the Project Executing Unit (PEU). For the establishment of the Nodes, a specialized consultant will be hired to perform the following tasks: (i) mapping of Nodes and selection of five Nodes according to the Community Promotion Groups in the project area (nine Groups per Node); (ii) design of the organizational and operational structure of the Node; and (iii) definition of the elements required for sustainability of the Node. A fully-equipped office will also be set up for each Node. Activities will be carried out to assist the 60 new Groups set up, including leadership identification, and integration, an assessment of their municipio social capital, certification of the group's formation, and an assessment of the economic potential, competitiveness agenda, and business climate of the community to which the Group belongs. A consultant will be hired to design and implement the experience sharing mechanism; the consultant's activities will consist of documenting, organizing, evaluating, and systematizing the Network's experiences and designing an experience exchange mechanism with guidelines for its implementation. Special events will also be held to stimulate exchanges of experiences and strategic partnerships between the Groups.

**2.4 Component 2. Formulation and management of economic development projects (US\$400,000).**

The objective of this component is to formulate 300 proposals for production-based projects at the prefeasibility stage. Specialized consultants will be hired to develop methodologies for designing the technical, financial, and environmental aspects of the proposals. An environmental and social strategy will also be developed for the Network. Likewise, project resources have been set aside to help the Groups prepare their proposals. The PEU will help each Group or the Node itself to arrange financing for the feasibility studies and the project investments. This activity will be carried out through specialized fairs and

shows, including matchmaker events. To ensure the Network's financial sustainability, a fee will be charged to help investors interested in the project proposals to prepare feasibility studies and identify sources of financing. A specialized consultant will be hired to design and implement the environmental strategy for the Network's activities to ensure adherence to the environmental and social aspects of Guatemalan legislation and Bank policies.

- 2.5 **Component 3. Communications and information systems (US\$170,000).** The objective of this component is: (a) to prepare the Network information system diagnostic assessment, design, and training program; (b) to review the IDB-financed Network communications system (loan operation ATN/SF-9209) and adapt it to the present project; (c) to develop the structure and regulations for the use of training resources; (d) to design a strategy for public-private partnerships; and (e) to develop an information system on available sources of financing and support for local economic development. Specialized consulting services will be hired to carry out these activities. Consulting services will also be hired to perform the diagnostic assessment and design a training program for the new information system so that it can be utilized efficiently by the Network. The communications system will make it possible to disseminate the Community Promotion Group model nationwide the lessons learned from it. To supplement these tasks, resources have been appropriated for the purchase of materials and preparation of pamphlets, brochures, etc. Lastly, the success of the Network up to now has been based on its capacity to involve local authorities and conclude cooperation agreements with government and private agencies related to its activities. The present project will also allow the Network to disseminate the lessons learned and increase the number of partnerships with the public and private sectors in order to secure national support for its activities.

- 2.6 **Component 4. Coordination and monitoring of project execution (US\$259,000).** This component includes preparation of the project baseline, the cost of hiring counterpart professionals for the consulting services, preparation of the ex post evaluation, purchase of vehicles and office supplies, and the commissioning of external audits, as well as contingencies.

### **C. Cost and financing**

- 2.7 The total cost of the technical-cooperation project is US\$1,875,000, of which US\$1,500,000 will come from the Japan Special Fund and the remaining US\$375,000 from the local counterpart. At least 50% of the local counterpart contribution will be in cash. The execution period will be 36 months, and the disbursement period 42 months (see Annex II: Itemized project budget).

### BUDGET (US\$000s)

Investment category	JSF	Local	Total	%
<b>1. Strengthening of the RNGG</b>	<b>891,000</b>	<b>155,000</b>	<b>1,046,000</b>	<b>56</b>
Support for organization of Community Promotion Groups and Nodes				
<b>2. Formulation and management of economic development projects</b>	<b>370,000</b>	<b>30,000</b>	<b>400,000</b>	<b>21</b>
Preparation of 300 project proposals and environmental strategy				
<b>3. Communications and information systems</b>	<b>130,000</b>	<b>40,000</b>	<b>170,000</b>	<b>9</b>
<b>4. Project coordination and monitoring</b>	<b>109,000</b>	<b>150,000</b>	<b>259,000</b>	<b>14</b>
4.1 Audits (3)	15,000		15,000	
4.2 Ex post evaluation		10,000	10,000	
4.3 Contingencies	9,000		9,000	
<b>TOTAL</b>	<b>1,500,000</b>	<b>375,000</b>	<b>1,875,000</b>	
<b>Percentage</b>	<b>80.0</b>	<b>20.0</b>	<b>100.0</b>	

## III. PROGRAM EXECUTION

### A. Executing agency

- 3.1 The project executing agency will be the National Network of Community Promotion Groups (RNGG). The Network has its own by-laws, and its meetings are attended by the presidents of all Community Promotion Groups legally established in the country. Five of the presidents are elected from amongst themselves to form the Network's board of directors at a full meeting of the presidents. All of the Network's decisions are made by the board of directors. The Network's head office, located in the city of Quetzaltenango, has new furnishings and state-of-the-art computer equipment, Internet access, two late-model vehicles, and its own website ([www.gruposgestores.org.gt](http://www.gruposgestores.org.gt)).

