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MULTILATERAL INVESTMENT FUND

COLOMBIA

**CULTURAL INDUSTRIES AS AN ENGINE OF SOCIOECONOMIC
DEVELOPMENT FOR CALI**

(CO-M1049)

DONORS MEMORANDUM

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ABBREVIATIONS

COMFANDI Caja de Compensación Familiar del Valle del Cauca [Valle del Cauca
Family Assistance Fund]

COLOMBIA
CULTURAL INDUSTRIES AS AN ENGINE OF SOCIOECONOMIC DEVELOPMENT FOR CALI
(CO-M1049)

I. EXECUTIVE SUMMARY

Beneficiary country:	Colombia
Executing agency:	Caja de Compensación Familiar del Valle del Cauca (COMFANDI)
Beneficiaries:	Cultural and related microenterprises and small businesses.
Financing:	Modality: Nonreimbursable MIF: US\$1,870,000 ¹ Local counterpart: <u>US\$1,530,000</u> Total: US\$3,400,000
Objectives:	<p>The general objective of the project is to further the socioeconomic progress of the city of Cali by promoting cultural industries and positioning them as a new source of development and opportunities.</p> <p>The specific objective is to create a permanent institutional public/private management framework to foster the creation and growth of cultural enterprises and institutions in Cali.</p>
Execution timetable:	Execution and disbursement period: 54 months
Special contractual conditions:	As conditions precedent to the first disbursement: (i) authorized representatives must be designated; (ii) a project coordinator must be hired; (iii) the executing agency must express its conformity with Operating Regulations; and (iv) COMFANDI and participating entities must sign agreements evidencing a commitment to provide counterpart resources and their active collaboration.
Exceptions to Bank policy:	None.
Environmental and social review:	The Environmental and Social Impact Review Committee reviewed the project on 19 May 2008 (meeting ESR 22-08) and offered no comments.

¹ This amount includes US\$9,350 for the impact evaluation account administered by the MIF.

II. BACKGROUND

- 2.1 Cali (official name: Santiago de Cali), the capital of the department of Valle del Cauca, is Colombia's third largest city (2005 data).² Founded in 1536, it is amongst the oldest cities in the Americas. Also, it is one of the country's most important economic and industrial hubs and is the main urban, cultural, economic, industrial, and agricultural center in southwestern Colombia. Cali occupies a key, strategic location: to the west it connects with the Pacific coast port city of Buenaventura, it lies on the Pan-American Highway, and it is an obligatory stop on the way from Colombia to Ecuador. In 1971 the city hosted the Pan-American Games, a major event that contributed significantly to its international standing and the development of its infrastructure.
- 2.2 The city's economic situation is critical, as the percentage of people living under the poverty line has risen, from 39% in 1998 to 67.5% in 2006. This increase is due largely to: (i) the economic crisis that began in 1998, which hit the industrial sector especially hard; (ii) the movement of people from rural to urban areas—today more than 60% of the population of Valle del Cauca lives in metropolitan Cali; and (iii) displacement caused by armed conflict, which has exacerbated the rural population drift. From 1999 to 2005 over 55,000 people came to Cali—nearly 20,000 of them in 2005. Cali also faces the enormous social challenges of having higher rates of violence than the rest of the country, particularly homicide, and the greater vulnerability and social exclusion of its large percentage of Afro-Colombian residents³ (about 24%), which makes Cali one of the Latin American cities with the largest black population.
- 2.3 Traditionally, Cali and the surrounding areas were known for sugar production by *haciendas* that used an agricultural model involving large expanses of land being cultivated with minimal use of labor. In the 1910-1930 period, the city's economy benefited from the development of basic infrastructure, such as the construction of the railroad to Buenaventura. Industrial development did not begin on a large scale until the 1930s, taking firm hold in the 1940s, with substantial foreign capital investments that attracted large waves of immigrants in the 1950s and 1960s. In the 1980s, drug trafficking began to exert a strong influence on the city's economy, with major security and money laundering problems that infected many institutions and businesses. In the mid-1990s the armed conflict and drug trafficking brought the economic boom to an abrupt end. The 1998 economic crisis dealt a severe blow to the city, whose share of the national GDP has been falling since 1995. Although the economic situation in Cali has been improving since 2005, owing largely to construction and agroindustry, significant challenges remain to be overcome: *the social challenge of integration and the economic challenge of transformation*.

² 2005 data. Paragraphs 2.1 through 2.3 are based on http://is.wikipedia.org/wiki/Santiago_de_Cali.

³ "La Pobreza y exclusión social en Bogotá, Medellín y Cali [Poverty and social exclusion in Bogota, Medellín, and Cali]," *Foro Debates*, October 2006.

- 2.4 Cali's competitiveness issues are reflected⁴ in the principal characteristics of its businesses: (i) size: they are microenterprises (94.7%) or small businesses (3%); (ii) legal organization: natural persons/informal economy (80.4%) or mobile stalls (5.6%); and (iii) longevity: 53.6% have been in business for fewer than three years, and only 25.3% have existed for longer than five. This economic reality (low value added, little differentiation, etc., among most local businesses) plays a role in the persistence of poverty in the city over time because, among other reasons, most of the jobs created in Cali are in the *informal sector* and offer little pay or stability. Moreover, job creation figures often hide high *underemployment* rates, which reveal the mismatch with respect to individuals' skills and aspirations.⁵
- 2.5 Cali has for many years been *transitioning from an industrial to a service economy*, a common transition in relatively mature economies. This transformation, which ties in closely with the city's urbanization process, is the result of the combination of various factors, some political (vision, long-term strategies, etc.), some social (violence, institutional cooperation, education levels, etc.), and some economic. The interplay of these factors can either foster or hinder the creation of an environment conducive to economic vitality and local competitiveness, and can either fuel or slow the emergence of new economic sectors in which *Cali enjoys competitive strengths, such as its creative talent and genetic endowments*. Cultural industries constitute one of these new economic sectors in which the city enjoys significant competitive strengths. It is no coincidence that Cali is known as the *World Salsa Capital* or for its talented filmmakers ("*Caliwood*").
- 2.6 Despite the limited availability of statistics, especially in the developing countries, it is estimated that *cultural industries* account for 7% of gross world product, which shows how important this sector is as a growth factor in today's economic systems. The available statistics for Latin America and the Caribbean indicate that the average share of GDP is only 3.5% to 4% (not counting cultural tourism). In the European countries, this indicator ranges from 5.5% to 6%, while in the United States it is 7% to 8%. Cultural industries are also an important source of employment. In England, for example, 6% of the population works in a cultural industry. In sum, cultural industries are an *important local development tool* because they: (i) are a sustainable employment source, as they are less volatile than other job sources; (ii) are labor, rather than capital, intensive; (iii) are based on local knowledge that is not accessible elsewhere in the world; (iv) tend to be highly interconnected, creating strong synergies; and (v) contribute to the quality of life by strengthening cultural identity and social cohesion.⁶ The demand for labor in this sector is usually for a wide array of occupations and professions, such as: cultural

⁴ "Cali en Cifras 2007 [Cali in Numbers 2007]," Office of the Mayor of Santiago de Cali, Administrative Planning Department, December 2007.

