

## PROJECT FOR ELECTRONIC MARKETING OF HANDICRAFTS

(TC-98-05-24-5-RG)

### EXECUTIVE SUMMARY

**EXECUTING AGENCY:** Asociación para la Promoción del Comercio Equitativo de Centroamérica, México y el Caribe [Association to Promote Equitable Trade in Central America, Mexico, and the Caribbean] (CRECER)

**BENEFICIARIES:** Organizations of small-scale producers of handicrafts in Central America, Mexico, and the Caribbean.

**OBJECTIVE:** The general objective is to promote the export competitiveness of handicraft producers' organizations. The project will operate in the framework of equitable commerce by using innovative electronic marketing instruments so that the organizations can optimize their trade relations and diversify their existing customer base towards the conventional market.

The specific project objectives are to: (i) transfer technology and the capacity to use online marketing tools to beneficiary organizations; (ii) put in place an ongoing market information management capacity in the region using the electronic data exchange system (SIED); (iii) strengthen the capacity of producers' organizations in the areas of planning, marketing management, and the development of new products in accordance with customer specifications and market trends.

**DESCRIPTION:** The project will provide support, through CRECER, for the producers' organizations to graduate to conventional export trade, through implementation of the following components: (i) technology transfer; (ii) development of marketing and business management skills; and (iii) new product development and design.

<b>COST AND</b>	Modality: (Window III)	Grant
<b>FINANCING:</b>	Beneficiary:	US\$345,500
	MIF:	US\$604,500
	Total:	US\$950,000

**TERMS:** From the signature of the letter of agreement between the Bank and the executing agency:

Execution: 36 months

Disbursements: 42 months

**POLICY EXCEPTION:** See "Procurement", below.

**PROCUREMENT OF GOODS, WORKS, AND CONSULTING SERVICES:** As an exception to the procedure for selecting consultants through open competition, as set forth in section GS-403 of the Procurement Manual, the direct hiring of PEOPLink, a U.S.-based, nonprofit, nongovernmental organization, is recommended. PEOPLink will carry out training activities on the capturing and management of digital images and the development and uploading of electronic catalogs. (See paragraphs 4.5 and 8.1.)

**SPECIAL CONTRACTUAL CONDITIONS:** As conditions precedent to the first disbursement of MIF resources, the executing agency will present to the Bank: (i) the agreement signed with Fair Trade Assistance and the executing agency, pursuant to the terms and conditions previously agreed upon with the Bank; and (ii) evidence that the project coordinator has been hired in accordance with the terms of reference agreed upon with the Bank.

## I. ELIGIBILITY

- 1.1 The Donors Committee has determined that all of the countries included in this project are eligible to receive MIF funding under all its modalities.

## II. BACKGROUND

- 2.1 The deregulation of international trade has created an opportunity to expand markets for the handicraft sector in Mexico, Central America, and the Caribbean, while also requiring major competitive changes. The challenge faced by the economies of the region as they enter the international marketplace is to ensure that the low-income sectors of the population in developing countries will share in the opportunities and benefits of market globalization.
- 2.2 The handicrafts in the region need to be repositioned toward upscale consumers, who demand long-lasting, good-quality, creatively designed products that can quickly adapt to new trends or "new artisan concepts". Organizations of low-income producers, especially women and indigenous peoples, have been particularly distanced from this new competitive setting.
- 2.3 Several equitable marketing organizations have supported organizations of low-income handicraft producers in the region, giving them favored access to the niche market share and to complementary technical assistance. While these kinds of trade relations have enabled a number of organizations to develop export capabilities, only rarely have these organizations been able to diversify their output and gear it to the growing "new artisan concepts" market and gradually wean themselves from the shrinking niche market. As a result, a group of leading equitable trade organizations in Mexico and Central America created the association CRECER in 1996, in order to improve their competitive position in international markets and coordinate the supply of technical assistance services for business and new product development.
- 2.4 CRECER has identified uniquely viable alternatives for small-scale handicraft producers in the region, including: seeking new niches in conventional markets and a more diversified portfolio of wholesale and retail customers who seek intermediate goods and materials. These are feasible activities given current production, commercial and export capacities; however, they require better mechanisms to gain access to new potential customers and the ability to adapt designs to trends in fashion. Along these lines, online marketing and the Electronic Data Exchange System (SIED) are tools that can be easily adapted to make this process a reality.

