

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK  
MULTILATERAL INVESTMENT FUND

**COLOMBIA**

**STRENGTHENING THE QUALITY OF FRUIT  
AND VEGETABLE EXPORTS**

**(CO-M1006)**

**DONORS MEMORANDUM**

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## **ANNEXES**

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## **APPENDICES**

Proposed resolution

## **INFORMATION AVAILABLE IN THE RE3/EN3 FILES**

### **PREPARATION:**

1. Approved project profile and MIF memorandum of eligibility
2. Operating Regulations
3. By-laws of the Corporación Colombia Internacional (CCI) - Colombia
4. Financial statements and annual balance sheet of the CCI - Colombia
5. Draft agreement between the CCI and the Servicio Nacional de Aprendizaje (SENA)
6. Letters from small and medium-sized exporters (SMEXs) expressing interest in the project
7. Final report on the project Building Agricultural Export Capacity. EPE Consultores Asociados
8. Final report technical consulting service, project CO-M1006, Anthony Wylie
9. Pre-assessment report of the CCI project, Thierry Woller.
10. Questionnaire and findings of baseline survey on fruit and vegetable SMEs
11. Institutional assessment of the CCI

### **Execution:**

1. Procurement plan
2. Operating Regulations
3. Project Performance Monitoring Report (PPMR)

## ABBREVIATIONS

ANALDEX	Asociación Nacional de Exportadores [National Exporters' Association]
ASOHOFRUCOL	Asociación Hortofrutícola de Colombia [Colombian Fruit and Vegetable Growers' Association]
AWP	Annual work plan
CCI	Corporación Colombia Internacional
CESI	Committee on Environment and Social Impact
DNP	Departamento Nacional de Planeación [National Planning Department]
EU	European Union
EUREP	Euro-Retail Produce Working Group
EurepGAP	EUREP Good Agricultural Practices
GAPs	Good Agricultural Practices
ICA	Instituto Colombiano Agropecuario [Colombian Agricultural Institute]
ICONTEC	Instituto Colombiano de Normas Técnicas y Certificación [Colombian Institute of Technical Standards and Certification]
ISO	International Organization for Standardization
MAGDR	Ministry of Agriculture and Rural Development
MSMEs	Micro-, small, and medium-sized enterprises
PCR	Project completion report
PCU	Project coordinating unit
PROEXPORT	Entidad Promotora de Exportaciones Colombia [Colombia Export Development Agency]
SAC	Sociedad de Agricultores de Colombia [Colombian Farmers' Association]
SENA	Servicio Nacional de Aprendizaje [National Learning Service]
SMEs	Small and medium-sized enterprises
SMEXs	Small and medium-sized exporters
SPS	Sanitary and phytosanitary
TWG-EurepGAP	Technical Working Group (EurepGAP)

## STRENGTHENING THE QUALITY OF FRUIT AND VEGETABLE EXPORTS

(CO-M1006)

### I. EXECUTIVE SUMMARY

<b>Executing agency:</b>	Corporación Colombia Internacional (CCI)	
<b>Beneficiaries and benefits:</b>	The direct beneficiaries will be: (i) five small and medium-sized exporters (SMEXs) in the exotic fruits chain; (ii) 400 agricultural micro-, small, and medium-sized enterprises (MSMEs); (iii) 650 workers who receive training in good practices, 250 of whom will receive labor competency certification; and (iv) 60 instructors. The main project benefits are: (i) higher revenues for agricultural MSMEs whose products gain access to export markets; (ii) fewer product losses; and (iii) dissemination to the whole sector of knowledge generated.	
<b>Financing:</b>	Modality:	Nonreimbursable
	MIF <sup>1</sup> Facility IIIA	US\$ 820,000 (60% <sup>2</sup> )
	Local counterpart:	<u>US\$ 536,000 (40%)</u>
	Total:	US\$1,356,000 (100%)
<b>Objectives:</b>	The goal of the project is to help boost the competitiveness of Colombian fruit and vegetable export chains. The purpose of the project is to adopt standardized and verifiable processes that will enable agricultural MSMEs and SMEXs in the fruit and vegetable supply chain to meet established technical requirements and access the European Union and United States markets. It has the following components: (i) Harmonizing of protocols and traceability systems; (ii) Building human resources training capacity; and (iii) Validating protocols and traceability guidelines in fruit chains.	
<b>Terms:</b>	Execution period:	36 months
	Disbursement period:	42 months

<sup>1</sup> The MIF's contribution includes US\$20,000 for coordination activities of the Cluster for Facilitation of International Trade and Investment.

<sup>2</sup> Excluding cluster activities.

<b>Special contractual conditions:</b>	As a condition precedent to the first disbursement, the CCI will provide evidence to the Bank's satisfaction that: (i) the Project Coordinating Unit has begun operations; (ii) the Advisory Committee has been established; (iii) the Operating Regulations have entered into force; (iv) the annual work plan for year 1 has been submitted; and (v) the agreement between the CCI and the Servicio Nacional de Aprendizaje [National Learning Service] (SENA) has been signed.
<b>Procurement:</b>	Selection without competition of services to be provided by EurepGAP for protocol approval (paragraph 5.5).
<b>Exceptions to Bank policy:</b>	None
<b>Social and environmental review:</b>	The Committee on Environment and Social Impact (CESI) reviewed the Donors Memorandum at its 4 November 2005 meeting (paragraph 8.1).
<b>Coordination with other agencies:</b>	With IICA, to supplement the project with technical assistance on good practices for 100 farms in the department of Cundinamarca.

## **II. BACKGROUND AND RATIONALE**

### **A. Opportunities and constraints for exporting fruit and vegetable products**

- 2.1 Colombia's agriculture sector has comparative and competitive advantages that have earned it a relatively high share in GDP (11%). There has been a significant shift in food demand worldwide toward fresh fruit and vegetable products with more value added. Technological developments in logistical processes, falling transportation costs, and international trade agreements have contributed to spurring growth in the volume and variety of fruits and vegetables traded globally. World markets depend on southern hemisphere countries for their out-of-season vegetable, juice, and fresh fruit imports, and for tropical and/or exotic fruits. This shift in demand offers Colombia great production and export possibilities.
- 2.2 Colombian exports of exotic fresh fruits and vegetables<sup>3</sup> have grown steadily for the past eight years, from US\$10 million to US\$25 million in 2004. The European market is the destination of 90% of these exports. Yet Colombia has not managed to fulfill its exportable supply potential. Although various initiatives have been undertaken, such as market promotion and technology transfer, product quality assurance is the most critical for gaining market access and provides a relatively high return on investment.
- 2.3 In the last few years, the agrifood sector worldwide has had to deal with the rapid spread of outbreaks of foodborne diseases involving bacterial agents and chemical pollutants, as well as pests and diseases that affect agricultural health, which has had an impact on the production and trade of food products. Cyclospora in raspberries and salmonella in mangos are examples of this. The increase in risk factors is the manifestation, among other things, of inadequate agricultural practices, unhygienic conditions in all stages of the agrifood chain, the indiscriminate use of chemical products, and the contamination of raw materials and water.
- 2.4 At the international level, the current system of sanitary and phytosanitary (SPS) measures requires not only that the health and safety conditions of final agrifood products be assessed and controlled, but also that the system be capable of demonstrating that risk has been reduced throughout the chain to a minimum level of uncertainty in matters of health and safety. To achieve this, preventive SPS measures are needed that can assure the safety that both consumers and trade require. A preventive solution would consist of implementing traceability systems and good agricultural practices (GAPs).
- 2.5 Traceability systems are systems of records that make it possible to trace the history of a product throughout its economic life in the different links of its chain. For food,

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<sup>3</sup> The products considered under the exotic fruit category are: physalis, baby banana, tree tomatoes, passion fruit, and pitahaya. The vegetables are: artichoke, onions, green asparagus, red peppers, and tomatoes.



such systems are becoming mandatory because consumers and governments are demanding that food safety be guaranteed, and that it be possible to identify and remove from the market any product that poses a danger to health. Traceability systems can also address trade information linked to inventory management strategies, differentiated pricing policies, and quality of customer service.

- 2.6 The GAPs are the set of practices to improve conventional agriculture production methods, with emphasis on product safety and the least impact of production practices on the environment, fauna, flora, and the health of workers. More and more, the main importers in target markets are requiring that exporting countries adopt GAPs. Verification and certification of GAPs by third parties require the development of protocols. Accordingly, fruit and vegetable merchant associations require compliance with the GAP protocols of, for example, EurepGAP, an important retailers' organization. EUREP's protocol is becoming a global reference in the international system of standards and certification as it seeks to harmonize GAP protocols for primary production since various protocols still coexist.

