

[TRAINING OF FINANCIAL ANALYSTS FOR SMEs]

(TC-00-04-00-8RG)

EXECUTIVE SUMMARY

Executing agency: Instituto Tecnologico y de Estudios Superiores de Monterrey

Beneficiaries: The small and medium-sized enterprises (SMEs) of the Region. Instituto Tecnologico y de Estudios Superiores de Monterrey (Mexico), Instituto de Estudios Superiores de Administracion (Venezuela) y Universidad de Los Andes (Colombia).

Amount and source:

MIF:(Donation-Facility II)	US\$	760,000.00
Local:	US\$	724,500.00
Total:	US\$	1,484,500.00

Terms:

Execution period	36 months
Disbursement period	42 months

Objectives: The general objective of this project is to promote the development of small- and medium-sized enterprises (SMEs) in the Region (Mexico, Colombia and Venezuela) by improving their capacity to access financial markets and increasing their supply of skilled management. The project would specifically contribute to foster capital movements to the participating countries by enhancing the quality of financial research expertise as well as the quality, transparency, and distribution of financial information to national and international sources of capital.

The project will transfer to the participating Latin American educational institutions and local financial analysts the unique know-how developed by Tulane University to produce and implement "Burkenroad Reports" for SMEs. This would be accomplished by: a) training professors of the participating institutions on financial research and investment issues, related to the "Burkenroad Reports" preparation; b) development of courses to be offered by the trained professors to students and other practitioners; and c) preparation and dissemination of the Burkenroad Reports.

Exceptions to policies:

An exception to Bank procedures and policies for the selection and hiring of consultants is requested, to hire the services of Tulane University, the developer of the unique process to produce the Burkenroad Reports, directly so that it can: a) provide the training of professors at ITESM; b) contribute to the development and design of the courses on financial research for the students and practitioners, and c) assist with the production of the Burkenroad Reports for the local Regional companies.

Special contractual conditions:

The first disbursement of the MIF's contribution is conditional upon the executing agency's submission to the Bank of: (a) proof that the project execution unit has been duly constituted and its members appointed; (b) an annual work plan for the first year of the project, with breakdown by components; and (c) evidence that the Operating Regulations governing the duties and obligations of all participants in the program have been signed and entered into force.

Resources for components 2, 3, and 4 are contingent upon completion of all the activities comprised in Component 1 to the Bank's full satisfaction (paragraph 3.3).

Environmental and social impact:

The Program was revised by the CESI in its meeting of September 29, 2000. No observations were made.

I. COUNTRY AND PROGRAM ELEGIBILITY

- 1.1 The Donors Committee declared Colombia, Mexico and Venezuela eligible for all modalities of MIF financing on its meetings of October 29, 1993 (Colombia), January 21, 1994 (Mexico), and September 20, 1995 (Venezuela), respectively. The Program is eligible for MIF financing under the Human Resource Facility framework (Facility II) since it enhances small and medium-sized enterprises' access to capital markets by improving the quality of human resources and financial information.

II. FRAME OF REFERENCE

A. Background

- 2.1 The long-term economic development of Latin America and the Caribbean is heavily dependent on small- and medium-sized enterprise's ability to grow and to overcome the challenges of globalization. SMEs's development, however, is hampered by a number of constraints such as the difficulty of absorbing large fixed costs, the absence of economies of scale and scope in key factors of production, and the higher unit costs of providing services to smaller firms. Moreover, regional SMEs's growth in a global environment is further hindered by the lack of financing and limited access to capital markets as well as by the scarcity of management talent and labor skills.
- 2.2 Access to formal sources of medium and long-term financing, and other financial services, has been identified at the core of SMEs's developmental struggles in the region. Large financial transactions are, in general, more profitable than smaller ones due to transaction and due diligence costs; therefore, lenders tend to avoid small deals in favor of larger ones. In addition, investors are reluctant to invest in SMEs because informational barriers and high intermediation costs make them seem too risky and potentially costly. Lack of competition and well-developed banking systems produce a strong bias towards serving the larger and better-known firms. And for the same reasons, financing through capital markets is accessible, neither locally nor internationally.

