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MULTILATERAL INVESTMENT FUND

COLOMBIA

PROMOTION OF YOUTH ENTREPRENEURSHIP IN COLOMBIA

(CO-M1001)

DONORS MEMORANDUM

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INFORMATION AVAILABLE IN THE SDS/MSM TECHNICAL FILES

Approved project profile.

- Approved project profile
- MIF memorandum of eligibility.
- Guidelines for Promoting Entrepreneurship. By the MIF and SDS/MSM, April 2003.
- Entrepreneurship in Emerging Economies: The Creation and Development of New Firms in Latin America and East Asia. Hugo Kantis, et al. Inter-American Development Bank, March 2002.
- “El BID y la Promoción de la Empresarialidad: Lecciones Aprendidas y Recomendaciones para Nuevos Programas” [The IDB and the promotion of entrepreneurship: Lessons learned and recommendations for new programs], Work report of the Micro, Small, and Medium Enterprise Division, Inter-American Development Bank, March 2003, Washington, D.C.
- Draft Operating Regulations and terms of reference.

ABBREVIATIONS

CESI	Committee on Environment and Social Impact
COMFAMA	Caja de Compensación Familiar de Antioquia [Family Equalization Fund of Antioquia]
CU	Coordinating Unit
FC	Fundación Corona
FOMIPYME	Fondo Colombiano de Modernización y Desarrollo Tecnológico de las Micro, Pequeñas y Medianas Empresas [Colombian Fund for the Modernization and Technological Development of Microenterprises and Small and Medium-sized Businesses]
Fundaempresa	Fundación para el Fomento de la Iniciativa Empresarial [Fund for the Development of Entrepreneurial Initiative]
GDP	Gross domestic product
MIF	Multilateral Investment Fund
MSBs	Microenterprises and small businesses
NGOs	Nongovernmental organizations
SDS/MSM	Micro, Small and Medium Enterprise Division of the Sustainable Development Department
SENA	Servicio Nacional de Aprendizaje [National Learning Service]

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EXECUTIVE SUMMARY

Executing agency:	Fundación Corona (FC)	
Beneficiaries:	The direct beneficiaries of the project will be approximately 3,000 young women and men who have done technical or university studies and who reside in the three target cities: Bogota, Medellín, and Cali. The most likely sectors in which the beneficiaries will start their enterprises are commerce, services, and the food industry. The beneficiaries should be selected so as to guarantee ethnic and gender equity. Other project beneficiaries will be 60 instructors and mentors and 20 credit analysts who will be trained in the promotion of entrepreneurship, and 10 institutions that train entrepreneurs.	
Financing:	Modality:	Nonreimbursable
	MIF Window II	US\$1,050,000.00 (50%)
	Local counterpart:	US\$1,050,000.00 (50%)
	Total:	US\$2,100,000.00 (100%)
Execution timetable:	Execution period:	48 months
	Disbursement period:	54 months
Project Objectives:	The general objective is to contribute to the strengthening of the entrepreneurial fabric of Bogota, Medellín, and Cali. The specific objective is to develop a model for creating sustainable and competitive enterprises for the young people of these three cities.	
Description:	The project is made up of three components aimed at: (i) improving the skills of Colombian youths for establishing new enterprises, by introducing innovations in the institutions of higher learning and training activities; (ii) facilitating access, for teams of entrepreneurs, to business, institutional, and financial networks that will help them structure and start up their enterprises. The coordination and specialization of the institutions that provide support services to entrepreneurs will be improved; and (iii) disseminating the results of the project and promoting the use of good business practices.	

Special contractual clauses:	As a condition precedent to the first disbursement, Fundación Corona will submit, to the Bank's satisfaction: (i) evidence that the project coordinator has been selected in accordance with the Bank's procedures; (ii) evidence that the Executive Committee has been constituted; (iii) evidence of the approval, by the Executive Committee, of the project's Operating Regulations; and (iv) evidence of the agreements on participation in the project between Fundación Corona and the Caja de Compensación Familiar de Antioquia [Family Equalization Fund of Antioquia] (COMFAMA) and the Chamber of Commerce of Cali. In addition, by the third month after the first disbursement, Fundación Corona must submit, to the Bank's satisfaction, the annual operating plan for the first year of the project; and, before 25% is disbursed, it is to submit the three cooperation agreements signed with financial institutions.
Exceptions to Bank policy:	None
Environmental and social review:	The Committee on Environment and Social Impact (CESI) reviewed and approved the project abstract at its session held on 24 October 2003 , and its recommendations were incorporated into this document (paragraph 6.2).
Coordination with other donors:	Through the Development Marketplace, the World Bank will support a financing program for young entrepreneurs next year.

I. BACKGROUND AND RATIONALE

A. Assessment of entrepreneurship in Colombia

- 1.1 According to figures covering the last three years from the Confederación Colombiana de Cámaras de Comercio [Confederation of Chambers of Commerce] (CONFECAMARAS), in Colombia some 27,700 enterprises are established annually, 99% of them microenterprises and small businesses (MSBs). This same source indicates that on average, each year 7,000 enterprises are dissolved, 96% of which are MSBs that have existed for less than five years. These data indicate that the new MSBs are those facing the greatest difficulties in surviving and growing. Although the entrepreneurial dynamic is similar in most of the cities of Colombia, there are some differences. In Bogota, in the last three years the number of enterprises established dropped, and the number that dissolved increased; in Medellín, the enterprises that are established are smaller and smaller; and in Cali, for every formal-sector enterprise established, there are two or three in the informal sector.
- 1.2 The conditions hindering the establishment of small and dynamic enterprises can be grouped in three areas: (i) the economic, social, and regulatory setting affecting business activity; (ii) the training centers that support the enterprises, which need to update their support methodologies so as to adapt to the needs of the entrepreneurs; and (iii) the institutional setting in which entrepreneurs operate, which is not conducive to gaining access to markets and financial and nonfinancial services.
- 1.3 In terms of the **economic and social setting**, recovery of gross domestic product (GDP) after the decline in 1998 is bringing about an environment suitable for entrepreneurial activity. GDP growth is estimated at 2.4% for 2003 and 2.7% for 2004. Nonetheless, the problems of unemployment and lack of security discourage investment and contribute to the high rate of dissolution and the MSBs scant accumulation capacity. The **regulatory framework** also poses some obstacles: (i) the systems of reports on financial defaults are very rigid and affect new enterprises' access to financing; (ii) labor regulations impose high costs for hiring and dismissing employees; and (iii) the money and time it takes to formalize enterprises are still perceived as high for new enterprises. On this last point, significant gains have been made with the execution of the MIF procedure simplification program for the business sector (ATN/MT-7186-CO) executed by the chambers of commerce of the six largest cities. In its first year of execution, the average time for registration has been cut from 50 to five days, the number of steps required has been reduced by 60%, and the direct costs to the entrepreneur have been cut 10% (for smaller enterprises, the drop may be of up to 50%).
- 1.4 **The training centers do not have methodologies or human resources suited to fostering entrepreneurship.** The efforts of the training institutions in this area are still of limited reach and rather experimental. Although the largest universities of Bogota, Cali, and Medellín have recently established programs on entrepreneurship,