**B. Project rationale and its relationship to the Bank's country strategy**

- 2.7 Exotic fruits are exported in Colombia by small and medium-sized enterprises (SMEXs) whose suppliers are, for the most part, microenterprises. In general, the micro-, small, and medium-sized enterprises (MSMEs) of Colombia's fruit and vegetable-growing sector do not have traceability and GAP systems in place, or the capacity to establish quality management systems that meet current trade requirements, which could lead to an end to exports in a relatively short period of time. In addition, MSME owners do not have access to support services that enable them to gain access to and remain in their target markets.
- 2.8 Recently, the principal small and medium-sized exporters of exotic fruit began efforts to obtain EurepGAP certification, albeit with very limited coverage, because it involves investments for adapting farm installations and upgrading business management practices, which the agricultural MSMEs cannot afford to finance. As a result, these suppliers are being excluded from the fruit and vegetable export chains. In addition, institutional and private support services are needed to build the supply of training and certification capacity in GAP and traceability systems, which is currently very limited. EUREP allows standards to be adapted to the particular structural conditions of a country, for example, to prevent discrimination against agricultural MSMEs because of their low economic capacity to meet traceability and quality requirements. Standards are adapted through the creation of a EurepGAP Technical Working Group (TWG-EurepGAP) in the country.
- 2.9 The criteria for selecting the products were: (i) growth rate; (ii) reported exports; (iii) border price margin; (iv) labor intensity; and (v) interest expressed during consultations with exporters.

- 2.10 GAP certification requires coordination among agricultural MSMEs, which are small and independent and do not have contractual agreements with SMEXs that take quality assurance into account. This can be changed by strengthening exotic fruit chains, with transparent rules governing participation, and temporary and partial use of subsidies to finance the certified implementation of GAPs.
- 2.11 The core objectives of the Bank's strategy with Colombia (GN-2267-1) are to stimulate and reactivate the economy, promote social development, and strengthen governance. This project focuses primarily on the first two objectives, as it will help strengthen the competitiveness of exports through interventions in agricultural MSMEs. The project is consistent with the strategy of the MIF cluster on Facilitation of International Trade and Investment.
- 2.12 In September 2005 the Consejo Nacional de Política Económica [National Economic Policy Council] (CONPES) published the country's agricultural health and food safety policy, which underscores: (i) the importance of private sector participation in preventive SPS measures, especially with regard to activities related to GAPs and traceability; (ii) the limited capacity in the area of preventive SPS activities in Colombia; and (iii) the protectionist and domestic market orientation of the SPS system, with little capacity for actively seeking access to international markets.

#### **C. Project-related initiatives and lessons learned**

- 2.13 Lessons learned from other MIF programs to upgrade SMEX competitiveness, such as the project to support business competitiveness in the ISO standards cluster, with the Instituto Colombiano de Normas Técnicas y Certificación [Colombian Institute of Technical Standards and Certification] (ICONTEC), and the Isabella grape agribusinesses project, have been incorporated and recommend: (i) focusing on farmers for the adoption of certified GAPs; (ii) developing protocols and systems that are adapted to the conditions of agricultural MSMEs; (iii) ensuring that the executing agency is in contact and has experience working with the beneficiaries; and (iv) establishing financial sustainability strategies that are based on selecting leading exporters and on strengthening the organization of MSMEs.

#### **D. The value added of the project**

- 2.14 The project introduces innovations related to: (i) adjusting the GAP protocol to reduce the cost of adoption by agricultural MSMEs and to ensure a continuous supply of exotic fruits for export to the European Union; (ii) developing a ColombiaGap protocol for fruits and vegetables that not only meets European quality and traceability standards, but also those of the United States; (iii) introducing *a group traceability system* for the exotic fruits chain, in which SMEXs reach agreement with suppliers on the technical characteristics of the system, which will result in lower-cost information management; and (iv) creating a

training program that will certify rural workers in GAP and traceability competencies. Such innovations will be disseminated to the universe of enterprises in the fruit and vegetable sector.

- 2.15 The additionality of the project lies in facilitating implementation of GAPs and traceability in several exotic fruits chains. The increased output and improved quality of products for export will demonstrate that groups of small producers can achieve objectives such as staying in export chains, which they could not do individually.

### **III. PROJECT DESCRIPTION**

#### **A. Goal and purpose**

- 3.1 The goal of the project is to help boost the competitiveness of Colombian export chains of fruit and vegetable products. The purpose of the project is the adoption of standardized and verifiable processes that will enable SMEXs and agricultural MSMEs in the fruit and vegetable supply chain to meet established technical requirements and gain access to the European Union and United States markets. It has three components: (i) harmonizing the Good Agricultural Practices (GAP) protocol and adopting traceability systems; (ii) building human resources training capacity to strengthen business access to export markets; and (iii) validating GAP protocols and traceability system guidelines in fruit-growing enterprises.

#### **B. Components**

##### **1. Component I: Harmonizing the GAP protocol and adopting traceability systems**

- 3.2 The objectives of this component are: (a) adjustment and validation of the EurepGAP protocol for fruits and vegetables; (b) preparation of a Colombian GAP protocol (ColombiaGap) that is validated in the European Union and accepted in the United States; and (c) preparation of traceability guidelines. Through the project, the EurepGAP protocol will be adapted taking into account the structural conditions in Colombia.
- 3.3 For adjusting the EurepGAP protocol to Colombian conditions, the project will finance: (i) the logistics for setting up and operating the TWG-EurepGAP; (ii) national consulting services for drawing up a EurepGAP handbook; (iii) membership for the CCI and the leading enterprises in each chain; (iv) training in EurepGAP for the members of the group responsible for project implementation; (v) a technical audit for monitoring the process; (vi) the cost of processing the request for EurepGAP to validate the adjusted protocol; and (vii) preparation of the EurepGAP manual on GAPs for MSMEs. The outcome of these activities will be *Guidelines for the Application of the EurepGAP Protocol on Control Points and*

*Compliance Criteria for Fruits and Vegetables*, for Colombia, adopted and disseminated by EurepGAP.

- 3.4 For developing a Colombian protocol validated in Europe and accepted in the United States, the project will finance: (i) the contracting of a United States-recognized certification agency to identify the requirements of the protocol and consult with representative U.S. importers regarding possible its use; (ii) the workshops to validate the protocol with the MSMEs; (iii) the EurepGAP approval process, which includes application of the GAPs validation process guidelines established by EUREP; (iv) preparation of the ColombiaGap protocol document, to be submitted to EUREP for consideration as part of the validation process; and (v) promotion of the ColombiaGap protocol in the European Union and the United States. The outcome of these activities will be the CCI's protocol for the fruit and vegetable sector, called the *ColombiaGap for Fruits and Vegetables*, which will be periodically reviewed by EUREP. This protocol will incorporate relevant national and Bank standards governing different topics, especially social and environmental.
- 3.5 For drawing up traceability guidelines, the following will be financed: (i) consulting services for the formulation of traceability system guidelines; (ii) consulting services to assess the implementation of these systems in pilot firms; (iii) publication of the traceability guidelines; and (iv) informational workshops. The guidelines will emphasize environmental management practices associated with traceability, and will be disseminated and applied in the pilot cases.

## **2. Component II: Building human resources training capacity to strengthen access to export markets**

- 3.6 This component will build institutional capacity to provide human resources training related to the adoption and application of GAPs and traceability. The CCI will work with the National Learning Service (SENA) to: (i) develop a GAPs training program that will certify workers' labor competency; (ii) implement a three-pronged training plan for facilitators, supervisors, and workers; (iii) evaluate and validate training programs; and (iv) disseminate the training programs and project outcomes through bulletins, seminars, and a web page.
- 3.7 An outcome of this component will be the design and dissemination of a job-competency certification system for good practices and traceability. Staff from other education providers will be invited publicly to the workshops for facilitators so they may have access to the knowledge generated. The training plan will include environmental management.