### B. Project execution and management

- 3.2 The management and supervision of the present operation will fall to the Network's Coordinating Committee, which reports directly to the board of directors. The Committee will act as the PEU under the Network's National Director. The members of the Committee are the Technical Director, the Communications Director, the Information Technology Director, the Business Manager, and the Administrator. The Committee will also receive administrative support from the Network's head office. The PEU will be assisted by the 45 Community Promotion Groups making up the National Network. The members of each Group are local leaders and representatives drawn from various productive sectors. The technical cooperation funding will be disbursed as specified in the project Operating Regulations, which set out among other things the selection criteria for the participating Nodes and Community Promotion Groups, the resource allocation

criteria, and the goods and services procurement procedures. The entry into effect of these Operating Regulations will be one of the activities required by the Bank to begin allocation of resources to the different project components. The Network will make payments to consultants and service providers according to a contractually established payment schedule approved by the Bank. Resources will be disbursed from a revolving fund of up to 20% of the Bank's contribution. Based on experience with the previous operation, the Groups are considered to have the operating capacity to use the resources within the 180-day timeframe set by the Bank. The operation will be supervised by COF/CGU according to the standard practice for operations of this kind. The specialist in charge will perform ex post supervision of procurement and monitor the process. Technical responsibility for the operation will be assigned to RE2/FI2.

- 3.3 The PEU will set up and maintain proper accounting, financial, and internal control systems showing the source and application of program funds in accordance with Bank policies. The accounting system will be organized to provide the necessary documents, verify transactions, and facilitate timely preparation of reports and financial statements. Project records will be kept at the Network's headquarters so that: (i) sums received from different sources can be identified; and (ii) project outlays can be reported according to a chart of accounts acceptable to the Bank, in which the Bank's contributions are segregated from the counterpart resources.

**C. Procurement of goods and services**

- 3.4 Consultants will be selected and hired according to the Bank's procurement policies (document GN-2350-7). As specified in paragraph 2.7 of document GN-2350-7, the shortlist of consultants with an estimated cost of less than US\$200,000 equivalent per contract may be made up entirely of national consultants. The Network has had experience with procurement of the services envisaged for the present project, although the hiring of international experts cannot be ruled out, should it become necessary (see Annex III: Project procurement plan).

**D. Monitoring and evaluation**

- 3.5 In its capacity as PEU, the board of directors, through its Coordinating Committee, will supervise the consulting services and determine whether the tasks have been completed according to the Bank-approved terms of reference by the specified deadlines. The PEU will prepare semiannual project progress reports, to include semiannual financial reports, at 30 June and 31 December of each year, on disbursements of Bank resources and local counterpart contributions. The Bank will utilize the project monitoring system to track project progress and the extent to which its development objectives have been achieved. The PEU will submit a final project report to the Bank two months after the last disbursement. Progress will be gauged using the project baseline, now in preparation. Completion of the baseline will be among the initial project activities (see Annex I, Logical Framework). The logical framework contains a number of indicators relating to the project goal,

purpose, components, and activities. An ex post evaluation of the project is considered necessary to analyze its impact, and the extent to which the objectives have been fulfilled. This evaluation will be carried out six months after completion of the project with funding from the executing agency.

**E. External audits**

- 3.6 The PEU will contract, to the Bank's satisfaction, annual external audits for the project's three-year duration. The final audit must be commissioned at least six months before the last disbursement. The PEU will submit the audited financial statements to the Bank within 60 days after the close of each accounting period. The Bank's contribution will be used to defray the cost of these audits.

**IV. VIABILITY AND RISKS**

**A. Institutional and financial viability**

- 4.1 The present operation is considered viable given the Network's demonstrated experience with technical-cooperation project management, including the project financed by the Bank. As stated earlier, since its inception 10 years ago, the Network has maintained and expanded its management model according to its founding philosophy. The Bank evaluated the Network's institutional and operating capacity, and the findings are in the project files. The project is also viable because the funds allotted to it are deemed sufficient for the activities envisaged, and the Network is in a position to contribute local counterpart resources. It will augment its revenue by means of a fee for feasibility work for 10 investment projects per year and the financing of those projects. Extensive knowledge of unmet demand in the communities it serves will enable the Network to become one of the country's most important business service providers.

**B. Environmental and social viability**

- 4.2 In the present project, procurement is limited to consulting services and minor pieces of equipment and the project is not expected to produce any direct environmental impacts. One of the project outputs, however, will be 300 proposals for productive sector projects that deal effectively with environmental and social concerns. Accordingly, a consulting assignment to prepare a Network environmental strategy and a methodology for incorporating environmental and social considerations into each project proposal will be included to ensure full compliance with the requirements of national legislation and Bank policies. The Committee on Environment and Social Impact (CESI) approved the project profile on 17 November 2006. All Community Promotion Groups have a high proportion of indigenous members (more than 50%, on average), so the project will adopt the same strategy adopted by the Bank and the government for the Rural Economic

Development Program (<http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=691642>).

### **C. Benefits**

- 4.3 The present operation will enable the Network to double its membership while carrying out its activities more efficiently. In addition, the public-private partnerships proposed will expedite the decentralization process being implemented by the government. The Network will certainly keep strengthening local authorities at the municipio level, which will in turn have a significant impact on areas away from the Guatemala City. The Network will also meet all the requirements for participating in the Bank's recently launched "Building Opportunity for the Majority" initiative. The proposals prepared as part of the present operation will make it possible to mobilize more resources under this initiative to the benefit of the communities it serves. This operation will also help to speed up the investment of Bank-financed projects now in progress in the country's productive sectors.

### **D. Risks**

- 4.4 The present administration is now in its final year, and there is a risk that the next administration may make changes to the decentralization policy and alter PRONACOM'S strategic vision. This appears unlikely, however, since the policy is based on other social and political agreements, such as the Peace Accords, and ignoring them would entail a high political cost. Lastly, there is the risk that upon completion of the project the Network may not have the resources to continue operating. To minimize this risk, the project agreement will include the commitment of the Network's board of directors to adopt a resolution instituting a charge for project prefeasibility studies.