they do not have sufficient human resources. In the best of cases there are two instructors with little or no experience as entrepreneurs or as advisors. In addition, the training programs are disconnected from the local entrepreneurial sector. This is a problem since entrepreneurial initiatives depend on the work experience of the youths and their contact with opportunities in the market. In this respect, the programs to provide work experience for youths at the Servicio Nacional de Aprendizaje [National Learning Service] (SENA) as well as other systems of internships in the universities are designed for the interns to find stable employment and not to help them be entrepreneurs. Nonetheless, there is interest at the SENA in transforming this support so as to bolster entrepreneurship.

- 1.5 **The networks of support and financial and nonfinancial services for entrepreneurs are weak and fragmented.** A more permanent link needs to be developed between the established enterprises and the entrepreneurs. Although there are many support institutions in Colombia, few work with new entrepreneurs, especially through specialized technical assistance for starting up a business and entering the market. Some examples in this field are the Centro Nueva Empresa [New Enterprise Center] of the Chamber of Commerce of Bogotá,¹ the Fondo de Desarrollo Empresarial [Business Development Fund] of Fundación Corona,² the *Dinero* magazine-McKinsey partnership,³ and the Fundación para el Fomento de la Iniciativa Empresarial [Fund for the Development of Entrepreneurial Initiative] (Fundaempresa).⁴ These institutions have little experience working together, so more recently they have begun to share best practices. Nonetheless, their coverage—in terms of number of entrepreneurs served—is very limited. Moreover, there are few initiatives that help entrepreneurs develop commercial and cooperation networks with established entrepreneurs, except for the Mentors Program of the Chamber of Commerce of Bogotá and the Plan Padrino in Medellín, which is also of limited scope.
- 1.6 In terms of **financial support**, new entrepreneurs first exhaust their own funds and their families' funds, and then seek resources from other sources. However, in Colombia the supply of financing for new enterprises is limited. Sources of angel capital and lines of credit for new enterprises have not yet been developed.

¹ The Chamber of Commerce of Bogotá established the Centro Nueva Empresa in 1996 to provide nonfinancial services to entrepreneurs in Bogotá and the region, including those who have not yet defined their business idea.

² The Fund was established in 1986 and offers training and technical assistance to small entrepreneurs. Since late 2001 it has been working under an agreement with Fundaempresa of Cali. Its new structure covers three areas: a seminar on entrepreneurial initiative for persons who do not have an idea for their business project; a workshop for establishing enterprises; and additional support for starting up each business idea.

³ Since the year 2000 *Dinero* magazine and McKinsey have been organizing the VENTURES business plan competition. This national competition offers consulting and training services as well as networking events to help individual entrepreneurs put their business ideas into practice.

⁴ Fundaempresa was established in Cali in 1985 to foster entrepreneurial spirit and to incubate, develop, finance, start up, and ensure the success of new small enterprises.

Nonetheless, there are entities such as the Antioquia Guarantee Funds, the Women's banks, the microfinance company Finamérica, the Banco de Colombia, the Equalization Funds, the Venture Capital Fund associated with "Mercurius Ventures" competition of *Dinero* magazine, and SENA's Fondo Emprender, which are beginning to make loans to MSBs. In addition, Fundación Corona is undertaking a study to determine how entrepreneurs' access to small loans can be facilitated through the Business Development Fund.

- 1.7 These institutions are interested in supporting the project objectives. In addition, the Ministry of Industry, Trade, and Tourism is working on a new policy to foster microlending and a scoring system for rating the risk of users of microcredit who are not in the formal banking system and of those entrepreneurs who do not have credit histories. In complementary fashion, Fundación Corona is participating in the ministry's Advisory Committee for Entrepreneurship and Business Development.

B. Project rationale and approach

- 1.8 This project, by strengthening the training centers and developing services markets for entrepreneurs, will facilitate the establishment of new dynamic enterprises, which have proven to be an effective mechanism for improving the performance of local economies and for generating opportunities for individuals' professional and workforce development.
- 1.9 The project is based on a comprehensive strategy for promoting entrepreneurship. It includes actions aimed at each of the phases of the entrepreneurial process: (i) developing the motivation and skills for entrepreneurial activity; (ii) starting up the enterprise; and (iii) the first months of operation. It applies this comprehensive approach in Bogota, Cali, and Medellín.⁵ While these cities have supported entrepreneurship, their efforts have been isolated and do not complement one another. Support from the Bank and the MIF is fundamental for establishing a network of support for entrepreneurs by which the various existing programs will be coordinated and the phases of entrepreneurial promotion that are still weak will be strengthened. In addition, this project will coordinate its actions with the technical cooperation project "Development of Young Entrepreneurs" (ATN/CK-8495-CO), which is focused on developing entrepreneurial spirit among secondary school students in Colombia. This comprehensive approach and the focus of the intervention on certain geographical areas, tapping the comparative advantages of each region, are expected to help bring about more effective results in terms of creating new dynamic and sustainable enterprises.

⁵ In the cities selected, there is a minimum base of medium-sized and large businesses that can support the development of entrepreneurship. Entrepreneurs and institutions in each city expressed their commitment to work together with the program's executing agency to mobilize local resources for creating and serving new enterprises. Providing support to all three cities at the same time is justified since strengths have been detected in each that will be transferred to the two other cities, giving the project greater chances of success at the national level.

