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(COSTA RICA, EL SALVADOR, GUATEMALA, HONDURAS AND NICARAGUA)

**ASSISTANCE FOR SMALL AND MEDIUM-SIZED ENTERPRISES IN  
CENTRAL AMERICA ON TECHNICAL REQUIREMENTS FOR  
GAINING MARKET ACCESS UNDER THE DOMINICAN REPUBLIC-  
CENTRAL AMERICA-UNITED STATES FREE TRADE AGREEMENT  
(DR-CAFTA)**

(TC-03-04-02-1-RG)

**DONORS MEMORANDUM**

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## ABBREVIATIONS

ADOEXPO	Asociación Dominicana de Exportadores [Dominican Association of Exporters]
AGEXPRONT	Asociación Gremial de Exportadores de Productos No Tradicionales [Association of Exporters of Nontraditional Products]
APENN	Asociación Nicaragüense de Productores y Exportadores de Productos No Tradicionales [Nicaraguan Association of Producers and Exporters of Nontraditional Products]
APHIS	Animal and Plant Health Inspection Service
AWP	Annual work plan
CADEXCO	Cámara de Exportadores de Costa Rica [Costa Rican Chamber of Exporters]
COEXPORT	Corporación de Exportadores de El Salvador [El Salvador Exporters Corporation]
DR-CAFTA	Dominican Republic-Central America-United States Free Trade Agreement
FECAEXCA	Federación de Cámaras y Asociaciones de Exportadores de Centroamérica, Panamá y el Caribe [Federation of Chambers and Associations of Central American and Caribbean Exporters]
FPX	Federación de Agroexportadores de Honduras [Honduran Federation of Agro-exporters]
INCAE	Instituto Centroamericano de Administración de Empresas [Central American Institute for Business Administration]
INTECO	Instituto de Normas Técnicas de Costa Rica [Costa Rican Technical Standards Institute]
NCU	National Coordination Unit
NTM	Nontariff measure
PCR	Project completion report
PMC	Program Management Council
PPMR	Project performance monitoring report
PPP	Puebla-Panama Plan
RIOPPAH	Regional International Organization for Plant Protection and Animal Health
SME	Small and medium-sized enterprise

## **DEFINITIONS:**

AGRIBUSINESS: The set of all production chains based on crop farming, livestock breeding, and forestry in a given country.

BENEFICIARIES: Central American SMEs, whether or not they are members of the Central American exporters' chambers and associations participating in the program, suppliers of technical services for the elimination of technical requirements in trade, and Central American exporters' chambers and associations participating in the program.

PRODUCTION CHAIN: Each area (crop farming, livestock breeding, forestry) involves stakeholders, factors, and actions—pre-farm, on-farm, and post-farm. At the pre-farm level are suppliers of the various inputs: seeds, machines, fertilizers, pesticides, etc. On-farm agents include the various types of producers. Post-farm agents comprise processors, wholesalers, retailers, and consumers. The production chain consists of all the different groups of agents and their activities.

PROGRAM MODEL: Systematic promotion of market access opportunities, service delivery capacity-building, and coordination of the demand for services, and cofinancing thereof, to help achieve effective access to the United States market.

REGIONAL PROGRAM: Assistance for Small and Medium-sized Enterprises in Central America on Technical Requirements for Gaining Market Access under the Dominican Republic-Central America-United States Free Trade Agreement (DR-CAFTA).

NATIONAL PROJECTS: National execution of the regional program, by the project coordination unit in each country.

## Proposed model



**ASSISTANCE FOR SMALL AND MEDIUM-SIZED ENTERPRISES IN CENTRAL  
AMERICA ON TECHNICAL REQUIREMENTS FOR GAINING MARKET ACCESS  
UNDER THE DOMINICAN REPUBLIC-CENTRAL AMERICA-UNITED STATES  
FREE TRADE AGREEMENT (DR-CAFTA)**

**(TC-03-04-02-1-RG)**

**I. EXECUTIVE SUMMARY**

<b>Beneficiary countries:</b>	Costa Rica, El Salvador, Guatemala, Honduras, and Nicaragua.		
<b>Executing agencies:</b>	El Salvador Exporters Corporation (COEXPORT); the Costa Rican Chamber of Exporters (CADEXCO); the Honduran Federation of Agro-exporters (FPX); the Association of Exporters of Nontraditional Products (AGEXPRONT); the Nicaraguan Association of Producers and Exporters of Nontraditional Products (APENN).		
<b>Beneficiaries:</b>	Over 5,000 SME entrepreneurs, officials and professionals in the public and private sector will benefit through greater awareness of the opportunities opened up by DR-CAFTA and the market access challenges posed by nontariff measures; 500 SMEs that are already exporters or have agribusiness products of high export potential that could obtain services through program cofinancing; 200 technicians who will be trained to provide services to SMEs on nontariff technical requirements for gaining market access, who could provide their services under Components I and II; and chambers and other organizations whose regional coordination and organizational management will be strengthened.		
<b>Financing:</b>	Modality: Nonreimbursable (Facility III-A)		
	MIF: <sup>1</sup>		US\$3,103,100 (70%) <sup>2</sup>
	Local counterpart:		US\$1,303,350 (30%)
	<b>Total:</b>		<b>US\$4,406,450</b>

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<sup>1</sup> The MIF contribution includes US\$30,000 for coordination activities for the Facilitation of International Trade and Investment cluster.

<sup>2</sup> This percentage excludes cluster activities.



**Objectives:** The program's **goal** is to help enhance the competitiveness of Central American SMEs in the agribusiness sector. Its **purpose** is to establish and validate a targeted model to take advantage of opportunities opened up by DR-CAFTA, by helping agribusiness SMEs to satisfy nontariff measures for gaining market access. The program's objective and purpose will be achieved by: (a) raising awareness of the market access opportunities opened up by DR-CAFTA among the region's SMEs; (b) developing joint programs and coordination activities with other initiatives; (c) setting up a system to strengthen the supply of technical services on nontariff measures for gaining market access; and (d) establishing a system to coordinate the supply of and demand for consulting services on technical requirements for market access.

**Execution timetable:** Execution period: 42 months  
Disbursement period: 48 months

**Special contractual clauses:** **Conditions precedent to the first disbursement of MIF resources:** the executing agency for regional activities will demonstrate that the Coordinator for El Salvador/Regional Program Coordinator has been selected. **Special condition precedent to the first disbursement of MIF resources for each national executing agency:** (1) the signing of a collaboration agreement between COEXPORT, as technical secretariat of the MIF-FECAEXCA program, and each of the other national executing agencies, ensuring a commitment to coordination and the contribution of counterpart funding for regional activities; (2) selection of the National Coordinator for the respective National Coordination Unit (NCU), who, in the case of El Salvador, will also serve as Regional Coordinator; (3) adoption of the respective Operating Regulations, in accordance with terms previously agreed upon with the Bank; and (4) demonstration that the project's administrative and financial management system has been implemented.

**Conditions precedent to the first disbursement to the FPX:** In addition to the aforementioned conditions which are applicable to all executing agencies, the FPX will also need to fulfill the following conditions precedent to the first disbursement: restructuring of statutes and adequate formation of management bodies demonstrating participation by the 13 agro-exporting subsectors in Honduras.

**Condition precedent to FPX execution of subcomponent II.B:** preparation of the baseline, in accordance with the terms of reference set out in detail in Technical Document XVII.

<b>Exceptions to Bank policy:</b>	None.
<b>Coordination with other official development finance institutions:</b>	Although there are no regional-scope initiatives with a similar methodology to this program, there are complementary projects in areas such as competitiveness support and export promotion. Program design has taken these projects into account, and activities for coordination are included (see Component I and Technical Document XVIII).
<b>Environmental and social review:</b>	The Committee on Environment and Social Impact reviewed the project at its 6 August 2004 meeting. Its observations have been incorporated in the document (Section VIII) and in the Operating Regulations.

## II. BACKGROUND

- 2.1 In January 2003, Central America<sup>3</sup> and the United States officially launched negotiations for a free trade agreement for Central America. This treaty has the potential to promote and enhance economic growth and development, since the United States provides the main market for Central American exports (absorbing 48% of the total in 2002). To give an idea of the importance of this market for Central America, suffice it to note that the value of exports sent to United States in 2004 was US\$3.907 billion, out of a total regional export value of US\$11.087 billion.<sup>4</sup> Since 1990, Central America has significantly increased the value-added of its exports: a larger number of firms in the region have started to invest in value-added market niches, such as modern organic farming, gourmet vegetable production, seed research and development, among others.<sup>5</sup>
- 2.2 To take efficient advantage of the opportunities opened up by the Dominican Republic-Central America-United States Free Trade Agreement (DR-CAFTA), firms need to be able to fulfill technical requirements for gaining market access, which become the key determinants of market access once tariffs have been eliminated or reduced. The World Trade Organization (WTO) estimates that 17% of imports into the United States have to satisfy nontariff measures of some

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<sup>3</sup> Costa Rica, El Salvador, Guatemala, Honduras, and Nicaragua.

<sup>4</sup> Figures provided by the Permanent Secretariat of the General Treaty on Central American Economic Integration (SIECA), *Centroamérica: Valor y volumen de la exportación, según bloques económicos y países*. [Central America: Value and volume of exports, by economic blocs and countries].

<sup>5</sup> Dr. Arturo Condo. *Las Pymes y el Proceso de Integración Regional. Competitividad y las Pymes en Centroamérica*. [SMEs and the regional integration process. Competitiveness and SMEs in Central America]. INCAE, October 2004.

kind.<sup>6</sup> The impact of such requirements is concentrated at the sector level: with about 75% of primary products and manufactured goods of agricultural origin, and 25% of industrial manufactures, facing nontariff measures when entering the United States market.<sup>7</sup> Given the impact that access requirements to the United States market have on the agribusiness sector<sup>8</sup> and the latter's importance in the region's economies, this program focuses on SMEs in this sector.<sup>9</sup>

- 2.3 During the process of evaluating the nontariff measures that mostly affect DR-CAFTA, it was found that the products exported by agribusiness SMEs do not have serious problems with tariffs, rules of origin, or quotas when entering the United States market (except in certain very specific cases). In contrast, they are particularly affected by nontariff measures, given the type of goods they produce and export, and because they generally lack capacity to fulfill the complex technical requirements needed to gain market access.<sup>10</sup> Of the total value of exports from Central America, it is estimated that 48% of those from Costa Rica, 68% from El Salvador, and 45% from Guatemala and Honduras face some type of nontariff measure when entering the United States.<sup>11</sup>
- 2.4 According to data from the Central American Institute for Business Administration (INCAE),<sup>12</sup> SMEs account for 96% of all firms in Central America, and they generate 54% of all jobs and 34% of all output.
- 2.5 SMEs have traditionally conducted limited foreign trade, especially because exports tend to be highly concentrated among a small number of products and firms.<sup>13</sup> The

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<sup>6</sup> Although this percentage is considered high, it is below the pre-1994 prevailing level (the year in which the Uruguay Round of multilateral trade negotiations was concluded).

<sup>7</sup> Scandizzo, Stefania, *Comercio de Mercancías en América Latina y barreras en EE.UU.* [Merchandise trade in Latin America and barriers in the United States], SELA 2001, page 7.

<sup>8</sup> The agribusiness sector encompasses agriculture and agroindustry, in accordance with the WTO definition.

<sup>9</sup> Document XIII in the technical files describes the methodology used to focus on this sector and on certain subsectors/products within it.

<sup>10</sup> Clark, Don P. and Simonetta Zarrilli (1994), "Non-Tariff Measures and United States' Imports of CBERA-Eligible Products," *Journal of Development Studies*, Vol. 31, No.1, October, pages 214-24.

<sup>11</sup> Monge González, Ricardo et al, *Retos y oportunidades para los sectores agropecuarios y agroindustriales de Centroamérica ante un tratado de libre comercio con los Estados Unidos* [Challenges and opportunities for the agriculture and agribusiness sectors in Central America vis-à-vis a free-trade agreement with the United States], World Bank paper, 2003.

<sup>12</sup> Dr. Arturo Condo. *Las Pymes y el Proceso de Integración Regional. Competitividad y las Pymes en Centroamérica.* [SMEs and the regional integration process. Competitiveness and SMEs in Central America]. INCAE, October 2004.

<sup>13</sup> Most SME exports are sent to regional markets. The weak export share of SMEs (either directly or through linkages) partly reflects the emphasis of recent decades on arrangements such as free zones, which have tended to generate few linkages between SMEs and the rest of the export chain.

lack of effective public policies to support SMEs has also been identified as a key factor limiting the trade development of SMEs.

- 2.6 Despite their small share of export activities, foreign trade represents a key growth alternative for SMEs, given the dynamic linkages that can be established with expanding markets, new technologies, creation of greater value-added, and foreign-currency earnings.<sup>14</sup> Hence the importance of regional programs that help SMEs to operate in an open setting that differs from protected domestic economic spaces. This importance is accentuated by the existence of network externalities.<sup>15</sup>
- 2.7 **Nontariff measures for market access** establish entry conditions that products have to satisfy in areas such as health, the environment, consumer information, regional content (origin), import permits, labeling and packaging, management of tariff quotas, and others that are not reflected in tariffs. These requirements may entail significant costs that are hard to measure and may thus become barriers to trade. In a survey carried out by the Federation of Chambers and Associations of Central American and Caribbean Exporters (FECAEXCA), 57% of SMEs interviewed claimed that their exports have faced nontariff measures (NTMs).
- 2.8 **The proposed solution** is based on addressing the specific needs of SMEs in the agribusiness sector, for which a model will be established and validated<sup>16</sup> to systematically exploit the opportunities opened up by DR- CAFTA. This will target a group of subsectors/products selected on the basis of new access restrictions and opportunities under DR-CAFTA. The aim is to enable agribusiness SMEs to satisfy nontariff market access requirements, through: (a) information on such requirements and market access under DR-CAFTA; (b) the development of joint projects and coordination with other initiatives to encourage economies of scale and avoid duplication; (c) a system for strengthening the supply of specialized services on market access technical requirements; and (d) a system to coordinate the supply of and demand for technical assistance services in this area.<sup>17</sup> Given the importance of this sector for the region, the program focuses on agribusiness SMEs, while targeting actions on specific subsectors, products, and NTMs to validate the model and facilitate its replication in other subsectors.

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<sup>14</sup> UNDP, *Segundo Informe sobre desarrollo humano en Centroamérica y Panamá 2002-2003* [Second human development report on Central America and Panama, 2002-2003].

<sup>15</sup> Network externalities consist of the external benefits generated when a new user joins the network, including economies of scale on the demand side and learning economies. The larger the number of users of a given technology (in this case, knowing how to overcome nontariff measures), the lower the cost for new users; i.e. once a critical mass has been created, new firms wishing to exploit CAFTA or other free trade treaties will more easily find ways to overcome nontariff requirements.

<sup>16</sup> A systematic way of promoting market access opportunities, building service delivery capacity, coordinating demand for services, and cofinancing services in order to achieve effective market access.

<sup>17</sup> To encourage use of this type of service, a cofinancing system will be implemented in which the firms cover 50% of the cost and the program finances the other 50% (see Technical Document II).