**STRENGTHENING OF THE NATIONAL NETWORK OF COMMUNITY PROMOTION GROUPS  
(GU-T1059)**

**CERTIFICATION**

I hereby certify that this operation was approved for financing by the donor of the Japan Special Fund in a memorandum dated 20 December 2006 and signed by Keisuke Nakamura (RE2/FSS). I further certify that resources from the Japan Special Fund to a maximum of US\$1.5 million are available to finance the activities described and budgeted in this document. These resources shall be committed and disbursed only by the Bank in U.S. dollars. The same currency shall be used for remuneration and payments to consultants, except that local consultants working in their own borrowing member country shall have their remuneration set up and paid in the currency of that country. No resources of the Fund shall be made available to cover amounts greater than the amount certified herein above for the implementation of the present plan of operations. Amounts greater than the certified amount may arise from commitments on contracts denominated in a currency other than the Fund currency, resulting in currency exchange rate differences, for which the Fund is not at risk.

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Goro Mutsuura  
Chief, Japan Special Fund

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Date



**STRENGTHENING OF THE NATIONAL NETWORK OF COMMUNITY PROMOTION GROUPS  
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**LOGICAL FRAMEWORK**

Narrative summary	Indicators	Means of verification	Assumptions
<b>GOAL</b>			
Contribute to the economic development of the areas served by the National Network of Community Promotion Groups (the Network), thereby improving the living conditions of the inhabitants.	1. Upon completion of project execution, new economic momentum has been generated in areas away from the Guatemala City area, through preparation of 30 local economic development projects at the feasibility level and identification by the Community Promotion Groups of financing sources for them.	1.1 Project baseline 1.2 Final project evaluation report	1.1 The government continues to implement its decentralization policy. 1.2 The National Competitiveness Program strategy remains unchanged. 1.3 The Network assumes responsibility for project management. 1.4 Local governments are receptive to the project.
<b>PURPOSE</b>			
Strengthen the Network.	1. An organizational and operational structure for the Network has been implemented at the executive secretariat, Node, and individual Community Promotion Group levels. 2. The Network has been expanded through the formation of 60 new Community Promotion Groups. 3. The Community Promotion Groups have been consolidated into at least five newly formed Nodes.	1.1 Project baseline 1.2 Semiannual progress reports 1.3 Final project evaluation	1.1 The Network remains interested in strengthening its organizational, institutional, and operational structure. 1.2 The demand for the formation of Community Promotion Groups continues. 1.3 The Community Promotion Groups remain interested in consolidating into Nodes.

Narrative summary	Indicators	Means of verification	Assumptions
<b>COMPONENTS</b>			
<p><b>Component I: Strengthening of the Network</b></p> <p>Consolidate the Network as a model for promoting local/subnational economic development by strengthening its organizational and operational structure.</p>	<p><b>Upon project completion:</b></p> <ol style="list-style-type: none"> <li>Design of governance instruments for the Network: <ol style="list-style-type: none"> <li>A strategic plan has been designed and implemented;</li> <li>A three-year business plan has been executed;</li> <li>Operating Regulations have been implemented.</li> </ol> </li> <li>A mechanism for experience exchanges between Nodes and Community Promotion Groups and between the Groups themselves has been designed and implemented.</li> </ol>	<ol style="list-style-type: none"> <li>Baseline</li> <li>Network board of directors resolutions approving the instruments</li> <li>Final project evaluation</li> </ol>	<ol style="list-style-type: none"> <li>The Network maintains its decision to expand and strengthen its institutional and operational structure.</li> </ol>
<p><b>Component II: Project formulation</b></p> <p>Formulation and management of 300 proposals for production-oriented projects at the prefeasibility level</p> <p>Financial sustainability of the Network</p>	<p><b>Upon project completion:</b></p> <ol style="list-style-type: none"> <li>Technical, financial, and environmental design methodologies have been developed.</li> <li>An environmental and social strategy for the Network has been designed and implemented.</li> <li>Proposals for management fees have been approved at the feasibility level, and financing sources have been identified and approved by the Network board of directors.</li> </ol>	<ol style="list-style-type: none"> <li>Baseline</li> <li>Semiannual progress reports</li> <li>Final project evaluation</li> </ol>	<ol style="list-style-type: none"> <li>Consulting services are available at the national and international level.</li> <li>The Community Promotion Groups remain interested in continuing to promote projects.</li> <li>There are entrepreneurs interested in and capable of making projects viable.</li> </ol>

Narrative summary	Indicators	Means of verification	Assumptions
<p><b>Component III: Information and communications systems</b></p> <p>Design information systems for the Network. Review the Network communications system designed under loan contract ATN/SF-9209-GU and adjust it to the project.</p> <p>Design strategies for public-private alliances.</p>	<p><b>Upon project completion:</b></p> <ol style="list-style-type: none"> <li>1. The information system has been reviewed and implemented.</li> <li>2. The communications system has been reviewed, adjusted, and implemented.</li> <li>3. The Community Promotion Group model and lessons learned have been disseminated at the national level.</li> <li>4. The public-private partnership strategy has been designed and implemented.</li> <li>5. The information system on sources of financing and support for local economic development has been established.</li> </ol>	<ol style="list-style-type: none"> <li>1.1 Baseline</li> <li>1.2 Semiannual progress reports</li> <li>1.3 Final project evaluation</li> </ol>	<ol style="list-style-type: none"> <li>1.1 The Network continues to be interested in disseminating its model at the national level.</li> </ol>
<b>ACTIVITIES</b>			
<b>Component I: Strengthening of the Red Nacional de Grupos Gestores</b>			
<ol style="list-style-type: none"> <li>1.1 Consultant is hired to design governance instruments for the Network (strategic plan, business plan, and Operating Regulations)</li> </ol>	<ul style="list-style-type: none"> <li>- <b>JSF: US\$891,000</b></li> <li>- <b>Local contribution: US\$155,000</b></li> </ul>	<ul style="list-style-type: none"> <li>- Accounting records</li> <li>- Consultants' reports</li> <li>- Inspection visits</li> <li>- Semiannual progress reports</li> <li>- Final project evaluation</li> </ul>	<ul style="list-style-type: none"> <li>- The Network complies with the Bank's procedures.</li> <li>- Consulting services are provided in a timely manner.</li> <li>- There is a continuing demand for the establishment of Community Promotion Groups.</li> <li>- The strategies and systems prepared are assimilated and adopted.</li> <li>- The Community Promotion Groups have a positive attitude toward adopting the methodologies designed.</li> <li>- The Community Promotion Groups are receptive to becoming integrated into Nodes.</li> </ul>