⁵ "La Pobreza y exclusión social en Bogotá, Medellín y Cali [Poverty and social exclusion in Bogota, Medellín, and Cali]," *Foro Debates*, October 2006.

⁶ "Cultural Industries in Latin America and the Caribbean: Challenges and Opportunities," IDB 2007.

promoters, restorers of artwork and cultural goods, museum conservators, engraving experts, crafts specialists (metalworking, pottery, woodworking, etc.), sociocultural event organizers, artists (actors, musicians, dancers, choreographers, etc.), creators of multimedia products, and specialized lawyers, among many others. International experience shows that *art and culture make urban centers much more than great places to live and that “the culture industry creates tremendous economic value in its own right.”*⁷

- 2.7 In Santiago de Cali, *the culture sector has been identified as a strategic development sector* from a social and economic standpoint, because of its ability to generate income and jobs, in addition to other benefits having to do with citizens' sense of cohesion and belonging to the area and the improvement of their quality of life. The creative and cultural talent of the citizens of Cali, its genetic endowments, the commitment of a solid public-private institutional framework, the existence of a promising set of cultural enterprises and infrastructure, etc., make cultural industries poised to become one of the pillars of Cali's socioeconomic development. Cali has an extensive cultural infrastructure that can serve as a basis: 18 theaters, 43 cinemas, 31 exhibition halls and art galleries, 201 convention halls and auditoriums, 11 museums, 120 libraries, 52 cultural centers, 155 theater and dance troupes, 204 music groups, 12 audiovisual groups, 77 information and communication technology groups, etc.⁸
- 2.8 **Problem.** There is a *lack of entrepreneurial vision and institutional coordination* with respect to the economic opportunities offered by an efficient use of metropolitan Cali's artistic, creative, and cultural capital, in addition to the following: (i) limited experience in managing the local cultural economy amongst the various public and private actors involved, who have thus far focused on promoting consumption (sponsoring events); (ii) an absence of clear medium- and long-term strategies; (iii) unmet demand for cultural economic activities and supply that have not been exploited, at least not fully; (iv) a lack of coordination amongst the various institutions and activities within the cultural industry sphere; (v) a lack of business partnerships; and (vi) a critical lack of relevant information for cultural decision-making and management. All these factors prevent Cali's cultural industries from enhancing its socioeconomic development.
- 2.9 Although Cali has sufficient physical cultural assets (new trade fair facilities that have successfully attracted events and visitors, exhibition halls, museums, etc.) and human resources (theater groups, dance schools, filmmakers, etc.), culture is not perceived by the private or the public sector as a driving force for business development. Cultural pursuits are seen by most potential beneficiaries as a

⁷ “If You Can Make it Here” by James Surowiecki, *The New Yorker*, October 22, 2007. The article describes how fashion, culture, and art are more important to the economic development of New York than its financial industry.

⁸ “Inventario cultural descriptivo de Santiago de Cali [Descriptive Cultural Inventory of Santiago de Cali],” Comfandi, 2008.

pastime, a *hobby pursued on an informal, temporary basis, or as a part-time job*. The prevailing approach in the public sector until now has been to *sponsor cultural offerings*, creating obvious supply sustainability and competitiveness issues. Interestingly, Cali's economic statistics do not reflect the concept of a cultural industry—a clear symptom of the lack of understanding of its business potential.

- 2.10 International experience has shown that development through *culture constitutes a complementary development model* whose focus is local and whose main pillar is the existing local resources in a given place. This model furthers *area-based* development and the productive use of local resources, and calls for: (i) upgrading human resources through training; (ii) applying cutting-edge technologies to new initiatives; (iii) identifying new business opportunities; (iv) creating entrepreneurial synergies through partnerships; (v) institutional coordination; (vi) consensus in the formulation of long-term strategies; (vii) organization of supply and demand in the marketplace, at least initially, through collaboration between the public and private sectors;⁹ and (viii) creating an enabling environment for business startup and development.
- 2.11 **Rationale and additionality.** This project will be the second in the new thematic area of promoting the socioeconomic development of urban centers through their cultural industries. The first was approved for Quito's historic center¹⁰ and was based on historical and cultural heritage being its principal strength (it was designated a world heritage site). In contrast, Cali has no significant historical heritage, so the initiative is built around the well-known creative and cultural talent of the city's population. In this context, and with the same objectives as the Quito project, this project would try out mechanisms and activities to empower and create business linkages among Cali's creative talent as a vehicle for generating income and quality jobs in a city that faces major social and economic challenges.
- 2.12 The solid public-private institutional framework that has come together (see paragraph 5.3) is indicative of the demand for, interest in, and commitment to the project. The MIF has played a key role in mobilizing all these social stakeholders amidst the tremendous competition and pressures on these institutions' scarce resources because of the city's vast social deficits.
- 2.13 This project presents a clear learning opportunity for the MIF for transfer to other urban centers of the region, in addition to being highly complementary to the activities to promote entrepreneurship and business development services. The technology platform included in this project is the direct result of the lessons learned from the project to promote youth entrepreneurship (ATN/MH-8618-CO), where it proved difficult to monitor the entrepreneurs. This project includes an innovative virtual collaboration environment (via intranet and Internet) that makes

⁹ "La cuestión de los Nuevos Yacimientos de Empleo en la Unión Europea [The Issue of New Fields of Employment in the European Union]," *Revista Valenciana de Estudios Económicos*.

¹⁰ Cultural industries as an engine of socioeconomic development in the Quito Historic Center (EC-M1034), approved by the Donors Committee in November 2007.

possible continuous storage and delivery of development services, monitoring of business projects by coaches, international collaboration, and online sale of products and services.