C. Strategy of the MIF and the Bank

- 1.10 The project's objective is consistent with the Bank's strategy in Colombia (August 2003), which seeks to strengthen the competitive supply of goods and services in order to contribute to the objectives of reactivating galvanizing the economy. The project design has taken into account the recommendations of the MIF and SDS/MSM⁶ for programs to support the establishment of enterprises, which were already applied in the projects in El Salvador and Peru and indicate: (i) that the project area should have the commitment of public and private institutions linked to entrepreneurial development at the local level; and (ii) that support for the process of establishing enterprises should be comprehensive, including actions for motivating and developing the proposed enterprise, starting it up, and supporting its initial growth.

II. PROJECT DESCRIPTION

A. Objectives

- 2.1 The **general objective** of the project is to help strengthen the entrepreneurial fabric of Bogota, Medellín, and Cali. The **specific objective** is to develop a model for establishing sustainable and competitive enterprises for young people in these three cities.
- 2.2 The business profile to be promoted through the project are characterized by: (i) involving at least two entrepreneurs with complementary skills; (ii) having the potential for accumulation and growth in sales; (iii) generating employment beyond the family; and (iv) having greater access to financial and business development services.

B. Description and components

- 2.3 The project is organized in three components, which will be executed simultaneously, and focused on different target populations. The first aims to foster the motivation and basic skills of young people for creating enterprises. The second is focused on teams of entrepreneurs who have a well-defined and well-structured business idea, but need support to implement it. The ideal candidates for this second component will be the young people who participated in the first component, but this will not be an eligibility requirement. The project will be disseminated through the third component.

⁶ See "Lineamientos para la promoción de la empresarialidad," by the MIF and SDS/MSM, April 2003.

1. Component 1: Improvement of institutional capacities and training of entrepreneurs (MIF: US\$273,640; Counterpart: US\$239,570)

- 2.4 The purpose of this component is for the training institutions to improve their capacity to foster the development of entrepreneurs and for the young people to gain access to training services that motivate them and generate skills for the creation of new businesses.
- 2.5 Through this component: (i) an analysis will be done of the supply of programs to train entrepreneurs to identify their strengths and weaknesses and their institutional strengthening needs; (ii) an inventory will be taken of business ideas with support from the business sector, so they can be disseminated among the young people participating in the courses financed by the project; (iii) 10 training institutions will be selected through a competitive process to receive support in introducing improvements in their methodologies and human resources; (iv) financing will be provided for organizing workshops to develop the entrepreneurial spirit and to give courses on developing business ideas and business plans; (v) an internship program will be organized that will make it possible for 30% of the students in the business plan courses to spend two months in a business to learn from within how such organizations operate; (vi) fairs will be organized for entrepreneurs to present and discuss their business plans among themselves and with established entrepreneurs, possible investors, and business consultants; (vii) the business plan competitions that exist in Colombia will be strengthened; and (viii) these competitions will be made known to the young project beneficiaries.
- 2.6 The anticipated results of this component are: 10 higher education institutions have been strengthened by improving their teaching methodologies and the training of instructors and mentors; 10,000 young people have been informed of opportunities in Colombia and the basic tools for establishing enterprises; 3,000 young people have been trained in developing business ideas; 1,500 have been trained in the development of business plans and teamwork techniques; 30% of the young people trained in business plan are doing internships in companies; 600 entrepreneurs having participated in business promotion fairs; and 600 entrepreneurs having entered existing business plan competitions.

2. Component 2: Support for the development of new enterprises (MIF: US\$608,720; Counterpart: US\$495,280)

- 2.7 The purpose of this component is to facilitate access for teams of at least two entrepreneurs, with well-defined and well-structured business ideas, to entrepreneurial and institutional networks that will help them obtain resources and knowledge for starting up and operating their enterprises in the first few months. This component also seeks to improve the coordination and specialization of the institutions that provide support services to entrepreneurs.

- 2.8 Through this component: (i) a database will be developed on businesses and entities and offer specialized business services for new ventures, which could be consulted via the Internet; (ii) the purchase of technical assistance services for starting up and developing enterprises will be financed for 450 entrepreneurial teams; (iii) agreements will be entered into with financial institutions, and their credit analysts will be trained to facilitate access to financing for the new enterprises; and (iv) a system for monitoring and control of the project beneficiaries will be developed.
- 2.9 The component will finance four types of services: (i) basic advisory services on managerial issues; (ii) specialized advisory services (in technology, financing, market access, and developing suppliers) for groups of five to seven new enterprises; (iii) mentoring of young entrepreneurs by established entrepreneurs; and (iv) participation in local business fairs. These services, in combination with agreements that the FC will sign with at least three financial institutions, will help teams of entrepreneurs organize and formalize their enterprises, gain access to financial and technological resources, identify new clients and make deals with them, and establish and expand commercial and institutional networks. As a result of this improved access to resources and markets, the entrepreneurs supported by the project are expected to be capable of establishing sustainable and dynamic enterprises.
- 2.10 As a result of this component, it is expected that support will have been given to 450 teams of entrepreneurs through general and specialized services, of whom an estimated 350 will establish new enterprises with greater sustainability and dynamism than a control group of entrepreneurs not benefited by the project. As a result of the impact that this project will have on the demand for services for entrepreneurs, the quality and relevance of such services is expected to improve. In addition, as a result of this component an Internet portal will be set up for entrepreneurs; a registry of business services providers will be developed; and an monitoring and control system will be designed and implemented.

3. Component 3: Dissemination of best practices (MIF: US\$36,000; Counterpart: US\$37,000)

- 2.11 This component has as its purposes: to make the project known to its beneficiaries; to identify, document, and disseminate good practices for the promotion of entrepreneurship; and to prepare proposals for modifying the areas of public policy that affect the establishment of enterprises in Colombia.
- 2.12 Through this component: (i) a promotion strategy will be designed and implemented that will involve the leading media outlets in each of the cities selected, to publicize the project and entrepreneurship as a paradigm for economic and social development; (ii) the project will be promoted among youth associations; (iii) the best practices used in the context of the project for promoting the creation of enterprises will be identified, documented, and disseminated; (iv) based on the

project experience, a proposal will be drawn up to modify the areas of public policy that affect the creation of enterprises in Colombia (for example, education, regulation of the financial system, vocational training, and nonfinancial services for enterprises); and (v) the results and best practices of the project will be disseminated nationally and internationally.

- 2.13 The anticipated results of this component are: 10,000 young people informed of the project's existence; an increase in the dissemination of issues related to entrepreneurship in the local media; a study of best practices published on the project's web page; a proposal for improving areas of public policy related to the establishment of enterprises presented to the government; and the results of the project disseminated in two events on entrepreneurship.