- 2.5 The Internet is a hybrid marketing channel, which can provide for direct and indirect sales as well as sales through middlemen or any combination thereof. Even so, direct relations between firms offer the greatest growth potential for sales, and this is where the thrust of the project is focussed, given that orders would be adapted to the needs of sales of the participating producer organizations. This option brings the handicraft producers closer to the final consumer, thereby eliminating middlemen in the marketing chain and allowing the producers to absorb a greater share of their product's final sale price.

### III. THE PROPOSED PROJECT

#### A. Objectives

- 3.1 The objective of the project is to promote export competitiveness among organizations of handicraft producers who have export experience within the framework of equitable trade. This will be achieved by using innovative electronic marketing tools that allow the producers to optimize their trade relations and diversify their current clientele towards the conventional market.
- 3.2 The specific objectives are: (i) transfer the technology and capacity to use the online marketing tools to beneficiary organizations; (ii) put in place an ongoing market information management capacity in the region by using the Electronic Data Exchange System (SIED); (iii) strengthen marketing planning and management capacity in the producers' organizations; and (iv) strengthen the capacity of the producers' organizations to develop new products in accordance with customer specifications and market trends.

#### B. Description

- 3.3 In order to meet these objectives, the project will be implemented through three components: (i) technology transfer; (ii) development of marketing and business management capabilities; and (iii) development and design of new products.

#### C. Project components

##### 1. Technology transfer

- 3.4 The activities to be performed under this component are: (i) procurement of equipment (digital cameras, snappies, digitizing software, etc.); (ii) training for the three partner organizations and CRECER itself on how to capture and send digitalized images (1. COOPERATIVA INTEGRAL DE PRODUCCIÓN DE VIDRIO [Integrated Glass Production Cooperative] (COPAVIC) in Guatemala; 2. PROARTE in

Nicaragua, and 3. XOCHIQUETZAL, S.A. de C.V. in Mexico); (iii) development of electronic data storage systems for customers and designs; (iv) installation of an electronic data exchange system for information concerning the market, customers, and designs and training in its use; and (v) installation and training in the management of electronic promotional catalogs and effective catalogs to suit specific customer needs.

- 3.5 The three above-mentioned producers' organizations affiliated with CRECER were initially identified on the basis of required export capacity and responsiveness to foreign market demands; accordingly, they will be the first to use the Internet marketing system. Annex I provides a description of each of the three organizations.
- 3.6 Other organizations in Central America (Annex III) will be able to use the electronic marketing service, after they have met the minimum export requirements (Annex II), and will therefore be in the incubation stage with CRECER's support as provided for under project components 2 and 3.
- 3.7 Technology transfer, including the establishment of the SIED, will be needed to provide the proper conditions for effective implementation of the remaining project components.

## 2. Development of marketing and business management capacities

- 3.8 This component will enable the beneficiary organizations, both the initial ones and those in the incubation stage, to gain access to the conventional market and to adapt marketing strategies to new competitive demands. Accordingly, the demand for new orders generated by the SIED will be complemented with: (i) a data base for commercial information, (ii) marketing management, and (iii) modernization of strategic planning.