III. OBJECTIVES AND COMPONENTS

- 3.1 The **goal** of the project is to further the socioeconomic progress of the city of Cali by promoting cultural industries and positioning them as a new source of development and opportunities. Its **purpose** is to create a permanent institutional public/private management framework to spur the creation and growth of cultural enterprises and institutions in Cali.
- 3.2 The project should produce the following main **outcomes** for metropolitan Cali: (i) public-private institutional coordination for the continuing promotion of cultural industries; (ii) a technology platform and highly skilled professionals at the service of cultural entrepreneurs and businesses; (iii) 150 dynamic cultural businesses created, formalized, and/or accelerated; (iv) 1,200 permanent and 2,400 temporary jobs; (v) four business partnerships and three cultural networks formed and implementing strategic projects; (vi) a university with specialized cultural industry programs and curricula; (vii) approval of a 10-year municipal culture-promotion strategy; and (viii) 10 success stories/role models that can inspire the people of Cali to follow suit.
- 3.3 As **additional benefits**, the project will help to improve: (i) Cali's international image, making it more attractive as a place to invest; (ii) Cali's national and international status as a cultural center; and (iii) citizens' sense of social cohesion and belonging to the area, as well as a better quality of life.
- 3.4 **Component I. Creation and acceleration of culture-based and related businesses.** The objective of this component is to assemble a set of services, institutions, and resources that can facilitate the methodical, systematic, and sustainable management of cultural enterprises and businesses. These business development services will match the needs and competitive opportunities of each enterprise and business, and the beneficiary will have to make a major commitment in order to remain eligible. The following activities will be carried out: (i) design of the component workflow; (ii) specific business plan templates and quality management coaching for cultural businesses; (iii) design and structuring of seminars, diploma courses, and a Masters concentration; (iv) training and financial assistance services for entrepreneurs; and (v) creation and strengthening of culture-based and related businesses through business development services (consulting, coaching, entrepreneurial communities, etc.), especially in critical areas such as financial management, quality, and marketing of cultural products and services, including the development of national and international sales and distribution channels.
- 3.5 **Component II. Support for cultural industry productivity.** This component would develop and implement the auxiliary tools and platforms needed for the

cultural enterprises and businesses being promoted to perform well. It would also create a repository of business development services to generate synergies and avoid unnecessary redundancies in service delivery. The following activities will be carried out: (i) facilities and resources to support cultural productivity (counterpart funds); (ii) web-based technology platform for business development, promotion and sale of products and services, administrative management, and project visualization; and (iii) awareness-raising and training for providers of financial services to cultural businesses (seed capital from Comfandi and financing from Finamérica, in which Comfandi is a shareholder).

- 3.6 **Component III. Business partnerships in the cultural industry.** The aim of this component is to help identify new business opportunities based on synergies and develop and implement joint projects among two or more businesses. Special attention will be paid to business partnerships that enable new cultural enterprises to sell their products and services in the marketplace for the first time, guided by established companies. The following activities will be carried out: (i) identification and promotion of local potential for business partnerships; (ii) capture of international cultural business partnership best practices for replication in Cali; and (iii) promotion of and support for strategic business partnership projects.
- 3.7 **Component IV. Organized and dynamic networks of cultural institutions.** This component would benefit the participating entities through collective strengthening that generates business opportunities for cultural enterprises. The following activities will be carried out: (i) international network managers' workshop; (ii) study of network types and crosscutting opportunities; (iii) promotion of the filmmaking network; and (iv) promotion of and support for the implementation of strategic network projects (e.g. museums, dance studios, restaurants, etc).
- 3.8 **Component V. Sustainability.** The objective of this component is to identify, evaluate, and disseminate the lessons learned from the project and thereby encourage the participation of public/private stakeholders committed to implementation of the project and its future sustainability. As an additional benefit, by agreement with the Office of the Mayor, this component will bring about the formulation of a long-term public policy for Cali's cultural sector. The following activities will be carried out: (i) a demand study; (ii) development of the municipio's cultural accounts; (iii) an evaluation system; (iv) development of an institutional communications system; (v) a 10-year culture plan for Cali (created with the active participation of the public and private institutions involved in this project); (vi) a transition institution to ensure sustainability for the promotion of the culture industry, based on consensus between the public and private sectors; (vii) promotion of the concept of a cultural industry in the city; and (viii) creation of the Cultural Industries Center as an Icesi University program, as a key feature of an environment conducive to cultural entrepreneurship.

IV. COST AND FINANCING

- 4.1 The project will cost a total of US\$3,400,000 over a period of four years. The executing agency, Comfandi, will provide the counterpart resources (40%). The following institutions will also contribute significant counterpart resources: Office of the Mayor of Santiago de Cali, Cali Chamber of Commerce, Icesi University, and Fundación Metrópoli.

Budget Items	MIF	Local contribution	Total	%
Component I	381,776	450,710	832,486	24.48%
Component II	247,470	275,871	523,341	15.39%
Component III	126,002	66,656	192,658	5.67%
Component IV	94,078	318,737	412,815	12.14%
Component V	503,025	176,858	679,883	20.00%
Administration	348,236	241,167	589,404	17.34%
Other (audits, contingencies, etc.)	160,062	0	160,062	4.71%
SUBTOTAL	1,860,650	1,530,000	3,390,649	
<i>Percentage</i>	<i>54.88%</i>	<i>45.12%</i>	<i>100%</i>	
Impact evaluation account	9,350	-	9,350	-
TOTAL	1,870,000	1,530,000	3,400,000	

- 4.2 **Sustainability.** The continuity of the products and services offered by the project will be ensured on two levels: basic and optimum. On the basic level, Comfandi is committed to integrating the project's business development services and technology platform into its organizational structure. Also, the Office of the Mayor of Santiago de Cali will have a 10-year cultural industries development strategy, and ICESI will have a Cultural Industries Center with which to meet the demand for specialization and consulting in Cali.
- 4.3 On the optimum level, the project will succeed in establishing public-private coordination to create and support a permanent institutional framework for the promotion of cultural industries. To this end, the project has managed to rally a critical mass of public and private institutions (Comfandi, Mayor's Office, Cali Chamber of Commerce, Icesi University, Fundación Metrópoli, and probably Apple Computer, Inc.) around a common interest and effort, and provide it with the means to achieve a large enough number of successes to encourage participating institutions and others to scale up the project.

V. EXECUTING AGENCY AND IMPLEMENTATION MECHANISM

- 5.1 The Caja de Compensation Familiar del Valle del Cauca (Comfandi) incorporated in 1957 under private law as a nonprofit institution that performs social welfare functions. It has a sizeable local network of services (mainly health, marketing,

- education and culture, and recreation) through which it has managed to reach broad segments of the population. It currently enjoys wide coverage and considerable status in Valle del Cauca. In December 2007, Comfandi had more than 16,000 member businesses, of which close to 70% were small businesses with fewer than 10 workers. Its coverage in terms of individuals was 282,000 member workers, plus their respective families for a total coverage of 974,511 people. Comfandi's financial statements for the last three years are indicative of a sound, well-performing organization.
- 5.2 Comfandi has its own health, education, recreation, and marketing facilities, as well as a cultural center with libraries, auditoriums, and exhibition halls located strategically around Cali. Its health service providers, schools, recreation centers, supermarkets, and drug stores (approximately 80 altogether) are similarly located in strategic parts of the city, enabling them to effectively reach the beneficiary population, as well as the community in their respective service areas. The Education and Culture Department employs nearly 500 of the institution's 4,000 employees. Comfandi offers a portfolio of cultural services (administered through cultural centers) that foster all manner of artistic and cultural expression in the city with the help of its network of educational and recreational institutions. In addition, Comfandi has experience in business strengthening and development projects through its Employment and Business Development Department, including limited experience in formalization and strengthening of cultural enterprises.
- 5.3 **Implementation mechanism.** The project will be managed by Comfandi, through its Social Services Subdivision. The executing unit will consist of a general coordinator and a financial/procurement assistant. Project execution will adhere to the guidelines in the Operating Regulations.
- 5.4 To ensure proper governance, the project will have an Advisory Committee consisting of: the Administrative Director of Comfandi, or a delegate; the Mayor, or his delegate; the Executive Director of Redes Culturales de Cali; a technology park representative; a business incubator representative; a cultural enterprise representative; and two representatives of business partnerships. The Advisory Committee's basic functions will be to: (i) evaluate progress with the components and indicators every six months, and suggest strategic courses of action; (ii) evaluate possible synergies and coordinate between the project and other business activities or initiatives; (iii) propose lines of action for the project; and (iv) promote and ensure ongoing institutional coordination with respect to Cali's cultural industries.
- 5.5 The project enjoys the support and collaboration of the following institutions, in addition to Comfandi: (i) *Office of the Mayor of Santiago de Cali*, whose city development plan (for 2008-2011) calls for formulation and implementation of a 10-year Culture Plan; (ii) *Cali Chamber of Commerce*, which, through the filmmaking network initiative, aims to bring together local film producers, surround them with possibilities (mainly financial leveraging), and make "Caliwood" a sustainable reality; (iii) *Fundación Metrópoli*, which will complement community