III. COST AND FINANCING

A. Cost

- 3.1 The total budget of the project is US\$2,100,000, of which the MIF will contribute US\$1,050,000, on a nonreimbursable basis. Fundación Corona will contribute US\$1,050,000 as the local counterpart, according to the following budget.

Table 1: Project Budget (in U.S. dollars)

Description	MIF	FC	TOTAL	%
I. Improvement of institutional capacities and training of entrepreneurs	273,640	239,570	513,210	25
II. Support for the development of new enterprises	608,720	495,280	1,104,000	52
III. Dissemination of best practices	36,000	37,000	73,000	3
IV. General project coordination	40,320	278,150	318,470	16
V. Evaluation and audit	40,000	0	40,000	2
VI. Contingencies	51,320		51,320	2
Total	1,050,000	1,050,000	2,100,000	100
%	50	50	100	

- 3.2 While 35% of the contribution will be provided in kind, 65% of the counterpart funds will be provided in cash. The latter will come from the resources of Fundación Corona (US\$180,000), private partners in Medellín, Cali, and Bogota (US\$110,000), and partners from within the Colombian government, such as the Fondo Colombiano de Modernización y Desarrollo Tecnológico de las Micro, Pequeñas y Medianas Empresas [Colombian Fund for the Modernization and Technological Development of Microenterprises and Small and Medium-sized Businesses] (FOMIPYME), which has approved support for Fundación Corona

through a government resolution adopted in December 2003 for a total of US\$300,000, and SENA, with a contribution of US\$100,000.⁷

B. Project sustainability

- 3.3 The project's sustainability is based on the following considerations: (i) enterprises with growth potential will have been established, which will receive support from a network that will increase the likelihood of them remaining in the market for the long term; (ii) the development of a market of services for entrepreneurs will have been promoted that will continue operating once the MIF contribution has concluded. On the demand side, the young people who make use of the project services, who will pay for a percentage of the costs, will learn to value the benefits thereof and will know how and where to buy them in the future. On the supply side, the service providers and entities that support the project will develop products more appropriate to these new entrepreneurs; and (iii) a proposal will be prepared for the government to develop a public policy of support for the creation of enterprises. It should also be noted that the FC, the Caja de Compensación Familiar de Antioquia [Family Equalization Fund of Antioquia] (COMFAMA), and the Chamber of Commerce of Cali are committed to continue supporting the young entrepreneurs once this model has been tested.

IV. EXECUTING AGENCY AND MECHANISM

A. The executing agency

- 4.1 Fundación Corona (FC), founded in 1963, is a private, nonprofit foundation that supports and finances initiatives carried out by private or public entities that help strengthen the country's institutional capacity in four strategic social sectors: education, health, business development, and local and community development. In the area of business development, FC seeks to foster the entrepreneurial spirit and income generation, by promoting the establishment and expansion of microenterprises and small businesses in the various economic sectors. FC focuses on institutional development and emphasizes cooperation with other institutions. Among the strengths that FC offers are its proven interfacing capacity, its close relationship with enterprises in the private sector, its almost 20 years of experience in fostering entrepreneurship in Colombia, and its management style, characterized by delegating direct execution to other institutions close to the clients. The total budget of Fundación Corona in 2003 comes to approximately US\$2.6 million.
- 4.2 The local institutions that will serve as project coordinators in each of the three cities are: Fundación Corona in Bogota, COMFAMA in Medellín, and the Chamber

⁷ See Annex II for more details.

of Commerce in Cali. COMFAMA is a nonprofit enterprise⁸ financed from the contributions of 4% of all salaries paid by companies. It carries out social actions in the areas of health, education, housing, recreation, credit, and community development, along with more recent schemes for fostering entrepreneurship. The Chamber of Commerce of Cali is a private, nonprofit entity that offers business training services, among others, and registers companies in the city of Cali and in the adjoining municipalities. The main strength of COMFAMA and the Chamber of Commerce in relation to this project is their mobilization and interface capacity.

B. The mechanism for execution

- 4.3 Fundación Corona will be responsible for the operation and will coordinate execution with the two other regional partners in Medellín and Cali. An Executive Committee will be in charge of the project's strategic direction. The Executive Committee will be made up of Fundación Corona, FOMIPYME, SENA, and a representative of each regional partner, plus two young entrepreneurs each of whom is a member of one of Colombia's associations of young entrepreneurs.
- 4.4 The Coordinating Unit of the project (CU) will be made up of a project coordinator, an administrative-accounting assistant, an analyst who will undertake research and operational activities, and two regional coordinators, one each in Medellín and Cali. The project offices in Cali and Medellín will be situated in the offices of the regional coordinator, and will use the human and material resources available in those offices.
- 4.5 The main functions of the CU will be: (i) managing the project activities and budget in keeping with the action plan and the Operating Regulations; (ii) contracting goods and services; (iii) supervising the consultants hired; (iv) processing the requests for disbursements of the Bank's contribution; (v) preparing the statement of accounts of the resources used; (vi) submitting administrative and technical reports to the Bank and to the Executive Committee; (vii) coordinating the necessary actions with the various actors involved in the project; (viii) promoting the project, publishing the regional calls for proposals, and receiving proposals; (ix) signing the institutional agreements to support the entrepreneurs; (x) evaluating and identifying best practices; and (xi) disseminating the project.
- 4.6 **Execution of Component 1.** In order to organize workshops for developing entrepreneurial spirit, and to give courses for developing business ideas and business plans, a call for proposals will be issued to contract 10 training institutions that have a basic level of experience and show a commitment to sustain the training services once the support for the project has concluded. The following eligibility

⁸ In Colombia Family Equalization Funds first appeared in 1954, and at present the system is comprised of 55 entities that provide services to 23% of the population; 174,000 businesses pay into them. COMFAMA has 13,000 associated businesses, 90% of which have fewer than 10 workers. The new enterprises supported by the program will not be under any obligation to join COMFAMA or the other executing institutions.

criteria will regulate access to the courses: (i) the workshops for fostering entrepreneurial spirit will be open to any university student or student in a technical program of study in his or her last two years; and (ii) to gain access to courses for developing business ideas and business plans, one must be a university student or a student in a technical program of study in the last two years, or have a business initiative that has been under way for less than one year.