B. The Burkenroad Reports

- 2.3 Beginning in 1993, the Freeman School of Business at Tulane University, in the state of Louisiana, has developed a unique process to generate high quality investment reports for local SMEs. As part of this process, Tulane professors and students prepare the reports as part of an academic program on financial research and a practical program of working with local SMEs that participate in the project.

- 2.4 The reports, officially known as the Burkenroad Reports, have proven to be of great value for several reasons. One, many of the selected companies have experienced significant visibility in the financial markets and have also gained access to formal sources of financing and/or have merged with larger companies. Two, the students have gained valuable training on financial research and analysis as well as hands-on understanding of companies' operations and capital market accessibility. Three, the students involved in the preparation of the Reports have also developed important managerial skills.
- 2.5 Once the Burkenroad Reports on local SMEs are prepared, they are provided to several national and international research gathering and distribution sources, including the Bloomberg Financial Reporting System, a database of hundreds of global small-cap managers, and financial analysts. Since their inception, the Burkenroad Reports have been recognized as an important tool that has contributed significantly to make available critical financial and economic information on SMEs in Louisiana, and most recently also in Texas, Alabama and Tennessee, and facilitated capital movements to this region.
- 2.6 In 1995, the Freeman School of Business at Tulane established a consortium for research on Latin American financial markets. The consortium comprises some of the top business schools in nine major countries of Latin American¹. All of these schools have finance and accounting faculty who are knowledgeable and have an interest in the development of the capital markets in Latin America. The pilot project proposed here would take advantage of this network and expertise to train financial research experts in the Region and develop the Burkenroad Reports on Latin American SMEs. The Reports would provide, just like their counterparts in the United States, more exposure for these companies among national and international investors, as well as among major financial centers and managers of investment funds, thereby favoring capital movements to the participating countries.
- 2.7 The pilot project would include three of the Latin American schools in the consortium: a) Instituto Tecnológico y de Estudios Superiores de Monterrey (ITESM - Mexico); b) Universidad de los Andes (UA - Colombia); y c) Instituto de Estudios Superiores de Administración (IESA - Venezuela). Each of these Latin American institutions is of the highest standards and has the resources and faculty expertise to execute the Burkenroad Reports with a high level of quality and commitment. ITESM would serve as the lead institution for the execution of the project.

¹ Mexico, Costa Rica, Venezuela, Ecuador, Colombia, Bolivia, Chile, Argentina, and Brazil.

III. THE PROGRAM

A. General Objective

- 3.1 The general objective of this project is to promote the development of small- and medium-sized enterprises in the Region (Mexico, Colombia and Venezuela) by improving their capacity to access financial markets and increasing their supply of skilled management.

B. Specific Objective

- 3.2 The specific objective of the project is to transfer to the participating Latin American educational institutions and local financial analysts the unique know-how developed by Tulane University to produce and implement "Burkenroad Reports" for SMEs. This would be accomplished by:
- a. training professors of the participating institutions in financial research and investment issues related to the Burkenroad Reports preparation;
 - b. designing and implementing courses to be offered by the professors of the participating institutions to the students and practitioners (at their own institutions), in order to have the knowledge and basis to participate in the development of the Reports;
 - c. preparing the Burkenroad Reports on companies of the Region and disseminating these financial Reports to the national and international financial community, so that SMEs may access sources of financing.

C. Components

1. Strategic Planning and Promotion (US\$ 64,200)

- 3.3 ITESM, in coordination with representatives from IESA and Universidad de Los Andes as well as Tulane University, would finalize the methodology to identify the appropriate faculty, staff, and local companies to participate in the project within each participating country. This component would finalize preliminary analysis already conducted of how the financial research courses and Burkenroad Reports will be integrated into each school's program of study, as a permanent part of their curriculum. It would also produce the design of a fee-structure for the partial or total recovery of costs of producing and promoting the Burkenroad Reports for Latin America. Furthermore, this component would include the development of a project master Web Page and marketing materials to be used in the solicitation of companies to participate in the program and the ultimate distribution of the Burkenroad Reports locally and internationally.