development through entrepreneurial activities and their close relationship with culture; (iv) *ICESI University*, which has strong ties to Cali's business community, and which will include cultural industries as one of its strategic projects with the ultimate intention of creating a university center specialized in cultural industries. Also, negotiations are under way with *Apple Computer, Inc.*, through the Bank's Office of Outreach and Partnerships (ORP/ORP), for it to support consolidation of the filmmaking industry in Cali through training in post-production techniques for an audiovisual technical center.

- 5.6 **Disbursement by results.** This project will be executed in accordance with the MIF technical cooperation operating guidelines, using the new model for Project Management Based on Risk and Performance in effect since April 2008. Disbursement of contribution resources will be contingent upon accomplishment of the milestones, which will be agreed between the executing agency and the MIF along with their means of verification. Attaining the milestones, however, does not exempt the executing agency from the responsibility of reaching a project's targets.
- 5.7 Disbursements will follow mechanism 2 of disbursement by results, as set out in the above guidelines. Accordingly, the first disbursement will be made upon fulfillment of the conditions precedent. The resources disbursed will be those required based on project expenditure needs relating to activities and costs programmed in the annual planning exercise. Subsequent disbursements will be made as requested by the executing agency to continue with normal project execution, provided that no milestones have been missed (no been fulfilled) and the IDB/MIF's current standards are observed. The amount of subsequent disbursements will be calculated based on the project expenditure needs relating to programmed activities and their associated costs for the period in question.
- 5.8 The executing agency and the MIF will jointly review milestones when the first annual operational planning exercise is presented at the outset of the project. The executing agency may also ask the Bank to modify previously agreed milestones, provided that they have not been missed.
- 5.9 **Procurement.** The executing agency will procure goods and services and consulting services included in the project procurement plan previously approved by the MIF in accordance with the policies given in documents GN-2349-7 and GN-2350-7 (as modified), including the development and implementation of the technology platform. Based on the findings of the institutional assessment, disbursements, procurement of goods and services and consulting services for the project will be subject to ex ante review. The application and frequency of these reviews may be changed by the MIF based on the findings of past reviews and/or subsequent risk analyses (institutional assessments) conducted by the MIF during project execution. The executing agency will receive project-funded assistance and training on the Bank's procurement policies and administrative and financial management processes.

VI. MONITORING AND EVALUATION

- 6.1 The Bank's Country Office in Colombia will supervise and monitor compliance with contractual clauses, process disbursement requests, and receive audited financial statements. Comfandi will compile and analyze the relevant information for continuous monitoring of the indicators set out in the project's logical framework (Annex I). It will also submit project status reports within 30 days following the end of each six-month period. These reports will follow a format previously agreed to by the MIF, providing information on project execution, achievement of milestones, outcomes, and their contribution to meeting project objectives. Within the 90 days prior to the end of the execution period, the executing agency will submit to the MIF a final project status report highlighting outcomes achieved, the project sustainability plan, and the lessons learned.
- 6.2 The Bank will issue two consulting contracts for the midterm and final evaluations. The midterm evaluation will be commissioned when 50% of the MIF contribution has been committed or halfway through the execution period, whichever comes first. Its primary objective is to measure project progress in terms of meeting the intermediate outcome targets set out in the logical framework (see Annex I).
- 6.3 The final evaluation will be performed when the execution period ends or when 95% of the MIF resources have been disbursed, whichever comes first, and will analyze the extent to which the final outcome targets as defined in the logical framework and the baseline have been met. The evaluation will also assess to what extent the actions promoted by the project are expected to be sustainable once the MIF contribution runs out, as well as identify lessons learned and best practices.
- 6.4 Three months before the project execution period ends, a closing workshop will be held to jointly evaluate outcomes, pinpoint additional tasks to ensure the sustainability of project-initiated actions, and identify lessons learned. If necessary, an ex post evaluation will be performed two years after project completion to evaluate its impact. In addition, a sustainability workshop will be held at least one year before the project execution period ends. The Bank and the executing agency will agree on the scope of this workshop well in advance.
- 6.5 **Financial supervision:** The executing agency will establish and assume responsibility for keeping adequate financial accounts, internal control mechanisms, and filing systems for the project, in accordance with IDB/MIF accounting and auditing rules and policies. The project's financial statements will be prepared by the executing agency annually. The MIF will engage independent auditors (firms or independent accountants) to perform the audit of financial statements immediately after the indicated periods. The MIF contribution will be used to defray the cost of these audits, according to Bank procedures.

VII. BENEFITS AND RISKS

- 7.1 **Benefits.** In addition to the expected outcomes described in the logical framework (see Annex I), this project would produce the following benefits: (i) demonstrate a valid model for mobilizing creativity, talent, and genetic endowments to spark high-value-added entrepreneurial activity; (ii) create a long-term policy for promoting cultural industries based on consensus between public and private stakeholders after about three years of real experience; (iii) break with the traditional view of culture as a nonentrepreneurial activity dependent on continuous subsidies and sponsorship; and (iv) test an advanced technology platform as a permanent link between the cultural entrepreneurs being promoted and business development service providers. This platform will prove advantageous when the time comes to scale up the project and link it up with other international initiatives.
- 7.2 **Risks.** The institutions participating in the project identified the following main risks: (i) Institutional coordination will require a high level of commitment and will, with the common good taking precedence over individual interests. To foster this type of attitude, an intensive preliminary effort was carried out that led to initial consensus. Moreover, the project includes a large number of activities aimed at capturing and sharing applicable international best practices among the promoting institutions; public-private coordination built upon a shared long-term view has always been a key characteristic of success stories in this area; (ii) Demand statistics are rather deficient, so all the demand characteristics may not have been captured when activities were designed. To mitigate this risk, Comfandi gathered existing data from secondary sources, in addition to holding several meetings with interest groups representative of the potential beneficiaries. The project also (a) allows for flexibility in the business development services to be provided and in the international best practices to be used as a model, and (b) includes activities that enable the characteristics of Cali's cultural industries to be captured statistically; and (iii) If the downward trend in the value of the U.S. dollar continues, the MIF contribution may not be sufficient to cover the planned activities in their entirety. A larger-than-usual amount for contingencies was negotiated for such an event. In addition, the executing agency would involve other institutions in joint efforts as the project produces outcomes (and, in case of success, scale up the project).