Narrative summary	Indicators	Means of verification	Assumptions
1.2 A Network professional is appointed as the consulting service's technical counterpart, to monitor the work of the consultant referred to in paragraph 1.1		<ul style="list-style-type: none"> <li>- Accounting records</li> <li>- Semiannual progress reports</li> <li>- Final project evaluation</li> </ul>	
1.3 Consultant is hired to document, organize, evaluate, and systematize the Network's experiences and design and implement an experience exchanges mechanism		<ul style="list-style-type: none"> <li>- Accounting records</li> <li>- Consultants' reports</li> <li>- Inspection visits</li> <li>- Semiannual progress reports</li> <li>- Final project evaluation</li> </ul>	
1.4 Appointment of a Network executive as the consulting service's technical counterpart, to monitor the work referred to in paragraph 1.3		<ul style="list-style-type: none"> <li>- Accounting records</li> <li>- Semiannual progress reports</li> <li>- Final project evaluation</li> </ul>	
1.5 Exchange visits, specialized events (fairs, matchmaker events)		<ul style="list-style-type: none"> <li>- Invoices</li> <li>- Accounting records</li> <li>- Number of events</li> <li>- Inspection visits</li> <li>- Semiannual progress reports</li> <li>- Final project evaluation</li> </ul>	
1.6 Equipment		<ul style="list-style-type: none"> <li>- Invoices</li> <li>- Consultant's report</li> <li>- Accounting records</li> <li>- Consultants' reports</li> <li>- Inspection visits</li> <li>- Semiannual progress reports</li> <li>- Final project evaluation</li> </ul>	

Narrative summary	Indicators	Means of verification	Assumptions
1.7 Consultant is hired to formulate criteria for the establishment of Nodes: (a) mapping of Nodes and selection of five Nodes according to the Community Promotion Groups in the area of influence (nine Community Promotion Groups per Node); (b) organizational and operating structure of the Node; (c) identification of elements required for the sustainability of the Node		<ul style="list-style-type: none"> <li>- Invoices</li> <li>- Accounting records</li> <li>- Consultants' reports</li> <li>- Certifications</li> <li>- Inspection visits</li> <li>- Semiannual progress reports</li> <li>- Final project evaluation</li> </ul>	
1.8 Launching of five Nodes (hiring of an executive and organization of an office for each Node)		<ul style="list-style-type: none"> <li>- Invoices</li> <li>- Accounting records</li> <li>- Number of workshops</li> <li>- Certifications</li> <li>- Inspection visits</li> <li>- Semiannual progress reports</li> <li>- Final project evaluation</li> </ul>	
1.9 Support for the organization of 60 Community Promotion Groups (leadership identification, social capital assessment, integration of leaders, certification, identification of economic potential, competitiveness agenda, business climate)		<ul style="list-style-type: none"> <li>- Invoices</li> <li>- Accounting records</li> <li>- Number of workshops</li> <li>- Certifications</li> <li>- Inspection visits</li> <li>- Semiannual progress reports</li> <li>- Final project evaluation</li> </ul>	
<b>Component II: Project formulation and management</b>			
2.1 Hiring of consultants to develop technical, financial, environmental, and market intelligence design methodologies	<ul style="list-style-type: none"> <li>- <b>JSF: US\$370,000</b></li> <li>- <b>Local contribution: US\$30,000</b></li> </ul>	<ul style="list-style-type: none"> <li>- Consultant's report</li> <li>- Accounting records</li> <li>- Consultants' reports</li> <li>- Inspection visits</li> <li>- Semiannual progress reports</li> <li>- Final project evaluation</li> </ul>	<ul style="list-style-type: none"> <li>- The Network complies with the Bank's procedures.</li> <li>- Consulting services are provided in a timely manner.</li> <li>- There is a continuing demand for the establishment of Community Promotion Groups.</li> </ul>

Narrative summary	Indicators	Means of verification	Assumptions
			<ul style="list-style-type: none"> <li>- The strategies and systems prepared are assimilated and adopted.</li> <li>- The Community Promotion Groups have a positive attitude toward adopting the methodologies.</li> <li>- The Community Promotion Groups are receptive to becoming integrated into Nodes.</li> </ul>
2.2 Project formulation		<ul style="list-style-type: none"> <li>- Accounting records</li> <li>- List of proposals</li> <li>- Inspection visits</li> <li>- Semiannual progress reports</li> <li>- Final project evaluation</li> </ul>	
2.3 Project management (specialized fairs, matchmaker events)		<ul style="list-style-type: none"> <li>- Invoices</li> <li>- Accounting records</li> <li>- Number of events</li> <li>- Inspection visits</li> <li>- Semiannual progress reports</li> <li>- Final project evaluation</li> </ul>	
2.4 Consultant is hired to design and implement the Network environmental strategy		<ul style="list-style-type: none"> <li>- Consultant's report</li> <li>- Accounting records</li> <li>- Consultants' reports</li> <li>- Inspection visits</li> <li>- Semiannual progress reports</li> <li>- Final project evaluation</li> </ul>	