### **3. Component III: Validating GAP protocols and traceability system guidelines for fruit-growing enterprises**

- 3.8 The purpose of this component is to validate the good practice protocols and the traceability guidelines through their adoption, as pilot cases, by MSMEs and SMEXs participating in the supply chains.
- 3.9 Implementation of the pilot experiences will include: (i) selection of SMEXs through a call for proposals; (ii) signing of agreements among participating SMEXs; (iii) assessment of the status of good practices and traceability in each pilot chain; (iv) establishment of plans and procedures; (v) adoption of good practices and traceability systems; and (vi) GAP certification of beneficiaries. Farm holdings with forestable land will be excluded from the project.
- 3.10 The SMEXs will be selected by means of a call for proposals. To be eligible, they must: (a) enjoy legal status in Colombia; (b) have been exporting one or more of the priority exotic fruits for more than two years; (c) be part of a chain of a priority product with a given number of eligible growers; (d) be willing to assume commitments for implementing the project, such as: (i) making the adaptations needed to earn GAP certification; (ii) installing the selected traceability system; (iii) participating in the proposed training programs; (iv) cofinancing activities in the chain as provided for in the respective budget; and (v) appointing a professional to serve as liaison with the project coordinating unit (PCU). Criteria for selecting the SMEXs will take into account: (i) export volume of fruit and vegetable products; (ii) commitment to invest in GAP and traceability systems; and (iii) number of contracts with agricultural MSMEs. The MSMEs and their farm holdings presented by the SMEXs will have to comply with the respective eligibility criteria established in the Operating Regulations.
- 3.11 The five chains given priority are: physalis, baby banana, granadilla, tree tomatoes, and pitahaya. These products are primarily located in the departments of Antioquia, Tolima, Quindío, and Cundinamarca.

## **IV. COST AND FINANCING**

- 4.1 The cost of the project is US\$1,336,000. Of the counterpart funds, 65% will be provided in cash by the CCI and 35% will be an in-kind contribution in the form of the use of SENA facilities and CCI operational support. The execution and disbursement periods will be 36 and 42 months, respectively.

**Table IV.1 Project Cost and Financing**

	<b>MIF</b>	<b>Counterpart</b>	<b>Total</b>	<b>%</b>
1. Component I. Harmonizing the GAP protocol and traceability systems	102,100	165,800	267,900	18
2. Component II. Building human resources training capacity	219,800	123,700	343,500	23
3. Component III. Validating GAP protocols and traceability guidelines	194,800	138,200	333,000	31
4. Coordinating unit	160,400	108,300	268,700	18
5. Evaluations	70,000		70,000	3
6. Audit	20,000		20,000	1
8. Contingencies	33,000		33,000	4
<b>Subtotal</b>	<b>800,000</b>	<b>536,000</b>	<b>1,336,000</b>	<b>98</b>
7. Cluster activities <sup>4</sup>	20,000		20,000	2
<b>PROJECT TOTAL</b>	<b>820,000</b>	<b>536,000</b>	<b>1,356,000</b>	<b>100</b>
	60%	40%	100%	

- 4.2 The MIF grant will finance activities of the components that generate positive externalities during project execution, to wit: coordination for protocol harmonization, building of human resources capacity for validation of GAP protocols and traceability guidelines, and coordination activities of the project coordinating unit. The expenses corresponding to payment for certification services, and investments in infrastructure and equipment required for adopting the GAPs and traceability systems, which are appropriable by the participants in the chains, will not be financed with grant funds.
- 4.3 **Sustainability** after project conclusion will be achieved with: (i) the fees charged by the CCI for advisory services and training in GAP protocols, and the royalties earned from ColombiaGap;<sup>5</sup> (ii) increased export revenues that will generate a demonstration effect on the fruit and vegetable subsector, making MSMEs willing to pay for services to implement GAPs; and (iii) the private supply for GAPs and traceability is expected to be sufficient, making nonreimbursable financing unnecessary.

<sup>4</sup> This amount will be administered by the Bank, and will be deducted from the contribution once the project's Technical Cooperation Agreement Letter goes into effect. It will cover activities related to the Facilitation of International Trade and Investment cluster, involving the role, coordination, and evaluation of the cluster.

<sup>5</sup> The revenues after the end of project implementation are estimated at about US\$100,000 and will rise to about US\$300,000 in three years based on projections.

## **V. THE EXECUTING AGENCY AND EXECUTION MECHANISM**

### **A. The executing agency**

- 5.1 The project will be implemented by the Corporación Colombia Internacional (CCI), a semipublic, nonprofit corporation created in 1992 for the purpose of developing and executing research projects, and transferring and adopting agribusiness technology with demonstration effects. It has its own assets and legal status, and is governed by Colombian civil legislation. Public agencies (MAGDR, DNP, SENA, PROEXPORT), business associations involved in exporting agricultural products (SAC, ANALDEX, ASOHOFrucol), and market-development institutions, such as the National Agricultural Commodity Exchange, are represented on its Board of Directors. The CCI serves as *Technical Secretariat* of the *Interagency Committee on Good Agricultural Practices*, which was established in 2005 by the MAGDR to analyze and recommend GAP policy guidelines. Its experience includes projects on quality with MSMEs to develop a differentiation seal for bananas, certification of ecological products, and technology transfer programs for clean vegetable production.<sup>6</sup>

### **B. Execution mechanism**

- 5.2 The project will be administered by a project coordinating unit (PCU), which will be comprised of a project coordinator and an administrative/financial specialist.<sup>7</sup> The PCU will be responsible for: (i) establishing and coordinating the work of the TWG-EurepGAP; (ii) preparing and executing annual work plans (AWPs); (iii) procuring goods and services, (iv) processing requests for disbursement; (v) delivering statements of account and management reports; (vi) monitoring the performance indicators set out in the logical framework; and (vii) supporting evaluation and audit processes.
- 5.3 The CCI will create an Advisory Committee to approve the call for proposals process and its results, monitor the project's performance indicators, and approve the AWPs and semiannual management reports. The Advisory Committee will be made up of the Executive President of the CCI, a representative of PROEXPORT, a representative of SENA, a member of the CCI's Board of Directors, and the project coordinator.
- 5.4 The project implementation period is 36 months; disbursements will be made over a 42-month period. The Bank will establish a revolving fund amounting to no more than 5% of the MIF grant, which will be managed in an independent account.

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<sup>6</sup> The institutional annex contains a list of the projects executed by the CCI in the area of quality.

<sup>7</sup> The detail of the profiles and functions of the members of the PCU are included in the Operating Regulations.

- 5.5 The PCU will procure the goods and services, and contract the consultants needed for project implementation pursuant to the relevant Bank policies and MIF procedures. EurepGAP-Food Plus will be contracted directly and paid US\$16,760 to adjust the GAP protocol prepared by the CCI and validate the ColombiaGap protocol with EUREP, since by definition this entity is the sole administrator of the EurepGAP protocol and is responsible for deciding whether third-party protocols are consistent with EurepGAP. Initially, supporting documentation for procurements and disbursement requests will be subject to prior review. After at least six months have transpired, this may be changed to post review by agreement between the executing agency and the Bank, provided the executing agency complies with the relevant Bank requirements.
- 5.6 The project's goal, purpose, components, and activities have been agreed upon. SENA has informed the CCI of its interest in the project, and a draft agreement has been drawn up. Exporters interested in participating in the project have been identified for the priority products. Groups of growers who supply the project's export chains have also been identified. The CCI has the capacity to provide the counterpart funds and has agreed to this with the Bank. As a condition precedent to the first disbursement, the CCI will provide evidence to the Bank's satisfaction: (i) that the PCU is in operation; (ii) that the project Advisory Committee has been created; (iii) that the Operating Regulations are in force; (iv) that the annual work plan (AWP) for the first year of the project has been submitted; (v) that the agreement between the CCI and SENA has been signed.

## VI. MONITORING AND EVALUATION

- 6.1 **Monitoring.** The executing agency will deliver all of the progress reports to the Bank within 60 days after the end of each semiannual period, and a final report within 60 days after the last disbursement. These reports will include a work plan and disbursement schedule for the following six-month period, and information on all project activities and financing carried out to date. It will also describe the outcomes, measured in terms of the indicators and means of verification. The Bank will use these reports to monitor the progress of execution and to prepare the project completion report, which is to be delivered within 90 days after the last disbursement.
- 6.2 **Midterm and final evaluations.** During the project design stage, a survey was conducted of exotic fruit SMEXs, to determine the profile of the enterprises, export restrictions, and level of penetration of GAPs and traceability. Once beneficiaries are selected, a baseline will be established with a control group in order to measure the impact of human resource training on workers, and the impact on production, productivity, and exports, as well as job creation throughout the respective chain.



- 6.3 The midterm evaluation will be commissioned when the ColombiaGap is accepted in the United States or when 50% of the MIF contribution has been committed. This evaluation will consider, at the least: (i) logical framework indicator trends; (ii) the progress of project implementation in each of the project's pilot chains; (iii) the institutional capacity of the executing agency; (iv) counterpart compliance with the budget and the Operating Regulations; and (v) compliance of the enterprises with environmental and occupational safety standards.
- 6.4 The final evaluation will be conducted when 95% of the MIF resources have been disbursed. It will examine: (i) the level of compliance with specific project objectives; (ii) beneficiary satisfaction; and (iii) the degree of sustainability once the MIF contribution has concluded, including compliance with environmental and occupational safety standards.