- 2.9 The program aims to encourage agribusiness SMEs to participate in foreign trade activities, by offering technical assistance and information on nontariff market requirements, both to SMEs that currently export, either directly or indirectly, and to those doing so for the first time and/or those with export potential. The work will focus on certain regional public goods (availability of information), and on activities that trigger positive externalities based on network externalities (generation of a critical mass of products and interagency coordination).
- 2.10 To **target** the actions and generate a demonstration effect, the program's scope has been defined on the basis of a study undertaken for this initiative by the Bank's Integration and Regional Programs Department,<sup>18</sup> which reached the following conclusions: the main categories in which agribusiness SMEs face NTMs in gaining access for their products to the United States market, and which will therefore benefit from this program, are the following: (i) dairy products; (ii) meat and live animals; (iii) processed foods; (iv) legumes and vegetables; (v) fruit; (vi) live plants; and (vii) fish and crustaceans. It was also found that the main NTMs faced by Central American products in these sectors, and on which the program will act, are: (i) technical standards and regulations (mainly labeling requirements established by the Food and Drug Administration) and other specific regulations imposed by the United States; and (ii) sanitary and phytosanitary measures (such as prior health inspection for animals and plants, quarantine, and prohibitions on imports from countries subject to rinderpest or foot-and-mouth disease, in the case of meat; prohibitions on fruit species infected with insects, etc). The rules of the Animal and Plant Health Inspection Service (APHIS) include (i) prior import permit; and (ii) entry procedures through designated ports.
- 2.11 **The program's value-added and innovation** stem from systematic and regional treatment of market access technical requirements; dissemination of information (a regional public good) to SMEs on the opportunities opened up by DR-CAFTA; and its contribution toward mitigating the restrictive effects of nontariff measures, by managing the supply of and demand for information tailored to the specific needs of SMEs.
- 2.12 The program is consistent with the **Bank's strategies** on competitiveness and integration<sup>19</sup> since it aims to: enhance the capacity of SMEs to enter external markets; contribute to regional integration; facilitate trade; support more open economies; and strengthen local capacities.
- 2.13 The program is also consistent with the Bank's effort to support competitiveness, both through national competitiveness programs and regionwide with the **Puebla-**

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<sup>18</sup> See Technical Documents XIII and XIV.

<sup>19</sup> See the Bank's Integration Strategy (July 2003). This program stems from the mandate imposed by the Bank's Regional Integration Strategy, particularly in the following areas: (A) consolidating regional markets; and (C) strengthening institutions for integration.

- Panama Plan (PPP)** and its Facilitating Commerce Initiative. To ensure such consistency, during program execution the Bank will coordinate with the **Mesoamerican Competitiveness Council (CMC)**, which is the PPP institution responsible for the regional competitiveness agenda. Lastly, the operation is also consistent with each country's private sector strategies, better known as Guidelines on Support for the Private Sector.
- 2.14 As explained in detail below, this program will be structured in close collaboration with the MIF project being undertaken with the Dominican Association of Exporters (ADOEXPO) in the Dominican Republic (DR-M1008), a country that is also a member of DR-CAFTA. Although there are no other regional initiatives with a similar methodology to that to be used in this program, there are complementary projects in areas such as competitiveness support and export promotion,<sup>20</sup> and the sustainable rural development project RUTA.<sup>21</sup> Program design has taken these projects into account and includes activities to coordinate sanitary and phytosanitary measures with national and regional initiatives (Technical Document VII), and with the proposed initiative of the Regional International Organization for Plant Protection and Animal Health (RIOPPAH) on agrifood services for the application of sanitary and phytosanitary measures under DR-CAFTA, which results from the implementation of the MIF project TC-02-02-02-7-RG with that institution.
- 2.15 The program is consistent with MIF guidelines for the **Facilitation of International Trade and Investment** cluster; and it will benefit from exchange of experiences and the dissemination of best practices and lessons learned.

### III. OBJECTIVES AND COMPONENTS

- 3.1 **Goal:** To help enhance the competitiveness of Central American SMEs in the agribusiness sector. **Purpose:** To establish and validate a model to exploit the opportunities opened up by DR-CAFTA in a targeted manner, making it possible for agribusiness SMEs in selected subsectors and products, to satisfy critical nontariff requirements for market access. This will be done through two components containing two subcomponents each.

**Component I: Interagency awareness-raising and coordination** (MIF: US\$146,100; Local counterpart: US\$438,250). The objective of this component is to raise awareness among SMEs of the opportunities opened up by DR-CAFTA and the challenges it poses, and to promote the presentation of projects involving

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<sup>20</sup> Technical document VI: "Cooperation projects on related issues."

<sup>21</sup> Regional Unit for Technical Assistance. This is a special project created in 1980 to help Central American countries achieve sustainable rural development and reduce poverty in which various institutions, including the Bank, are partners in its financing and execution.

partnerships to overcome nontariff measures in the U.S. market. To this end, it is divided into two subcomponents.

**Subcomponent I.A: Raising awareness on market access opportunities generated by DR-CAFTA** (MIF: US\$130,100; Local counterpart: US\$392,750).

- 3.2 This subcomponent will publicize the scope and opportunities opened up by DR-CAFTA, indicating, in language suited to the entrepreneurs of those SMEs, how the new trade scenario can be exploited through solutions targeting nontariff market access requirements—in particular for SMEs operating in the agribusiness sector.<sup>22</sup> To achieve their objective, subcomponent activities will include making an inventory of the selected national and regional products,<sup>23</sup> for which market access technical requirements will be defined.<sup>24</sup> In addition, practical guidelines on DR-CAFTA will be produced and published dealing with restrictions and opportunities for agribusiness SMEs in specific subsectors/products, and 5,000 copies will be distributed. National and regional seminars will be held, and a FECAEXCA website containing relevant information will be put on line and kept up-to-date (implemented by COEXPORT).
- 3.3 As a result, the public and private sectors will both gain greater awareness of the specific opportunities offered by DR-CAFTA and the critical technical requirements for market access to take advantage of this trade area. Of the inventory of common regional agribusiness products destined for the United States, 60% are expected to have technical requirement fact sheets prepared and distributed by the end of the program; and in the case of national agribusiness products, the corresponding figure is 40%. In addition, 75 national seminars will be held. A website designed for SMEs will be implemented and kept up-to-date, publicizing the opportunities provided by DR-CAFTA and market access technical requirements for the selected subsectors/products, restrictions, and opportunities. The Web page will be on FECAEXCA's website and will enable SMEs to exchange information on experiences, lessons learned, statistics on the performance of agribusiness exports to the DR-CAFTA market, an inventory of case-studies illustrating access difficulties, product retention times, problems encountered, standards applied, costs arising from inspections, "import alerts", and so forth.

**Subcomponent I.B: Joint projects and coordination with other initiatives** (MIF: US\$16,000; Local counterpart: US\$45,500).

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<sup>22</sup> All existing material containing information on CAFTA will be taken into account. The aim, however, is to identify specific information at an appropriate level of agribusiness SMEs, which will be defined in consultation with the SMEs themselves.

<sup>23</sup> The inventory is expected to include about 500 regional products and some 50 unique national products, grouped under 10 types of technical requirements.

<sup>24</sup> This will validate or adapt the investigation undertaken previously for the proposed targeting of the main products arising from CAFTA and the NTMs that affect them.

- 3.4 The main objective of this subcomponent is to foster the exploitation of economies of scale and learning economies resulting from the presence of network externalities in overcoming NTMs. The larger the number of firms that overcome NTMs, the lower the cost for a new firm in doing so. This means that the benefits will continue to grow beyond the program execution period. Nonetheless, creation of the network entails an initial investment whose yield is not immediate and cannot be directly appropriated by the private sector, thereby requiring and justifying public intervention. To this end, financing will be provided for: (i) inventories of projects relating to cooperation programs that support SME export activity, to be posted on the website to establish coordination and complementarity with other initiatives; (ii) an annual regional coordination meeting to review regional proposals and projects, review coordination with other regional projects, and develop regional links and networking among SMEs; and (iii) definition of FECAEXCA regional operating criteria, including support nationally to strengthen capacity for instrumentation and development of the FECAEXCA strategic plan for the financial and operational sustainability of the proposed model.
- 3.5 Attempts will also be made to strengthen the capacity of States to provide assistance and support for firms in overcoming market access NTMs. Two broad lines of activity will be established for this purpose: (i) An effective coordination mechanism with the Regional Unit for Technical Assistance (RUTA)—a joint venture between governments and international cooperation agencies to promote sustainable rural development in the Central American isthmus, which has been working to promote sustainable rural development since 1980; (ii) A fund to provide training for technicians, whether from the national public sector or independent, will be established for use by the corresponding public authorities. This will be coordinated regionally on the basis of specific national needs, with the aim of generating capacity for assistance and distribution of specific information in the national public sector, strictly targeting SMEs and the selected products and technical requirements. It is expected that 100 technicians (20 per country)<sup>25</sup> will receive training on market access NTMs. A significant part of this effort will involve coordination with the projects mentioned in paragraph 2.14.

**Component II: System for strengthening supply and linking supply of and demand for services** (MIF: US\$1,610,000; Local contribution: US\$300,000).

The objective of this component is to train in the region a minimum critical mass of experts on critical technical requirements for gaining market access in selected subsectors/products; and to promote demand and link it with the supply of these services, so that participating SMEs can gain access to the U.S. market. To this end, it is divided into two subcomponents.

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<sup>25</sup> These technicians may be either from the public sector or else independent technicians from the private sector, which the public sector may occasionally hire for negotiation functions in relation to phytosanitary protocols and the certification and inspection of shipments.



**Subcomponent II.A: System for strengthening the supply of consulting services on technical requirements for gaining market access** (MIF: US\$50,000; Local counterpart: US\$50,000).

- 3.6 This subcomponent will respond to training needs and demands among suppliers of technical services to overcome critical nontariff requirements, enabling them to provide adequate services to meet the needs and demands of SMEs in the selected agribusiness subsectors and products. Steps will be taken to satisfy these needs by providing training courses with international experts in the five countries in which the program will operate.<sup>26</sup> It should be possible to establish a cost recovery scheme as a mechanism supporting sustainability in both the program and the executing agency.
- 3.7 The aim will be to train 100 suppliers of consulting services (20 for each country) on critical technical requirements for market access in the selected subsectors/products.

**Subcomponent II.B: Coordination of the demand for services and technical advising on nontariff measures for market access** (MIF US\$1,560,000; Local contribution US\$250,000).

- 3.8 This subcomponent will respond to the needs and demands of SMEs in relation to fulfilling critical technical requirements to access external markets for selected agribusiness products. Based on these needs, the work will consist of coordinating the demand for and supply of technical assistance services; to give incentives for demand, an Open Project Reception Window will be instituted offering the possibility of partially financing individual and collective projects, in conjunction with contributions made by SMEs for implementation of the corresponding activities. The National Coordination Unit (NCU) in each of the five countries will maintain a list of suppliers of assistance services, promote the scheme among the firms, approve projects, and monitor and contract<sup>27</sup> consulting services to perform diagnostic studies and provide technical assistance for implementing improvements. The program will also finance the development of administration software for the component, which will be closely related to the web-based data system developed in component I. It is thus intended to systemize the targeted support to be developed in this project, all of which will contribute to the sustainability of the proposed model.

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<sup>26</sup> This will be complementary to the equivalent training proposed for the ADOEXPO project in the Dominican Republic; and the consultants trained will respond to the technical assistance needs of any of the six member countries of CAFTA.

<sup>27</sup> MIF funding for technical assistance consulting services will be complemented with contributions made by the SMEs themselves.

- 3.9 The aim is thus to work in line with the specific needs of SMEs to provide: (i) training on technical requirements for gaining market access; and (ii) technical solutions enabling SMEs to take account of access requirements, such as seals, packaging, permits, identification of characteristics and qualities (standard identity), nutritional chart, product origin information, among other items. The intervention will target producer and exporter groups, cooperatives, and producer associations and organizations for agribusinesses in the SME sector.
- 3.10 In the Central American region as a whole, roughly 500 agribusiness firms<sup>28</sup> are expected to obtain technical services under Component II to help them satisfy nontariff market access requirements. Technical document II “Operational manual of the system for managing the coordination of supply of and demand for Component II services” in the technical files gives details of: how this component and its two subcomponents will be administered institutionally; eligibility criteria to receive training as technical adviser on the issues in question; eligibility criteria for firms to be able to access consulting services; the types of services to be financed, and other execution mechanisms to ensure the component operates satisfactorily. Services or technical assistance will be contracted in accordance with the Bank’s procurement policies and procedures.

#### IV. COST AND FINANCING

- 4.1 Estimated total project costs for El Salvador, Costa Rica, Guatemala, Honduras, and Nicaragua are US\$1,301,098, US\$776,338, US\$776,338, US\$776,338, and US\$776,338 in that order; of which US\$915,948, US\$546,788, US\$546,788, US\$546,788 and US\$546,788, respectively, will be financed by the MIF on a nonreimbursable basis. COEXPORT will provide US\$385,150, CADEXCO US\$229,550, AGEXPRONT US\$229,550, FPX US\$229,550 and APENN US\$229,550. In all cases, at least 50% of the local contribution will be provided in cash. The MIF will finance the cost of technical assistance and training and part of the costs of program coordination, technical support, and a number of computer hardware items, among other things. The project’s Annex II contains the summary budgets, while the technical files contain detailed budgets, which specify regional and national activities in terms of coordination and logistics, and each of the components of the five participating executing agencies.

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<sup>28</sup> With an estimated 100 firms per country, approximately.

	El Salvador			Costa Rica			Guatemala			Honduras			Nicaragua		
	MIF US\$	Local contribution US\$	TOTAL US\$	MIF US\$	Local contribution US\$	TOTAL US\$	MIF US\$	Local contribution US\$	TOTAL US\$	MIF US\$	Local contribution US\$	TOTAL US\$	MIF US\$	Local contribution US\$	TOTAL US\$
Coordinating unit	189,000	37,800	226,800	150,000	43,200	193,200	150,000	43,200	193,200	150,000	43,200	193,200	150,000	43,200	193,200
Logistics and equipment	4,500	63,900	68,400	3,000	63,900	66,900	3,000	63,900	66,900	3,000	63,900	66,900	3,000	63,900	66,900
Component I	174,300	183,450	357,750	9,200	72,450	81,650	9,200	72,450	81,650	9,200	72,450	81,650	9,200	72,450	81,650
Subcomponent I.A	106,100	115,750	221,850	6,000	69,250	75,250	6,000	69,250	75,250	6,000	69,250	75,250	6,000	69,250	75,250
Subcomponent I.B	68,200	67,700	135,900	3,200	3,200	6,400	3,200	3,200	6,400	3,200	3,200	6,400	3,200	3,200	6,400
Component II	410,000	100,000	510,000	300,000	50,000	350,000	300,000	50,000	350,000	300,000	50,000	350,000	300,000	50,000	350,000
Subcomponent II.A	50,000	50,000	100,000												
Subcomponent II.B	360,000	50,000	410,000	300,000	50,000	350,000	300,000	50,000	350,000	300,000	50,000	350,000	300,000	50,000	350,000
SUBTOTAL	777,800	385,150	1,162,950	462,200	229,550	691,750	462,200	229,550	691,750	462,200	229,550	691,750	462,200	229,550	691,750
Contingencies 5%	58,148	0	58,148	34,588	0	34,588	34,588	0	34,588	34,588	0	34,588	34,588	0	34,588
Baseline, and midterm and final evaluations	30,000	0	30,000	30,000	0	30,000	30,000	0	30,000	30,000	0	30,000	30,000	0	30,000
Audits (4)	20,000	0	20,000	20,000	0	20,000	20,000	0	20,000	20,000	0	20,000	20,000	0	20,000
TOTAL	885,948	385,150	1,271,098	546,788	229,550	776,338	546,788	229,550	776,338	546,788	229,550	776,338	546,788	229,550	776,338
Cluster activities	30,000		30,000												
GRAND TOTAL	915,948	385,150	1,301,098	546,788	229,550	776,338	546,788	229,550	776,338	546,788	229,550	776,338	546,788	229,550	776,338
Percentages (excluding cluster activities)	70%	30%		70%	30%	70%	70%	30%	70%	70%	30%	70%	70%	30%	70%
						OVERALL TOTAL									
	MIF (US\$)					3,103,100									
	LOCAL CONTRIBUTION (US\$)					1,303,350									
	TOTAL					4,406,450									

- 4.2 Sustainability issues will be addressed as follows: (i) recovery of the costs of training consultants in technical requirements for market access; (ii) counterpart contribution from SMEs to pay for services cofinanced by component II; (iii) development of a market for consulting services in nontariff technical requirements, to reduce the average market price for those services; (iv) increased SME exports to the United States market, resulting from a reduction in transaction and monetary costs generated by nontariff technical requirements. Sustainability will also be supported through (v) a willingness by SMEs to increasingly pay the full cost of services as the program unfolds; (vi) incorporation of partners with funding sources other than those of this program; and (vii) consolidation of the FECAEXCA Permanent Technical Secretariat, which will make it possible to continue program activities, such as the sale of technical documents on market access, national and regional seminars on those topics, training of consultants, and an intermediation fee for Component II financing. In view of the above, the model should be able to achieve financial sustainability<sup>29</sup> two years after the program has ended.
- 4.3 The proposed model, which involves knowledge facilitation or intermediation, entails the provision of public goods such as information and positive externalities at the enterprise level. Although these are not taken into account when evaluating the program's financial sustainability, they are crucial for achieving the commitment and larger contributions from public agencies among the program's member countries, which naturally finance public goods. These public goods and their returns, which cannot be appropriated by an intermediation system,<sup>30</sup> will be measured throughout program execution through the impact assessment system (a baseline will be established), which is expected to show that the contribution made by the program's positive externalities far outweigh the investments made. A **sustainability workshop** will be held one year before the end of the program to discuss the prospect of the activities continuing autonomously after MIF support has ended. Participants will include representatives from the Bank and the executing agencies.<sup>31</sup>

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<sup>29</sup> An ex ante sustainability model has been developed under the following assumptions:  $SUSTAINABILITY = (\text{Revenue from services} - \text{Direct costs for services} - \text{Operating expenses}) \geq 0$ .