Narrative summary	Indicators	Means of verification	Assumptions
<b>Component III: Information and communications system</b>			
3.1 Consultant is hired for the diagnostic assessment, design, and training program for the Network information system	<ul style="list-style-type: none"> <li>- <b>JSF Total: US\$130,000</b></li> <li>- <b>Local contribution: US\$40,000</b></li> </ul>	<ul style="list-style-type: none"> <li>- Consultant's report</li> <li>- Accounting records</li> <li>- Inspection visits</li> <li>- Semiannual progress reports</li> <li>- Final project evaluation</li> </ul>	<ul style="list-style-type: none"> <li>- The Network complies with the Bank's procedures.</li> <li>- Consulting services are provided in a timely manner.</li> <li>- There is a continuing demand for the establishment of Community Promotion Groups.</li> <li>- The strategies and systems designed are assimilated and adopted.</li> <li>- The Community Promotion Groups have a positive attitude toward adopting the methodologies.</li> <li>- The Community Promotion Groups are receptive to becoming integrated into Nodes.</li> </ul>
3.2 Consultant is hired to review and adjust the communications system		<ul style="list-style-type: none"> <li>- Consultant's report</li> <li>- Accounting records</li> <li>- Inspection visits</li> <li>- Semiannual progress reports</li> <li>- Final project evaluation</li> </ul>	
3.3 Formulation of criteria and allocation of resources by the Network for training the Community Promotion Groups in information systems, leadership development, board of directors management, youth, negotiations, etc.		<ul style="list-style-type: none"> <li>- Consultant's report</li> <li>- Accounting records</li> <li>- Number of participants</li> <li>- Number of certifications</li> <li>- Inspection visits</li> <li>- Semiannual progress reports</li> <li>- Final project evaluation</li> </ul>	

Narrative summary	Indicators	Means of verification	Assumptions
3.4 Materials for disseminating the Community Promotion Group model		<ul style="list-style-type: none"> <li>- Invoices</li> <li>- Accounting records</li> <li>- Number of events</li> <li>- Inspection visits</li> <li>- Semiannual progress reports</li> <li>- Final project evaluation</li> </ul>	
3.5 Consultant is hired to design the public-private partnership strategy		<ul style="list-style-type: none"> <li>- Consultant's report</li> <li>- Accounting records</li> <li>- Consultants' reports</li> <li>- Inspection visits</li> <li>- Semiannual progress reports</li> <li>- Final project evaluation</li> </ul>	
3.6 Consultant is hired to research and document sources of financing and support for local economic development		<ul style="list-style-type: none"> <li>- Consultant's report</li> <li>- Accounting records</li> <li>- Consultants' reports</li> <li>- Inspection visits</li> <li>- Semiannual progress reports</li> <li>- Final project evaluation</li> </ul>	



**STRENGTHENING OF THE NATIONAL NETWORK OF COMMUNITY PROMOTION GROUPS  
(GU-T1059)**

**BUDGET  
(US\$)**

<b>Category</b>	<b>JSF</b>	<b>Local Contribution</b>	<b>Total</b>
<b>1. Strengthening of the National Network of Community Promotion Groups</b>	<b>891,000.00</b>	<b>155,000.00</b>	<b>1,046,000.00</b>
1.1 Consultant to design governance instruments for the National Network of Community Promotion Groups (6 months, fees and per diems)	25,000.00	5,000.00	30,000.00
1.2 Consultant to document, organize, evaluate, and systematize experiences and design and implement an exchange mechanism (24 months, fees and per diems)	36,000.00	5,000.00	41,000.00
1.3 Exchange visits, specialized events (2 times per year x 3 years) (travel, organization of events for 100 Community Promotion Groups)	40,000.00	40,000.00	80,000.00
1.4 Equipment (computer and office equipment)		10,000.00	10,000.00
1.5 Criteria for the establishment of Nodes (mapping and selection; organizational and operating structure; determining sustainability factors) (6 months, fees and per diems)	30,000.00		30,000.00
1.6 Launching of five Nodes (fees and operation: 3,125 per month x 24 months x 5 Nodes: US\$360,000) (US\$15,000 for travel)	360,000.00	15,000.00	375,000.00
1.7 Support for the organization of 60 Community Promotion Groups (workshops, certification) (3 years, US\$8,000 each)	400,000.00	80,000.00	480,000.00
<b>2. Formulation and management of economic development projects</b>	<b>370,000.00</b>	<b>30,000.00</b>	<b>400,000.00</b>
2.1 Consultant to develop technical, financial, environmental, and market intelligence design methodologies (6 months, US\$15,000 per topic)	60,000.00		60,000.00
2.2 Project formulation (300 projects x US\$1,000 each, fees)	300,000.00		300,000.00
2.3 Project management: 2 events per year x 2 years (specialized fairs, matchmaker events)		30,000.00	30,000.00
2.4 Consultant to design and implement the Network environmental strategy (3 months, fees)	10,000.00		10,000.00
<b>3. Information and communications systems</b>	<b>130,000.00</b>	<b>40,000.00</b>	<b>170,000.00</b>
3.1 Consultant for diagnostic assessment, design, and training program for the Network information system (6 months, fees).	30,000.00		30,000.00
3.2 Consultant to review and adjust the Network communications system (3 months, fees and per diems)	15,000.00		15,000.00
3.3 Training resources and regulations (fees, events)	65,000.00	15,000.00	80,000.00