2. Training of Professors at ITESM (US\$ 188,000)

- 3.4 The purpose of this component is to train the professors of the participating institutions in financial research and investment analysis required for the development of the Burkenroad Reports. This would provide a common methodology for financial analysis and the know-how for supervising the preparation of the Reports, as defined in the Execution Plan produced in Component 1. The component would also include training on curriculum development and maintenance for the appropriate courses, to train the students and practitioners at each local institution.
- 3.5 The implementation of this component would be spread over three years. In each of the three years, Tulane University would hold two one-week training workshops at ITESM, Monterrey campus, in Mexico (a total of 6 workshops in the life of the project). In the fall of each year, a workshop would be for new faculty participants from the participating institutions and focus on Burkenroad Report methodology and curriculum development. The second workshop, to be held in the spring, would be a follow-up session for problem solving and advanced training.
- 3.6 The faculty and staff of Tulane University, who are involved in the production of the Burkenroad Reports at Tulane, would give the training. It is anticipated that a total of 24 faculty members (8 per participating university) would receive this financial research and curriculum development training over the three years of the Program. The attached Logical Framework table (Annex I) gives further detail on the measurable targets.

3. Course Development and Local Training (US\$ 37,500)

- 3.7 The purpose of this component of the project is to design the courses on financial research for the students and practitioners and offer these courses at each participating university. This activity would be carried out with the assistance of Tulane University who would assist with course design and final selection and solicitation of companies to participate in the Report preparation segment of the Project.
- 3.8 Several yearlong courses would be offered annually at each university to accommodate undergraduate and graduate students to learn the methodology of financial research. The first semester would be devoted to learning the research methods and investment analysis. The second semester would be devoted to individual company analysis and the preparation of the Burkenroad Reports. Each yearlong class would enroll approximately 30 students and would involve two of the professors who have previously been trained by Tulane. These classes would train the students to become financial research analysts with the experience of producing financial reports on local companies. Local practitioners may also be enrolled in the graduate courses offered to gain access to this training. It is expected that a total of 24 yearlong courses will be taught during the expected

three-year life of the project and that approximately 780 students would receive the training. The Logical Framework (Annex I) gives further detail on measurable targets.

4. Report Preparation and Distribution (US\$ 297,800)

- 3.9 The purpose of this component is to produce the Burkenroad Reports for SMEs in the Region (Mexico, Colombia and Venezuela) and distribute them locally and internationally. In this phase, the students would put into practice the knowledge gained from their first semester course in financial research and investments. This part involves the students working closely with the faculty to visit the companies, interview the management of the companies, and prepare the Reports for final distribution. A director of research would supervise this process at each participating university.
- 3.10 The Bloomberg financial reporting system would be made available to the faculty and students to provide the necessary local and international data needed for the company and industry analyses. Tulane University faculty would assist in this phase to audit and ensure quality and compatibility of the Reports among countries as well as their translation into English. Tulane will also assist to organize an annual Promotional Investment Meeting for participating SMEs, financial analysts, and potential local and international investors to ensure broad distribution of the final Reports.
- 3.11 It is expected that 240 Burkenroad Reports be prepared during the life of the Project. Further detail on benchmarks for each participating institution is given in the Logical Framework table (Annex I). The reports would be printed for local and international distribution but also would be placed on local and international web sites.

D. COST AND FINANCING

- 3.12 The total cost of the project is estimated to be US\$ 1,484,500.00. The Multilateral Investment Fund would contribute US\$ 760,000.00 as a non-reimbursable technical cooperation, which will fully fund the training of faculty. ITESM, IESA, and Universidad de Los Andes would contribute US\$ 724,500 as their financial counterpart, which would fully cover Course Development and Local Training. MIF and the participating universities will fund actual Burkenroad Report Preparation and Distribution. Program administration will be financed primarily from local counterpart funding, and will include expenditures relating to research directors, secretarial help, and general operating costs.