<sup>30</sup> In a second-tier intermediation model such as the one being proposed, most of the public goods cannot be captured by the executing agency, as if they represented financial income of a first-tier executing institution that recovers all its costs in the market. As in previous successful cases financed by the Bank, the private-execution-of-public-policy model aims to show how to execute these programs and convince public institutions to continue financing the model, until the services being promoted attain a high level of market sustainability.

<sup>31</sup> By the end of the project, the SMEs are expected to have enough experience in using technical advisory services, service pricing parameters, etc., to enable the technical consulting services offered under the project to be sustainable after it ends.

## V. EXECUTING AGENCIES AND EXECUTION MECHANISM

- 5.1 The **five executing agencies** for this program are: (i) The Costa Rican Chamber of Exporters (CADEXCO), (ii) the Honduran Federation of Agro-exporters (FPX), (iii) the Association of Exporters of Nontraditional Products (AGEXPRONT), (iv) the Nicaraguan Association of Producers and Exporters of Nontraditional Products (APENN), and (v) the El Salvador Exporters Corporation (COEXPORT). Individual, independent technical cooperation agreements will be signed with each of the five executing agencies for program implementation.<sup>32</sup>
- 5.2 **National projects.** Each executing agency will set up a **National Coordination Unit (NCU)** in the offices of the executing agency, consisting of: a project coordinator, a specialist technician, and an accountant. Each NCU will report to its executing agency's executive board or presidency, as the case may be; and its coordinator will be authorized to submit technical and financial reports to the Bank's Country Offices in each country. The functions of the NCU and terms of reference for its members are specified in each set of Operating Regulations. The NCU will operate on the basis of an annual work plan (AWP) for technical coordination and thorough execution of the project and channeling no-objection requests for the hiring of services in the project.
- 5.3 **Regional program.** To ensure execution of the **program** at the regional level, in addition to executing the project nationally COEXPORT will coordinate regional activities as **technical secretariat of the MIF/FECAEXCA** program. To ensure regional coordination of the program, the executing agencies in Costa Rica, Honduras, Guatemala, and Nicaragua, will sign a collaboration agreement with COEXPORT as technical secretariat. The latter will have a national coordinator who will also serve as **Regional Program Coordinator**. For this purpose, each national budget and logical framework contains regional activities and indicators.
- 5.4 A **Program Management Council (PMC)** will be established as the executive body responsible for decisions concerning execution of the program's regional activities. The PMC will be chaired by COEXPORT, as technical secretariat (through a representative and alternate), and will also comprise a representative and alternate from each of AGEXPRONT, APENN, FPX, and CADEXCO; it will have a permanent Executive Secretariat<sup>33</sup> in El Salvador.
- 5.5 This program will be executed in close collaboration with the MIF project being implemented with ADOEXPO in the Dominican Republic. To guarantee coordination, ADOEXPO has already indicated its willingness to join FECAEXCA

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<sup>32</sup> COEXPORT will execute national activities for El Salvador and, in its capacity as Technical Secretariat of the MIF/FECAEXCA program, will execute regional ones as well.

<sup>33</sup> The Technical Secretariat of the MIF/FECAEXCA program is not the same as the FECAEXCA Executive Secretariat.

as a full member in the near future. As such, it will participate in PMC meetings and thus ensure coordination of the activities of the six countries that are members of DR-CAFTA.

- 5.6 The PMC will hold quarterly meetings and perform the following functions: (i) approve the regional annual work plan; (ii) approve and control the detailed regional budget to be applied in the program; (iii) monitor and evaluate regional program activities, in accordance with the published activities timetable and the regional program's Operating Regulations; (iv) approve amendments for the regional operating regulation section (part of the Operating Regulations for El Salvador); (v) promote awareness and results dissemination among stakeholders; (vi) organize open forums on program progress; (vii) oversee program sustainability when IDB/MIF cooperation comes to an end; and (viii) establish agreements and contracts with private and public institutions to facilitate normal development of the program.<sup>34</sup>
- 5.7 FECAEXCA is a regional nonprofit private-sector organization with its own juridical personality, financed from annual fees paid by the proposed executing agencies. It may also receive additional funding from grants and revenue for services rendered. The Presidency and Executive Secretariat of FECAEXCA rotates according to the presiding country, currently Nicaragua.
- 5.8 COEXPORT is a regional nonprofit private-sector organization with its own juridical personality, which in 2005 had membership consisting of 970 Salvadoran export enterprises. Among its activities, COEXPORT represents, advises, and supports microenterprises and small, medium-sized, and large businesses in the promotion of goods and services exports. It is financed from monthly and special fees paid by its members, as well as grants and income for services rendered. The institutional analysis of COEXPORT verified its institutional capacity to execute and coordinate this program.
- 5.9 FECAEXCA, which has appointed COEXPORT as executing agency for the regional program, has undertaken to contribute counterpart resources in cash and in kind, as necessary for program execution, through each of its member executing agencies. COEXPORT has executed previous regional operations on behalf of FECAEXCA, which gives it the capacity and experience to be considered as an executing agency for this program.
- 5.10 CADEXCO was created in 1981. Its objectives include helping exporters increase their sales volume and improve their market access, and promoting participation by new exporters. After 25 years' existence, CADEXCO has more than 750 member

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<sup>34</sup> A description of its specific functions can be found in the Operating Regulations corresponding to the agreement for the executing agency in El Salvador. Regional activities will be included in the El Salvador AWP.

firms and a group of 18 sector-level chambers that allow it to generate constant information flows on behalf of the Costa Rican export sector.

- 5.11 The FPX is a nonprofit civil society organization, founded on 29 March 1984 as a federation of agricultural and agribusiness producer and exporter associations, and funded initially by the United States Agency for International Development and the Honduran government. Its aim is to support the Caribbean Basin Initiative in aspects of technology development, markets, and products with export potential, relating to agriculture. Its vision is for nontraditional Honduran agricultural products to be sold on target markets and recognized for high productivity, quality, and pricing standards. FPX currently has 43 member firms and producer associations from the agriculture sector. The FPX institutional analysis shows that, given the importance for development of the SME sector in Honduras and the major challenges posed by the various free trade agreements, other cooperation partners have shown interest in supporting this initiative to provide counterpart resources. These include the Centre for the Promotion of Imports from Developing Countries (CBI), for which a cooperation agreement is being signed with the Department of Agriculture and the National Competitiveness Program. Financially, the FPX receives monthly and special fees from its members, as well as income from the provision of specialized technical services.
- 5.12 AGEXPRONT is a nonprofit private-sector organization, with juridical personality approved in 1988, which currently has a membership of 997 export firms. The organization's mission is to promote the growth of Guatemalan exports based on business competitiveness, thereby contributing to the country's sustainable economic and social development. The entity undertakes its activities with a production chain approach favoring the integration of microenterprise and small, medium-sized and large producers. The organization is funded out of fees and contributions paid by its members, income from services rendered to export enterprises, and funding for development projects obtained from international cooperation.
- 5.13 APENN is a nonprofit private-sector organization with its own juridical personality, which had 136 members as of 2006. Among its activities, it is the lead organization in the productive export sector; it represents and supports small, medium-sized and large producers and exporters in obtaining advantages on regional and international markets; and it also provides services relating to training, trade information, laboratory services, refrigerated storage and transport, and trade events. APENN is funded 80% from the sale of services to exporters, with the remaining percentage obtained from monthly fees paid by its members, plus grants, and income from events.
- 5.14 In the prior institutional analysis performed by the Bank, a review of financial and administrative documents of the five institutions showed that they have sufficient capacity to meet the project's budgetary and management needs.

- 5.15 **Execution period and disbursement timetable.** The program will be executed over a 3½ -year period (42 months for execution and 48 months for disbursements).
- 5.16 **Project readiness.** In collaboration with the project team, the executing agencies have: (i) presented letters of commitment to the MIF covering all counterpart resources; (ii) prepared the first drafts of Operating Regulations, which also include operational guidelines for best management and fund-management practices; (iii) agreed upon draft cooperation agreements to be signed as a special contractual condition; and (iv) drafted terms of reference for all members of NCUs, the regional coordinator, and the main consultants.
- 5.17 **Procurement.** The procedures to be followed by the Coordinating Unit in hiring consultants to be funded by the project will abide by the corresponding Bank procedures, as set out in the Policies for the Selection and Contracting of Consultants Financed by the IDB (document GN-2350-6). Individual consultants will be hired using quality-and-cost-based selection, and any of the competitive methods established in the aforementioned policy. Procedures should guarantee transparent, competitive, and economical processes.<sup>35</sup> The goods procurements envisaged are all small, and they will be carried out in accordance with the provisions established in the Policies for the Procurement of Works and Goods Financed by the IDB (document GN-2349-6), specifically the shopping method. Pursuant to paragraph 2.7 of document GN-2350-6, consultants will be selected from a shortlist for all contracts under US\$50,000. For contracts involving less than US\$50,000, the Bank may review selection and procurement processes on an ex post basis, apart from the first three procurements, which may be subject to ex ante review. The Bank reserves the right to revert to the ex ante review method for any of the five executing agencies. The technical files include the proposed procurement plan, which will need to be reviewed annually for each national project in conjunction with its semiannual progress report and new work plan.
- 5.18 **Accounting and audit.** Each NCU will keep internal accounting records and will supervise project fund, allowing for verification of transactions and facilitating timely preparation of balance sheets and reports. The project files will be organized as follows: (a) so that amounts received from the various sources can be identified; (b) to include a report on expenses incurred in accordance with the accounting structure approved by the Bank, distinguishing between MIF and local counterpart contributions; and (c) with the details needed to identify the consulting services contracted and their use. Each NCU will open specific and separate bank accounts for managing the MIF contribution and local counterpart funds. It will also submit annual financial statements on expenses incurred in the project that have drawn on the MIF contribution and local counterpart funding, within 90 days following the end of the fiscal year. This financial statement will need to be certified by an

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<sup>35</sup> Procedures for selecting and contracting consulting firms for amounts less than US\$50,000 equivalent will be the same as to those specified for individual consultants.



independent firm of auditors acceptable to the Bank, based on standard terms of reference.

- 5.19 A revolving fund would be maintained for each national project of up to 10% of the total Bank contribution. Each executing agency will submit a status report on its revolving fund to the Bank within 60 days following the end of each calendar half-year during program execution.
- 5.20 The consulting services in Component II will be partly funded by the MIF.<sup>36</sup> SMEs will be able to submit requests to COEXPORT, FPX, AGEXPRONT, APENN and CADEXCO on a rolling basis. Requests will be evaluated by the NCU, which will forward those that qualify to the No Objection Committee, in keeping with the Operating Regulations and the Component II operating manual.

## **VI. MONITORING AND EVALUATION**

- 6.1 The Bank's Country Office in each country will be responsible for oversight and supervision activities, monitoring compliance with contractual clauses, processing disbursement requests, and receiving audited annual and final financial statements for the respective national project. The Country Office in El Salvador will be responsible for oversight and supervision activities, monitoring compliance with contractual clauses, and processing disbursement requests corresponding to regional activities, which will be executed by COEXPORT in conjunction with the other executing agencies and the national activities for El Salvador.
- 6.2 The Bank will hire consulting services for establishing the baseline, fine-tuning indicators, intermediate indicators, and the midterm and final evaluation in each country. Persons responsible for the consulting services on evaluation will need to participate in the closing workshop. A midterm evaluation will be performed once 50% of the funds have been disbursed, or when the program has been half executed, whichever occurs first. The final evaluations will be made four months before the end of project execution, or when 95% of funds have been disbursed. The evaluations will assess progress towards quantitative and qualitative targets and indicators, the AWP, and financial considerations. In coordination with each NCU, the Bank will analyze whether to continue with, suspend, or cancel the program, based on the midterm evaluation. The executing agencies will be responsible for the external ex post review to be conducted.
- 6.3 Using the MIF resources, the executing agencies will hire an independent firm for the annual audits of the program's financial statements.

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<sup>36</sup> As described in the Component II operating manual for each project included in Technical Document II, two types of technical assistance will be offered: (i) diagnostic assessments to identify problems, for which MIF will pay 80% of the total cost and the remaining 20% will be paid by the firms; and (ii) for complete assistance in relation to market access problems, MIF will pay 50%, and the firms the other 50%.

- 6.4 Once each national executing agency<sup>37</sup> signs its collaboration agreement with COEXPORT—the technical secretariat—they will select their national coordinator, adopt the Operating Regulations, and implement the administrative and financial management system, they will be able to participate in the program, executing their national project, without having to wait for the other executing agencies to join. Should any of the executing agencies not fulfill the special contractual conditions corresponding to them, or if the midterm evaluation finds that the project with that executing agency is not operating adequately, the corresponding funds will be canceled. In the event of such a cancellation, the counterpart funds that have been assigned to regional coordination by COEXPORT, in its capacity as technical secretariat, will be canceled, and the scope of regional activities will need to be adapted (including the logical framework indicators).
- 6.5 Monitoring and evaluation activities will be coordinated with the Bank's Integration and Regional Programs Department and with the MIF's **Facilitation of International Trade and Investment** cluster. Program representatives will participate in annual cluster workshops to achieve cross-fertilization of experiences from the cluster. A **closing workshop** will be scheduled in each country for the end of execution, to evaluate the results achieved and actions needed to increase the program's impact. The results thereof will be shared among all NCUs in this program and with ADOEXPO, the executing agency for MIF project DR-M1008.