- 4.7 **Execution of Component 2.** The CU will select the teams of entrepreneurs to be supported by the project. The winners of the competitive processes for business ideas accepted by the project and those teams of two or more entrepreneurs who meet the following minimum criteria for evaluation and selection will be able to gain access to financing: (i) technical, economic, and financial feasibility of the business plan; (ii) capacity and complementarity of the team of entrepreneurs; (iii) potential for growth—in sales and employment—of the business; (iv) a letter of intent from a potential client. The amounts of financing will vary depending on the type of service: basic advisory services and mentoring will be free of charge, while with specialized services up to 70% of the cost will be covered, or US\$40 per hour of consulting, whichever is lower. For the fairs, up to US\$1,000 per enterprise will be covered.

C. Level of project preparation

- 4.8 The project is at an advanced stage of preparation given that: (i) the negotiation and documentation on the availability of most of the local counterpart resources in both cash and kind was done by the executing agency and the project team; and (ii) the executing agency has made progress establishing agreements to collaborate with the support entities that will participate in project execution in the three cities.

D. Execution and disbursement periods

- 4.9 The project will be executed over 48 months, and resources will be disbursed over 54 months. Based on the estimated needs of project execution, a revolving fund will be set up with up to 10% of the MIF contribution, which will be managed in an independent account, making it possible to provide the funds in a timely manner to perform the various activities.

E. Procurement and contracting

- 4.10 Fundación Corona and the regional coordinators (Fundación Corona itself in Bogotá, COMFAMA in Medellín, and the Chamber of Commerce of Cali) will procure goods and services and contract the consulting services needed for project execution, in accordance with the relevant procedures and policies of the Bank and the MIF.

V. MONITORING AND EVALUATION

A. Monitoring

- 5.1 The Bank's Country Office in Colombia will be responsible for supervision and control activities, monitoring compliance with the contractual clauses, processing disbursement requests, and receiving the audited financial statements. Fundación Corona will submit progress reports every six months, in keeping with the Bank's standard information requirements.
- 5.2 **Monitoring activities of Fundación Corona:** Fundación Corona will be responsible for compiling and analyzing the relevant information for ongoing monitoring of the indicators established in Table 2 and in the project's Logical Framework (Annex I). To facilitate this work, Component 2 includes resources for designing and starting up the system for monitoring and control activities and indicators and designing a control group that makes it possible to define a baseline against which the dynamism of the new enterprises created with project support will be measured. Fundación Corona will use this monitoring and control system to supervise and manage the project and to prepare the semiannual progress reports and the midterm and final evaluations. In the event of unfavorable deviations greater than 30% in the attainment of one or more of the indicators established in Table 2, the FC will have 30 calendar days to reach agreement with the Bank on measures to correct the situation. Once this period has elapsed, or if the situation has not improved to its satisfaction, the Bank may suspend or cancel future disbursements.

Table 2: Main Indicators for Monitoring the Project

Indicator	Year 1	Year 2	Year 3	Year 4
Number of young people who participated in workshops to develop entrepreneurial spirit	5,000	5,000		
Number of young people who participated in courses to develop business ideas	750	750	750	750
Number of young people who participated in courses to develop business plans	250	250	500	500
% of young people who are doing internships in enterprises out of those who participated in developing business plans	30%	30%	30%	30%
Agreements signed with financial institutions	3			
Teams of entrepreneurs (two or more) who received basic technical assistance		150	150	
Teams of entrepreneurs (two or more) who received specialized technical assistance and mentoring		100	125	125

B. Evaluations

- 5.3 The Bank will use resources provided for the evaluation and auditing heading (Table 1) to hire two consultants for the midterm and final evaluations. The midterm evaluation will be done when at least 50% of the MIF resources have been disbursed, or after 24 months of execution (the half-way point), whichever comes first. Its objective will be to verify the implementation of activities using the logical framework indicators as a reference, the use of resources, the delivery of products and services, and the attainment of the objectives in terms of impact on the beneficiaries and other stakeholders. Among other aspects, it will include an analysis of: (i) the statistics on the number of young people and entrepreneurs broken down by type of service received; (ii) the levels of satisfaction of the young people and entrepreneurs supported with respect to the effectiveness and quality of the training, advisory services, and technical assistance received; (iii) the number of new dynamic enterprises created with support from the project; and (iv) the project's accomplishments in terms of strengthening each of the institutions that provided services to young people and entrepreneurs, and the increased level of cooperation among them.
- 5.4 The final evaluation will be done when 95% of the Bank's resources have been disbursed, and it will focus on: (i) the project's impact on creating dynamic enterprises, based on the analysis of the failure rate, sales, employment, and access to financial and nonfinancial services of the companies supported as compared with a control group; (ii) the project's impact on improving the quality and relevance of training and technical assistance services for young entrepreneurs; and (iii) the lessons learned and best practices identified.

VI. PROJECT BENEFITS AND RISKS

- 6.1 **Benefits of the project:** The project proposes a national strategy with a local approach, tapping the institutional capacity and isolated initiatives under way in the cities chosen, and a comprehensive strategy, by combining actions to support young people throughout the process of creating their enterprises, i.e. from the time they become motivated until the startup of their businesses. The indicators of the logical framework reflect the expected results upon completion of project execution.
- 6.2 **Beneficiaries:** The project's direct beneficiaries will be approximately 3,000 young men and women who have done technical or university studies and reside in the three target cities: Bogota, Medellín, and Cali. The sectors in which it is most likely that the young people will establish enterprises are commerce, services, and the food industry. In keeping with the recommendations of the CESI, ethnic and gender equity should be assured in selecting the beneficiaries. Other beneficiaries of the project include some 60 instructors and mentors and 20 credit analysts, all of whom will be trained in promoting entrepreneurship, and 10 institutions that train entrepreneurs.