## **VII. BENEFITS AND RISKS**

- 7.1 The following will benefit directly from the project: (i) five SMEXs in the exotic fruit chains; (ii) 400 agricultural MSMEs; (iii) 650 packing plant and farm workers who receive training in good practices, of whom 250 will receive labor-competency certification; and (iv) 60 SENA instructors. Project benefits are: (i) increased revenues for MSMEs whose products gain access to export markets; (ii) fewer product losses due to the adoption of preventive SPS measures; (iii) dissemination to the entire sector of the knowledge generated; (iv) less foodborne diseases; and (v) positive impact on the environment due to the adoption of GAPs.
- 7.2 The project has two risks: (i) that it is unable to interest U.S. importers in the adoption of the ColombiaGap protocol; and (ii) that the agricultural MSMEs' lack of organization will prevent them from implementing some of the EurepGAP requirements for group certification. In order to mitigate the first risk, it is proposed that growers of traditional fruits, such as bananas and plantains, participate in efforts to promote the protocol in the United States and in TWG-EurepGAP, concurrently with the pilot exotic fruit chains. In order to address the second risk, the lessons learned by the CCI through its agroindustrial chain supply programs will be applied, such as including carriers to minimize the risk of product deterioration; and the need to establish long-term agreements between producers, processors, and marketers so that all parties benefit and transaction costs are cut.

## **VIII. ENVIRONMENTAL AND SOCIAL ANALYSIS**

- 8.1 At its meeting 45-05 of 4 November 2005, the CESI verified that its recommendations (meeting 19-05) regarding the project abstract have been properly reflected in the present document: (i) a description of the role of the CCI as a catalyst in environmental management (paragraphs 3.6, 3.7, 5.1); (ii) the good

practices implemented through the project include national environmental standards, the Bank's environmental and social policies, and environmental management criteria (paragraph 3.4); (iii) the project will promote the sustainable and integrated use of natural resources (paragraph 3.5); (iv) the training program will address sustainable environmental management, including training activities and quality management in production processes for the food sector and for the technical personnel of SENA, ICA, the National Surveillance Institute for Medication and Foods, and the Ministry of Environment, Housing, and Territorial Development (paragraph 3.6); and (v) the exclusion of projects that support non-forestry or nonsustainable activities on forestable land (paragraph 3.9).

**LOGICAL FRAMEWORK**  
**STRENGTHENING THE QUALITY OF FRUIT AND VEGETABLE EXPORTS**  
**COLOMBIA (CO-M1006)**

Narrative summary	Indicators	Means of verification	Assumptions
<b>Goal</b>			
Contribute to increasing the competitiveness of Colombian fruit and vegetable-based product export chains	<ul style="list-style-type: none"> <li>• By year 5 after project completion, exports from fruit and vegetable-producing SMEs will have increased to US\$25.7 million (by 20%.)</li> <li>• By year 5 after project completion, 3 new fruit and vegetable products will have gained access to United States or European Union markets.</li> </ul>	Foreign trade statistics	<ul style="list-style-type: none"> <li>• Medium-term policies are in place that support the fruit and vegetable export sector</li> <li>• A stronger national sanitary and phytosanitary system.</li> </ul>
<b>Purpose</b>			
Adoption of standardized processes for MSMEs and SMEXs meet the technical requirements of the European Union and United States markets	<ul style="list-style-type: none"> <li>• By project end, the fruit and vegetable export sector will have an internationally recognized system for the implementation and certification of good practices through ColombiaGAP and traceability systems.</li> <li>• By project end, the number of SMEs exporting and close to exporting fruits by replicating processes used in the pilot group of SMEs will have doubled to 32.</li> <li>• By project end, project outcomes and processes will have been replicated in at least one other subsector.</li> </ul>	<ul style="list-style-type: none"> <li>• Project baseline</li> <li>• Final evaluation</li> <li>• Foreign trade statistics</li> </ul>	<ul style="list-style-type: none"> <li>• Participation and commitment of the private export sector</li> </ul>

Narrative summary	Indicators	Means of verification	Assumptions
Component/Outputs			
Component 1. Harmonizing the GAP protocol and adopting traceability systems			
1. Adjust and validate the EurepGAP protocol for fruits and vegetables	<ul style="list-style-type: none"><li>• Before the end of year 1, the guidelines for the application of EurepGAP will have been adjusted and validated, and approved by EUREP</li></ul>	<ul style="list-style-type: none"><li>• Official notification by EurepGAP</li><li>• Progress reports</li></ul>	Conditions agreed to with EurepGAP are maintained. The conditions set out in the document EurepGAP Benchmarking System Procedure–All Scopes, in force as at June 2005, are maintained.
2. Develop a Colombian protocol that is validated in Europe and accepted in the United States	<ul style="list-style-type: none"><li>• By month 30, the protocol will be validated in Europe and accepted in the United States.</li></ul>	<ul style="list-style-type: none"><li>• Official notification by Foodplus</li><li>• US certifier agrees to make use of the protocol</li><li>• Progress reports</li></ul>	Exporters interested in entering the U.S. and European markets
3. Draw up traceability guidelines for Colombian fruit exports	<ul style="list-style-type: none"><li>• The traceability guidelines will be ready by month 12 of project execution; the guidelines will be validated by month 24.</li></ul>	<ul style="list-style-type: none"><li>• Progress reports and monitoring system</li></ul>	Agricultural MSMEs interested in organizing as suppliers and accept the recommendations of the traceability system.
Component 2. Building human resources training capacity to strengthen access to export markets			
1. Design of labor-competency certification system for GAP–EurepGAP	<ul style="list-style-type: none"><li>• The labor-competency program will be accredited by end of year 1.</li></ul>	<ul style="list-style-type: none"><li>• Certificates</li></ul>	Staff of SMEs and farms are available and have set aside time for training  Demand for information
2. Training and certification in GAP-EurepGAP and traceability	<ul style="list-style-type: none"><li>• By project end, at least 650 field and packing plant workers will have received training in GAP and traceability.</li></ul>	<ul style="list-style-type: none"><li>• Attendance lists</li><li>• Progress reports</li><li>• Competency certificates</li></ul>	
3. Dissemination of information	<ul style="list-style-type: none"><li>• Instruments for dissemination will be designed and applied during project implementation.</li></ul>	<ul style="list-style-type: none"><li>• Progress reports</li><li>• Midterm evaluation</li></ul>	
Component 3. Validating GAP protocols and traceability system guidelines for fruit-growing enterprises			
1. GAP-EurepGAP adopted in pilot cases	<ul style="list-style-type: none"><li>• Five fruit chains and 400 agricultural MSMEs adopt the systems and become EurepGAP certified.</li></ul>	<ul style="list-style-type: none"><li>• Participation agreements signed by executing unit, the chains and their growers.</li></ul>	The leaders interested in creating the chains express their desire to be included in the project. Willingness to participate in introducing traceability systems
2. Traceability adopted in pilot cases	<ul style="list-style-type: none"><li>• Ten fruit SMEs as a group adopt the traceability system and transfer the methodology to 250 MSMEs.</li></ul>	<ul style="list-style-type: none"><li>• EurepGAP certificates of acceptance</li><li>• Monitoring and evaluation system (midterm and final evaluation)</li></ul>	

Narrative summary	Indicators	Means of verification	Assumptions
<b>Activities</b>			
<b>Component 1. Development of GAP protocols and traceability systems</b> <b>Budget: Total US\$267,900; MIF US\$102,100; Counterpart US\$165,800</b>			
<b>1.1. Adjustment and validation of the EurepGAP protocol for fruits and vegetables</b> <b>Budget: Total US\$52,274; MIF US\$24,043; Counterpart US\$28,230</b>			
National consulting service for preparation of document on EurepGAP	Consulting service completed by end of year 1	Executing agency's semiannual progress reports and final report Midterm and final evaluations Project Completion Report (PCR) Consulting service contract	Agreement with EUREP in force
Workshops for stakeholders	6 workshops, one per month, during the first half of year 1, involving at least 7 members of the EurepGAP technical group and at least one grower and one exporter	Executing agency's semiannual reports and final report Midterm and final evaluations PCR	Stakeholders want to participate
Consulting service to support the EurepGAP technical working group	Consulting services of an international expert to assist technical group performed in the first half of year 1.	Executing agency's semiannual reports and final report Midterm and final evaluations PCR Consulting service contract	Agreement in place between the CCI and EUREP
Preparation of EurepGAP handbook on GAPs to be transferred to growers	Consulting services of a national consultant for preparing the handbook carried out in the third quarter of year 1. Publication of 1,000 copies of the handbook	Executing agency's semiannual reports and final report Midterm and final evaluations PCR Consulting service contract	