VIII. SOCIAL AND ENVIRONMENTAL IMPACT

- 8.1 Given its nature, the project is not expected to have any direct environmental impacts. It is, however, expected to generate positive social impacts, as it will increase entrepreneurship, formal employment rates, and social cohesion.

LOGICAL FRAMEWORK

CULTURAL INDUSTRIES AS AN ENGINE OF SOCIOECONOMIC DEVELOPMENT FOR CALI (Co-M1049)

OBJECTIVES	INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS
GOAL			
To further the socioeconomic progress of the city of Cali by promoting cultural industries and positioning them as a new source of development and opportunities.	<p>Two years after project completion:</p> <p>A dynamic public/private institutional ecosystem is fostering the development of Cali's culture industry on an ongoing basis.</p> <p>Cali's culture industry has grown with respect to the baseline:</p> <ul style="list-style-type: none"> • 75% in terms of number of businesses • 60% in sales by cultural businesses • 15% in number of cultural institutions 	<ul style="list-style-type: none"> • Ex post evaluation¹ 	<p>Public and private institutions will continue their efforts to strengthen cultural industries in Cali.</p> <p>Private sector investment activity will increase.</p>
PURPOSE			
To create a permanent public/private institutional management framework to spur the creation and growth of cultural enterprises and institutions in Cali.	<p>By the end of the project:</p> <p>150 dynamic cultural businesses have been formed, formalized, and/or accelerated.</p> <p>1,200 permanent jobs and 2,400 temporary jobs</p> <p>A university has specialized cultural industry programs and curricula.</p> <p>A public-private institutional framework has been created for the ongoing promotion of cultural industries.</p> <p>4 business partnerships and 3 cultural networks have been formed.</p>	<ul style="list-style-type: none"> • Legal records documenting existence and legal representation • Midterm and final project evaluations • Project monitoring system • Articles of association of the institutions created with project support • Articles of association of the businesses created with project support 	<p>Participating social stakeholders remain willing to be involved in a model of public-private coordination to develop the capacity, skills, opportunities, and resources of Cali's cultural industries.</p> <p>The legal stability exists to ensure development and institutional continuity in the long term.</p> <p>Economic growth is brisk around cultural industries.</p>

¹ During project execution, the MIF and the executing agency will jointly weigh the possibility of using funds from the MIF's impact evaluation account for such an evaluation.

OBJECTIVES	INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS
	<p>A technology platform to support cultural entrepreneurship is accessed by 300 entrepreneurs every month.</p> <p>50 highly skilled professionals are offering services to cultural entrepreneurs and businesses.</p> <p>A 10-year municipal strategy for promoting cultural industries has been approved.</p> <p>10 success stories/role models serve to inspire the people of Cali to follow suit.</p>	<ul style="list-style-type: none"> • Public registry in Colombia where companies are legally registered set up with the help of the project • Directory of professionals specializing in business assistance for cultural industries • 10-year Culture Plan of the Office of the Mayor of Santiago de Cali • Business plans received by the executing agency 	
COMPONENTS			
<p>1. <i>Creation and acceleration of culture-based and related businesses</i></p>	<p>By the 4th six-month period</p> <p>30 culture-based businesses have been created and supported financially and/or technically by the project, with support for 60 business plans.</p> <p>30 existing culture-based businesses have been supported financially and/or technically by the project, with support for 60 business plans.</p> <p>2 new business partnerships have been supported financially and technically by the project in implementing 3 initiatives.</p> <p>3 new cultural networks are supported financially and technically by the project in implementing 8 initiatives.</p> <p>80 enterprises receive coaching to strengthen their business.</p> <p>50 businesses implement and use quality protocols.</p> <p>4 specialized seminars have been held, benefiting at least 400 persons connected with culture-based businesses, networks, and business partnerships.</p> <p>2 specialized diploma courses have been held, benefiting at least 75 persons connected with culture-based businesses, networks, and business partnerships.</p>	<ul style="list-style-type: none"> • Record of selected businesses, by six-month period • Project status reports • Results of calls for proposals • Record of diplomas presented to attendees • Inspection visits • Final consultants' reports • Business plans • Partnership by-laws • Partnership strategic plans • Network by-laws • Network strategic plans • Certificates of attendance at seminars and diploma courses • Document approving the university graduate program 	<p>Actors connected with Cali's cultural industry remain interested in becoming part of the financial services platform.</p> <p>The growth of cultural industries attracts top professionals who choose graduate-level university offerings.</p>

OBJECTIVES	INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS
	<p>By the end of the project</p> <p>75 new culture-based businesses have been supported financially and/or technically by the project.</p> <p>75 culture-based businesses have been accelerated and supported financially and/or technically by the project.</p> <p>3 new business partnerships have been supported financially and technically by the project in implementing 4 initiatives.</p> <p>6 new cultural networks have been supported financially and technically by the project in implementing 12 initiatives.</p> <p>8 specialized seminars have been held, benefiting at least 1,200 persons connected with culture-based businesses, networks, and business partnerships</p> <p>4 specialized diploma courses have been held, benefiting at least 100 persons connected with culture-based businesses, networks, and business partnerships.</p> <p>1 university graduate program emphasizing management of cultural industries has graduated at least 5 professionals.</p>		
<p>2. <i>Support for culture industry productivity</i></p>	<p>By the 2nd six-month period</p> <p>In metropolitan Cali resources are available locally to cultural enterprises, networks, and partnerships.</p> <p>By the 4th six-month period</p> <p>40 businesses have received business development services through the technology platform.</p> <p>10 businesses are consistently using the audiovisual facilities and resources.</p> <p>10 businesses are consistently using the performing arts facilities and resources.</p>	<ul style="list-style-type: none"> • Inspection visits • Website statistics • Record of workshop attendance • Project status reports • Website statistics • Inspection visits 	<p>The use of information and communications technologies for services supply and demand remains unchanged or grows.</p> <p>The project's internal and external clients are Internet and computer literate.</p>