### a. Development of the electronic business information system

- 3.9 In its first three months of execution, the project will provide for the preparation of a preliminary data base, beginning with a market analysis that will be conducted under contract by a consultant. The analysis will contain a portfolio of potential wholesale customers, retail vendors, or purchasers of intermediate craft components and inputs as well as primary business information (contact persons, e-mail addresses, the products sought and the specifications thereof, portfolio of current suppliers, etc.).
- 3.10 This system will allow the beneficiary organizations access to the conventional market through ongoing market segmentation based on the following strategic parameters: (i) purchase unit; (ii) purchasing patterns (products, prices, and quantities) and development; (iii) strengths and weaknesses of the competition; (iv) products and prices of leading competitors; (v) inventory

status; (vi) delivery deadlines; (vii) payment terms; (viii) account size and performance; and (ix) final market position. This system of continual customer information will allow the beneficiary organizations to adjust their business strategies to current and potential clients and maximize the volume of orders.

b. Technical assistance in marketing

- 3.11 Under this activity, CRECER will hire an expert to assist the organizations in updating their marketing strategies, incorporating the following elements: (i) sizing their catalog as effectively as possible; (ii) cost analysis (determination of relative levels of fixed and variable costs, identification of development cost amortization periods, and the effects on price and discount policies); (iii) price policies (including the determination of wholesale and retail margins, prices geared to expanding market share, price discrimination on the basis of available commercial information, and determination of strategies for parallel pricing in relation to leading competitors); (iv) discount policies (discount by volume, inventory, and functional discounts for different types of customers); and (v) determination of market positioning with greatest potential. The project also will provide for representatives of the executing agency and the participating organizations to take part in international fairs, particularly New York's International Gift Fair, in order to promote and present electronic catalogs to possible wholesale buyers and to obtain information on customers or new designs.

c. Technical assistance in management

- 3.12 CRECER will provide full-time technical assistance services in business areas through the contracting of international consultants funded by Fair Trade Assistance in the areas of: (i) production and technological innovation, including such aspects as maintaining quality and consistent production and environmental standards; (ii) business management training; (iii) customer services; and (iv) product processing and packaging and export logistics. The producers' organizations in the incubation stage will benefit in particular from this subcomponent, which will enable them to attain the management and production levels required in order to use the electronic trade system.

3. New product development and design

- 3.13 Under this activity, international consultants will be hired to address specific questions in relation to design, new production techniques, and the implementation of a quality control system. The consultants will provide direct on-site assistance to the beneficiary organizations, both the initial ones and those in the incubation stage, so that they can adapt their output to new characteristics that customers are known to seek.

- 3.14 An electronic system will be employed so that the organizations and the customers themselves can exchange information on designs, using digital images. This ongoing system of information on tastes and trends will enable the beneficiary organizations to upload proposed electronic catalogs tailor made to match available business information. To handle the system, CRECER will have specialized permanent staff on board to process information on trends, obtained from subscriptions to specialized magazines, in order to provide ongoing assistance to designers in the participating organizations.

#### IV. PROJECT EXECUTION

##### A. Executing agency

- 4.1 CRECER, a Guatemalan nonprofit association with legal status, which began operations in October 1996, will be the executing agency for the project. The association has a regional structure and the capacity to act as an intermediary and liaison between the providers of training, technical assistance, and information services and the producers' organizations in Mexico, Central America, and the Caribbean, whose need for these services has been assessed.
- 4.2 CRECER has played an important role in the development of its partner organizations: it has acted as an intermediary for specialized technical assistance and services geared toward production improvements vis-à-vis the equitable trade market (see Annex IV).
- 4.3 CRECER's organizational structure is comprised of a general assembly made up of representatives of the enterprises, associations, and producers' groups. CRECER's operational structure comprises a coordinator, an administrative assistant, and two field consultants, in addition to the support of specialized consultants.

##### B. Coordination structure

- 4.4 In order to coordinate project execution, CRECER will set up a coordinating unit, headed by the current coordinator of CRECER. The coordinator's appointment will be a condition precedent to the first disbursement (see Annex V). Through the coordinator, CRECER will assume responsibility for contracting and supervising the consultants as stipulated in the agreement. During the execution period, it will develop the capacity to provide advisory services on the installation of the trade information system to the producers' groups that join the project. Similarly, it will acquire the capacity to provide these services on an ongoing basis to the producers' groups, through consultants specializing in the

management of the product marketing and design information system. The coordinating unit will keep in permanent contact with the producers' organizations, which are seeking the services.