- 6.3 **Risks:** The project has *four main risks*: (i) the entrepreneurs' lack of access to financial resources to establish their enterprises; (ii) the lack of effective commitment on the part of the institutions and entrepreneurs considered the main actors in the support network for the entrepreneurs; (iii) weak institutional coordination mechanisms, which could impede the project's activities; and (iv) the lack of creativity and/or capacity to identify opportunities for new businesses with growth potential.
- 6.4 In order to mitigate the *first risk*, there will be coordination with public and private financial institutions, which have already expressed their interest in supporting the project, to facilitate the young entrepreneurs' access to credit services and venture capital. The *second risk* will be mitigated by: (i) the drawing power of Fundación Corona, which already participates in support committees led by the public sector and enjoys the support of private entrepreneurs in each city for developing the project activities; (ii) the project's promotion and publicity activities and their successes in the local and national press; and (iii) the advisability of the project and SENA assuming jointly the cost of salaries for the two-month internships for each entrepreneur in the private-sector enterprises. The *third risk* will be countered by maintaining a simple coordination mechanism that makes it possible for the three project cities to disseminate and share pertinent information, through an integrated information system and interregional coordination meetings every six months. To address the *fourth risk* an activity is being financed in component 1 that involves developing an inventory of business ideas and business areas, including a portfolio of sectoral opportunities in which young people could start up their enterprises.

VII. ENVIRONMENTAL AND SOCIAL ANALYSIS

- 7.1 The Committee on Environment and Social Impact (CESI) reviewed and approved the abstract of the project at its 23 October 2003 meeting. The aspects of gender and ethnic equity have been considered in connection with the eligibility criteria for beneficiaries as set out in paragraph 6.2.

**PROMOTION OF YOUTH ENTREPRENEURSHIP IN COLOMBIA
CO-M1001
LOGICAL FRAMEWORK**

OBJECTIVES	INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS
GOAL			
To contribute to strengthening the entrepreneurial fabric in Bogota, Medellín, and Cali.	<ul style="list-style-type: none"> Greater institutional coordination to support the enterprises. Increase in the demand for and supply of financial and nonfinancial services for entrepreneurs. New dynamic and sustainable enterprises. 	Ex post evaluation of the program.	The macroeconomic situation remains stable.
PURPOSE			
To develop a model for creating sustainable and competitive enterprises for young people in Bogota, Medellín, and Cali.	<p>By the end of the fourth year:</p> <ul style="list-style-type: none"> 350 dynamic and sustainable enterprises have been established by young people. Those enterprises show the following performance <i>as compared with a control group</i>: <ol style="list-style-type: none"> One third the dissolution rate. 30% higher revenues. 15% more employees. 50% higher rate of access to bank credit. The educational institutions and organizations that provide financial and nonfinancial services to entrepreneurs have improved their methodologies for supporting entrepreneurs and increase the number of persons engaged in providing such services by 50%. 	<ul style="list-style-type: none"> Report on control group and baseline Annual registries of enterprises kept by the chambers of commerce Program reports, every six months Midterm and final evaluations 	<p>Stable economic, social, and political factors.</p> <p>There is a critical mass of young people with ideas for starting their own businesses.</p> <p>The new enterprises supported by the program have access financial resources.</p> <p>There are financial institutions that offer financial services adapted to the new entrepreneurs.</p>

OBJECTIVES	INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS
COMPONENTS			
<p>1. Improvement of the institutional capacities and training of new entrepreneurs.</p>	<p>By the end of the first year:</p> <ul style="list-style-type: none"> • 10 institutions have improved methodologies and have trained 60 instructors in promoting entrepreneurship. • With the support of entrepreneurs, at least 10 potential areas for developing new businesses have been identified. <p>By the end of the second year:</p> <ul style="list-style-type: none"> • 10,000 young people have participated in informational seminars on business development. <p>By the end of the fourth year:</p> <ul style="list-style-type: none"> • 3,000 young people have been trained in courses for developing business ideas. • 1,500 young people have been trained in the preparation of business plans. • 30% of the young people trained in business plans have internships in enterprises. • 600 young people participate in three business promotion fairs. • 600 young people participate in existing business plan competitions. 	<ul style="list-style-type: none"> • Consulting reports and contracts • Results of evaluations of courses and workshops • Midterm and final evaluations • Report on results of the “venture” competition and others promoted by the program. 	<p>The young people continue to be interested in training for establishing enterprises.</p>
<p>2. Support for the development of new enterprises</p>	<p>By the end of the first year, the following will have been attained:</p> <ul style="list-style-type: none"> • 3 agreements signed with financial institutions. • Entrepreneurs’ Internet portal of developed. • Registry of suppliers of services to entrepreneurs developed. • System for monitoring entrepreneurship program implemented. 	<ul style="list-style-type: none"> • FC database • Consulting reports and contracts • Midterm and final evaluations • List of institutions and suppliers of services available at FC • Registries of enterprises from the chambers of commerce 	<p>The interest of financial and nonfinancial services institutions and of the entrepreneurs identified to promote youth entrepreneurship is maintained.</p>

OBJECTIVES	INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS
	<p>By the end of the project:</p> <ul style="list-style-type: none"> • 450 enterprises will have received basic assistance. • 350 teams will have received specialized advisory and mentoring services. • 30 new enterprises will have participated in business fairs. • 20 credit analysts from financial institutions will have been trained by the program. 		
3. Dissemination of best practices	<p>By the end of the project:</p> <ul style="list-style-type: none"> • Target young people in Cali, Medellín, and Bogota informed of the existence of the program; • A study of best practices completed and published on the program's web page; • Proposal to improve areas of public policy related to establishing enterprises presented to the government; • Results and best practices disseminated at two events on entrepreneurship. 	<ul style="list-style-type: none"> • Midterm and final evaluations • Information system • Progress reports • Inspection visits • Report on the events 	The local media take interest in the program.
Activities			
<p>COMPONENT 1</p> <p>1.1 Analysis of supply of entrepreneurship training programs</p> <p>1.2 Development of an inventory of business ideas</p>	<p>MIF: US\$273,640</p> <p>Local counterpart: US\$239,570</p>	<ul style="list-style-type: none"> • Program's annual operating plan • FC approved budgets • Consulting reports and contracts • FC financial reports • Progress reports • Midterm and final evaluations 	The young people remain interested in training for establishing enterprises.