OBJECTIVES	INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS
	<p>10 businesses are consistently using the music production facilities and resources.</p> <p>10 businesses are consistently using the computer technology production facilities.</p> <p>20 representatives of financial entities have been sensitized and trained in a workshop on the theory and practice of cultural industries.</p> <p>By the end of the project</p> <p>150 businesses have received business development services through the technology platform.</p> <p>5,000 citizens/potential entrepreneurs have learned about cultural industries through e-learning content available on the technology platform.</p> <p>30 businesses are consistently using the audiovisual facilities and resources.</p> <p>30 businesses are consistently using the performing arts facilities and resources.</p> <p>30 businesses are consistently using the music production facilities and resources.</p> <p>30 businesses are consistently using the computer technology production facilities.</p> <p>50 representatives of financial entities have been sensitized and trained in a workshop on the theory and practice of cultural industries.</p>		
<p>3. <i>Business partnerships in the cultural industry</i></p>	<p>By the 2nd six-month period</p> <p>4 key business partnerships have been identified and assigned priority for intervention in Cali.</p> <p>By the 4th six-month period</p> <p>8 international practices that could potentially be replicated in Cali have been identified and documented based on the international business partnerships event.</p>	<ul style="list-style-type: none"> • Consultants' reports • Midterm project evaluation • Status reports • Final consultants' reports 	

OBJECTIVES	INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS
	<p>1 business partnership supported financially and technically implements its strategic project, improving sales for the partners by 10%, creating 50 new job opportunities, and establishing relationships with 5 cultural businesses and 2 cultural networks.</p> <p>3 business partnerships receive management coaching in formulating strategic projects.</p> <p>By the end of the project</p> <p>6 business partnerships receive management coaching in formulating strategic projects.</p> <p>3 business partnerships supported financially and technically implement their strategic projects, improving sales for the partners by 20% on average, creating 200 new job opportunities, and establishing relationships with 50 cultural businesses and 3 cultural networks.</p>		
<p>4. Organized and dynamic networks of cultural institutions</p>	<p>By the 2nd six-month period</p> <p>Strategic plan for strengthening 4 cultural networks.</p> <p>15 audiovisual production companies have been trained in how to promote filmmaking investments.</p> <p>5 audiovisual production companies have improved their ability to attract production capital.</p> <p>By the 3rd six-month period</p> <p>3 cultural networks have formed, with an average of 20 institutions per network, and are engaged in strengthening activities.</p> <p>200 people have been trained in cultural network management best practices.</p>	<ul style="list-style-type: none"> • Strategic plan • Project status reports • Network by-laws and financial statements • National and international media records • Inspection visits • Training certificates 	<p>Cali's cultural networks reach a consensus and coordinate to pursue common objectives.</p>

OBJECTIVES	INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS
	<p>By the 4th six-month period</p> <p>As a result of the international meeting of cultural promoters, Cali's network of cultural promoters gains visibility and enhances its public relations with representatives of the international movement attending the event.</p> <p>2 networks supported financially and technically implement their strategic plans. The networks are jointly working on a strategic business partnership project.</p> <p>15 culture industry businesses have a relationship with the networks.</p> <p>By the end of the project</p> <p>4 networks supported financially and technically have implemented their strategic plans.</p> <p>40 network institutions have benefited from management and quality programs.</p> <p>600 people have been trained in administrative management best practices of cultural industries and institutions through specialized seminars and diploma courses.</p> <p>The revenue of the institutions in supported networks grows an average of 30%.</p> <p>75 culture industry businesses have a relationship with the networks.</p> <p>The networks are working together on 3 strategic business partnership projects.</p>		

OBJECTIVES	INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS
5. Sustainability	<p>By the end of the project</p> <p>A permanent institutional public/private management framework is in place to lead municipal cultural industry policy.</p> <p>A technical supply and demand study of the culture industry in Cali makes it possible to tailor business development services to the needs and opportunities of cultural entrepreneurs.</p> <p>The municipal 10-year plan for the cultural industry is being implemented.</p> <p>Opinion surveys show that 65% of Cali's residents understand the concept of cultural industry and view it as positive.</p> <p>30 social intervention actions are identified that integrate the interests of the local productive sector and entrepreneurial communities.</p> <p>3 assistance funds in Colombia are replicating the cultural industries model spearheaded by Comfandi in Cali.</p>	<ul style="list-style-type: none"> Articles of association of the transition institution to ensure sustainability for the promotion of cultural industries Project status report Cali municipal council agreement adopting and implementing the cultural industry policy Technical study on the cultural industry's position in Cali Monitoring and evaluation system Inspection visits 	
ACTIVITIES			
COMPONENT I. Creation and acceleration of culture-based and related businesses			
1.1 Design of the component workflow	<p>In the 1st six-month period</p> <p>1.1.1.a The component workflow has been designed.</p> <p>1.1.2.a A one-year action plan has been prepared.</p> <p>1.1.3.a Student internship plans have been formulated.</p> <p>1.1.4.a Promotional and informational materials have been prepared and designed (5,000 fliers, 1,000 posters, 3 print ads, 4 radio spots, and 2 television spots).</p>	<ul style="list-style-type: none"> Document containing the action plan for the component Project status reports 	

OBJECTIVES	INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS
1.2 Specific business plan templates and quality management coaching for cultural businesses	<p>In the 1st six-month period</p> <p>1.2.1.a 4 business plan templates have been designed and developed specifically for:</p> <ul style="list-style-type: none"> • Performing arts • Music production businesses • Audiovisual production businesses • Technology-based businesses <p>By the 4th six-month period</p> <p>1.2.1.b Entrepreneurs use the templates as an everyday management tool.</p> <p>By the end of the project</p> <p>1.2.2.a 4 simplified quality protocols for cultural businesses have been designed and developed for:</p> <ul style="list-style-type: none"> • Performing arts • Music production businesses • Audiovisual production businesses • Technology-based businesses <p>12.3.a The beneficiary businesses have received 24 coaching sessions.</p>	<ul style="list-style-type: none"> • Project status reports • Business plan template • Coaching reports • Simplified quality protocols for cultural businesses • Attendance records 	
1.3 Design and organization of seminars, diploma courses, and Masters concentrations	<p>By the end of the project</p> <p>The following have been developed:</p> <p>8 specialized seminars on cultural industries</p> <p>4 diploma courses on cultural industries</p> <p>1 university-level specialization with a cultural industry emphasis.</p>	<ul style="list-style-type: none"> • Curriculum structure and design of academic content • Project status reports 	

OBJECTIVES	INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS
1.4 Training and financial assistance services for entrepreneurs	<p>By the 2nd six-month period</p> <p>1.4.1.a 200 hours of basic business consulting services have been engaged.</p> <p>1.4.1.b 50 hours of advanced international business consulting services have been engaged.</p> <p>By the 4th six-month period</p> <p>1.4.2.a 1000 hours of advanced international business consulting services have been engaged.</p> <p>1.4.2.b 600 hours of advanced international business consulting services have been engaged.</p> <p>By the end of the project</p> <p>1.4.3.a 2500 hours of basic business consulting services have been engaged.</p>	<ul style="list-style-type: none"> • Project status reports • Business plans • Project status reports • Business plans • Project status reports 	
1.5 Creation and strengthening of culture-based and related businesses through business development services	<p>By the 3rd six-month period</p> <p>1.5.1.a Guidelines and criteria for the competitive fund are in place.</p> <p>1.5.1.b 100 companies have received assistance, have formulated their business growth projects, and have submitted proposals for cofinancing from the competitive fund.</p> <p>By the 4th six-month period</p> <p>1.5.3.a There have been 8 calls for proposals for competitive funding.</p> <p>By the end of the project</p> <p>1.5.4.a 150 businesses are developing a business plan.</p> <p>1.5.4.b 80 businesses are implementing strategic projects with the benefit of competitive funding.</p>	<ul style="list-style-type: none"> • Fund operating regulations • Project documents • Business plans 	