US\$

CATEGORY	MIF	ITESM	IESA	ANDES	TOTAL
1. Planning and Promotion	64,200	0			64,200
2. Training Professors	188,000	0			188,000
3. Course Development	37,500	77,000	77,000	77,000	268,500
4. B. R. Prep. & Distribution	297,800	92,500	92,500	92,500	575,300
5. General Coordination	123,000	132,000	42,000	42,000	339,000
6. Evaluations	40,000				40,000
7. Contingencies	9,500				9,500
TOTAL	760,000	301,500	211,500	211,500	<u>1,484,500</u>
PORCENTAGE	51%	20.3%	14.3%	14.3%	100%

E. ORGANIZATION AND EXECUTION

1. Executing agency

- 3.13 ITESM, Monterrey campus, would be the executing agency with final overall responsibility for this operation. ITESM was selected as the executing agency because of its prominence as a leading institution of higher education in Latin America; the well-known reputation of its business school; the size and strength of its academic programs in accounting and finance, and its strong ties to the business community in Mexico, and South America. It also has ample experience in executing programs financed by international agencies.

2. Execution mechanism

- 3.14 To implement the proposed Program, a project-executing unit (PEU) would be created in the Accounting and Finance department of the Division of Administration and Social Sciences (DACS) of ITESM, campus Monterrey. The PEU would be directly responsible for operations and administrative and financial aspects of the project.
- 3.15 The PEU would be comprised of: i) the general coordinator of the Program (to be financed with MIF resources), responsible for coordinating actions with the other participating universities, overall daily managerial and administrative aspects of the project, and head of the PEU; and ii) the group of counterpart administrative

and technical staff. The general coordinator of the Program would have the support of Tulane faculty and staff², individual consultants hired with Program resources.

3. Execution period and disbursements

- 3.16 This technical cooperation would be executed over a period of 36 months, with a disbursement period of 42 months, in accordance with the policies and procedures established by the Bank.
- 3.17 In order to ensure the adequate provision of financial resources for the execution of the different components and activities of the Program, a revolving fund of up to 10 percent of the MIF financial contribution would be established. For this purpose, the executing agency would open up an independent bank account for the Program.
- 3.18 Project Readiness. The Program is deemed to be in an advanced stage of development for the following reasons: a) the Operating Regulations governing the duties and obligations of all the participants have been drawn up; b) the work plan for the first year of activities has been completed; c) ITESM as well as IESA and Universidad de Los Andes have i) made the necessary commitment and budgeted the counterpart resources for the execution period; ii) pre-defined the methodology to identify the appropriate faculty, staff, and local companies to participate in the project; and iii) pre-analyzed how the financial research courses and Burkenroad Reports will be integrated into each school's program of study.

F. FINANCIAL SUSTAINABILITY

- 3.19 A key aspect of this project is to ensure that the training of students and practitioners and the implementation of the Burkenroad Reports would be continued beyond the financial assistance phase of the project. This objective is, in part, ensured by the selection of the participating institutions: ITESM, Universidad de Los Andes and IESA, which are among the top business schools in Latin America, with long-standing histories of quality business education. In addition, these institutions have the financial strength that permits the growth and development of strong curriculum initiatives such as the Burkenroad Reports for Latin America. Tulane and ITESM have met with the faculty and administration of all of these institutions to discuss and confirm that the financial research courses and report production aspects of the Burkenroad Reports for Latin America project are consistent with the curriculum goals of each institution. In addition, it has been confirmed that each institution values the addition of this

² The Tulane University team to work with ITESM and the other participating universities will be comprised of Mr. John M. Trapani, III, Senior Associate Dean of the A.B. Freeman School of Business, Mr. Peter Richutti, Assistant Dean and Director of the Burkenroad Reports, Dr. Pamela Shaw, Professor of Accounting, Dr. German Creamer, Professor of Finance and Economics, and Dr. Prem Jain, Martin Chair and Professor of Accounting and Finance.

project as a permanent enhancement to existing educational programs for their regular and practitioner students.