## VII. BENEFITS AND RISKS

- 7.1 **Benefits.** The program will directly and indirectly help strengthen “customized competitiveness”<sup>38</sup> and enhance access to international markets by SMEs in El Salvador, Honduras, Nicaragua, Guatemala, and Costa Rica in the broader agribusiness or basic agricultural sector. Its aim is to establish and validate a demonstration model to enable expanded agribusiness or basic agricultural SMEs to gain access to markets by overcoming nontariff measures, and exploit the benefits of DR-CAFTA. The model developed could subsequently benefit SMEs with export capacity in various sectors of the domestic economy. Measurable benefits estimated and included in the logical framework matrices are as follows: (i) demonstration model created and operating, making it possible to gain access to services to overcome nontariff measures for market access, and to take advantage of the benefits of DR-CAFTA; and (ii) an US\$800,000 increase in exports by firms directly participating in the program in each of its countries.

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<sup>37</sup> Except El Salvador.

<sup>38</sup> The term “customized competitiveness” has been used by Thomas Reardon and Luis Flores of the University of Michigan to describe the strategy needed in today's globalized world in the form of private-private or private-public partnerships, and the provision of private, public, and semipublic goods. Viewpoint Article, Food Policy, 2006, volume 31, pages 6 and ff.

- 7.2 **End beneficiaries.** The program will directly benefit (i) over 5,000 entrepreneurs, officials, and professional workers in the public and private sectors in El Salvador, Guatemala, Honduras, Nicaragua, and Guatemala, who will obtain information on the opportunities opened up by DR-CAFTA, as well as on market access technical requirements in each country and related support projects (1,000 per country); (ii) 100 consulting service providers (20 per country) trained in market access technical requirements; (iii) 100 technicians (20 per country) trained to prepare pest risk analyses for the selected products to strengthen national phytosanitary surveillance networks;<sup>39</sup> and (iv) 500 firms (100 per country) that overcome nontariff technical measures for market access, perceiving the benefits of DR-CAFTA through services cofinanced by the program.
- 7.3 In addition, (i) the region's SMEs will benefit indirectly through information on DR-CAFTA and on nontariff measures for market access, supplied as a public good; (ii) the financing of training for technicians and assistance on nontariff measures will allow a market for consulting services to be created that is sustainable beyond the project period; (iii) organizational management will be strengthened and the regional institutional framework of FECAEXCA and other export chambers will be consolidated; and (iv) other firms in the country and the region will receive assistance in overcoming NTMs as a result of the network learning externalities generated.<sup>40</sup>
- 7.4 **Risks.** (i) It is possible that not enough importance will be attached to NTMs and to the opportunities and challenges posed by DR-CAFTA. This limitation will be systematically addressed by convening, raising awareness, and providing training for the various stakeholders on the opportunities generated by DR-CAFTA. (ii) There may be little demand among SMEs for Component II services to satisfy market access technical requirements; or else the supply of such services may prove insufficient or inadequate. The program addresses this risk by raising awareness among SMEs of the importance of consulting services to meet market access technical requirements, and by encouraging ongoing training among consultants. (iii) There is a chance that the necessary inter-relationship between this and other complementary programs is not achieved. Through Component I, the program will respond to this risk by developing and maintaining a system and database of complementary projects, allowing for fluid dialogue between the executing

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<sup>39</sup> Consisting of a group of technicians (private and/or public) trained to gather information and prepare pest risk analyses, collaborating in this way with the corresponding public sector agencies. Some national projects mentioned in the background section support animal and plant health agencies, building capacity to negotiate health protocols with the United States Animal and Plant Health Inspection Service, and enforcing public audit and health certification for exported products.

<sup>40</sup> Network learning externalities: as the network expands, the number of users with specific knowledge on the associated technology increases. These "experts" make their knowledge available to other users, thereby helping to expand the technology (José Luis Arroyo Barrigüete and José Ignacio López Sánchez. Business Organization Department, Faculty of Economic and Entrepreneurial Sciences, Universidad Complutense de Madrid).

agencies and other interlocutors to facilitate the necessary coordination and communication. **(iv)** If the agreement with El Salvador had to be canceled for any reason, this would also affect the regional component, which is one of the program's central objectives. The program mitigates this risk through the Bank's institutional evaluation, which shows the prior management experience and capacity of COEXPORT, as technical secretariat; and by the institutional model proposed by the MIF, where decisions will be taken through the Program Management Council, in view of the commitment already demonstrated by all national executing agencies.

### **VIII. SOCIAL AND ENVIRONMENTAL IMPACT**

- 8.1 Based on the Committee on Environment and Social Impact's recommendations, the executing agencies will take special care to ensure that the norms emanating from this program are environmentally friendly; and all aspects of sustainable social and environmental management will be taken into account.

**ASSISTANCE FOR SMALL AND MEDIUM-SIZED ENTERPRISES IN CENTRAL AMERICA ON TECHNICAL REQUIREMENTS FOR GAINING MARKET ACCESS  
UNDER THE DOMINICAN REPUBLIC-CENTRAL AMERICA-UNITED STATES FREE TRADE AGREEMENT (DR-CAFTA)  
(TC-03-04-02-1-RG)**

**LOGICAL FRAMEWORK MATRIX**

**Costa Rica**

<b>Objectives</b>	<b>Indicators</b>	<b>Means of verification</b>	<b>Assumptions</b>
<b>Goal</b>			
To help enhance the competitiveness of Costa Rican SMEs operating in the agribusiness sector.	Four years after the end of the program, agribusiness exports are growing by 15% per year in value terms, with a 15% increase in the number of Costa Rican SMEs gaining access to DR-CAFTA markets. <sup>1</sup>	Ex ante and ex post surveys. Official government statistics. Ex post evaluation.	Macroeconomic and institutional conditions favor Costa Rican SME trade and competitiveness, through an increase in technical capacity to meet nontariff measures.
<b>Purpose</b>			
To establish and validate a model to exploit opportunities opened up by DR-CAFTA, enabling Costa Rican agribusiness SMEs to satisfy nontariff market access requirements.	By the end of the project: <ul style="list-style-type: none"> <li>➤ Model<sup>2</sup> for exploitation of DR-CAFTA implemented, enabling a growing number of Costa Rican SMEs to gain access to services to overcome nontariff market access requirements.</li> <li>➤ The total value of exports by participating SMEs increases; and 70% of SMEs participating in the program overcome nontariff access barriers to the United States market.<sup>3</sup></li> </ul>	<ul style="list-style-type: none"> <li>• Project report based on the impact indicators matrix defined by the evaluation consultant.</li> <li>• Project report based on the impact indicators matrix defined by the evaluation consultant.</li> <li>• Project completion report (PCR).</li> <li>• Project performance monitoring report (PPMR).</li> <li>• Progress report and final report.</li> </ul>	The public and private sectors are aware of the opportunities opened up by DR-CAFTA, the challenge posed by technical requirements for gaining market access, the importance of overcoming nontariff measures in the DR-CAFTA market, and how to adapt mechanisms to facilitate exports and trade generally.

<sup>1</sup> Definition of indicators and projected values to be developed by the consultant in an evaluation to be contracted at the outset of the program.

<sup>2</sup> A systematic way of promoting market access opportunities, building service delivery capacity, coordinating demand for services, and cofinancing services in order to achieve effective market access.

<sup>3</sup> Definition of indicators and projected values to be developed by the consultant in an evaluation to be contracted at the outset of the program.

Objectives	Indicators	Means of verification	Assumptions
		<ul style="list-style-type: none"> <li>Sustainability and closing workshops.</li> <li>Survey of firms receiving project support.</li> </ul>	
<b>Components</b>			
<b>Component I: Interagency awareness-raising and coordination.</b>			
Subcomponent I.A: Raising awareness on market access opportunities generated by DR-CAFTA.	<ul style="list-style-type: none"> <li>➤ 500 Costa Rican SME producers and/or exporters informed on technical requirements for market access and new trade opportunities generated by DR-CAFTA, 24 months into the project.</li> <li>➤ 1,000 Costa Rican SME producers and/or exporters informed on technical requirements for market access and new trade opportunities generated by DR-CAFTA, by month 42.</li> </ul>	<ul style="list-style-type: none"> <li>Semiannual progress reports and final report submitted by the executing agency.</li> <li>PPMR</li> <li>Midterm and final evaluations. conducted by external consultants.</li> <li>PCR</li> <li>Inspection visits by the Country Office specialist.</li> <li>List of participants in the various events.</li> </ul>	Costa Rican SMEs and other stakeholders remain interested in participating in the market under DR-CAFTA, and in being informed on market access requirements.
Subcomponent I.B: Joint programs and coordination with other initiatives.	<ul style="list-style-type: none"> <li>➤ Coordination desk implemented.<sup>4</sup></li> </ul>	<ul style="list-style-type: none"> <li>Semiannual progress reports and final report submitted by the executing agency.</li> <li>PPMR</li> <li>Midterm and final evaluations. conducted by external consultants.</li> <li>PCR</li> </ul>	<p>Communication and coordination links are established between the executing unit and other cooperation agencies that have programs on related issues.</p> <p>Costa Rican SMEs and other stakeholders remain interested in participating in the market under DR-CAFTA.</p> <p>SMEs maintain demand and interest in gaining access to new export markets,</p>

<sup>4</sup> As part of one of the specific objectives, joint programs will be developed between the executing agencies participating in the program and in coordination with other related private and public initiatives.

Objectives	Indicators	Means of verification	Assumptions
		<ul style="list-style-type: none"> <li>• Inspection visits by the Country Office specialist.</li> </ul>	and in improving their productivity and competitiveness.
<b>Component II: System for strengthening supply and linking supply of and demand for services.</b>			
Subcomponent II.A: System for coordinating the supply of consulting services on technical requirements for gaining market access. <sup>5</sup>	* Executed regionally by COEXPORT in El Salvador (see El Salvador logical framework).		
Subcomponent II.B: System for coordinating the supply of and demand for consulting services on market access technical requirements.	➤ 100 firms gain access to services cofinanced by the program. The aim is to serve 20 firms after 12 months of program execution, 30 after 24 months, and 100 by the end of the project.	<ul style="list-style-type: none"> <li>• Semiannual progress reports and final report submitted by the executing agency.</li> <li>• PPMR</li> <li>• Midterm and final evaluations conducted by external consultants.</li> <li>• PCR</li> <li>• Inspection visits by the Country Office specialist</li> </ul>	<p>Demand exists among SMEs for specialized training and technical assistance, to enable them to meet DR-CAFTA nontariff measures, to promote access to that market.</p> <p>The necessary financial, technical, and commercial capacity exists in the participating SMEs to undertake export projects with the technical/informational assistance provided.</p>
<b>Activities</b>			
<b>Component I: Interagency awareness-raising and coordination.</b>	<b>Total:</b> US\$81,650 <b>MIF:</b> US\$ 9,200 <b>Counterpart:</b> US\$72,450		

<sup>5</sup> General coordination of this subcomponent will be regional, with activities such as courses and workshops executed nationally.

Objectives	Indicators	Means of verification	Assumptions
<p><b>1. Component I.A: Raising awareness on market access opportunities generated by DR-CAFTA</b></p> <p>1.1 Of the inventory of unique national agribusiness products destined for the United States, 40% to have fact sheets prepared and distributed on technical requirements for market access.</p> <p>1.2. Distribution of copies of the DR-CAFTA information paper to SMEs.</p> <p>1.3 15 national seminars.</p>	<p><b>Total: US\$72,250</b>  MIF: US\$ 6,000  Counterpart: US\$69,250</p> <p>1.1 At least 40% of products in the national inventory to have technical requirement fact sheets prepared and distributed by month 42.</p> <p>1.2 1,000 copies of DR-CAFTA information papers distributed by month 24.</p> <p>1.3 15 seminars held by month 42.</p>	<ul style="list-style-type: none"> <li>• Progress reports and final report.</li> <li>• Midterm and final evaluation reports.</li> <li>• Database.</li> <li>• Informative documents available and distributed.</li> <li>• Evaluation form for each service provided.</li> <li>• CADEXCO reports.</li> <li>• Evaluation report per event/annual report and evaluation.</li> <li>• List of attendance at training events.</li> <li>• Existence of website.</li> <li>• Number of hits on the website.</li> <li>• Number of queries received through the website.</li> </ul>	<p>SMEs willing to receive training.</p> <p>Availability and/or access to information technology equipment among SMEs.</p> <p>Adequate infrastructure in CADEXCO.</p>
<p><b>2. Subcomponent I.B: Joint projects and coordination with other initiatives.</b></p> <p>2.1 Interagency coordination.</p> <p>2.2 Coordination with the Regional Unit for Technical Assistance (RUTA).</p>	<p><b>Total: US\$6,400</b>  MIF: US\$3,200  Counterpart: US\$3,200</p> <p>2.1 One annual meeting held by each of the chambers.</p> <p>2.2. One annual meeting held between representatives of chambers, IDB sector specialists, and a RUTA representative.</p>	<ul style="list-style-type: none"> <li>• Business plan report.</li> <li>• Progress reports and final report.</li> <li>• Midterm and final evaluations.</li> </ul>	<p>Fluid coordination established among IDB/MIF staff in each of the participating countries; and between IDB/MIF CADEXCO.</p>



Objectives	Indicators	Means of verification	Assumptions
<b>Component II: System for strengthening supply and linking supply of and demand for services.</b>	<b>Total: US\$350,000</b> MIF: US\$300,000 Counterpart: US\$ 50,000		
<b>3. Subcomponent II.A: System for strengthening the supply of consulting services on market access technical requirements.</b>	<b>Total: US\$0</b> MIF: US\$0 Counterpart: US\$0		
<b>4. Subcomponent II.B: System for coordinating the supply of and demand for consulting services on market access technical requirements.</b>  4.1 Establishment of a Costa Rican directory of technicians specializing in nontariff measures. <sup>6</sup>  4.2 Cofinancing of diagnostic studies and projects on market access technical requirements.	<b>Total: US\$350,000</b> MIF: US\$300,000 Counterpart: US\$ 50,000  4.1 Costa Rican directory of technicians specializing in nontariff measures established by month 3.  4.2 Cofinancing approved for 100 diagnostic studies and projects on market access technical requirements by the end of the project.	<ul style="list-style-type: none"> <li>• Technical reports produced.</li> <li>• Services approved.</li> <li>• Register of participants.</li> <li>• Annual report and evaluation.</li> <li>• Course/seminar records.</li> <li>• Number of consulting services contracted.</li> <li>• Technical reports produced.</li> <li>• Number of consultants registered in the competitive fund system.</li> <li>• Progress reports and final report.</li> <li>• Midterm and final evaluations.</li> </ul>	<p>SMEs are willing to pay at least part of the costs for training and technical assistance, thereby encouraging sustainability of the market for this type of service.</p> <p>Existence of good practices and access to information.</p> <p>Lessons learned from good practices are relevant to the needs of SMEs in Costa Rica.</p> <p>Good practices are easy to implement.</p> <p>Consultants are interested in providing services to SMEs on this issue.</p> <p>There are facilitators to train consultants.</p> <p>There is access to financial resources to implement measures arising from the project, as needed to overcome nontariff measures.</p>

<sup>6</sup> Directory to include suppliers of market access-related services.