OBJECTIVES	INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS
<p>1.3 Selection and strengthening of NGOs or entrepreneurship training institutions.</p> <p>1.4 Workshops on developing entrepreneurial spirit</p> <p>1.5 Courses for developing business ideas</p> <p>1.6 Courses for developing business plans</p> <p>1.7 Monitoring of entrepreneurs</p> <p>1.8 Support for entering 600 entrepreneurs in competitions.</p> <p>1.9 Development of internships in enterprises</p> <p>1.10 Support for 600 entrepreneurs to participate in three promotion fairs.</p> <p>1.11 Promotion of business plan competitions.</p> <p>1.12 Strengthening of methodologies of existing competitions.</p>			<p>The training institutions participate in the competitions organized by the program and effectively carry out the programs for which they are contracted.</p> <p>The entrepreneurs collaborate with the program in taking the inventory of business opportunities and cofinancing the internships.</p>
<p>COMPONENT 2</p> <p>2.1 Development of databases on enterprises and entities offering business services specialized in new enterprises.</p> <p>2.2 Development of a web page for promoting entrepreneurship.</p> <p>2.3 Selection and delivery of services to 450 teams of entrepreneurs.</p>	<p>MIF: US\$608,720</p> <p>Local counterpart: US\$495,280</p>	<ul style="list-style-type: none"> • Program's annual operating plan • FC approved budgets • Consulting reports and contracts • FC financial reports • Progress reports • Midterm and final evaluations 	<p>The institutions providing financial and nonfinancial services take interest in the program's incentives for facilitating their work with entrepreneurs.</p>

OBJECTIVES	INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS
2.4 Agreements with financial institutions and training of their credit analysts. 2.5 Development of a system for monitoring the program's beneficiaries			
COMPONENT 3 3.1 Evaluation and dissemination of best practices 3.2 Design of communication strategy 3.3 Promotion of the program and entrepreneurship 3.4 Participation in events on entrepreneurship	MIF: US\$36,000 Local counterpart: US\$37,000	<ul style="list-style-type: none"> • Program's annual operating plan • FC approved budgets • Consulting reports and contracts • FC financial reports • Progress reports • Midterm and final evaluations 	

Promotion of Youth Entrepreneurship in Colombia C0-M1001

Detailed Budget

Item	Unit of time			Value	Quantity	Total			MIF	COUNTRY	COUNTRY	COUNTRY	Observations for costing
	Hours	days	months	US\$	unit	US\$							
Number of cities	3								Cash	TOTAL	Cash	In-kind	
Number of young people to support													
COMPONENT 1													
1.1 Analysis of supply of programs offering training in entrepreneurship			1	3,500	1	3,500	0.2%	3,500		0	0	0	Includes travel expense and per diem
1.2 Selection and updating of NGOs or institutions for training in entrepreneurship.													FC management
1.2.1 3 invitations to NGOs and higher education institutions (1 in each city).						0		0		0	0	0	FC management
1.2.2 Evaluation of proposals and signing of agreement with those selected						0		0		0	0	0	FC management
1.2.3 Consultancy to support updating methodology of entrepreneurship in each institution			1	3,000	10	30,000	1.4%	15,000		15,000	15,000	0	Includes 50% counterpart
1.2.4 Training instructors and facilitators to promote entrepreneurship (open to anyone)													100 instructors and facilitators trained, 3 workshops, 1 per city. Includes material for promotion and administration by FC and workshop expenses
a Fees consultant trainer	5	2		50	3	1,500	0.1%	1,500		0	0	0	
b Per diem and travel expense trainer				400	3	1,200	0.1%	1,200		0	0	0	
c Physical space, logistics, snacks				300	3	900	0.0%	0		900	0	900	
d Publicity and materials						5,000	0.2%	0		5,000	2,500	2,500	
1.3 Development of an inventory of business ideas													
a Fees consultancy		20		100	3	6,000	0.3%	6,000		0		0	Local consultants with a trip to Bogotá to present results.
b Travel expense and per diem consultant				200	2	400	0.0%	400		0		0	
c Promotion with entrepreneurs and professional associations				350	3	1,050	0.1%	0		1,050	525	525	Workshops with the business sector
1.4 Development of entrepreneurial spirit													100 workshops. 10,000 persons in years 1 and 2 of the project in the 3 cities (5 events per university).
a Fees trainers	8			20	100	16,000	0.8%	16,000		0	0	0	10 NGOs or universities
b Infrastructure						3,200	0.2%	0		3,200	0	3,200	20% of the cost of fees
c Materials				0.40	10,000	4,000	0.2%	4,000		0	0	0	0.40 per person
d Dissemination and logistics						1,600	0.1%	0		1,600	0	1,600	10% of the cost of fees
e Administration						4,800	0.2%	2,880		1,920	960	960	30% of the cost of fees
1.5 Workshops for developing business ideas													3,000 entrepreneurs. 1,000 enterprises less than one year old -- not necessarily formal sector -- and 2,000 new entrepreneurs.120 workshops.
a Fees trainers		25		20	90	45,000	2.1%	27,000		18,000	18,000	0	25 persons/course. 3 courses per institution/year. 10 institutions
b Infrastructure				150	90	13,500	0.6%	0		13,500	0	13,500	\$150 rent, etc per workshop
c Materials				3	3,600	10,800	0.5%	10,800		0	0	0	US\$3 per person
d Dissemination and logistics						4,500	0.2%	0		4,500	2,250	2,250	10% of fees
e Administration						13,500	0.6%	8,100		5,400	2,700	2,700	30% of fees
1.6 Training in business plans													1,500 entrepreneurs , 60 workshops with 25 people in 3 years.
a Fees trainers	95	32		20	60	114,000	5.4%	68,400		45,600	45,600	0	Includes main consultant
b Infrastructure		32		200	60	12,000	0.6%	0		12,000		12,000	\$16 rent, etc per workshop
c Materials				3	1,500	4,500	0.2%	4,500		0	0	0	US\$3 per person
d Dissemination and logistics						11,400	0.5%	0		11,400	5,700	5,700	10% of fees
e Administration						34,200	1.6%	20,520		13,680	6,840	6,840	30% of fees
1.7 Monitoring of entrepreneurs developing business plans													500 plans to monitor per year for three cities
a Fees monitoring consultancy			36	300	3	32,400	1.5%	19,440		12,960	12,960	0	US\$200 per person in charge times 36 months + assistant US\$100
b Services - telephone			36	100	3	10,800	0.5%	0		10,800	10,800	0	
1.8 Support for entering 600 entrepreneurs in competitions													FC management and operators
1.9 Promotion of internships in enterprises			2	100	500	100,000	4.8%	50,000		50,000	500	49,500	500 new entrepreneurs. Internships in 90 existing enterprises (30 existing enterprises/year), 5 entrepreneurs per enterprise.
1.10 Support for 600 entrepreneurs to participate in three promotion fairs.		1		8,000	3	24,000	1.1%	14,400		9,600	9,600	0	US\$8,000 per fair. 600 young entrepreneurs participate in three fairs
1.11 Promotion of business plan competitions (publicity)				0.20	10,000	2,000	0.1%	0		2,000	2,000	0	0.20 per poster
1.12 Strengthening methodologies of existing competitions by Ventures	8			40	3	960	0.0%	0		960	0	960	Contribution from VENTURES advising other competitions to improve them.