Narrative summary	Indicators	Means of verification	Assumptions
<b>Activities</b>			
<b>1.2. Development of a Colombian protocol validated in Europe and accepted in the United States</b> <b>Budget: Total US\$163,196; MIF US\$34,870; Counterpart US\$128,326</b>			
International consulting service to define conditions for accessing U.S. market	Consulting service performed by the end of year 2	Executing agency's semiannual reports and final report Midterm and final evaluations PCR Consulting service contract	Willingness of certifying entities in the United States
Workshops with stakeholders for document validation	10 workshops held (one per month) including internal trips, during second half of year 1 and first half of year 2.	Executing agency's semiannual reports and final report Midterm and final evaluations PCR Attendance list	Participation of stakeholders
Consulting service for preparing and reviewing the ColombiaGap protocol document	Consulting service carried out by the end of year 2	Executing agency's semiannual reports and final report Midterm and final evaluations PCR Consulting service contract	Agreement between the CCI and EUREP continues in force.
Consulting service for EurepGAP external evaluation for validation in approval process	International consultant conducts evaluation in the third quarter of year 2 Validation of process with EurepGAP. Approved by end of year 2	Executing agency's semiannual reports and final report Midterm and final evaluations PCR Consulting service contract	The conditions set out in the document EurepGAP Benchmarking System Procedure–All Scope, in effect as at June 2005, are maintained.
Promotion of ColombiaGAP protocol in the United States	Design and printing of promotional materials (1,000 copies) Travel for 5 people to United States to reach agreements with distributors, in the first half of year 3	Executing agency's semiannual reports and final report Midterm and final evaluations PCR	Acceptance by marketing channels in the United States

Narrative summary	Indicators	Means of verification	Assumptions
<b>Activities</b>			
<b>1.3. Design of traceability systems for fruit and vegetable export chains</b> <b>Budget: Total US\$52,396; MIF US\$43,196; Counterpart US\$9,200</b>			
Local and international consulting services for the design and preparation of traceability guidelines	Consulting service carried out by the end of the first half of year 2	Executing agency's semiannual reports and final report Midterm and final evaluations PCR Consulting service contract	
Workshops to raise awareness and build consensus among stakeholders	6 workshops held in year 1	Executing agency's semiannual reports and final report Midterm and final evaluations PCR Attendance lists	Members of the chains are interested in organizing and accepting the recommendations of the traceability system.
Promotional materials for the traceability guidelines	1,000 units of promotional materials produced on an ongoing basis	Executing agency's semiannual reports and final report Midterm and final evaluations PCR	
<b>Component 2. Building human resources training capacity to strengthen access to export markets</b> <b>Budget: Total US\$343,500; MIF US\$219,800; Counterpart US\$123,700</b>			
<b>2.1. Design of labor-competency certification system for GAP–EurepGAP</b> <b>Budget: Total US\$39,226; MIF US\$28,148; Counterpart US\$11,078</b>			
Training course on EurepGAP protocols	15 people in year 1; 4 people in year 2; 4 people in year 3	Certificates of participation Attendance lists	
National consulting services for designing the curriculum for GAP–EurepGAP competency certification	Consulting services carried out before the end of year 1. 6 field trips to SENA's regional offices in year 1.	Executing agency's semiannual reports and final report Midterm and final evaluations PCR Consulting service contract	Willingness of people to receive training.

Narrative summary	Indicators	Means of verification	Assumptions
<b>Activities</b>			
<b>2.2. Training and certification in GAP and traceability competencies</b> <b>Budget: Total US\$259,367; MIF US\$149,352; Counterpart US\$110,015</b>			
National consulting service and technical assistance to support adoption and training programs	Consulting service carried out before the end of year 2 Between months 11 and 18, training will have been provided to: 100 field production supervisors, in GAP and traceability, and 25 packing plant supervisors, in good manufacturing process and traceability Between months 15 and 23, 400 field workers will have received training in GAP and traceability; of these, 250 will receive labor-competency certification	Executing agency's semiannual reports and final report Midterm and final evaluations PCR Consulting service contract Attendance lists	
Technical assistance for training program	60 SENA instructors will receive training by the end of year 1.	Certificates of participation Attendance lists	Willingness of SENA instructors to receive training.
Courses for production supervisors and field and packing plant workers	2,160 units of material for 144 courses in months 7 through 24 of the project. 360 internal trips in months 7 through 24	Executing agency's semiannual reports and final report Midterm and final evaluations PCR Attendance lists	Willingness of agricultural MSMEs to receive training.
<b>2.3. Dissemination of outcomes</b> <b>Budget: Total US\$44,878; MIF US\$42,278; Counterpart US\$2,600</b>			
Technical assistance for maintaining information and disseminating outcomes Multimedia equipment Dissemination of information	Six electronic bulletins will be issued, one per six-month period, and a web page will be maintained continuously Multimedia equipment will be purchased in year 1	Executing agency's semiannual reports and final report Midterm and final evaluations PCR	There is a demand for information.
Dissemination seminars in the 4 project areas	Six seminars will be held: 1 launching seminar and 5 to disseminate outcomes (two per year)	Attendance lists	



Narrative summary	Indicators	Means of verification	Assumptions
<b>Activities</b>			
<b>Component 3: Validation of GAP protocols and traceability guidelines in fruit-growing enterprises</b>			
<b>Budget: Total US\$333,000; MIF US\$194,800; Counterpart US\$138,200</b>			
<b>3.1. Implementation of GAP-EurepGAP in pilot cases</b>			
<b>Budget: Total US\$258,800; MIF US\$147,900; Counterpart US\$110,800</b>			
National consulting service and technical assistance for adoption of GAP-EurepGap	Consulting service carried out in year 3	Consulting service contract Executing agency's semiannual reports and final report Midterm and final evaluations PCR	Agricultural MSMEs are interested in participating.
Support for adoption of the GAP–EurepGAP system and internal audit systems	180 field trips made in years 2 and 3 180 materials distributed during the field trips	Executing agency's semiannual reports and final report Midterm and final evaluations PCR Consulting service contract Field trip forms	
Laboratory tests to assess progress of adoption by agricultural MSMEs	325 laboratory tests conducted by end of year 3	Executing agency's semiannual reports and final report Midterm and final evaluations PCR Laboratory test results	Laboratory infrastructure exists.
Infrastructure adjustments for adoption of the GAP–EurepGAP system by agricultural MSMEs	By end of year 3, adjustments made in 100 agricultural MSMEs	Executing agency's semiannual reports and final report Midterm and final evaluations PCR	
Obtaining GAP–EurepGAP certification	30 certificates obtained by end of year 3, which will be replicated in 400 farms	Certificates	Beneficiaries are interested.

Narrative summary	Indicators	Means of verification	Assumptions
<b>Activities</b>			
<b>3.2. Adoption of traceability systems in pilot cases</b> <b>Budget: Total US\$74,200 MIF US\$46,900 Counterpart US\$27,300</b>			
National consulting service to support adoption of traceability systems	Consulting services carried out by end of year 3	Executing agency's semiannual reports and final report Midterm and final evaluations PCR Consulting service contract Field trip forms	Agricultural MSMEs willing to introduce traceability
Support for adoption of traceability systems	90 visits to agricultural MSMEs in years 2 and 3	Executing agency's semiannual reports and final report Midterm and final evaluations PCR Consulting service contract Field trip forms	
Procurement and adjustment of equipment for adopting traceability systems	By end of year 3, adjustments made in 10 SMEs, to be replicated in 400 agricultural MSMEs	Executing agency's semiannual reports and final report Midterm and final evaluations PCR	Agricultural MSMEs are interested.