**ASSISTANCE FOR SMALL AND MEDIUM-SIZED ENTERPRISES IN CENTRAL AMERICA ON TECHNICAL REQUIREMENTS FOR GAINING MARKET ACCESS  
UNDER THE DOMINICAN REPUBLIC-CENTRAL AMERICA-UNITED STATES FREE TRADE AGREEMENT (DR-CAFTA)  
(TC-03-04-02-1-RG)**

**LOGICAL FRAMEWORK MATRIX**

**El Salvador**

<b>Objectives</b>	<b>Indicators</b>	<b>Means of verification</b>	<b>Assumptions</b>
<b>Goal</b>			
To help enhance the competitiveness of Salvadoran SMEs operating in the agribusiness sector.	Four years after the end of the program, agribusiness exports are growing by 15% per year in value terms, with a 15% increase in the number of SMEs from El Salvador gaining access to DR-CAFTA markets. <sup>1</sup>	Ex ante and ex post surveys. Official government statistics. Ex post evaluation.	Macroeconomic and institutional conditions favor Salvadoran SME trade and competitiveness, through an increase in technical capacity to meet nontariff measures.
<b>Purpose</b>			
To establish and validate a model to take advantage of opportunities opened up by DR-CAFTA, making it possible for Salvadoran agribusiness SMEs to satisfy nontariff market access requirements.	By the end of the project: <ul style="list-style-type: none"> <li>➤ Model<sup>2</sup> for exploitation of DR-CAFTA implemented, enabling a growing number of Salvadoran SMEs to gain access to services to overcome nontariff market access requirements.</li> <li>➤ The total value of exports by participating SMEs increases; and 70% of SMEs participating in the program overcome nontariff access barriers to the United States market.<sup>3</sup></li> </ul>	<ul style="list-style-type: none"> <li>• Project report based on the impact indicators matrix defined by the evaluation consultant.</li> <li>• Project report based on the impact indicators matrix defined by the evaluation consultant.</li> <li>• Project completion report (PCR)</li> <li>• Project performance monitoring reports (PPMR).</li> </ul>	The public and private sectors are aware of the opportunities opened up by DR-CAFTA, the challenge posed by technical requirements for gaining market access, the importance of overcoming nontariff measures in the DR-CAFTA market, and how to adapt mechanisms to facilitate exports and trade generally.

<sup>1</sup> Definition of indicators and projected values to be developed by the consultant in an evaluation to be contracted at the outset of the program.

<sup>2</sup> A systematic way of promoting market access opportunities, building service delivery capacity, coordinating demand for services, and cofinancing services in order to achieve effective market access.

<sup>3</sup> Definition of indicators and projected values to be developed by the consultant in an evaluation to be contracted at the outset of the program.

Objectives	Indicators	Means of verification	Assumptions
		<ul style="list-style-type: none"> <li>Progress reports and final report.</li> <li>Sustainability and closing workshops.</li> <li>Survey of firms receiving project support.</li> </ul>	
<b>Components</b>			
<b>Component I: Interagency awareness-raising and coordination.</b>			
Subcomponent I.A: Raising awareness on market access opportunities generated by DR-CAFTA.	<ul style="list-style-type: none"> <li>➤ 500 Salvadoran SME producers and/or exporters informed on technical requirements for gaining market access and new trade opportunities generated by DR-CAFTA, 24 months into the project.</li> <li>➤ 1,000 Salvadoran SME producers and/or exporters informed on technical requirements for market access and new trade opportunities generated by DR-CAFTA, by month 42.</li> </ul>	<ul style="list-style-type: none"> <li>Semiannual progress reports and final report submitted by the executing agency.</li> <li>PPMR</li> <li>Midterm and final evaluations conducted by external consultants.</li> <li>PCR</li> <li>Inspection visits by the Country Office specialist.</li> <li>List of participants in the various events.</li> </ul>	Salvadoran SMEs and other stakeholders remain interested in participating in the market under DR-CAFTA, and in being informed on market access requirements.
Subcomponent I.B: Joint programs and coordination with other initiatives.	<ul style="list-style-type: none"> <li>➤ Coordination desk implemented.<sup>4</sup></li> </ul>	<ul style="list-style-type: none"> <li>Semiannual progress reports and final report submitted by the executing agency.</li> <li>PPMR</li> <li>Midterm and final evaluations conducted by external consultants.</li> </ul>	<p>Communication and coordination links are established between the executing unit and other cooperation agencies that have programs on related issues.</p> <p>Salvadoran SMEs and other stakeholders remain interested in participating in the market under</p>

<sup>4</sup> As part of one of the specific objectives, joint programs will be developed between the executing agencies participating in the program and in coordination with other related private and public initiatives.

Objectives	Indicators	Means of verification	Assumptions
		<ul style="list-style-type: none"> <li>• PCR</li> <li>• Inspection visits by the Country Office specialist.</li> </ul>	<p>DR-CAFTA.</p> <p>SMEs maintain demand and interest in gaining access to new export markets, and in improving their productivity and competitiveness.</p>
<b>Component II: System for strengthening supply and linking supply of and demand for services.</b>			
Subcomponent II.A: System for strengthening the supply of consulting services on technical requirements for gaining market access. <sup>5</sup>	<p>➤ 100 providers of consulting services (20 per country) trained on market access technical requirements, 70% after 12 months of execution and 100% after 18 months.</p>	<ul style="list-style-type: none"> <li>• Semiannual progress reports and final report submitted by the executing agency.</li> <li>• PPMR</li> <li>• Midterm and final evaluations conducted by external consultants.</li> <li>• PCR</li> <li>• Inspection visits by the Country Office specialist.</li> </ul>	<p>Salvadoran SMEs and other stakeholders remain interested in participating in the market under DR-CAFTA.</p> <p>Demand exists among SMEs for specialized training and technical assistance, to enable them to meet DR-CAFTA nontariff measures, to promote access to that market.</p>
Subcomponent II.B: System for coordinating the supply of and demand for consulting services on market access technical requirements.	<p>➤ 100 firms gain access to services cofinanced by the program. The aim is to serve 20 firms after 12 months of program execution, 30 after 24 months, and 100 by the end of the project.</p>	<ul style="list-style-type: none"> <li>• Semiannual progress reports and final report submitted by the executing agency.</li> <li>• PPMR</li> <li>• Midterm and final evaluations conducted by external consultants.</li> <li>• PCR</li> <li>• Inspection visits by the Country Office specialist.</li> </ul>	<p>Demand exists among SMEs for specialized training and technical assistance, to enable them to meet DR-CAFTA nontariff measures, to promote access to that market.</p> <p>The necessary financial, technical, and commercial capacity exists in the participating SMEs to carry out export projects with the technical/informational assistance provided.</p>

<sup>5</sup> General coordination of this subcomponent will be regional, with activities such as courses and workshops executed nationally.

Objectives	Indicators	Means of verification	Assumptions
<b>Activities</b>			
<b>Component I: Interagency awareness-raising and coordination.</b>	<b>Total: US\$257,750</b> MIF: US\$109,300 Counterpart: US\$148,450		
<b>1. Component I.A: Raising awareness on market access opportunities generated by DR-CAFTA.</b>  1.1 REGIONAL: Inventory of selected national and regional products for which market access technical requirements will be defined. (Fact sheets will be produced with products grouped by sources of access requirements). <sup>6</sup>  1.2. REGIONAL: Of the inventory of common regional agribusiness products destined for the United States, 60% to have fact sheets prepared and distributed on technical requirements for market access.  1.3 Of the inventory of unique national agribusiness products destined for the United States, 40% to have fact sheets prepared and distributed on technical requirements for market access.  1.4 REGIONAL: Preparation of informative paper on DR-CAFTA.  1.5 Distribution of copies of the DR-CAFTA information paper to SMEs.	<b>Total: US\$221,850</b> MIF: US\$106,100 Counterpart: US\$115,750  1.1 Inventory of selected national and regional products for which market access technical requirements is defined, prepared by month 12.  1.2 At least 60% of products in the regional inventory are expected to have technical requirement fact sheets prepared and distributed by month 42.  1.3 At least 40% of products in the national inventory are expected to have technical requirement fact sheets prepared and distributed by month 42.  1.4 Information paper on DR-CAFTA prepared by month 6.  1.5 1,000 copies of DR-CAFTA information papers distributed by month 24.	<ul style="list-style-type: none"> <li>• Progress reports and final report.</li> <li>• Midterm and final evaluation reports.</li> <li>• Database.</li> <li>• Informative documents available and distributed.</li> <li>• Evaluation form for each service provided.</li> <li>• COEXPORT and FECAEXCA reports.</li> <li>• Evaluation report per event/annual report and evaluation.</li> <li>• List of attendance at training events.</li> <li>• Existence of website.</li> <li>• Number of hits on the website.</li> <li>• Number of queries received through the website.</li> </ul>	SMEs willing to receive training.  Availability and/or access to information technology equipment among SMEs.  Adequate infrastructure in COEXPORT.

<sup>6</sup> The inventory is expected to include roughly 500 regional products and about 50 unique national products, grouped under 10 types of requirements.

Objectives	Indicators	Means of verification	Assumptions
1.6 15 national seminars. 1.7 REGIONAL: Website with information on program topics implemented.	1.6 15 seminars held by month 42. 1.7 Website operating after 12 months.		
<b>2. Subcomponent I.B: Joint projects and coordination with other initiatives.</b>  2.1 REGIONAL: FECAEXCA strategic plan for financial and operational sustainability of the model.  2.2 REGIONAL: Inventory of initiatives in the region to support SME trade activities.  2.3 Interagency coordination.  2.4 Coordination with the Regional Unit for Technical Assistance (RUTA).  2.5 REGIONAL: Theoretical-practical workshops to train technicians from the national public sector to overcome nontariff market access measures.	<b>Total: US\$35,900</b> <b>MIF: US\$ 3,200</b> <b>Counterpart: US\$32,700</b>  2.1 Business plan for program sustainability approved after 24 months of execution.  2.2. Inventory of initiatives in the region to support SME trade activities generated after 12 months of execution.  2.3 One annual meeting held by each of the chambers.  2.4 One annual meeting held between representatives of chambers, IDB sector specialists, and a RUTA representative.  2.5 24 months into program execution, 100 national government specialists (20 per country) are trained in theoretical and practical workshops on practices for overcoming nontariff measures for market access.	<ul style="list-style-type: none"> <li>• Business plan report.</li> <li>• Progress reports and final report.</li> <li>• Midterm and final evaluations</li> </ul>	Fluid coordination is established among IDB/MIF staff in each of the participating countries; and between IDB/MIF and FECAEXCA/COEXPORT.

Objectives	Indicators	Means of verification	Assumptions
<b>Component II: System for strengthening supply and linking supply of and demand for services.</b>	<b>Total: US\$510,000</b> MIF: US\$410,000 Counterpart: US\$100,000		
<b>3. Subcomponent II.A: System for strengthening the supply of consulting services on market access technical requirements.</b>	<b>Total: US\$100,000</b> MIF: US\$ 50,000 Counterpart: US\$ 50,000		
3.1 REGIONAL: Theoretical-practical workshops to train consultants on technical requirements for market access.	3.1 After 18 months' execution, 100 suppliers of consulting services (20 per country) are trained in theoretical-practical workshops on market access technical requirements.	<ul style="list-style-type: none"> <li>• Technical reports produced.</li> <li>• Services approved.</li> <li>• Register of participants.</li> <li>• Annual report and evaluation.</li> <li>• Course/seminar records.</li> <li>• Number of consulting services contracted.</li> <li>• Technical reports produced.</li> <li>• Number of consultants registered in the competitive fund system.</li> <li>• Progress reports and final report.</li> <li>• Midterm and final evaluations</li> </ul>	<p>SMEs are willing to pay at least part of the costs for training and technical assistance, thereby encouraging sustainability of the market for this type of service.</p> <p>Existence of good practices and access to information.</p> <p>Lessons learned from good practices are relevant to the needs of SMEs in El Salvador.</p> <p>Good practices are easy to implement.</p> <p>Consultants are interested in providing services to SMEs on this issue.</p> <p>There are facilitators to train consultants.</p> <p>There is access to financial resources to implement measures arising from the project, as needed to overcome nontariff measures.</p>

Objectives	Indicators	Means of verification	Assumptions
<b>4. Subcomponent II.B: System for coordinating the supply of and demand for consulting service on market access technical requirements.</b>	<b>Total: US\$4100,000</b> MIF: US\$ 360,000 Counterpart: US\$ 50,000	<ul style="list-style-type: none"> <li>• Technical reports produced.</li> <li>• Services approved.</li> <li>• Register of participants.</li> <li>• Annual report and evaluation.</li> <li>• Course/seminar records.</li> <li>• Number of consulting services contracted.</li> <li>• Technical reports produced.</li> <li>• Number of consultants registered in the competitive fund system.</li> <li>• Progress reports and final report.</li> <li>• Midterm and final evaluations</li> </ul>	<p>SMEs are willing to pay at least part of the costs of training and technical assistance, thereby encouraging sustainability of the market for this type of service.</p> <p>Existence of good practices and access to information.</p> <p>Lessons learned from good practices are relevant to the needs of SMEs in El Salvador.</p> <p>Good practices are easy to implement.</p> <p>Consultants are interested in providing services to SMEs on this issue.</p> <p>There are facilitators to train consultants.</p> <p>There is access to financial resources to implement measures arising from the project, as needed to overcome nontariff measures.</p>
4.1 Establishment of a Salvadoran directory of technicians specializing in nontariff measures. <sup>7</sup>	4.1 Salvadoran directory of technicians specializing in nontariff measures established by month 3.		
4.2 Cofinancing of diagnostic studies and projects on market access technical requirements.	4.2 Cofinancing approved for 100 diagnostic studies and projects on market access technical requirements by the end of the project.		

<sup>7</sup> Directory to include suppliers of market access-related services.



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**LOGICAL FRAMEWORK MATRIX**

**Guatemala**

<b>Objectives</b>	<b>Indicators</b>	<b>Means of verification</b>	<b>Assumptions</b>
<b>Goal</b>			
To help enhance the competitiveness of Guatemalan SMEs operating in the agribusiness sector.	Four years after the end of the program, agribusiness exports are growing by 15% per year in value terms, with a 15% increase in the number of Guatemalan SMEs gaining access to DR-CAFTA markets. <sup>1</sup>	Ex ante and ex post surveys. Ex post evaluation.	Macroeconomic and institutional conditions favor Guatemalan SME trade and competitiveness, through an increase in technical capacity to meet nontariff measures.
<b>Purpose</b>			
To establish and validate a model to take advantage of opportunities opened up by DR-CAFTA, making it possible for Guatemalan agribusiness SMEs to satisfy nontariff market access requirements.	By the end of the project: ➤ Model <sup>2</sup> for exploitation of DR-CAFTA implemented, enabling a growing number of Guatemalan SMEs to gain access to services to overcome nontariff market access requirements - The total value of exports by participating SMEs increases; and 70% of SMEs participating in the program overcome nontariff access barriers to the United States market. <sup>3</sup>	<ul style="list-style-type: none"> <li>• Project report based on the impact indicators matrix defined by the evaluation consultant.</li> <li>• Project report based on the impact indicators matrix defined by the evaluation consultant.</li> <li>• Project completion report (PCR).</li> </ul>	The public and private sectors are aware of the opportunities opened up by DR-CAFTA, the challenge posed by technical requirements for gaining market access, the importance of overcoming nontariff measures in the DR-CAFTA market, and how to adapt mechanisms to facilitate exports and trade generally.

<sup>1</sup> Definition of indicators and projected values to be developed by the consultant in an evaluation to be contracted at the outset of the program.

<sup>2</sup> A systematic way of promoting market access opportunities, building service delivery capacity, coordinating demand for services, and cofinancing services in order to achieve effective market access.

<sup>3</sup> Definition of indicators and projected values to be developed by the consultant in an evaluation to be contracted at the outset of the program.