OBJECTIVES	INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS
COMPONENT II. Support for cultural industry productivity			
2.1 Infrastructure and resources to support productivity	<p>In the 1st six-month period</p> <p>2.1.1.a The intervention criteria for facilities and resources have been determined.</p> <p>2.1.2.a 4 facilities to support cultural business productivity have been developed.</p> <ul style="list-style-type: none"> • Audiovisual media infrastructure • Music production infrastructure • Performing arts production infrastructure <p>2.1.3. a 3 sets of resources and equipment complementing the above physical infrastructure to support cultural business productivity are in operation.</p> <ul style="list-style-type: none"> • Audiovisual media resources • Music production resources • Performing arts production resources <p>2.1.3.a A maintenance plan is in place for each set of infrastructure and resources.</p>	<ul style="list-style-type: none"> • Project status reports • Inspection visits • Project status reports 	
2.2 Web-based technology platform for business development, promotion and sale of products and services, administrative management, and project visualization	<p>In the 1st six-month period</p> <p>2.2.1.a Terms of reference set out the technological characteristics, modules, functions, and, in general, the resources for selection, integration, assembly, and operation of a web-operable, multifunctional technology platform.</p> <p>2.2.1.b A computer system architecture² for the dissemination, promotion, selection, and assistance in implementing the business creation and strengthening initiatives has been developed and is ready to be implemented.</p>	<ul style="list-style-type: none"> • Project status reports • Inspection visits • Operating plan • Platform evaluation • Technical evaluation of the module • Website usage statistics 	Stability of telecommunications network providers.

² Comprehensive enterprise methodology packaged in a software application.

OBJECTIVES	INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS
	<p>2.2.1.c The web-based technology platform is available for software adaptation, configuration, and assembly.</p> <p>2.2.2.d Specialists are working full-time operating the technology platform for the project.</p> <p>2.2.2.e The technology platform is assembled and operating continuously.</p>		
<p>2.3 Awareness-raising and training for providers of financial services to cultural businesses.</p>	<p>By the 3rd six-month period</p> <p>1.3.1.a Arrangements have been made with the Colombian system of assistance funds to extend financing opportunities to businesses.</p> <p>By the 6th six-month period</p> <p>1.3.2.a 2 awareness-raising workshops on capital funds and angel investments have been held for local bankers.</p>	<ul style="list-style-type: none"> • Project status reports • Attendance records 	
<p>COMPONENT III. Business partnerships in the cultural industry</p>			
<p>3.1 Identification and promotion of local potential for business partnerships</p>	<p>By the 3rd six-month period</p> <p>3.1.1.a Potential business partnerships have been identified and rated and are being developed. National and international success stories that could be replicated in Cali have been identified and ways to adapt them to local needs have been suggested.</p>	<ul style="list-style-type: none"> • Project status reports 	
<p>3.2 Capture of international cultural business partnership best practices for replication in Cali</p>	<p>12 into the project</p> <p>3.1.2.a An international meeting has been held in Cali with business partnership representatives from 5 major world cities.</p>	<ul style="list-style-type: none"> • Event documents • Attendance records 	
<p>3.3 Promotion of and support for strategic business partnership projects</p>	<p>By the 3rd six-month period</p> <p>3.2.1.a Guidelines and criteria for the competitive fund are in place.</p> <p>3.2.2.a Business advisors have helped to formulate at least 3 strategic projects involving production linkages.</p>	<ul style="list-style-type: none"> • Regulations for the competitive fund • Project status reports • Project documents • Project financing and acceptance letters 	

OBJECTIVES	INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS
	<p>By the end of the project</p> <p>3.2.3.a 3 competitions have been held to finance strategic business partnership projects.</p> <p>3.2.3.b 4 strategic production linkage projects have been financed.</p>		
COMPONENT IV. Organized and dynamic networks of cultural institutions			
4.1 International network managers workshop	<p>By the 3rd six-month period</p> <p>4.1.1.a A workshop is held in Cali for international cultural network managers from 5 major world cities.</p>	<ul style="list-style-type: none"> • Event documents • Attendance records • Project status reports 	Security conditions and law and order in the city and the country are conducive to holding international events.
4.2 Study of network types and crosscutting opportunities	<p>In the first six-month period</p> <p>4.2.1.a Terms of reference for consulting services to study network types and networking opportunities determined by consensus amongst key network players.</p> <p>By the 2nd six-month period</p> <p>4.2.2.a Network types, current and potential participants, and crosscutting business opportunities between networks and project components have been determined.</p>	<ul style="list-style-type: none"> • Project status reports • Strategic plan 	
4.3 Promotion of the filmmaking network	<p>By the 3rd six-month period</p> <p>4.3.1.a The filmmaking network has been formalized.</p> <p>By the end of the project</p> <p>4.3.2.a 3 large-scale events to promote the filmmaking network have been held.</p>	<ul style="list-style-type: none"> • Project status reports • Network by-laws • Attendance records 	

OBJECTIVES	INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS
4.4 Promotion of and support for implementation of strategic network projects	<p>In the 1st six-month period</p> <p>4.1.1.a A component coordinator has been hired for 48 months.</p> <p>4.1.1.b A one-year action plan is prepared by the beginning of month 2.</p> <p>By the 2nd six-month period</p> <p>4.4.2.a A 4-year strategic plan has been prepared.</p> <p>4.4.2.b International best practices for networks are captured.</p> <p>4.4.2.c. Guidelines and criteria for the competitive fund are in place.</p> <p>By the 3rd six-month period</p> <p>4.4.3.a The strategic plan has been fine-tuned.</p> <p>By the end of the project</p> <p>4.4.4.a 4 of the networks' strategic projects are being implemented.</p>	<ul style="list-style-type: none"> • Project status reports • Action plan • Fine-tuned strategic plan • Operating Regulations • Strategic plan • Final reports 	
COMPONENT V. Sustainability			
5.1 Demand study	<p>By the 2nd six-month period</p> <p>5.1.1.a A study characterizing the demand for cultural industries in Cali serves as a reference for business plan formulation and for the project evaluation system.</p>	<ul style="list-style-type: none"> • Demand study for cultural industries in Cali 	
5.2 Development of the municipio's cultural accounts	<p>By the 5th six-month period</p> <p>5.2.1.a Cultural satellite accounts established and linked to municipio's general public accounts system.</p>	<ul style="list-style-type: none"> • Municipal public accounts 	