**COLOMBIA (CO-M1006)**  
**STRENGTHENING THE QUALITY OF FRUIT AND VEGETABLE EXPORTS**  
**CORPORACIÓN COLOMBIA INTERNACIONAL - CCI**

**DETAILED BUDGET (CONSTANT 2005 DOLLARS)**

Category	MIF US\$	Local contribution US\$	Total US\$
<b>Project Coordinating Unit</b>	<b>\$160,435</b>	<b>\$108,313</b>	<b>\$268,748</b>
Coordination			
Personnel	\$126,000	\$86,400	\$212,400
Project coordinator	\$126,000	\$0	\$126,000
Administration, finance, and accounting	\$0	\$46,800	\$46,800
Legal advisor (part time)	\$0	\$39,600	\$39,600
Logistics	\$34,435	\$21,913	\$56,348
Office space (US\$304/month)	\$0	\$3,130	\$3,130
Supplies (US\$130/month)	\$0	\$4,696	\$4,696
Communications (US\$391/month)	\$0	\$14,087	\$14,087
Internal travel	\$34,435	\$0	\$34,435
<b>Component 1. Harmonization of GAP protocols and adoption of traceability systems</b>	<b>\$102,109</b>	<b>\$165,757</b>	<b>\$267,865</b>
<b>1.1 Adjust and validate EurepGAP protocol for fruits and vegetables</b>	<b>\$24,043</b>	<b>\$28,230</b>	<b>\$52,274</b>
Membership in EurepGAP	\$0	\$12,130	\$12,130
Local consulting services for preparing EurepGAP handbook (7 months)	\$0	\$16,100	\$16,100
6 workshops for document validation	\$1,304	\$0	\$1,304
International consulting services to support technical working group	\$15,000	\$0	\$15,000
8 field trips for technical working group	\$2,783	\$0	\$2,783
Preparation of documents for EurepGAP	\$652	\$0	\$652
Local consulting services for preparing EurepGAP manual for growers (2 months)	\$3,000	\$0	\$3,000
1,000 booklets for dissemination	\$1,304	\$0	\$1,304
<b>1.2 Development of a Colombian protocol validated in Europe and accepted in the United States</b>	<b>\$34,870</b>	<b>\$128,326</b>	<b>\$163,196</b>
Local consulting services to prepare and review ColombiaGAP protocol (30 months)	\$15,000	\$46,000	\$61,000
International consulting service to define access conditions to U.S. market	\$0	\$25,435	\$25,435
6 trips to United States to define access conditions	\$0	\$26,087	\$26,087
10 workshops for document validation	\$2,174	\$0	\$2,174
10 field trips to build consensus on ColombiaGAP	\$3,478	\$0	\$3,478
Preparation documents on ColombiaGAP	\$2,174	\$0	\$2,174
Consulting services for external evaluation EurepGAP for validation in approval process	\$7,696	\$9,065	\$16,761
5 trips to United States to promote ColombiaGAP protocol	\$0	\$21,739	\$21,739
1,000 copies promotional materials on ColombiaGAP protocol	\$4,348	\$0	\$4,348
<b>1.3 Preparation of traceability guidelines for Colombian fruit exports</b>	<b>\$43,196</b>	<b>\$9,200</b>	<b>\$52,396</b>
Local and international consulting services for the design and preparation of traceability guidelines	\$38,413	\$9,200	\$47,613
6 workshops to raise awareness and build consensus with stakeholders	\$1,304	\$0	\$1,304
Field trips to conduct workshops (20 trips)	\$1,739	\$0	\$1,739
Preparation guideline documents	\$652	\$0	\$652

Category	MIF US\$	Local contribution US\$	Total US\$
1,000 copies promotional materials on traceability guidelines	1,087	0	1,087
<b>Component 2. Building human resources training capacity</b>	<b>219,778</b>	<b>123,693</b>	<b>343,471</b>
<b>2.1 Design of labor-competency certification system for GAP–EurepGAP</b>	<b>28,148</b>	<b>11,078</b>	<b>39,226</b>
Training course in EurepGAP protocols	6,522	8,478	15,000
National consulting service for designing curriculum for competency certification (12 months)	19,800	2,600	22,400
Preparation of documents for certification curriculum	652	0	652
Field trips SENA regional agreements (6 trips)	1,174	0	1,174
<b>2.2 Training and certification in GAP processes and traceability</b>	<b>149,352</b>	<b>110,015</b>	<b>259,367</b>
Technical assistance for training program	0	61,141	61,141
National consulting service and technical assistance to support adoption processes and training programs (54 months)	73,100	20,700	93,800
Training materials (2160 units)	7,513	0	7,513
Logistics for 144 training courses	1,043	18,783	19,826
Internal travel for training courses (360 trips)	67,696	9,391	77,087
<b>2.3 Dissemination of results</b>	<b>42,278</b>	<b>2,600</b>	<b>44,878</b>
Technical assistance for maintaining information and disseminating outcomes	25,800	2,600	28,400
Multimedia equipment	3,652	0	3,652
Dissemination materials	2,609	0	2,609
1 launching seminar and 5 seminars to disseminate outcomes	10,217	0	10,217
<b>Component 3. Validation of GAP protocols and traceability guidelines</b>	<b>194,761</b>	<b>138,191</b>	<b>332,952</b>
<b>3.1 Adoption of GAP–EurepGAP in pilot cases</b>	<b>147,896</b>	<b>110,861</b>	<b>258,757</b>
National consulting services and technical assistance to support adoption of GAP-EurepGAP (105 months)	81,700	32,600	114,300
Field trips for technical assistance in support of adoption (180 trips)	33,652	0	33,652
Support documents for adoption	3,739	0	3,739
Water, soil, foliar, and residue laboratory tests (325)	28,804	0	28,804
EurepGAP certification of farms (30 certificates)	0	78,261	78,261
<b>3.2 Adoption of traceability systems in pilot cases</b>	<b>46,865</b>	<b>27,330</b>	<b>74,195</b>
National consulting services to support adoption of traceability systems (31 months)	30,300	8,200	38,500
Support documents for adoption	522	0	522
Field trips for technical assistance in support of adoption (90 trips)	16,043	0	16,043
Procurement and adjustment of equipment for the adoption of traceability systems	0	19,130	19,130
<b>SUBTOTAL</b>	<b>677,082</b>	<b>535,954</b>	<b>1,213,036</b>
Contingencies 5%	32,918	0	32,918
Baseline, monitoring and evaluation system, and 2 evaluations	70,000	0	70,000
Audit	20,000	0	20,000
<b>TOTAL</b>	<b>799,587</b>	<b>535,954</b>	<b>1,335,954</b>
<b>Cluster activities</b>	<b>20,000</b>		<b>20,000</b>
<b>GRAND TOTAL</b>	<b>819,587</b>	<b>535,954</b>	<b>1,355,954</b>
	60%	40%	

**COLOMBIA (CO-M1006)**  
**STRENGTHENING THE QUALITY OF FRUIT AND VEGETABLE EXPORTS**  
**RELATED PROJECTS IN COLOMBIA AND IN THE INTERNATIONAL TRADE AND INVESTMENT CLUSTER**

**A. Similar or related MIF projects**

<b>Project number and approval date</b>	<b>Project title, executing agency, and amount</b>	<b>Date signed and disbursement period in months</b>	<b>Amount disbursed</b>	<b>Comments</b>
ATN/ME-7203-CO 17 October 2000	Isabella grape agribusiness project Fundación Carvajal US\$1,111,947 MIF contribution	16 February 2001 42 months	100%	Although there were delays at the outset, most of the planned activities have achieved the stated goals. The project concluded satisfactorily.
ATN/ME-7855-CO 1 May 2002	Business linkages in the garment industry Corporación El minuto de Dios US\$1,100,000 MIF contribution	26 July 2002 42 months	31%	The project was classified as satisfactory. However, there were delays in execution, basically with regard to the contracting and implementation of the international consulting service. Although several training events have been held, the target numbers have not been reached.
ATN/ME-8797-CO 4 August 2004	Supporting cluster competitiveness Universidad de los Andes US\$3,450,000 MIF contribution	3 December 2004 42 months	10%	The project was classified as satisfactory.

**B. Similar or related Bank projects**

None.

### C. Projects related to the same sector or beneficiaries

Project number and approval date	Project title, executing agency, and amount	Date signed and disbursement period in months	Amount disbursed	Observations
ATN/MH-6752-CO 10 November 2000	Introduction of quality and environmental management systems standards in SMEs  Colombian Institute of Technical Standards and Certification (ICONTEC)  US\$1,231,000 MIF contribution	17 December 1999  42 months	100%	The project was concluded satisfactorily.

### D. Projects in the facilitation of international trade and investment cluster

Project number and approval date	Project title, executing agency, and amount	Date of signature and disbursement period in months	Amount disbursed	Comments
ATN/MT-7080-RG 11 July 2000	Implementation of customs procedures to expedite international business in LAC  Inter-American Center of Tax Administration (CIAT)  US\$3,000,000 MIF contribution	25 September 2000  60 months	100%	The project was concluded satisfactorily.
ATN/MT-7123-RG 1 September 2000	Investment frameworks in the Caribbean Community: towards a regionally harmonized best practice regime  Caribbean Community (CARICOM)  US\$410,000 MIF contribution	27 October 2000  47 months	81%	The project disbursement period has ended. An extension of the disbursement period was approved to pay for pending consulting services. The activities have been carried out in a satisfactory manner.