Objectives	Indicators	Means of verification	Assumptions
		<ul style="list-style-type: none"> <li>• Project performance monitoring report (PPMR).</li> <li>• Progress and final report.</li> <li>• Sustainability and closing workshops.</li> <li>• Survey of firms receiving project support.</li> </ul>	
<b>Components</b>			
<b>Component I: Interagency awareness-raising and coordination.</b>			
Subcomponent I.A: Raising awareness on market access opportunities generated by DR-CAFTA.	<ul style="list-style-type: none"> <li>➤ 500 Guatemalan SME producers and/or exporters informed on technical requirements for access and new trade opportunities generated by DR-CAFTA, 24 months into the project.</li> <li>➤ 1,000 Guatemalan SME producers and/or exporters informed on technical requirements for gaining access and new trade opportunities generated by DR-CAFTA, by month 42.</li> </ul>	<ul style="list-style-type: none"> <li>• Semiannual progress reports and final report submitted by the executing agency.</li> <li>• PPMR</li> <li>• Midterm and final evaluations conducted by external consultants.</li> <li>• PCR</li> <li>• Inspection visits by the Country Office specialist.</li> <li>• List of participants in the various events.</li> </ul>	Guatemalan SMEs and other stakeholders remain interested in participating in the market under DR-CAFTA, and in being informed on market access requirements.
Subcomponent I.B: Joint programs and coordination with other initiatives.	➤ Coordination desk implemented. <sup>4</sup>	<ul style="list-style-type: none"> <li>• Semiannual progress reports and final report submitted by the executing agency.</li> <li>• PPMR</li> </ul>	Communication and coordination links are established between the executing unit and other cooperation agencies that have programs on related issues.

<sup>4</sup> As part of one of the specific objectives, joint programs will be developed between the executing agencies participating in the program and in coordination with other related private and public initiatives.

Objectives	Indicators	Means of verification	Assumptions
		<ul style="list-style-type: none"> <li>Midterm and final evaluations conducted by external consultants.</li> <li>PCR</li> <li>Inspection visits by the Country Office specialist.</li> </ul>	<p>Guatemalan SMEs and other stakeholders remain interested in participating in the market under DR-CAFTA.</p> <p>SMEs maintain demand and interest in gaining access to new export markets, and in improving their productivity and competitiveness.</p>
<b>Component II: System for strengthening supply and linking supply of and demand for services.</b>			
Subcomponent II.A: System for strengthening the supply of consulting services on technical requirements for gaining market access. <sup>5</sup>	* Executed regionally by COEXPORT in El Salvador (see El Salvador logical framework).		
Subcomponent II.B: System for coordinating supply of and demand for consulting services on market access technical requirements.	➤ 100 firms gain access to services co-financed by the program. The aim is to serve 20 firms after 12 months of program execution, 30 after 24 months, and 100 by the end of the project.	<ul style="list-style-type: none"> <li>Semiannual progress reports and final report submitted by the executing agency</li> <li>PPMR</li> <li>Midterm and final evaluations conducted by external consultants.</li> <li>PCR</li> <li>Inspection visits by the Country Office specialist</li> </ul>	<p>There is demand among SMEs for specialized training and technical assistance, to enable them to meet DR-CAFTA nontariff measures, to promote access to that market.</p> <p>The necessary financial, technical, and commercial capacity exists in the participating SMEs to carry out export projects with the technical/informational assistance provided.</p>

<sup>5</sup> General coordination of this subcomponent will be regional, with activities such as courses and workshops executed nationally.

Objectives	Indicators	Means of verification	Assumptions
<b>Activities</b>			
<b>Component I: Interagency awareness-raising and coordination.</b>	<b>Total: US\$ 81,650</b> MIF: US\$ 9,200 Counterpart: US\$ 72,450		
<b>1. Component I.A: Raising awareness on market access opportunities generated by DR-CAFTA.</b>  1.1 Of the inventory of unique national agribusiness products destined for the United States, 40% have fact sheets prepared and distributed on technical requirements for market access.  1.2 Distribution of copies of the DR-CAFTA information paper to SMEs.  1.3 15 national seminars.	<b>Total: US\$ 72,250</b> MIF: US\$ 6,000 Counterpart: US\$ 69,250  1.1 At least 40% of products in the national inventory have technical requirement fact sheets prepared and distributed by month 42.  1.2 1,000 copies of DR-CAFTA information papers distributed by month 24.  1.3 15 seminars held by month 42.	<ul style="list-style-type: none"> <li>• Progress reports and final report.</li> <li>• Midterm and final evaluation reports.</li> <li>• Database.</li> <li>• Informative documents available and distributed.</li> <li>• Evaluation form for each service provided.</li> <li>• AGEXPRONT reports</li> <li>• Evaluation report per event/annual report and evaluation.</li> <li>• List of attendance at training events.</li> <li>• Existence of website.</li> <li>• Number of hits on the website.</li> <li>• Number of queries received through the website.</li> </ul>	SMEs willing to receive training.  Availability and/or access to information technology equipment among SMEs.  Adequate infrastructure in AGEXPRONT.

Objectives	Indicators	Means of verification	Assumptions
<b>2. Subcomponent I.B: Joint projects and coordination with other initiatives.</b>  2.1 Interagency coordination. 2.2 Coordination with the Regional Unit for Technical Assistance (RUTA).	<b>Total: US\$ 6,400</b> MIF: US\$ 3,200 Counterpart: US\$ 3,200  2.1 One annual meeting held by each of the chambers. 2.2 One annual meeting held between representatives of chambers, IDB sector specialists, and a RUTA representative.	<ul style="list-style-type: none"> <li>• Business plan report.</li> <li>• Progress reports and final report.</li> <li>• Midterm and final evaluations.</li> </ul>	Fluid coordination is established among IDB/MIF staff in each of the participating countries; and between IDB/MIF and AGEXPRONT.
<b>Component II: System for strengthening the supply and linking supply of and demand for services.</b>	<b>Total: US\$350,000</b> MIF: US\$300,000 Counterpart: US\$ 50,000		
<b>3. Subcomponent II.A: System for strengthening the supply of consulting services on market access technical requirements.</b>	<b>Total: US\$0</b> MIF: US\$0 Counterpart: US\$0		
<b>4. Subcomponent II.B: System for coordinating the supply of and demand for consulting services on market access technical requirements.</b>	<b>Total: US\$350,000</b> MIF: US\$300,000 Counterpart: US\$ 50,000	<ul style="list-style-type: none"> <li>• Technical reports produced.</li> <li>• Services approved.</li> <li>• Register of participants.</li> <li>• Annual report and evaluation.</li> </ul>	SMEs are willing to pay at least part of the costs for training and technical assistance, thereby encouraging sustainability of the market for this type of service.  Existence of good practices and access to information.

Objectives	Indicators	Means of verification	Assumptions
<p>4.1 Establishment of a Guatemalan directory of technicians specializing in nontariff measures.<sup>6</sup></p> <p>4.2 Cofinancing of diagnostic studies and projects on market access technical requirements.</p>	<p>4.1 Guatemalan directory of technicians specializing in nontariff measures established by month 3.</p> <p>4.2 Cofinancing approved for 100 diagnostic studies and projects on market access technical requirements by the end of the project.</p>	<ul style="list-style-type: none"> <li>• Course/seminar records.</li> <li>• Number of consulting services contracted.</li> <li>• Technical reports produced.</li> <li>• Number of consultants registered in the competitive fund system.</li> <li>• Progress reports and final report.</li> <li>• Midterm and final evaluations.</li> </ul>	<p>Lessons learned from good practices are relevant to the needs of SMEs in Guatemala.</p> <p>Good practices are easy to implement.</p> <p>Consultants are interested in providing services to SMEs on this issue.</p> <p>There are facilitators to train consultants.</p> <p>Existence of access to financial resources to implement measures arising from the project, as needed to overcome nontariff measures.</p>

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<sup>6</sup> Directory to include suppliers of market access-related services.

**ASSISTANCE FOR SMALL AND MEDIUM-SIZED ENTERPRISES IN CENTRAL AMERICA ON TECHNICAL REQUIREMENTS FOR GAINING MARKET ACCESS  
UNDER THE DOMINICAN REPUBLIC-CENTRAL AMERICA-UNITED STATES FREE TRADE AGREEMENT (DR-CAFTA)  
(TC-03-04-02-1-RG)  
LOGICAL FRAMEWORK MATRIX  
Honduras**

Objectives	Indicators	Means of verification	Assumptions
<b>Goal</b>			
To help enhance the competitiveness of Honduran SMEs operating in the agribusiness sector.	Four years after the end of the program, agribusiness exports are growing by 15% per year in value terms, with a 15% increase in the number of Honduran SMEs gaining access to DR-CAFTA markets. <sup>1</sup>	Ex ante and ex post surveys. Official government statistics. Ex post evaluation.	Macroeconomic and institutional conditions favor Honduran SME trade and competitiveness, through an increase in technical capacity to meet nontariff measures.
<b>Purpose</b>			
To establish and validate a model to take advantage of opportunities opened up by DR-CAFTA, making it possible for Honduran agribusiness SMEs to satisfy nontariff market access requirements.	By the end of the project: <ul style="list-style-type: none"> <li>➤ Model<sup>2</sup> for exploitation of DR-CAFTA implemented, enabling a growing number of Honduran SMEs to gain access to services to overcome nontariff market access requirements.</li> <li>➤ The total value of exports by participating SMEs increases; and 70% of SMEs participating in the program overcome nontariff access barriers to the United States market.<sup>3</sup></li> </ul>	<ul style="list-style-type: none"> <li>• Project report based on the impact indicators matrix defined by the evaluation consultant.</li> <li>• Project report based on the impact indicators matrix defined by the evaluation consultant.</li> <li>• Project completion report (PCR).</li> <li>• Project performance monitoring report (PPMR).</li> <li>• Progress report and final report.</li> <li>• Sustainability and closing</li> </ul>	The public and private sectors are aware of the opportunities opened up by DR-CAFTA, the challenge posed by technical requirements for gaining market access, the importance of overcoming nontariff measures in the DR-CAFTA market, and how to adapt mechanisms to facilitate exports and trade generally.

<sup>1</sup> Definition of indicators and projected values to be developed by the consultant in an evaluation to be contracted at the outset of the program.

<sup>2</sup> A systematic way of promoting market access opportunities, building service delivery capacity, coordinating demand for services, and cofinancing services in order to achieve effective market access.

<sup>3</sup> Definition of indicators and projected values to be developed by the consultant in an evaluation to be contracted at the outset of the program.

Objectives	Indicators	Means of verification	Assumptions
		workshops. <ul style="list-style-type: none"> <li>Survey of firms receiving project support.</li> </ul>	
<b>Components</b>			
<b>Component I: Interagency awareness-raising and coordination.</b>			
Subcomponent I.A: Raising awareness on market access opportunities generated by DR-CAFTA.	<ul style="list-style-type: none"> <li>➤ 500 Honduran SME producers and/or exporters informed on technical requirements for access and new trade opportunities generated by DR-CAFTA, 24 months into the project.</li> <li>➤ 1,000 Honduran SME producers and/or exporters informed on technical requirements for access and new trade opportunities generated by CAFTA, by month 42.</li> </ul>	<ul style="list-style-type: none"> <li>Semiannual progress reports and final report submitted by the executing agency.</li> <li>PPMR.</li> <li>Midterm and final evaluations conducted by external consultants.</li> <li>PCR.</li> <li>Inspection visits by the Country Office specialist.</li> <li>List of participants in the various events.</li> </ul>	Honduran SMEs and other stakeholders remain interested in participating in the market under DR-CAFTA, and in being informed on market access requirements.
Subcomponent I.B: Joint programs and coordination with other initiatives.	<ul style="list-style-type: none"> <li>➤ Coordination desk implemented.<sup>4</sup></li> </ul>	<ul style="list-style-type: none"> <li>Semiannual progress reports and final report submitted by the executing agency.</li> <li>PPMR.</li> <li>Midterm and final evaluations conducted by external consultants.</li> <li>PCR.</li> <li>Inspection visits by the Country Office specialist.</li> </ul>	<p>Communication and coordination links are established between the executing unit and other cooperation agencies that have programs on related issues.</p> <p>Honduran SMEs and other stakeholders remain interested in participating in the market under DR-CAFTA.</p> <p>SMEs maintain demand and interest in gaining access to new export markets, and in improving their productivity and competitiveness.</p>

<sup>4</sup> As part of one of the specific objectives, joint programs will be developed between the executing agencies participating in the program and in coordination with other related private and public initiatives.



Objectives	Indicators	Means of verification	Assumptions
<b>Component II: System for strengthening supply and linking supply of and demand for services.</b>			
Subcomponent II.A: System for strengthening the supply of consulting services on technical requirements for gaining market access. <sup>5</sup>	* Executed regionally by COEXPORT in El Salvador (see El Salvador logical framework).		
Subcomponent II.B: System for coordinating supply of and demand for consulting services on market access technical requirements.	➤ 100 firms gain access to services co-financed by the program. The aim is to serve 20 firms after 12 months of program execution, 30 after 24 months, and 100 by the end of the project.	<ul style="list-style-type: none"> <li>Semiannual progress reports and final report submitted by the executing agency.</li> <li>PPMR</li> <li>Midterm and final evaluations conducted by external consultants.</li> <li>PCR</li> <li>Inspection visits by the Country Office specialist.</li> </ul>	<p>Demand exists among SMEs for specialized training and technical assistance, to enable them to meet DR-CAFTA nontariff measures, to promote access to that market.</p> <p>The necessary financial, technical, and commercial capacity exists in the participating SMEs to carry out export projects with the technical/informational assistance provided.</p>
<b>Activities</b>			
<b>Component I: Interagency awareness-raising and coordination.</b>	<b>Total: US\$ 81,650</b> MIF: US\$ 9,200 Counterpart: US\$ 72,450		
<b>1. Component I.A: Raising awareness on market access opportunities generated by DR-CAFTA.</b>  1.1 Of the inventory of unique national agribusiness products destined for the United States, 40% to have fact sheets prepared and distributed on technical requirements for market access.	<b>Total: US\$ 72,250</b> MIF: US\$ 6,000 Counterpart: US\$ 69,250  1.1 At least 40% of products in the national inventory are expected to have technical requirement fact sheets prepared and distributed by month 42.	<ul style="list-style-type: none"> <li>Progress reports and final report.</li> <li>Midterm and final evaluation reports.</li> <li>Database.</li> <li>Informative documents available and distributed.</li> <li>Evaluation form for each service provided.</li> </ul>	<p>SMEs willing to receive training.</p> <p>Availability and/or access to information technology equipment among SMEs.</p>

<sup>5</sup> General coordination of this subcomponent will be regional, with activities such as courses and workshops executed nationally.