- 3.20 Each participating institution has signed a letter of agreement that they will provide the matching funds required to implement the project and that they are fully committed to the continuance of the Burkenroad Reports for Latin America beyond the funding provided by the MIF.
- 3.21 The financial resources and incentives required to secure long-term sustainability of the Program would come from a fee structure plan (see Component 1) that would take into account: a) additional tuition revenues generated by the innovative curriculum offerings of the Burkenroad Reports; b) the public relations and publicity value generated by national and international press recognition; c) fees charged for company participation and for the Reports generated by the faculty and students levied on users of this information.

G. EVALUATION AND MONITORING

- 3.22 Within the first 30 days following the close of each semester, the Executing Agency will submit to the Bank project progress reports and a final report within 30 days from the last disbursement. These reports should follow a format previously agreed with the Bank and should address project activities, finances, and results, according to the goals and indicators set forth in the Logical Framework (Annex I). Each progress report should include a plan for the next semester's activities. The Bank would utilize these reports to monitor project implementation and progress.
- 3.23 Intermediate Evaluation. At the end of the second year of execution the project, or when 50% of the MIF financial contribution has been disbursed, an evaluation will be conducted of the progress achieved in carrying out the program's activities. At that time as well, the executing agency in cooperation with the Bank's experts assigned to the program will set the basic guidelines for the ex-post evaluation. The evaluation process will be based on the overall and specific objectives of the program, and the indicators set out in the Logical Framework. The results of this evaluation will be used to determine whether any changes need to be made in the program in order to ensure that its objectives are achieved.
- 3.24 Ex Post Evaluation. Given the nature of the program, it is deemed necessary to conduct an ex-post evaluation of the program and its results. Consequently, one year after project completion, an independent ex-post evaluation will be carried out to assess its impact. The respective units of the Bank will participate in the development of the methods to be used in this independent evaluation, as well as in drawing up the terms of reference for the consultants, and in the selection of the latter by the executing agency.
- 3.25 Accounting and Audits. ITESM will be responsible for: a) establishing and maintaining accounting and financial controls and adequate internal auditing, as

well as a ledger system which will provide detailed records of the source and utilization of the program's funding, including i) identification of amounts and sources of funds, ii) information on the program's expenditures, distinguishing between those paid out of MIF resources and those covered by funding from other sources, and iii) the details required to identify the goods procured and the services contracted for; b) opening separate bank accounts for administration of the MIF contribution and the local counterpart funding; c) processing of requests for disbursements and the respective substantiation of expenditures in accordance with the Bank's disbursement procedures; and d) preparing and submitting to the Bank the final, audited financial statements on the program, and the semiannual reports on the revolving fund. The Executing Agency must present the final audited financial statements to the Bank within a period of 90 days from the last disbursement date. The Bank must previously accept the audit firm and the external audit costs will be financed by the MIF contribution.

- 3.26 This Program is considered a pilot project in the sense that the experience will only be tested in three countries, with the possibility of replicating it later in other places. For this reason, a special emphasis will be given to the monitoring and evaluation of the Program's results.

H. JUSTIFICATION AND RISKS

- 3.27 The Program would contribute to tackle some of the most serious constraints to the development of SMEs in the Region. By training professors and financial analysts, the Program would help to increase the supply of skilled management in the Region. By improving the availability, transparency, and quality of financial research on SMEs, the Program is expected to help companies to access national and international formal sources of funding
- 3.28 As companies come to rely on better-trained managers and obtain financing more easily, they also increase their chances to access better technologies and information on available techniques, improve product and quality control, obtain international exposure and partners, and broaden their markets.
- 3.29 The main risk of the Program is related to the capacity of the participating institutions to attract the numbers of SMEs required to participate in the Program. This risk is greatly diminished by the participating universities' excellent relationships and reputation among their business communities, by the assessments of local SMEs markets already conducted by the universities, which foresee a solid demand from local SMEs to participate in the Program, by the promotion efforts of the Program itself, and by the annual investment meetings scheduled as part of the Program.