Project number and approval date	Project title, executing agency, and amount	Date of signature and disbursement period in months	Amount disbursed	Comments
ATN/MT-7957-RG 24 July 2002	Support of agricultural trade through the harmonized application of sanitary and phytosanitary measures in the region  International Regional Organization for Plant and Animal Health (OIRSA)  US\$1,510,000 MIF contribution	22 October 2002  48 months	54%	The project classification is satisfactory. The coordinators in the eight countries have been hired and the consulting services for describing and categorizing the services and reviewing the legislation were carried out efficiently and transparently.  It is worth noting that the assumptions are being confirmed.  The executing unit is operating efficiently and adequately.
ATN/MT-8026-RG 25 September 2002	Modernization of customs and border crossings  Secretariat of the General Treaty on Central American Economic Integration  US\$2,015,000 MIF contribution	22 August 2003  36 months	10%	With the exception in the delay in CABEL's counterpart, project execution is on time and consistent with the logical framework.
ATN/MT-8225-RG 19 February 2003	Overcoming technical barriers to trade through strengthening accreditation systems  Mexican accreditation entity  US\$495,000 MIF contribution	22 May 2003  30 months	35%	The project classification is unsatisfactory. In terms of the activities, progress is at about 50%, but 35% of the funds have been disbursed, given that the main consulting activities have not been carried out. Estimated project costs are higher than the costs actually being incurred.
ATN/ME-8352-AR 25 June 2003	System for facilitating international market access by small and medium-sized rural producers  Fortalecer Foundation  US\$1,500,000 MIF contribution	15 September 2003  42 months	19%	The project classification is satisfactory. There have been no significant changes in the assumptions that could negatively affect achievement of the project objectives.
ATN/ME-8533-RG 3 December 2003	Market access and integration through technical standards  Colombian Institute of Technical Norms and Accreditation  US\$2,790,940 MIF contribution	8 June 2004  42 months	6%	The project classification is satisfactory. The agreement was signed in June and the project was eligible for disbursements in September 2004. To date, the program has been preparing the activities that will allow it to achieve the proposed targets on time. All the assumptions remain highly likely to occur.

Project number and approval date	Project title, executing agency, and amount	Date of signature and disbursement period in months	Amount disbursed	Comments
ATN/ME-8532-RG 3 December 2003	Market access and integration through technical standardization Uruguayan Institute of Technical Norms (UNIT) US\$2,498,120 MIF contribution	7 July 2004 54 months	20%	The program classification is satisfactory. Execution is starting and participation by all the subexecuting agencies is promising. All the conditions were fulfilled within a five-month period, which is satisfactory in view of the fact that this is a regional program that is being executed in four countries.
ATN/ME-8530-EC 3 December 2003	Mitigate market access barriers under the Andean Trade Act Export and Investment Promotion Corporation (CORPEI) US\$1,323,492 MIF contribution	2 April 2004 36 months	2%	The program classification is satisfactory. The phytosanitary control aspects are duly known and the means to address them have been established and are applicable with direction from the participating institutions. Maintenance of the interagency agreements achieved, participation and attention to be given thereto by SESA and CORPEI, with support from APHIS, ensure application for program execution and achievement of targets and objectives to a high degree.
ATN/MT-8694-RG 28 April 2004	Strengthening the private sector's role in the Caribbean Community's external trade negotiations Caribbean Community US\$1,060,500 MIF contribution	1 July 2004 42 months	12%	The project classification is satisfactory. The CRNM has begun activities necessary to comply with the conditions precedent to the first disbursement.
ATN/ME-8950-UR 17 November 2004	Positioning of agricultural producer groups in export markets Asociación Empretec del Uruguay US\$890,000 MIF contribution	21 December 2004 42 months	10%	The project classification is satisfactory in general. Twenty-two groups with 1,200 producers have been set up, with the expectation that at least 20 groups and 1,000 producers will complete the program.
ATN/ME-8974-CH 1 December 2004	Helping SMEXs to capitalize on trade agreements ProChile of the Ministry of Foreign Relations and Chamber of Commerce of Santiago (CCS) US\$2,075,000 MIF contribution	9 May 2005 42 months	10%	The program is progressing normally. The program launching events have taken place, with significant expressions of interest on the part of SMEs in participating. Experts will likely be hired in the first quarter of 2006 to advise the first group of companies to benefit from the program.



Project number and approval date	Project title, executing agency, and amount	Date of signature and disbursement period in months	Amount disbursed	Comments
ATN/ME-8976-RG 1 December 2004	SME competitiveness through technical standardization in Central America, the Dominican Republic, and Panama  Instituto de Normas Técnicas de Costa Rica (INTECO)  US\$2,521,684 MIF contribution	21 March 2005  42 months	1%	In the process of complying with conditions precedent
ATN/ME-8990-RG 8 December 2004	Strengthening market access opportunities for SMEs in the Caribbean agrifood industry  Caribbean Agribusiness Association (CABA)  US\$2,648,772 MIF contribution	13 January 2005  42 months	0%	In the process of complying with conditions precedent. Two of the six conditions established have been met.
ATN/ME-8991-RG 8 December 2004	Promoting SME competitiveness in the Caribbean through technical standards  CARICOM Regional Organization for Standards and Quality (CROSQ)  US\$1,276,635 MIF contribution	1 June 2005  42 months	0%	The executing agency is in the process of complying with the conditions precedent.
ATN/ME-9271-EC 30 June 2005	Cooperative SME operations in the floriculture value chain  Asociación Nacional de Productores y/o Exportadores de Flores del Ecuador - Expoflores  \$1,643,628 MIF contribution	24 October 2005  42 months	0%	In the process of complying with conditions precedent
ATN/ME-9353-AR 10 August 2005	SME products in East Asia  Fundación CANE in cooperation with Fundación Okita  \$1,550,300 MIF contribution	24 August 2005  36 months	10%	In the process of complying with conditions precedent.

<b>COLOMBIA (CO-M1006)</b> <b>FORTALECIMIENTO DE LA CALIDAD PARA LAS EXPORTACIONES HORTOFRUTICOLAS</b> <b>CARTERA DE PROYECTOS DEL FOMIN EN COLOMBIA</b> <b>COLOMBIA MIF PORTFOLIO</b>										
No.	Memo #	Project #	ATN #	Name	Exec. Agency	FAC	Approval	Status	MIF Amount	% Disb
1	MIF/AT-3	CO0149	3/MS-CO	Affiliates of Women's World Banking in Cali, Bogotá, Medellín	CMMM	IIIb	8-Dec-93	Completed	750,000	100.00
2	MIF/AT-3	CO0150	4/MS-CO	Affiliates of Women's World Banking in Cali, Bogotá, Medellín	CMM	IIIb	8-Dec-93	Completed	500,000	100.00
3	MIF/AT-3	CO0153	5/MS-CO	Affiliates of Women's World Banking in Cali, Bogotá, Medellín	CMM	IIIb	8-Dec-93	Completed	500,000	100.00
4	MIF/AT-3	TC9307499	ATN/ME-4410-CO	Affiliates of Women's World Banking in Cali, Bogotá, Medellín	WWBC	IIIa	8-Dec-93	Completed	80,000	100.00
5	MIF/AT-3	TC9310020	ATN/ME-4411-CO	Affiliates of Women's World Banking in Cali, Bogotá, Medellín	WWB/BOGOTA	IIIa	8-Dec-93	Completed	79,438	100.00
6	MIF/AT-3	TC9310038	ATN/ME-4412-CO	Affiliates of Women's World Banking in Cali, Bogotá, Medellín	CMMM	IIIa	8-Dec-93	Completed	80,000	100.00
7	MIF/AT-3	TC9310046	ATN/ME-4414-CO	Affiliates of Women's World Banking in Cali, Bogotá, Medellín	FMMB	IIIa	8-Dec-93	Completed	80,000	100.00
8	MIF/AT-3	TC9310054	ATN/ME-4413-CO	Affiliates of Women's World Banking in Cali, Bogotá, Medellín	FMM	IIIa	8-Dec-93	Completed	80,000	100.00
9	MIF/AT-8	TC9307051	ATN/MT-4481-CO	Strengthening of the Energy Regulatory Commission	CRE	I	30-Mar-94	Completed	1,627,000	100.00
10	MIF/AT-12	TC9308091	ATN/MH-4573-CO	Strengthening Non-Governmental Organizations to Provide Training and Services to Displaced Workers	F. CARVAJAL	II	29-Jun-94	Completed	787,709	100.00
11	MIF/AT-12	TC9407108	ATN/MH-4574-CO	Strengthening Non-Governmental Organizations to Provide Training and Services to Displaced Workers	CCOCG	II	29-Jun-94	Completed	879,044	100.00
12	MIF/AT-37	TC9307043	ATN/ME-4911-CO	Program to Establish Business Development Centers	ACOPI	IIIa	18-Apr-95	Completed	5,966,523	100.00
13	MIF/AT-43	TC9308116	ATN/MT-4910-CO	Alternative Methods of Settling Business Disputes	CCB	I	24-May-95	Completed	1,195,047	100.00
14	MIF/AT-53	TC9503229	ATN/MT-5022-CO	Strengthening of the Water Regulatory Commission	CRAPSB	I	27-Sep-95	Completed	990,000	100.00
15	MIF/AT-51-1	TC9308108	ATN/MH-5082-CO	Training Program for Women Heads of Household	FES	II	27-Nov-95	Completed	2,544,071	78.02
16	MIF/AT-179	TC9601338	ATN/MH-6002-CO	Technical Training for the Paper Industry	CENPAPEL	II	10-Jun-98	Completed	1,894,457	100.00
17	MIF/AT-203	TC9805419	ATN/ME-6213-CO	MIC/ Support for Competitive Microenterprises	ANTIOQUIA	IIIa	30-Oct-98	Completed	1,280,997	100.00