Objectives	Indicators	Means of verification	Assumptions
1.2 Distribution of copies of the DR-CAFTA information paper to SMEs. 1.3 15 national seminars.	1.2 1,000 copies of DR-CAFTA information papers distributed by month 24. 1.3 15 seminars held by month 42.	<ul style="list-style-type: none"> <li>• FPX reports.</li> <li>• Evaluation report per event/annual report and evaluation.</li> <li>• List of attendance at training events.</li> <li>• Existence of website.</li> <li>• Number of hits on the website.</li> <li>• Number of queries received through the website.</li> </ul>	Adequate infrastructure in FPX.
<b>2. Subcomponent I.B: Joint projects and coordination with other initiatives.</b> 2.1 Interagency coordination. 2.2 Coordination with the Regional Unit for Technical Assistance (RUTA).	<b>Total: US\$ 6,400</b> MIF: US\$ 3,200 Counterpart: US\$ 3,200 2.1 One annual meeting held by each of the chambers. 2.2 One annual meeting held between representatives of chambers, IDB sector specialists, and a RUTA representative.	<ul style="list-style-type: none"> <li>• Business plan report.</li> <li>• Progress reports and final report.</li> <li>• Midterm and final evaluations</li> </ul>	Fluid coordination established among IDB/MIF staff in each of the participating countries; and between IDB/MIF and FPX.
<b>Component II: System for strengthening supply and linking supply of and demand for services.</b>	<b>Total: US\$ 350,000</b> MIF: US\$ 300,000 Counterpart: US\$ 50,000		
<b>3. Subcomponent II.A: System for strengthening the supply of consulting services on market access technical requirements.</b>	<b>Total: US\$ 0</b> MIF: US\$ 0 Counterpart: US\$ 0		

Objectives	Indicators	Means of verification	Assumptions
<b>4. Subcomponent II.B: System for coordinating the supply of and demand for consulting service on market access technical measures.</b>  4.1 Establishment of a Honduran directory of technicians specializing in nontariff measures. <sup>6</sup>  4.2 Cofinancing of diagnostic studies and projects on market access technical requirements.	<b>Total:       US\$ 350,000</b> <b>MIF:           US\$ 300,000</b> <b>Counterpart: US\$ 50,000</b>  4.2 Honduran directory of technicians specializing in nontariff measures established by month 3.  4.3 Cofinancing approved for 100 diagnostic studies and projects on market access technical requirements by the end of the project.	<ul style="list-style-type: none"> <li>• Technical reports produced.</li> <li>• Services approved</li> <li>• Register of participants</li> <li>• Annual report and evaluation.</li> <li>• Course/seminar records.</li> <li>• Number of consulting services contracted.</li> <li>• Technical reports produced.</li> <li>• Number of consultants registered in the competitive fund system.</li> <li>• Progress reports and final report.</li> <li>• Midterm and final evaluations.</li> </ul>	<p>SMEs are willing to pay at least part of the costs for training and technical assistance, thereby encouraging sustainability of the market for this type of service.</p> <p>Existence of good practices and access to information.</p> <p>Lessons learned from good practices are relevant to the needs of SMEs in Honduras.</p> <p>Good practices are easy to implement.</p> <p>Consultants are interested in providing services to SMEs on this issue.</p> <p>There are facilitators to train consultants.</p> <p>There is access to financial resources to implement measures arising from the project, as needed to overcome nontariff measures.</p>

<sup>6</sup> Directory to include suppliers of market access-related services.

**ASSISTANCE FOR SMALL AND MEDIUM-SIZED ENTERPRISES IN CENTRAL AMERICA ON TECHNICAL REQUIREMENTS FOR GAINING MARKET ACCESS  
UNDER THE DOMINICAN REPUBLIC-CENTRAL AMERICA-UNITED STATES FREE TRADE AGREEMENT (DR-CAFTA)  
(TC-03-04-02-1-RG)**

**LOGICAL FRAMEWORK MATRIX**

**Nicaragua**

Objectives	Indicators	Means of verification	Assumptions
<b>Goal</b>			
To help enhance the competitiveness of Nicaraguan SMEs operating in the agribusiness sector.	Four years after the end of the program, agribusiness exports are growing by 15% per year in value terms, with a 15% increase in the number of Nicaraguan SMEs gaining access to DR-CAFTA markets. <sup>1</sup>	Ex ante and ex post surveys. Official government statistics. Ex post evaluation.	Macroeconomic and institutional conditions favor Nicaraguan SME trade and competitiveness, through an increase in technical capacity to meet nontariff measures.
<b>Purpose</b>			
To establish and validate a model to take advantage of opportunities opened up by DR-CAFTA, making it possible for Nicaraguan agribusiness SMEs to satisfy nontariff market access requirements.	By the end of the project: <ul style="list-style-type: none"> <li>➤ Model<sup>2</sup> for exploitation of DR-CAFTA implemented, enabling a growing number of Nicaraguan SMEs to gain access to services to overcome nontariff market access requirements.</li> <li>➤ The total value of exports by participating SMEs increases; and 70% of SMEs participating in the program overcome nontariff barriers for access to the United States market.<sup>3</sup></li> </ul>	<ul style="list-style-type: none"> <li>• Project report based on the impact indicators matrix defined by the evaluation consultant.</li> <li>• Project report based on the impact indicators matrix defined by the evaluation consultant.</li> <li>• Project completion report (PCR).</li> <li>• Project performance monitoring report (PPMR).</li> </ul>	The public and private sectors are aware of the opportunities opened up by DR-CAFTA, the challenge posed by technical requirements for gaining market access, the importance of overcoming nontariff measures in the DR-CAFTA market, and how to adapt mechanisms to facilitate exports and trade generally.

<sup>1</sup> Definition of indicators and projected values to be developed by the consultant in an evaluation to be contracted at the outset of the program.

<sup>2</sup> A systematic way of promoting market access opportunities, building service delivery capacity, coordinating demand for services, and cofinancing services in order to achieve effective market access.

<sup>3</sup> Definition of indicators and projected values to be developed by the consultant in an evaluation to be contracted at the outset of the program.

Objectives	Indicators	Means of verification	Assumptions
		<ul style="list-style-type: none"> <li>• Progress report and final report.</li> <li>• Sustainability and closing workshops.</li> <li>• Survey of firms receiving project support.</li> </ul>	
<b>Components</b>			
<b>Component I: Interagency awareness-raising and coordination</b>			
Subcomponent I.A: Raising awareness on market access opportunities generated by DR-CAFTA.	<ul style="list-style-type: none"> <li>➤ 500 Nicaraguan SME producers and/or exporters informed on technical requirements for access and new trade opportunities generated by DR-CAFTA, 24 months into the project.</li> <li>➤ 1,000 Honduran SME producers and/or exporters informed on technical requirements for access and new trade opportunities generated by CAFTA, by month 42.</li> </ul>	<ul style="list-style-type: none"> <li>• Semiannual progress reports and final report submitted by the executing agency.</li> <li>• PPMR</li> <li>• Midterm and final evaluations conducted by external consultants.</li> <li>• PCR</li> <li>• Inspection visits by the Country Office specialist.</li> <li>• List of participants in the various events.</li> </ul>	Nicaraguan SMEs and other stakeholders remain interested in participating in the market under DR-CAFTA, and in being informed on market access requirements.

Objectives	Indicators	Means of verification	Assumptions
Subcomponent I.B: Joint programs and coordination with other initiatives.	➤ Coordination desk implemented. <sup>4</sup>	<ul style="list-style-type: none"> <li>Semiannual progress reports and final report submitted by the executing agency.</li> <li>PPMR</li> <li>Midterm and final evaluations conducted by external consultants.</li> <li>PCR</li> <li>Inspection visits by the Country Office specialist.</li> </ul>	<p>Communication and coordination links are established between the executing unit and other cooperation agencies that have programs on related issues.</p> <p>Nicaraguan SMEs and other stakeholders remain interested in participating in the market under DR-CAFTA.</p> <p>SMEs maintain demand and interest in gaining access to new export markets, and in improving their productivity and competitiveness.</p>
<b>Component II: System for strengthening supply and the coordination of supply and demand for services.</b>			
Subcomponent II.A: System for strengthening the supply of consulting services on technical requirements for gaining market access. <sup>5</sup>	* Executed regionally by COEXPORT in El Salvador (see El Salvador logical framework).		
Subcomponent II.B: System for coordinating supply of and demand for consulting services on market access technical requirements.	➤ 100 firms gain access to services cofinanced by the program. The aim is to serve 20 firms after 12 months of program execution, 30 after 24 months, and 100 by the end of the project.	<ul style="list-style-type: none"> <li>Semiannual progress reports and final report submitted by the executing agency.</li> <li>PPMR</li> </ul>	Demand exists among SMEs for specialized training and technical assistance, to enable them to meet DR-CAFTA nontariff measures, to promote access to that market.

<sup>4</sup> As part of one of the specific objectives, joint programs will be developed between the executing agencies participating in the program and in coordination with other related initiatives, both private and public.

<sup>5</sup> General coordination of this subcomponent will be regional, with activities such as courses and workshops executed nationally.

Objectives	Indicators	Means of verification	Assumptions
		<ul style="list-style-type: none"> <li>• Midterm and final evaluations conducted by external consultants.</li> <li>• PCR</li> <li>• Inspection visits by the Country Office specialist.</li> </ul>	The necessary financial, technical, and commercial capacity exists in the participating SMEs to carry out export projects with the technical/informational assistance provided.
<b>Activities</b>			
<b>Component I:</b> <b>Interagency awareness-raising and coordination.</b>  <b>1. Component I.A: Raising awareness on market access opportunities generated by DR-CAFTA.</b>  1.1 Of the inventory of unique national agribusiness products destined for the United States, 40% to have fact sheets prepared and distributed on technical requirements for market access.  1.2 Distribution of copies of the DR-CAFTA information paper to SMEs.  1.3 15 national seminars.	<b>Total: US\$81,650</b> MIF: US\$ 9,200 Counterpart: US\$72,450  <b>Total: US\$72,250</b> MIF: US\$ 6,000 Counterpart: US\$69,250  1.1 At least 40% of products in the national inventory to have technical requirement fact sheets prepared and distributed by month 42.  1.2 1,000 copies of DR-CAFTA information papers distributed by month 24.  1.3 15 seminars held by month 42.	<ul style="list-style-type: none"> <li>• Progress reports and final report.</li> <li>• Midterm and final evaluation reports.</li> <li>• Database</li> <li>• Informative documents available and distributed.</li> <li>• Evaluation form for each service provided.</li> <li>• APENN reports.</li> <li>• Evaluation report per event/annual report and evaluation.</li> <li>• List of attendance at training events.</li> <li>• Existence of website.</li> <li>• Number of hits on the website.</li> <li>• Number of queries received through the website.</li> </ul>	SMEs willing to receive training.  Availability and/or access to information technology equipment among SMEs.  Adequate infrastructure in APENN.

Objectives	Indicators	Means of verification	Assumptions
<b>2. Subcomponent I.B: Joint projects and coordination with other initiatives.</b>  2.1 Interagency coordination.  2.2 Coordination with the Regional Unit for Technical Assistance (RUTA).	<b>Total: US\$6,400</b> MIF: US\$3,200 Counterpart: US\$3,200  2.1 One annual meeting held by each of the chambers.  2.2 One annual meeting held between representatives of chambers, IDB sector specialists, and a RUTA representative.	<ul style="list-style-type: none"> <li>• Business plan report.</li> <li>• Progress reports and final report.</li> <li>• Midterm and final evaluations</li> </ul>	Fluid coordination is established among IDB/MIF staff in each of the participating countries; and between IDB/MIF and APENN.
<b>Component II: System for strengthening supply and linking supply of and demand for services.</b>	<b>Total: US\$350,000</b> MIF: US\$300,000 Counterpart: US\$ 50,000		
<b>3. Subcomponent II.A: System for strengthening the supply of consulting services on market access technical requirements.</b>	<b>Total: US\$0</b> MIF: US\$0 Counterpart: US\$0		
<b>4. Subcomponent II.B: System for coordinating the supply of and demand for consulting service on market access technical requirements.</b>  4.1 Establishment of a Nicaraguan directory of technicians specializing in nontariff measures. <sup>6</sup>  4.2 Cofinancing of diagnostic studies and projects on market access technical requirements.	<b>Total: US\$350,000</b> MIF: US\$300,000 Counterpart: US\$ 50,000  4.1 Nicaraguan directory of technicians specializing in nontariff measures to be established by month 3.  4.2 Cofinancing approved for 100 diagnostic studies and projects on market access technical requirements by the end of the project.	<ul style="list-style-type: none"> <li>• Technical reports produced.</li> <li>• Services approved.</li> <li>• Register of participants.</li> <li>• Annual report and evaluation.</li> <li>• Course/seminar records.</li> <li>• Number of consulting services contracted.</li> <li>• Technical reports produced.</li> <li>• Number of consultants registered in the competitive fund system.</li> </ul>	SMEs are willing to pay at least part of the costs for training and technical assistance, thereby encouraging sustainability of the market for this type of service.  Existence of good practices and access to information.  Lessons learned from good practices are relevant to the needs of SMEs in Nicaragua.  Good practices are easy to implement.

<sup>6</sup> Directory to include suppliers of market access-related services.



Objectives	Indicators	Means of verification	Assumptions
		<ul style="list-style-type: none"><li>• Progress reports and final report.</li><li>• Midterm and final evaluations.</li></ul>	<p>Consultants are interested in providing services to SMEs on this issue.</p> <p>There are facilitators to train consultants.</p> <p>There is access to financial resources to implement measures arising from the project, as needed to overcome nontariff measures.</p>

**SUMMARY BUDGET - COSTA RICA**  
**REGIONAL: Assistance for Small and Medium-sized Enterprises in Central America**  
**on Technical Requirements for Gaining Market Access under the Dominican**  
**Republic-Central America-United States Free Trade Agreement (DR-CAFTA)**

(TC-03-04-02-1)

Costa Rica	MIF contribution	Local contribution in cash	Local contribution in kind	Local subtotal	Total
<b>Coordination and logistics</b>	<b>153,000</b>	<b>18,900</b>	<b>88,200</b>	<b>107,100</b>	<b>260,100</b>
Coordinating Unit	150,000	-	43,200	43,200	193,200
Logistics	3,000	18,900	45,000	63,900	66,900
<b>Component I</b>	<b>9,200</b>	<b>46,600</b>	<b>25,850</b>	<b>72,450</b>	<b>81,650</b>
<b>Raising awareness on market access opportunities generated by CAFTA</b>	<b>6,000</b>	<b>45,000</b>	<b>24,250</b>	<b>69,250</b>	<b>75,250</b>
CAFTA information paper	-	1,000	1,000	2,000	2,000
Technical documents on requirements	6,000	33,500	-	33,500	39,500
National seminars	-	10,500	23,250	33,750	33,750
<b>Joint programs and coordination with other initiatives</b>	<b>3,200</b>	<b>1,600</b>	<b>1,600</b>	<b>3,200</b>	<b>6,400</b>
Joint programs and coordination with other initiatives	3,200	1,600	1,600	3,200	6,400
<b>Component II</b>	<b>300,000</b>	<b>50,000</b>	<b>-</b>	<b>50,000</b>	<b>350,000</b>
Cofinancing fund	300,000	50,000	-	50,000	350,000
<b>SUBTOTAL</b>	<b>462,200</b>	<b>115,500</b>	<b>114,050</b>	<b>229,550</b>	<b>691,750</b>
Contingencies 5%	34,588			-	34,588
Baseline, and midterm and final evaluations	30,000	-	-	-	30,000
Audits (4)	20,000	-	-	-	20,000
<b>TOTAL</b>	<b>546,788</b>	<b>115,500</b>	<b>114,050</b>	<b>229,550</b>	<b>776,338</b>
<b>GRAND TOTAL</b>	<b>546,788</b>	<b>115,500</b>	<b>114,050</b>	<b>229,550</b>	<b>776,338</b>

**SUMMARY BUDGET - EL SALVADOR**  
**REGIONAL: Assistance for Small and Medium-sized Enterprises in Central America**  
**on Technical Requirements for Gaining Market Access under the Dominican**  
**Republic-Central America-United States Free Trade Agreement (DR-CAFTA)**

(TC-03-04-02-1)