Category	JSF	Local Contribution	Total
3.4 Materials for dissemination of the Community Promotion Group model		25,000.00	25,000.00
3.5 Consultant to design public-private partnership strategy (2 months, fees)	10,000.00		10,000.00
3.6 Consultant to research and document sources of financing and support for local economic development (2 months, fees)	10,000.00		10,000.00
			-
<b>4. Project coordination and monitoring</b>	<b>109,000.00</b>	<b>150,000.00</b>	<b>259,000.00</b>
4.1 Management expenses: transport vehicles	25,000.00	15,000.00	40,000.00
4.2 PRONACOM and Network professionals, technical counterpart (1,500 each x 24 months)	50,000.00	22,000.00	72,000.00
4.3 Network professional, technical counterpart (2,000 x 24 months)		48,000.00	48,000.00
4.4 Consulting services for project baseline	10,000.00	5,000.00	15,000.00
4.5 Office expenses (stationery, communications)		50,000.00	50,000.00
4.6 Audits (3)	15,000.00		15,000.00
4.7 Final evaluation		10,000.00	10,000.00
4.8 Contingencies	9,000.00		9,000.00
<b>Total</b>	<b>1,500,000.00</b>	<b>375,000.00</b>	<b>1,875,000.00</b>
<b>Percentage</b>	<b>80.00</b>	<b>20.00</b>	<b>100.00</b>

## PROCUREMENT PLAN

### **General Information**

**Country:** Guatemala

**Borrower:** Republic of Guatemala

**Executing agency:** Red Nacional de Grupos Gestores [National Network of Community Promotion Groups] (RNGG, or the Network)

**Project name:** Strengthening of the National Network of Community Promotion Groups

**Project and loan contract number:** GU-T1059

**Brief description of the project's objectives and components:** The project's general objective is to contribute to the economic development of the areas served by the Network, thereby improving the living conditions of the inhabitants. The purpose of the project is to strengthen the Network by making its management model sustainable.

To achieve these objectives, the project is divided into four components:

- (a) Institutional strengthening of the Network: This component is designed to make the Network management model sustainable.
- (b) Formulation and management of economic development projects: The objective of this component is to formulate 300 proposals for production-based projects at the prefeasibility stage.
- (c) Communications and information systems: The objective of this component is: (a) to prepare the Network information system diagnostic assessment, design, and training program; (b) to review the IDB-financed Network communications system (loan operation ATN/SF-9209) and adapt it to the present project; (c) to develop the structure and regulations for the use of training resources; (d) to design a strategy for public-private partnerships; and (e) to develop an information system on available sources of financing and support for local economic development.
- (d) Coordination and monitoring of project execution. This component includes preparation of the project baseline, the hiring of counterpart professionals for the consulting services, preparation of the ex post evaluation, purchase of vehicles and office supplies, and commissioning of external audits, as well as contingencies.

Estimated date of project approval by the Board of Executive Directors: February 2007

Estimated date of signature of the loan contract: March 2007

Estimated date of the final disbursement: June 2010

## A. Introduction

Procurement for the proposed project will be carried out in accordance with the “**Policies for the Procurement of Goods and Works Financed by the Inter-American Development Bank**” (document GN-2349-7), the “**Policies for the Selection and Contracting of Consultants Financed by the Inter-American Development Bank**” (document GN 2350-7), and terms of the cooperation agreement and this procurement plan.

## B. Procurement plan

The procurement plan for “National Network of Community Promotion Groups”<sup>1</sup> covering the first 18 months of the project has been agreed to between the Bank and the Network. The plan, summed up in Appendix 1, indicates for each contract or group of contracts the procedures for procurement of goods, works, and services and consultant selection methods. It also shows when prequalification is required; the estimated cost of each contract or group of contracts; when the Bank’s ex ante review is required; and estimated dates of publication of Specific Procurement Notices and contract completion. The procurement plan will be updated annually or as often as necessary or as required by the Bank. The detailed procurement plan is available at:

***Red Nacional de Grupos Gestores***

***Mailing address***

***E-mail:*** [www.gruposgestores.org.gt](http://www.gruposgestores.org.gt)

The procurement plan is available on both the executing agency's website ([www.gruposgestores.org.gt](http://www.gruposgestores.org.gt)) and the Bank's website: [Project Procurement Information](#).

## C. Project procurement

A general description of project procurement appears below.

**Goods procurement:** The goods to be procured for the project include two vehicles and materials for training and dissemination.

Goods will be procured by means of price comparison and requests for proposals agreed upon with the Bank.

**Procurement of nonconsulting services:** Nonconsulting services include: logistical services for training and dissemination events, and the engagement of staff to perform administrative and office work.

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<sup>1</sup> The first 18 months of project execution are reckoned from the date of publication of the General Procurement Notice or the date of the first Specific Procurement Notice after approval of the loan, whichever is earlier.

**Procurement of consulting services:** Consulting services include the design of governance instruments, a business plan, and Operating Regulations for the Network; the design of an experience exchange mechanism; development of technical, financial, environmental, and market intelligence design methodologies; diagnostic assessment, design and implementation of information systems; allocation of resources for training in project activities, and regulations for their use.

The consulting firms will be selected for the project through a standard request for proposals that is acceptable to the Bank or a special request for proposals where a standard request is not applicable. Individual consultants will be selected, taking into account the terms of chapter V of the procurement policy (document GN-2350-7).

Shortlists of consultants for consulting services in an amount of less than US\$200,000 equivalent per contract may consist entirely of national firms.

**Operating expenses:** The Bank will defray the following operating expenses: the hiring of professionals as coordinators for the Network; hiring of a professional to serve as liaison between PRONACOM and the Network; a consulting firm to prepare and implement the project baseline; three audits, one for each year of the program; and contingencies.