I. EXCEPTIONS TO POLICIES AND PROCEDURES

- 3.30 An exception to Bank procedures and policies for the selection and hiring of consultants is requested, to hire the services of Tulane University, the developer

of the unique process to produce the Burkenroad Reports, directly so that it can: a) provide the training of professors at ITESM; b) contribute to the development and design of the courses on financial research for the students and practitioners; and c) assist with the production of the Burkenroad Reports for the local companies and their distribution locally and internationally, auditing and ensuring compatibility of reports among countries.

J. SPECIAL CONTRACTUAL CONDITIONS

- 3.31 The first disbursement of the MIF's contribution is conditional upon the executing agency's submission to the Bank of: (a) proof that the project execution unit has been duly constituted and its members appointed; (b) an annual work plan for the first year of the project, with breakdown by components; and (c) evidence that the Operating Regulations governing the duties and obligations of all participants in the program have been signed and entered into force.
- 3.32 Resources for components 2, 3, and 4 are contingent upon completion of all the activities comprised in Component 1 to the Bank's full satisfaction (paragraph 3.3).

Annex I - Logical Framework
Training of Financial Analysts for SMEs

CONCEPT	INDICATORS	PROCESS OF VERIFICATION	ASSUMPTIONS
<p>Goal</p> <p>To promote the development of SMEs in the Region (Mexico, Colombia, and Venezuela) and to enhance management skills and training of faculty and financial analysts.</p>	<ul style="list-style-type: none"> Targeted SMEs have improved their access to financial markets Faculty and financial analysts in selected countries have been trained in financial analysis Burkenroad Reports have been prepared and distributed. 	<ul style="list-style-type: none"> Annual business meeting. Reports Produced Intermediate evaluations. Ex-post evaluations. 	<ul style="list-style-type: none"> The existence of SMEs with financial constraints in the Region willing to participate in the Program.
<p>PURPOSE</p> <p>To transfer to the participating Latin American educational institutions the know-how developed by Tulane University in the implementation of the Burkenroad Reports for SMEs and to train financial analysts to prepare the Reports for Regional SMEs</p>	<ol style="list-style-type: none"> Approximately 150 Burkenroad Reports on local SMEs are produced and distributed among national and international investors, major financial centers, and managers of investment funds. Financial research courses and Burkenroad Reports are incorporated into each participating university's program of study, as a permanent 	<ul style="list-style-type: none"> Progress reports Intermediate evaluations Ex-post evaluations 	<ul style="list-style-type: none"> The projected number of students will enroll in the Burkenroad Report courses. The projected number of SMEs will participate in the program and are willing to provide the information required to produce the quality of financial reports

COMPONENTS	INDICATORS	PROCESS OF VERIFICATION	ASSUMPTIONS
<p>Strategic Planning and Promotion</p> <p>Planning and promotion processes to identify appropriate faculty, staff, and local SMEs to participate in the project.</p>	<p>part of their curriculum.</p> <ul style="list-style-type: none"> • Development of promotional materials and process to announce the project to the local and international financial communities as well as to the local SMEs who will participate in the program. Promotional materials and promotional plan developed during first 6 months of project execution. • Faculty participants identified in the first 2 months of execution. 	<ul style="list-style-type: none"> • Contract for promotional materials and promotional plan. • Faculty is contracted to participate in the 	<p>required by the project.</p> <ul style="list-style-type: none"> • Participating institutions have the adequate faculty and staff for execution of the project.

COMPONENTS	INDICATORS	PROCESS OF VERIFICATION	ASSUMPTIONS
<p>Training of the Professors at ITESM</p> <p>Provide the faculty of participating institutions with the expertise to prepare and conduct the financial research courses and report preparation</p>	<ul style="list-style-type: none"> • Master web page designed and developed in the first 4 months of project execution. • 6 one-week training sessions offered over 3 years of project life; one session offered in the fall and one in the spring of each year at ITESM. • A total of 24 faculty members trained during the 3 years of project execution. 4 faculty from each university will be trained during the first year and 2 faculty trained from each institution in the 2nd year, and 2 more per institution in the 3rd year. 	<p>training program.</p> <ul style="list-style-type: none"> • Contract with web page consultant and establishment of the web page. • Certification of enrollment of the faculty from participating institutions. • Completion of the curriculum designed for the training seminars. • Faculty completing the requirements of the training will receive a certificate of completion. • Evaluations of Faculty and staff from Tulane by the seminar participants. 	<ul style="list-style-type: none"> • The need to improve and enrich teaching capacity of professors in financial analysis.