El Salvador	MIF contribution	Local contribution in cash	Local contribution in kind	Local subtotal	Total
<b>Coordination and logistics</b>	<b>193,500</b>	<b>50,400</b>	<b>51,300</b>	<b>101,700</b>	<b>295,200</b>
Coordinating unit	189,000	37,800	-	37,800	226,800
Logistics	4,500	12,600	51,300	63,900	68,400
<b>Component I</b>	<b>174,300</b>	<b>107,350</b>	<b>76,100</b>	<b>183,450</b>	<b>357,750</b>
<b>Raising awareness on market access opportunities generated by CAFTA</b>	<b>106,100</b>	<b>82,250</b>	<b>33,500</b>	<b>115,750</b>	<b>221,850</b>
CAFTA information paper	10,000	40,000	6,000	46,000	56,000
Technical documents on requirements	18,000	33,500	-	33,500	51,500
National seminars	-	7,500	26,250	33,750	33,750
Web portal	78,100	1,250	1,250	2,500	80,600
<b>Joint programs and coordination with other initiatives</b>	<b>68,200</b>	<b>25,100</b>	<b>42,600</b>	<b>67,700</b>	<b>135,900</b>
Joint programs and coordination with other initiatives	3,200	15,100	17,600	32,700	35,900
Capacity building in the public sector	65,000	10,000	25,000	35,000	100,000
<b>Component II</b>	<b>410,000</b>	<b>75,000</b>	<b>25,000</b>	<b>100,000</b>	<b>510,000</b>
<b>System for strengthening the supply of consulting services on technical requirements for gaining market access</b>	<b>50,000</b>	<b>25,000</b>	<b>25,000</b>	<b>50,000</b>	<b>100,000</b>
Training of consultants	50,000	25,000	25,000	50,000	100,000
<b>System for coordinating supply of and demand for consulting services on technical requirements for gaining market access</b>	<b>360,000</b>	<b>50,000</b>	<b>-</b>	<b>50,000</b>	<b>410,000</b>
International technical assistance on implementation and monitoring and fund administration software	60,000	-	-	-	60,000
Cofinancing fund	300,000	50,000	-	50,000	350,000
<b>SUBTOTAL</b>	<b>777,800</b>	<b>232,750</b>	<b>152,400</b>	<b>385,150</b>	<b>1,162,950</b>
Contingencies 5%	58,148			-	58,148
Baseline, and midterm and final evaluations	30,000	-	-	-	30,000
Audits (4)	20,000	-	-	-	20,000
<b>TOTAL</b>	<b>885,948</b>	<b>232,750</b>	<b>152,400</b>	<b>385,150</b>	<b>1,271,098</b>
<b>Cluster activities</b>	<b>30,000</b>				<b>30,000</b>
<b>GRAND TOTAL</b>	<b>915,948</b>	<b>232,750</b>	<b>152,400</b>	<b>385,150</b>	<b>1,301,098</b>

**SUMMARY BUDGET - GUATEMALA**  
**REGIONAL: Assistance for Small and Medium-sized Enterprises in Central America**  
**on Technical Requirements for Gaining Market Access under the Dominican**  
**Republic-Central America-United States Free Trade Agreement (DR-CAFTA)**

(TC-03-04-02-1)

Guatemala	MIF contribution	Local contribution in cash	Local contribution in kind	Local subtotal	Total
<b>Coordination and logistics</b>	<b>153,000</b>	<b>18,900</b>	<b>88,200</b>	<b>107,100</b>	<b>260,100</b>
Coordinating unit	150,000	-	43,200	43,200	193,200
Logistics	3,000	18,900	45,000	63,900	66,900
<b>Component I</b>	<b>9,200</b>	<b>46,600</b>	<b>25,850</b>	<b>72,450</b>	<b>81,650</b>
<b>Raising awareness on market access opportunities generated by CAFTA</b>	<b>6,000</b>	<b>45,000</b>	<b>24,250</b>	<b>69,250</b>	<b>75,250</b>
CAFTA information paper	-	1,000	1,000	2,000	2,000
Technical documents on requirements	6,000	33,500	-	33,500	39,500
National seminars	-	10,500	23,250	33,750	33,750
<b>Joint programs and coordination with other initiatives</b>	<b>3,200</b>	<b>1,600</b>	<b>1,600</b>	<b>3,200</b>	<b>6,400</b>
Joint programs and coordination with other initiatives	3,200	1,600	1,600	3,200	6,400
<b>Component II</b>	<b>300,000</b>	<b>50,000</b>	<b>-</b>	<b>50,000</b>	<b>350,000</b>
Cofinancing fund	300,000	50,000	-	50,000	350,000
<b>SUBTOTAL</b>	<b>462,200</b>	<b>115,500</b>	<b>114,050</b>	<b>229,550</b>	<b>691,750</b>
Contingencies 5%	34,588			-	34,588
Baseline, and midterm and final evaluations	30,000	-	-	-	30,000
Audits (4)	20,000	-	-	-	20,000
<b>TOTAL</b>	<b>546,788</b>	<b>115,500</b>	<b>114,050</b>	<b>229,550</b>	<b>776,338</b>
<b>Cluster activities</b>					-
<b>GRAND TOTAL</b>	<b>546,788</b>	<b>115,500</b>	<b>114,050</b>	<b>229,550</b>	<b>776,338</b>

**SUMMARY BUDGET - HONDURAS**  
**REGIONAL: Assistance for Small and Medium-sized Enterprises in Central America**  
**on Technical Requirements for Gaining Market Access under the Dominican**  
**Republic-Central America-United States Free Trade Agreement (DR-CAFTA)**

(TC-03-04-02-1)

Honduras	MIF contribution	Local contribution in cash	Local contribution in kind	Local subtotal	Total
<b>Coordination and logistics</b>	<b>153,000</b>	<b>18,900</b>	<b>88,200</b>	<b>107,100</b>	<b>260,100</b>
Coordinating unit	150,000	-	43,200	43,200	193,200
Logistics	3,000	18,900	45,000	63,900	66,900
<b>Component I</b>	<b>9,200</b>	<b>46,600</b>	<b>25,850</b>	<b>72,450</b>	<b>81,650</b>
<b>Raising awareness on market access opportunities generated by CAFTA</b>	<b>6,000</b>	<b>45,000</b>	<b>24,250</b>	<b>69,250</b>	<b>75,250</b>
CAFTA information paper	-	1,000	1,000	2,000	2,000
Technical documents on requirements	6,000	33,500	-	33,500	39,500
National seminars	-	10,500	23,250	33,750	33,750
<b>Joint programs and coordination with other initiatives</b>	<b>3,200</b>	<b>1,600</b>	<b>1,600</b>	<b>3,200</b>	<b>6,400</b>
Joint programs and coordination with other initiatives	3,200	1,600	1,600	3,200	6,400
<b>Component II</b>	<b>300,000</b>	<b>50,000</b>	<b>-</b>	<b>50,000</b>	<b>350,000</b>
Cofinancing fund	300,000	50,000	-	50,000	350,000
<b>SUBTOTAL</b>	<b>462,200</b>	<b>115,500</b>	<b>114,050</b>	<b>229,550</b>	<b>691,750</b>
Contingencies 5%	34,588			-	34,588
Baseline, and midterm and final evaluations	30,000	-	-	-	30,000
Audits (4)	20,000	-	-	-	20,000
<b>TOTAL</b>	<b>546,788</b>	<b>115,500</b>	<b>114,050</b>	<b>229,550</b>	<b>776,338</b>
<b>Cluster activities</b>					
<b>GRAND TOTAL</b>	<b>546,788</b>	<b>115,500</b>	<b>114,050</b>	<b>229,550</b>	<b>776,338</b>

**SUMMARY BUDGET - NICARAGUA**  
**REGIONAL: Assistance for Small and Medium-sized Enterprises in Central America**  
**on Technical Requirements for Gaining Market Access under the Dominican**  
**Republic-Central America-United States Free Trade Agreement (DR-CAFTA)**

(TC-03-04-02-1)

Nicaragua	MIF contribution	Local contribution in cash	Local contribution in kind	Local subtotal	Total
<b>Coordination and logistics</b>	<b>153,000</b>	<b>18,900</b>	<b>88,200</b>	<b>107,100</b>	<b>260,100</b>
Coordinating unit	150,000	-	43,200	43,200	193,200
Logistics	3,000	18,900	45,000	63,900	66,900
<b>Component I</b>	<b>9,200</b>	<b>46,600</b>	<b>25,850</b>	<b>72,450</b>	<b>81,650</b>
<b>Raising awareness on market access opportunities generated by CAFTA</b>	<b>6,000</b>	<b>45,000</b>	<b>24,250</b>	<b>69,250</b>	<b>75,250</b>
CAFTA information paper	-	1,000	1,000	2,000	2,000
Technical documents on requirements	6,000	33,500	-	33,500	39,500
National seminars	-	10,500	23,250	33,750	33,750
<b>Joint programs and coordination with other initiatives</b>	<b>3,200</b>	<b>1,600</b>	<b>1,600</b>	<b>3,200</b>	<b>6,400</b>
Joint programs and coordination with other initiatives	3,200	1,600	1,600	3,200	6,400
<b>Component II</b>	<b>300,000</b>	<b>50,000</b>	<b>-</b>	<b>50,000</b>	<b>350,000</b>
Cofinancing fund	300,000	50,000	-	50,000	350,000
<b>SUBTOTAL</b>	<b>462,200</b>	<b>115,500</b>	<b>114,050</b>	<b>229,550</b>	<b>691,750</b>
Contingencies 5%	34,588			-	34,588
Baseline and midterm and final evaluations	30,000	-	-	-	30,000
Audits (4)	20,000	-	-	-	20,000
<b>TOTAL</b>	<b>546,788</b>	<b>115,500</b>	<b>114,050</b>	<b>229,550</b>	<b>776,338</b>
<b>Cluster activities</b>					
<b>GRAND TOTAL</b>	<b>546,788</b>	<b>115,500</b>	<b>114,050</b>	<b>229,550</b>	<b>776,338</b>

**RELATED PROJECTS**  
**REGIONAL: Assistance for Small and Medium-sized Enterprises in Central America on Technical Requirements for Gaining Market Access under the Dominican Republic-Central America-United States Free Trade Agreement (DR-CAFTA)**

(TC-03-04-02-1-RG)

**A. MIF projects related to the same sector/issue in the country**

Project No. and approval date	Project title, executing agency, and amount	Signing date and disbursement period in months	Amount disbursed	Observations
ATN/MT-7408-CR 25 April 2001	<b>One-stop shop for microenterprise and small business formalization</b> Ministry of Economic Affairs, Industry, and Development. US\$660,000	1 August 2001 42 months	87%	Rated satisfactory, the interagency agreement having been signed by participating entities, with the corresponding budgetary commitment. Execution and disbursement periods extended to facilitate implementation of the consulting contracts awarded.
ATN/ME-9571-CR ATN/ME-9572-CR ATN/ME-9573-CR ATN/ME-9574-CR EQU/MS-9575-CR 7 December 2005	<b>Program for the Promotion of Dynamic Entrepreneurship</b> Costa Rican Chamber of Technologies US\$ 4,226,600	7 March 2006 56 months	18%	Project rated satisfactory in general. Assumptions are maintained, and executing agencies have started coordination prior to signing agreements.
ATN/ME-5911-GU 1 April 1998	<b>Development of agro-exports</b> Exporters Association US\$1,500,000	14 May 1998 96 months	83%	44% of beneficiaries identified as large are AGEXPRONT members, and the individuals signing the agreements served on the Board of Directors or belonged to commissions thereof, either in previous years or during development of the project. 42% of beneficiaries identified as large. It was found that AGEXPRONT used funds from the MIF/IDB project to support other initiatives such as USAID and Investment

Project No. and approval date	Project title, executing agency, and amount	Signing date and disbursement period in months	Amount disbursed	Observations
				Projects for Peace, since signs supporting AID were found during the field visit on land plots that appear as registered with MIF/IDB support.
ATN/ME-8976-RG 1 December 2004	<b>SME Competitiveness through Technical Standardization</b> US\$2,521,000	21 March 2005 48 months	1%	Component 1 is behind schedule, in terms of fulfilling contractual clauses relating to signing the agreement with the remaining beneficiary countries. While no extension of the disbursement period should be necessary to complete Component 1, the delay will affect the timeframe for the other program components.
ATN/MT-7957-RG 24 July 2002	<b>Support Agricultural Trade through Harmonized Food Safety Measures</b> RIOPPAH US\$1,510,000	22 October 2002	98%	Coordinators in the eight countries have been hired, and consulting services to identify services and review legislation have been efficiently and transparently contracted. The executing unit is operating efficiently and satisfactorily in the final stage of the project.
ATN/ME-8291-RG 30 April 2003	<b>Learning from Business Alliances</b> Central American Institute US\$5,000,000	17 June 2003 36 months	19%	Execution is slow for two main reasons: firstly preparation of budgets funded by other donors, and secondly the internal management capacity of subexecuting agencies. As the full fund managed from INCAE is not available, and individual projects need to be linked to the interests of other donors, INCAE as program executing agency could be seen as playing a lower profile role than that designed and expected for the supervision and orientation of individual projects.



**B. Bank projects related to the same sector/issue in the country**

Project No. and approval date	Project title, executing agency, and amount	Signing date and disbursement period in months	Amount disbursed	Observations
CR-0140 CR-0156 29 June 2005	<b>Competitiveness Investment Program</b> Hybrid program of fiscal sustainability and productive investments to support competitiveness. Ministry of Finance of Costa Rica. Ministry of Foreign Trade. US\$1,500,000	Contract being signed	0%	The institutions involved in program execution maintain close coordination to guarantee adequate management. A training program is currently being developed in its operational aspects with the aim of making as much progress as possible during the period for discussion and approval of the loan in the Legislative Assembly.
CR-S1002 CR-S1003 30 November 2004	<b>Expansion of Credit Facilities for Low-Income Rural Microenterprises</b> Foundation for the Union and Development of Campesino Communities US\$1,700,000	15 April 2005	49%	In the process of fulfilling conditions precedent to the first disbursement.
HO-221	<b>Program to Foster Business Competitiveness and Strengthen Foreign Trade Management</b> Department of Industry and Trade US\$10,000,000	20 October 2003 48 months	38%	Most of the targets planned under the foreign trade subprogram have been achieved easily. It is deemed feasible to complete project activities within the period currently set for the final disbursement.
ES-T1004 22 September 2003	Support for the Creation of the Exports Promotion Agency (APE) Central Reserve Bank of El Salvador US\$145,000	5 July 2004	80%	Satisfactory classification in general.

**C. Cluster projects**  
N/A

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK  
MULTILATERAL INVESTMENT FUND

PROPOSED RESOLUTION MIF/DE-\_\_\_/06

Regional. Nonreimbursable Technical Cooperation ATN/ME-\_\_\_-RG  
Assistance for Small and Medium-sized Enterprises in Central America on Technical  
Requirements for Gaining Market Access under the Dominican Republic–Central  
America–United States Free Trade Agreement (DR-CAFTA)

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 de Exportadores de El Salvador (COEXPORT); Cámara de Exportadores de Costa Rica (CADEXCO); Federación de Agroexportadores de Honduras (FPX); Asociación Gremial de Exportadores de Productos No Tradicionales (AGEXPRONT) of Guatemala; and with the Asociación Nicaragüense de Productores y Exportadores de Productos No Tradicionales (APENN), 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 to provide assistance for Small and Medium-sized Enterprises in Central America on Technical Requirements for Gaining Market Access under the Dominican Republic–Central America–United States Free Trade Agreement (DR-CAFTA).

2. That up to the amount of US\$3,103,100, 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/RG-764012-06  
TC-03-04-02-1-RG