**Advance contracting and retroactive financing:** To facilitate the advance of the project, expenses of up to US\$300,000 incurred in connection with start up activities may be recognized retroactively and charged to Bank financing. The executing agency must have carried out the activities to the Bank's satisfaction.

#### **D. Bank review of procurement**

Contracts will be subject to ex post review by the Bank as specified in Appendix 1 of the policies for the procurement of goods and works and the selection of consultants.

## Appendix 1

### Procurement Plan<sup>2</sup>

**Country:** Guatemala

**Borrower:** Republic of Guatemala

**Executing agency:** Red Nacional de Grupos Gestores [National Network of Community Promotion Groups] (RNGG, or the Network)

**Project name:** Strengthening of the National Network of Community Promotion Groups

**Project and loan contract number:** GU-T1059

**Brief description of the project's objectives and components:** The project's general objective is to contribute to the economic development of the areas served by the Network, thereby improving the living conditions of the inhabitants. The purpose of the project is to strengthen the Network by making its management model sustainable.

To achieve these objectives, the project is divided into four components:

- (a) Institutional strengthening of the Network: This component is designed to make the Network management model sustainable.
- (b) Formulation and management of economic development projects: The objective of this component is to formulate 300 proposals for production-based projects at the prefeasibility stage.
- (c) Communications and information systems: The objective of this component is: (a) to prepare the Network information system diagnostic assessment, design, and training program; (b) to review the IDB-financed Network communications system (loan operation ATN/SF-9209) and adapt it to the present project; (c) to develop the structure and regulations for the use of training resources; (d) to design a strategy for public-private partnerships; and (e) to develop an information system on available sources of financing and support for local economic development.
- (d) Coordination and monitoring of project execution. This component includes preparation of the project baseline, the cost of hiring counterpart professionals for the consulting services identified, preparation of the ex post evaluation, purchase of vehicles and office supplies, and commissioning of external audits, as well as contingencies.

Estimated date of project approval by the Board of Executive Directors: February 2007

Estimated date of signature of the loan contract: March 2007

Estimated date of the final disbursement: June 2007

Address of the executing agency office responsible for the procurement plan:

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<sup>2</sup> All project contracts should be included, even if not financed by the Bank, indicating the source of funding in each case.

Ref. No. <sup>3</sup>	Description of contract and estimated cost of procurement	Procurement method <sup>4</sup>	Review (ex ante or ex post)	Source of financing and percentage		Prequalification (Yes/No)	Estimated dates		Status (pending, in process, awarded, cancelled)	Comments
				IDB %	Local/other %		Publication of Specific Procurement Notice	Completion of contract		
	<b>1. <u>Goods</u></b> o <b>Good 1</b> <b>Transport vehicles (2)</b> <b>Estimated cost (US\$40,000)</b>	PC	Ex post	63%	38%	No			Pending	
	o <b>Good 2</b> <b>Materials for disseminating the Community Promotion Group model</b> <b>Estimated cost (US\$25,000)</b>	PC	Ex post		100%	No			Pending	
	o <b>Good 3</b> <b>Office supplies and equipment</b> <b>Estimated cost (US\$50,000)</b>	PC	Ex ante		100%	No			Pending	

3 If there is a group of similar individual contracts to be executed in different places or at different times, these can be grouped together under a single heading, with an explanation in the comments column indicating the average individual amount and the period during which the contracts would be executed. For example: an education project that includes school construction might include an item “school construction”, for a total value of US\$20 million, and an explanation in the comments column such as: “This is a lot of approximately 200 contracts for school construction averaging US\$100,000 each to be awarded individually by the participating municipal governments over a three-year period between January 2006 and December 2008.”

**BOO/BOT/BOOT:** Build, own, operate/build, operate, transfer/build, own, operate, transfer; **CQS:** Selection based on the consultants' qualifications; **DC:** Direct contracting; **FA:** Force account; **FBS:** Selection under a fixed budget; **IA:** Inspection agents; **ICB:** International competitive bidding; **LCS:** Least-cost selection; **LIB:** Limited international bidding; **LOI:** Letter of invitation; **NCB:** National competitive bidding; **PAs:** Procurement agents; **PBP:** Performance-based procurement; **PC:** Price comparison; **PCP:** Community participation procurement; **PLFI:** Procurement in loans to financial intermediaries; **PLGB:** Procurement under loans guaranteed by the Bank; **PSA:** Procurement through specialized agencies; **QBS:** Quality-based selection; **QCBS:** Quality- and cost-based selection; **SSS:** Single-source selection.

Ref. No. <sup>3</sup>	Description of contract and estimated cost of procurement	Procurement method <sup>4</sup>	Review (ex ante or ex post)	Source of financing and percentage		Prequalification (Yes/No)	Estimated dates		Status (pending, in process, awarded, cancelled)	Comments
				IDB %	Local/other %		Publication of Specific Procurement Notice	Completion of contract		
	<ul style="list-style-type: none"> <li>Good 4 Establishment of 5 Nodes, goods Estimated cost (US\$355,000), 5 procurements</li> </ul>	PC	Ex post	94%	16%	No			Pending	
	<p><b>2. <u>Nonconsulting services</u></b></p> <ul style="list-style-type: none"> <li>Service 1 Logistics for specialized events Estimated cost (US\$40,000)</li> <li>Service 2 Logistics for establishment of 5 Nodes (fees), several procurements for service providers Estimated cost (US\$60,000)</li> <li>Service 3 Service providers, support for organization of 60 Community Promotion Groups Estimated cost (US\$6,000), 60 contracts</li> <li>Service 4 Logistics for workshops to support the organization of 60 Community Promotion Groups Estimated cost (US\$2,000), 60 workshops</li> </ul>	<p>PC</p> <p>PC</p> <p>LOI</p> <p>PC</p>	<p>Ex post</p> <p>Ex post</p> <p>Ex post</p> <p>Ex post</p>	<p>50%</p> <p>94%</p> <p>83%</p> <p>83%</p>	<p>50%</p> <p>16%</p> <p>17%</p> <p>17%</p>	<p>No</p> <p>No</p> <p>No</p> <p>No</p>			<p>Pending</p> <p>Pending</p> <p>Pending</p> <p>Pending</p>	