OBJECTIVES	INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS
5.3 Evaluation system	<p>By the 3rd six-month period</p> <p>5.3.1.a A quantitative and qualitative survey of Cali's cultural industries is done to serve as a basis for the project evaluation system.</p> <p>By the 6th six-month period</p> <p>5.3.2.a A strategic direction of the sustainability plan for Cali's cultural industries has been proposed by local stakeholders.</p> <p>5.3.3.a The component coordinator has been hired for 24 months.</p> <p>5.3.4.b International best practices for networks have been captured.</p> <p>By the end of the project</p> <p>5.3.5.a A study has been done to update the baseline of cultural industries in Cali.</p>	<ul style="list-style-type: none"> • Cultural industries baseline • Progress report • Two-year component action plan • Internship report • Cali cultural industries baseline update study 	
5.4 Development of an institutional communications system	<p>By the 4th six-month period</p> <p>5.4.1.a Guidelines and rules for system structuring, orientation, and management are in place.</p> <p>5.4.1.b The key publicity pieces for the project have been developed.</p>	<ul style="list-style-type: none"> • Strategic plan • Corporate identity manual 	
5.5 Ten-year culture plan for Cali.	<p>By the 3rd six-month period</p> <p>5.5.1.a The international congress of mayors of five major world cities has been held, making it possible to compare project progress, outcomes, and direction in addition to building and/or strengthening international networks.</p> <p>By the 4th six-month period</p> <p>5.5.2.a At least 3 citizen consensus forums have been held to smooth the way for the process of formulating the 10-year culture plan for Cali.</p>	<ul style="list-style-type: none"> • Event documents • Attendance records • Workshop reports • 10-year culture plan for Cali 	

OBJECTIVES	INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS
	<p>By the 6th six-month period</p> <p>5.5.1.b A cultural public policy is being implemented as a result of the municipal consensus forums.</p>		
5.6 Transition institution for sustainability in promoting cultural industries	<p>By the 6th six-month period</p> <p>5.6.1.a The economic resources needed for the new institution to be set up and begin operating have been estimated in detail.</p> <p>5.6.1.b The public-private institutional arrangement that will manage cultural industries in Cali has been defined and created.</p>	<ul style="list-style-type: none"> • Study document • Two-year operating plan • Legal records of the organization of a legal entity 	
5.7 Promotion of the concept of cultural industry in Cali	<p>By the 6th six-month period</p> <p>5.7.1.a Workshop for replication of the cultural industries project for the association of assistance funds and their members.</p> <p>By the end of the project</p> <p>5.7.2.a Dissemination plan executed 100%.</p>	<ul style="list-style-type: none"> • Event documents • Attendance records • Final evaluation report 	
5.8 Creation of the Cultural Industries Center	<p>By the 7th six-month period</p> <p>5.8.1.a 2 workshop have been held to raise awareness of cultural industries among academic leaders at Icesi University, in order to set the stage for creating a specialized cultural industries center.</p> <p>5.8.1.b Legal organization and implementation of the cultural industries center within Icesi University.</p> <p>5.8.1.c 2 MBA instructors from Icesi University go on a one-year international internship to different places.</p> <p>By the end of the project</p> <p>5.8.2.a The instructors who took part in the international internships have joined Icesi University's Culture Industry Center full-time and have begun preliminary research.</p>	<ul style="list-style-type: none"> • Project status reports • Attendance records • Workshop reports • Institutionalization plan • Periodic reports on experiences • Certification of full-time engagement of instructors at the Center • Center action plan 	

ITEMIZED BUDGET

Cultural industries as an engine of socioeconomic development for Cali (CO-M1049)

ITEM	TOTAL COST	MIF	TOTAL LOCAL CONTRIBUTION
(i) Creation and acceleration of culture-based and related businesses			
1.1 Design of the component workflow	288,708	141,176	147,531
1.2 Specific business plan templates and quality management coaching for cultural businesses	128,235	87,059	41,176
1.3 Design and structure of seminars, diploma courses, and Masters concentrations	75,600	0	75,600
1.4 Training and financial assistance services for entrepreneurs	105,882	0	105,882
1.5 Creation and strengthening of culture-based and related businesses through business development services	234,062	153,541	80,520
Subtotal	832,486	381,776	450,710
(ii) Support for cultural industry productivity			
2.1 Facilities and resources in support of productivity	135,294	0	135,294
2.2 Web-based technology platform for business development, promotion and sale of products and services, administrative management, and project visualization	356,283	218,058	138,224
2.3 Awareness-raising and training for providers of financial services to cultural businesses	31,765	29,412	2,353
Subtotal	523,341	247,470	275,871
(iii) Business partnerships in the cultural industry			
3.1 Identification and promotion of local potential for business partnerships	23,529	23,529	0
3.2 Capture of international best practices of cultural business partnerships for replication in Cali	17,659	7,134	10,525
3.3 Promotion of and support for strategic business partnership projects	151,471	95,339	56,131
Subtotal	192,658	126,002	66,656
(iv) Organized and dynamic networks of cultural institutions			
4.1 International network managers workshop	27,624	18,569	9,055
4.2 Study of types of network and crosscutting opportunities	21,176	19,412	1,765
4.3 Promotion of the filmmaking network	88,235	0	88,235
4.4 Promotion of and support for implementation of strategic network projects	275,779	56,097	219,681
Subtotal	412,815	94,078	318,737
(v) Sustainability			
5.1 Demand study	29,412	29,412	0
5.2 Development of the municipio's cultural accounts	58,824	58,824	0
5.3 Evaluation system	119,704	111,647	8,056
5.4 Development of an institutional communications system	148,235	112,941	35,294
5.5 Cali 10-year culture plan	72,353	36,198	36,165
5.6 Transition institution to ensure sustainability in promoting the cultural industry	23,529	8,824	14,706
5.7 Promoting the concept of cultural industry in the city	152,523	107,533	44,990
5.8 Creation of the Cultural Industries Center as a program at Icesi University	75,294	37,647	37,647
Subtotal	679,883	503,025	176,858
VI. Administration			
6.1 Project coordinator	190,588	190,588	0
6.2 Financial/procurement assistant	127,059	0	127,059
6.3 Administrative expenses	84,706	0	84,706
6.4 Equipped workstations	29,403	0	29,403
6.5 Videoconferencing equipment	23,530	23,530	0
6.6 Travel and training	47,059	47,059	0
6.7 Midterm and final evaluations	51,765	51,765	0
6.8 Procurement/contracting assistance	35,294	35,294	0
Subtotal	589,404	348,236	241,167
VII. Other			
7.1 Annual audits	28,235	28,235	0
7.2 Contingencies	131,826	131,826	0
Subtotal	160,062	160,062	0
Impact evaluation account	9,350	9,350	0
PROJECT TOTAL	3,400,000	1,870,000	1,530,000