COMPONENTS	INDICATORS	PROCESS OF VERIFICATION	ASSUMPTIONS
<p>Course Development and Local Training</p> <p>Participating institutions will offer the financial research courses for the local students and practitioners.</p>	<ul style="list-style-type: none"> Each participating institution developed, during first 6 months of project execution, course materials covering (i) investment research methodology on debt and equity financing issues, and (ii) financial research report preparation (Burkenroad Reports). This should be accomplished during first 6 months of execution. Financial research yearlong courses offered each year with an average of 30 students enrolled in each course. A total of 24 yearlong courses are offered during the life of the project: ITESM and Univ. de Los Andes each offered 3 yearlong courses each year for three years, and IESA offered 2 yearlong courses each year for three years). The financial research courses reviewed and updated as the local and international financial conditions change during the life of the project. 	<ul style="list-style-type: none"> Course materials and syllabi prepared. Registration forms and grade reports will verify student enrollments. Syllabus revised each year as part of the training workshops. The revision will respond to changing financial market 	<ul style="list-style-type: none"> The courses are valued by students interested in the study of accounting and finance and are well enrolled. Local SMEs are interested in participating in the Burkenroad Report project.

COMPONENTS	INDICATORS	PROCESS OF VERIFICATION	ASSUMPTIONS
<p>Report Preparation and Distribution</p> <p>The Burkenroad Reports will be prepared by each participating institution and distribute them locally and internationally.</p>	<ul style="list-style-type: none"> • Bloomberg terminals and other sources of global financial information are installed at each university during first 18 months of project execution. • ITESM and Univ. de Los Andes recruit 30 companies each to participate in the Burkenroad Reports each year. IESA recruits 20 companies each year. • ITESM and Univ. de Los Andes each produce 30 Burkenroad Reports each year. IESA produces 20 reports each year. • Each participating institution prepares a web site and a local distribution network for the Burkenroad Reports during the first 9 months of the project. 	<p>conditions and the evaluation of the courses by the students.</p> <ul style="list-style-type: none"> • Contracts to install Bloomberg terminals and other data sources. • Official lists of the participating firms produced each year by each university. • Burkenroad Reports prepared and printed by each university. • Contracts to design and implement local web sites and distribution networks in place (with link to the master web site at 	<ul style="list-style-type: none"> • Local SMEs are interested in participating in the project.

COMPONENTS	INDICATORS	PROCESS OF VERIFICATION	ASSUMPTIONS
	<ul style="list-style-type: none">• An annual Promotional Investment Meeting of participating firms and financial analysts takes place at each participating institution. Tulane faculty/staff will travel to each site to assist with the meeting and the recruitment of new SMEs.	<p>Tulane and ITESM).</p> <ul style="list-style-type: none">• Records of meeting sponsors and registrants will be produced.• Investment Meeting news clips.	

PROPOSED RESOLUTION

**REGIONAL. NONREIMBURSABLE TECHNICAL COOPERATION FOR THE PROGRAM
"TRAINING OF FINANCIAL ANALYSTS FOR SMEs"**

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 Multilateral Investment Fund, to enter into such agreements as may be necessary with the Instituto Tecnológico y de Estudios Superiores de Monterrey, of the United States of Mexico, and to take such additional measures as may be pertinent for the execution of the donors memorandum described in Document MIF/AT-_____ with respect to a technical cooperation for the Program "Training of Financial Analysts for SMEs."
2. That up to the amount of US\$760,000, or its equivalent in other convertible currencies, is authorized for the purpose of this resolution, chargeable to the 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.