Ref. No. <sup>3</sup>	Description of contract and estimated cost of procurement	Procurement method <sup>4</sup>	Review (ex ante or ex post)	Source of financing and percentage		Prequalification (Yes/No)	Estimated dates		Status (pending, in process, awarded, cancelled)	Comments
				IDB %	Local/other %		Publication of Specific Procurement Notice	Completion of contract		
	<b>3. <u>Consulting services</u></b> o Consulting service 1 Consultant to design governance instruments for the RGG Estimated cost (US\$30,000) o Consulting service 2 Consultant to design the experience exchange mechanism Estimated cost (US\$41,000) o Consulting service 3 Consulting services to develop technical, financial, environmental, and market intelligence design methodologies Estimated cost (US\$60,000) o Consulting service 4 Development of project proposals Estimated cost (US\$1,000), 300 contracts o Consulting service 4 Consulting services for project management Estimated cost (US\$30,000)	QCBS	Ex post	83%	17%	No			Pending	
		QCBS	Ex post	88%	12%	No			Pending	
		QCBS	Ex post	100%		No			Pending	
		LOI	Ex post	100%		No			Pending	
		QCBS	Ex post		100%	No			Pending	
	o Consulting service 5 Consulting services to design the environmental strategy Estimated cost (US\$10,000)	LCS	Ex post	100%		No			Pending	

Ref. No. <sup>3</sup>	Description of contract and estimated cost of procurement	Procurement method <sup>4</sup>	Review (ex ante or ex post)	Source of financing and percentage		Prequalification (Yes/No)	Estimated dates		Status (pending, in process, awarded, cancelled)	Comments
				IDB %	Local/other %		Publication of Specific Procurement Notice	Completion of contract		
	o Consulting service 6 Consulting services for diagnostic assessment, design, and implementation of information systems Estimated cost (US\$30,000)	QCBS	Ex post	100%		No			Pending	
	o Consulting service 7 Consulting services to review and adjust the communications system Estimated cost (US\$10,000)	LCS	Ex post	100%		No			Pending	
	o Consulting service 8 Consulting services for the establishment and regulation of the training fund Estimated cost (US\$80,000)	QCBS	Ex post	81%%	19%	No			Pending	
	o Consulting service 9 Consulting services to design public-private strategies Estimated cost (US\$10,000)	LCS	Ex post	100%		No			Pending	
	o Consulting service 10 Consulting services to research and document sources of financing and support for local economic development Estimated cost (US\$10,000)	LCS	Ex post	100%		No			Pending	
	o Consulting service 11 Consulting services for PRONACOM coordinators Estimated cost (US\$XX,000)	LOI	Ex post	100%		No			Pending	

Ref. No. <sup>3</sup>	Description of contract and estimated cost of procurement	Procurement method <sup>4</sup>	Review (ex ante or ex post)	Source of financing and percentage		Prequalification (Yes/No)	Estimated dates		Status (pending, in process, awarded, cancelled)	Comments
				IDB %	Local/other %		Publication of Specific Procurement Notice	Completion of contract		
	o Consulting service 12 Consulting services for PRONACOM technical counterpart Estimated cost (US\$XX,000)	LOI	Ex post		100%	No			Pending	
	o Consulting service 13 Consulting services for baseline Estimated cost (US\$15,000)	LCS	Ex post	67%	33%	No			Pending	
	o Consulting service 14 Audits (3) Estimated cost (US\$15,000)	LCS	Ex post	100%		No			Pending	
	o Consulting service 15 Ex post evaluation Estimated cost (US\$15,000)	LOI	Ex post		100%	No			Pending	

## **Appendix 2**

### **Capacity of the executing agency and Bank supervision of procurement**

#### **Assessment of the executing agency's capacity to administer procurement**

The Network will be responsible for project procurement. The Bank has assessed the executing agency's capacity for procurement, and considers any risks associated with project procurement as unlikely.

#### *Frequency of procurement supervision*

In addition to ex ante reviews, the Bank will perform ex post reviews every 12 months. The frequency of ex post reviews and their thresholds are consistent with the assessment of the executing agency's capacity. These thresholds and the frequency of ex post reviews may be adjusted as the procurement plan is reviewed and updated, depending on the executing agency's performance and progress in adopting corrective measures.

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

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02/02/07

PROPOSED RESOLUTION DE-\_\_/07

Guatemala. Nonreimbursable Technical Cooperation ATN/JF-\_\_\_\_-GU for  
Strengthening of the National Network of Community Promotion Groups

The Board of Executive Directors

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 Japan Special Fund, to enter into such agreement or agreements as may be necessary with Red Nacional de Grupos Gestores, and to adopt such other measures as may be pertinent for a technical cooperation for strengthening of the national network of community promotion groups in accordance with the plan of operations referred to in document AT-\_\_\_\_\_.
2. That up to the sum of US\$1,500,000 is authorized for the purposes of this resolution, chargeable to the resources of the Japan Special Fund.
3. That the above-mentioned sum is to be provided on a nonreimbursable basis.

(Adopted on \_\_\_\_ 2007)

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