	Item	Unit of time			Value	Quantity	Total						Observations for costing
		Hours	days	months	US\$	unit	US\$	%	MIF	COUNTRY	COUNTRY	COUNTRY	
a	Per diem and travel expense				250	2	500	0.0%	0	500	500	0	
	SUBTOTAL COMPONENT 1						513,210	24.4%	273,640	239,570	136,435	103,135	
	COMPONENT 2												0
2.1	Development of databases on enterprises and organizations offering business services specializing in new enterprises.		40	375			15,000	0.7%	9,000	6,000	6,000		3-month consultancy, with experience in business development services. Includes collecting information and designing data base.
2.2	Development of web page for promoting entrepreneurship			40	150	1	9,000	0.4%	0	9,000	9,000		Design (US\$1,500* 2 months), maintenance and start-up. 40 months assistant at US\$150/half-time per month
2.3	450 entrepreneurs to be monitored (150 per year) (those who won competitions accepted by the program do not need to go through the selection process)												FC management
2.4	Cofinancing of services for monitoring startup of enterprises												
2.4.1	Permanent basic advisory services (managerial issues, helpdesk): 36 hours annually per enterprise established	36			26	450	421,200	20.1%	252,720	168,480	168,480		450 entrepreneurs monitored, 80,000 pesos per hour for advisory services
2.4.2	Specialized advisory services: 30 hours annually per enterprise (average of 5 to 7 enterprises per adviser). Support with matching grant	30			40	350	420,000	20.0%	294,000	126,000	126,000		350 advised. Matching grant for 70%.
2.4.3	18 hours annually of advisory services of mentors/tutors for each enterprise.	18			26	350	163,800	7.8%	0	163,800	0	163,800	Local counterpart, contribution of mentors in kind.
2.4.4	Support for participation in business fairs for 30 enterprises established.				1,000	30	30,000	1.4%	18,000	12,000	12,000		US\$1,000 per enterprise for 30 enterprises
2.5	Raising awareness of and signing agreement with financial institutions.												
2.5.1	Training financial analysts to analyze new enterprises	20			50	20	20,000		10,000	10,000	10,000		20 analysts trained
2.5.2	Signing agreements with financial institutions												
2.6	Development of system for monitoring program beneficiaries.						25,000	1.2%	25,000	0	0	0	Integrated monitoring system for the 3 cities
	SUBTOTAL COMPONENT 2						1,104,000	52.6%	608,720	495,280	331,480	163,800	60% from the MIF
	COMPONENT 3												0
3.2	Design communication strategy						15,000	0.7%	0	15,000	15,000		
3.1	Evaluation and dissemination of best practices	30			400		12,000	0.6%	12,000	0	0		
3.3	Promotion of the program and of entrepreneurship						20,000	1.0%	12,000	8,000	8,000		
3.4	Participation in entrepreneurship events				5,000	4	20,000	1.0%	12,000	8,000	8,000		Participation in Bank events and other events
3.5	Coordination with youth associations				1,000	6	6,000	0.3%	0	6,000	3,000	3,000	2 associations per city. Coordination with AIESEC, etc.
	SUBTOTAL COMPONENT 3						73,000	3.5%	36,000	37,000	34,000	3,000	60% from the MIF
	COMPONENT 4. GENERAL PROGRAM COORDINATION												0
4.1	Director of the program FC			48	2,000	1	96,000	4.6%	0	96,000	96,000		
4.2	Accounting assistant			48	400	1	19,200	0.9%	0	19,200	19,200		
4.3	Administrative assistant FC			48	600	1.5	43,200	2.1%	0	43,200	43,200		One assistant for the project director
4.4	Regional coordinators			48	600	2	57,600	2.7%	34,560	23,040	23,040		One coordinator for the other two cities
4.5	Infrastructure (all offices)			48	1,935	1	92,870	4.4%	0	92,870	0	92,870	
4.6	Travel expense and per diem			48	200	0	9,600	0.5%	5,760	3,840	3,840		
	Subtotal						318,470	15.2%	40,320	278,150	185,280	92,870	100% of the country
													0
4.7	Midterm and final evaluations				15,000	2	30,000	1.4%	30,000	0	0		100% MIF
4.8	Audit				10,000	1	10,000	0.5%	10,000	0	0		100% MIF
4.9	Contingencies						51,320	2.4%	51,320		0		Estimated at 3.2% of the project for 4 years
	Subtotal						91,320	4.3%	91,320	0	0		100% MIF
	SUBTOTAL COMPONENT 4						409,790	19.5%	131,640	278,150	185,280	92,870	
	Total U.S. dollars						2,100,000	100%	1,050,000	1,050,000	687,195	362,805	

Related projects in Colombia
CO-M1001- Promotion of Youth Entrepreneurship in Colombia

A. Similar or related MIF projects

None

B. Similar or related Bank projects

C. Projects related to the same sector or beneficiaries

Project number/ Date of approval	Project title, sector, executing agency, and amount	Date of signature and original disbursement period in months	Percentage disbursed	Comments: Execution satisfactory or problems in execution, including delays, extensions, reformulation, change in executing agency, etc.
ATN/MH-4573 6/29/1994	Development and Execution of Study Plans Confederación Colombiana de Organizaciones No Gubernamentales (CCONG) US\$814,855	7/25/1994 36 months	100%	Completed satisfactorily
ATN/MH-4574 6/29/1994	Learning in Enterprises Confederación Colombiana de Organizaciones No Gubernamentales (CCONG) US\$3,500,000	7/26/1994 36 months	100%	Completed satisfactorily
ATN/ME-4911 4/18/1995	Business Development Centers COFECAMARAS US\$5,966,641	10/19/1995 42 months	100%	Completed satisfactorily
ATN/ME-6213 10/30/1998	Training Services for Microenterprise Corporación Acción por Antioquia; ACTUAR; FAMIEMPRESAS de Medellín US\$3,000,000	11/24/1998 54 months	52%	Favorable prospects