No.	Memo #	Project #	ATN #	Name	Exec. Agency	FAC	Approval	Status	MIF Amount	No.
18	MIF/AT-216	TC9308158	ATN/MH-6280-CO	Strengthening of the Credit Union System	MHCP	II	7-Dec-98	Completed	265,260	100.00
19	MIF/AT-216	TC9811013	ATN/MT-6279-CO	Strengthening of the Credit Union System	CONFECOOP	I	7-Dec-98	Completed	648,761	100.00
20	MIF/AT-246	TC9305261	ATN/MT-6498-CO	Private Enterprise in the Subsidized Health Programs	FCORONA	I	12-May-99	Completed	630,000	100.00
21	MIF/AT-284	TC9907024	ATN/ME-6658-CO	Accounting and financial information systems for Nonregulated Microfinance Institutions	EMPRENDER	IIa	17-Sep-99	Completed	330,000	100.00
22	MIF/AT-307	TC9904049	ATN/MH-6755-CO	Agricultural Technology Transfer Program	ACJ	II	10-Nov-99	Completed	640,000	100.00
23	MIF/AT-305	TC9906026	ATN/MH-6752-CO	Quality and Environmental Management Systems	ICONTEC	II	10-Nov-99	Completed	1,022,789	100.00
24	MIF/AT-332	TC9904001	ATN/ME-7006-CO	Marketing Company for Microenterprise Owners	FMARIO	IIa	14-Jun-00	In execution	850,000	98.35
25	MIF/AT-334	TC0003003	ATN/ME-7011-CO	Institutional Strengthening of Women's World Banking Affiliates	AWWB	IIa	15-Jun-00	Completed	500,000	100.00
26	MIF/AT-368	TC9905047	ATN/MT-7186-CO	Rationalization of Administrative Procedures	CCB	I	25-Oct-00	Completed	1,900,000	100.00
27	MIF/AT-371	TC9911104	ATN/ME-7203-CO	Isabella Grape Agribusiness Project	F. CARVAJAL	IIa	1-Nov-00	In execution	1,111,947	99.83
28	MIF/AT-374	TC0010027	ATN/MT-7238-CO	Bucaramanga Potable Water Project	MDE	I	29-Nov-00	In execution	420,000	16.43
29	MIF/AT-374	TC0010027	ATC/MT-7239-CO	Bucaramanga Potable Water Project	MDE	I	29-Nov-00	Approved	480,000	0.00
30	MIF/AT-380	TC0003033	ATN/MT-7253-CO	Internet Based Export Information System	PROEXPO	I	6-Dec-00	In execution	1,500,000	60.46
31	MIF/AT-385	TC0005006	ATN/MH-7269-CO	Environmental Management and Implementation of Cleaner Technologies for Colombian Enterprises	CINSET	II	13-Dec-00	Completed	1,423,000	100.00
32	MIF/AT-405	TC0006003	ATN/MT-7407-CO	Promoting Foreign Investment in Colombian Enterprises	COINVERTIR	I	25-Apr-01	In execution	900,000	73.58
33	MIF/AT-429	TC0103005	ATN/ME-7545-CO	Institutional Strengthening Compartir	FCOMPARTIR	IIa	9-Aug-01	In execution	210,000	99.54
34	MIF/AT-455	TC0103004	ATN/ME-7777-CO	Institutional Strengthening of Finamerica, S.A.	FINAMERICA	IIa	18-Jan-02	Completed	300,000	100.00
35	MIF/AT-457	TC0109022	ATN/MT-7793-CO	Strengthening Capital Markets in Colombia	BV	I	20-Feb-02	In execution	1,018,300	27.28
36	MIF/AT-467	TC0106004	ATN/ME-7855-CO	Skill Standards and Training of the Garment Industry in the Eje Cafetero	MINUTO DE DIOS	IIa	1-May-02	In execution	1,100,000	31.24
37	MIF/AT-469	TC0108007	ATN/ME-7856-CO	Supply Chain Development and Promotion of Cooperative Ventures	ACOPÍ	IIa	1-May-02	In execution	1,092,400	91.77
38	MIF/AT-491-1	TC0106010	ATN/ME-7978-CO	Support for the Massive Use of It(smes)	CONFECAMARAS	IIa	7-Aug-02	In execution	1,000,000	79.56
39	MIF/AT-522	TC0210074	ATN/MT-8208-CO	Line of Activity for Airport Security	UAEAC	I	24-Jan-03	In execution	500,000	40.00
40	MIF/AT-524	TC0106021	ATN/ME-8204-CO	Technology Transfer and Quality Enhancement for the Jewelry Sector	CDP	IIa	21-Feb-03	In execution	375,000	28.52

41	MIF/AT-586	CO-M1001	ATN/MH-8618-CO	Promotion of Youth Entrepreneurship in Colombian	FCORONA	II	21-Jan-04	In execution	1,050,000	10.00
42	MIF/AT-601	CO-M1002	ATN/ME-8797-CO	Program to Support Clusters Competitiveness	UAN	IIIa	4-Aug-04	In execution	3,450,000	10.00
43	MIF/AT-612	TC0305015	ATN/ME-8893-CO	SME's Integration in Public Procurement	ACIEM	IIIa	13-Oct-04	In execution	720,000	10.00
44	MIF/AT-626-1	CO-M1003	ATN/ME-8975-CO	Program to Incorporate Corporate Responsibility Practices to PYMES	CONFECAMARAS	IIIa	1-Dec-04	Approved	1,160,000	0.00
45	MIF/AT-634	CO-M1007	ATN/ME-8995-CO	Women's World Banking	WWW CALI	IIIb	8-Dec-04	Approved	57,500	0.00
46	MIF/AT-634	CO-M1008	ATN/ME-8996-CO	Women's World Banking	WWW POPAYAN	IIIa	8-Dec-04	Approved	57,500	0.00
47	MIF/AT-634	CO-M1009	ATN/ME-8997-CO	Women's World Banking	FMMB	IIIa	8-Dec-04	Approved	80,000	0.00
48	MIF/AT-634	CO-M1010	ATN/ME-8998-CO	Women's World Banking	CMM	IIIa	8-Dec-04	Approved	80,000	0.00
49	MIF/AT-634	CO-M1011	ATN/ME-8999-CO	Women's World Banking	CMMM	IIIb	8-Dec-04	Approved	75,000	0.00
50		CO-M1013	ATN/ME-9220-CO	Standarization and Normalization of Panela Industry in the Rio Suárez Region	Camara de Ccio de Bucaramanga	IIIa	5/25/2005	Approved	\$100,000	0.00
51		CO-M1014	ATN/ME-9221-CO	Commercial Linkages Between Food Microenterprises and Large Supermarkets	Corporacion Accion por Antioquia	IIIa	5/25/2005	Approved	\$100,000	0.00
52		CO-M1015	ATN/ME-9222-CO	Development of SME Suppliers Cluster with Large Petroquimical Companies	ICONTEC	IIIa	5/25/2005	Approved	\$100,000	0.00
53	MIF/AT-680	CO-M1017	ATN/MT-9452-CO	Positioning of New Companies in the Capital Market	Bolsa de Valores	I	10/12/2005	Approved	\$790,000	0.00
							<b>Total MIF Amount</b>		<b>45,351,744</b>	

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK  
MULTILATERAL INVESTMENT FUND

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

Colombia. Nonreimbursable Technical Cooperation ATN/ME-\_\_\_\_-CO  
Strengthening the Quality of Fruit and Vegetable Exports

The Donors Committee of the Multilateral Investment Fund

RESOLVES:

1. That the President of the Inter-American Development Bank or such representative as he shall designate is authorized, in the name and on behalf of the Bank, as Administrator of the Multilateral Investment Fund, to enter into such agreements as may be necessary with the Corporación Colombia Internacional (CCI), 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 technical cooperation for the strengthening the quality of fruit and vegetable exports.
2. That up to the amount of US\$820,000, 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.

LEGIII/CO-623271-05  
CO-M1006