- 4.5 For the execution of the technology transfer component, CRECER will receive specialized technical assistance on two levels. For the installation of the electronic trade system and electronic data exchange, and training in their use, CRECER will use the technology and training programs developed by the U.S.-based, nonprofit, nongovernmental organization PEOPLink; for data base maintenance and interfaces with the Internet, locally available, specialized complementary services will be contracted. Results from the supply study indicate that, whereas other organizations can be found that also offer some of the services under consideration, the nongovernmental organization PEOPLink is the only one that offers a comprehensive package of these services. The organization has a long history of specialized experience in the electronic trade of handicrafts in Central American countries, and the technology transfer services it has developed over the years are offered at low cost. These factors constitute sufficient comparative advantages to justify the direct contracting of the specific services mentioned above. As an exception to the Bank's policy on selecting consultants through open competition, in accordance with section 4.3 of the Procurement Manual, it is recommended that the direct contracting of PEOPLink be approved, which will carry out training activities on the capturing and management of digital images and the development and uploading of electronic catalogs.
- 4.6 Prior to the startup of the activities proposed under the technology transfer component, CRECER will submit to the Bank the letters of commitment signed by the three aforementioned organizations, which will set forth the commitments and responsibilities of the parties. These letters will indicate the institutions' commitment to: (i) assigning staff and providing equipment to the project; (ii) sharing marketing information (sales, costs, prices, and customers) and business management with CRECER; (iii) absorbing the costs associated with use of the Internet for capturing and processing of digitized electronic catalogs; and (iv) supplying information for auditing of the project.
- 4.7 The incorporation of other Central American organizations into the electronic trade system will depend on the fulfillment of a series of eligibility criteria and commitments for membership, which have been defined in order to ensure a supply that will meet the demand and project feasibility (see Annex II). The institutions listed in Annex III will be in an incubation stage with support from CRECER, with initial technical assistance in management; as they develop further, they will require other services.
- 4.8 The preparation of the initial data base on the development of the Electronic Commercial Data System and the marketing analysis



(subcomponent 2a) will be carried out, according to the elements indicated in paragraph 3.9, by an individual consultant to be hired by CRECER. The technical assistance in marketing will also be provided by an international consultant who will be hired by CRECER and will work with CRECER specialists and with three partner organizations (COPAVIC, PROARTE, and XOCHIQUETZAL) on updating marketing strategies, as provided for in paragraph 3.11. Both consultancies will be carried out as provided for under the terms of reference indicated in Annex V.

- 4.9 In order to execute the activities provided for under the subcomponent for technical assistance in management (2.c), CRECER will sign an agreement with Fair Trade Assistance (FTA), which will finance the respective consultants. Approval of this agreement by the Bank will be a condition precedent to the first disbursement. FTA is a consortium of equitable trade organizations, which markets their handicraft products in North America.
- 4.10 The activities involving direct advisory assistance in the design and development of new products and the installation of the market information system will be performed through contracts with international consultants. The advisory services in marketing may be contracted locally. The selection and contracting of all the consultants will be done as provided for by Bank procedures.
- 4.11 The project activities are expected to take place within a 36-month period as of the signing of the letter of agreement between the Bank and the executing agency.

## V. COST AND FINANCING

- 5.1 The cost of the project is estimated at US\$950,000 equivalent, of which US\$604,500 equivalent will be provided by the MIF from the Small Enterprise Development Facility (Window III), on a nonreimbursable basis. The local counterpart will be for the equivalent of US\$345,500, of which the FTA will finance US\$105,000 for advisory services to support product groups. The costs are indicated according to the breakdown presented in the following table:

<b>BUDGET</b> <b>(Equivalent in US\$)</b>			
<b>CATEGORIES</b>	<b>MIF</b>	<b>LOCAL CONTRIBUTION</b>	<b>TOTAL</b>
1. Technology transfer	<u>87,000</u>	<u>28,500</u>	<u>115,500</u>
Equipment	9,000	20,500	29,500
Consulting services	35,000	8,000	43,000
Training (PEOPLink)	43,000	-	43,000
2. Development of marketing and business management capacities	<u>221,500</u>	<u>137,000</u>	<u>358,500</u>
Advisory services (marketing, inf. management)	192,500	115,000	307,500
Market analysis	15,000	-	15,000
Dissemination at fairs	14,000	22,000	36,000
3. New product development and design	<u>156,500</u>	<u>58,000</u>	<u>214,500</u>
Consulting services	150,500	10,000	160,500
Subscriptions, memberships	6,000	3,000	9,000
Organization support	-	45,000	45,000
4. Project coordination and administration	<u>92,500</u>	<u>122,000</u>	<u>214,500</u>
Coordinator	91,000	-	91,000
Communications	1,500	-	1,500
Logistical support	-	122,000	122,000
5. Evaluations and audits	<u>26,000</u>		<u>26,000</u>
Consultant — evaluations	20,000		20,000
Financial audit	6,000		6,000
6. Contingencies	21,000		21,000
<b>TOTAL</b>	<b>604,500</b>	<b>345,500</b>	<b>950,000</b>

- 5.2 The training and technical assistance activities related to the marketing and new product design components will be cofinanced by CRECER, its partner organizations, and the MIF, with decreasing annual percentage shares from the MIF (70%, 60%, and 50%). The technology component will be cofinanced with contributions from each of the partner groups and by CRECER (75% of equipment purchases and complementary services) and cash contributions from the MIF (for the equipment counterpart, installation, and training). Cofinancing of the coordination and administration costs will be apportioned as follows: transitional activities and implementation of the project will be financed in their entirety by the MIF, while activities deemed permanent will be financed from the local counterpart, with the exception of the coordinator's honoraria, which will be cofinanced as per a special matrix (100%, 80%, and 50% in years 1, 2, and 3 paid by the MIF).

- 5.3 Local counterpart resources will also cover support costs for project execution, including: (i) office rental; (ii) administrative costs and salaries for support staff, (iii) furnishings, and (iv) office materials.
- 5.4 To recover costs, CRECER will generate revenues from its technical assistance and market information services to partner and participating organizations and eventually to other handicraft marketing organizations and enterprises. The project analysis has considered conservative scenarios for an increase in demand for these services and a progressively closer match between the charges for services and the operating costs, so that by the fourth year of operations, the system will become self-sustaining.
- 5.5 The disbursement schedule for MIF resources will cover a 42-month period as of the signing of the letter of agreement.

## VI. PROJECT JUSTIFICATION AND RISKS

### A. Justification

- 6.1 The project will meet two needs not covered by other, traditional mechanisms of support for small handicraft producers. These needs are to diversify the client base towards conventional trade and to bridge the gap between small producers and buyers, thereby reducing the high costs of marketing through middlemen.
- 6.2 Project activities will contribute to opening new markets and expanding business opportunities for small handicraft producers in Mexico, Central America, and the Caribbean using the electronic tools of the Internet. The development of this sector is critical in light of its significant impact on increases in employment opportunities, higher incomes, and better living conditions and quality of life among the rural population, particularly for women and indigenous groups, who constitute the great majority of handicraft producers. Not only will the Internet facilitate the expansion of product marketing, it will also contribute to new product design and development and aid in the introduction of production techniques that allow for environmental conservation and protection of natural resources. The project is therefore consistent with the key elements of the Eighth Replenishment mandates.
- 6.3 The project activities and the services to be rendered by CRECER will provide economies of scale and easily enable the CRECER partner organizations and coinvestors to boost their share of value added.

B. Risks

- 6.4 A possible risk is that the project's use of the Internet as a marketing tool will fail to generate the anticipated demand from buyers. To reduce this risk, the project has included the development and implementation of a marketing strategy geared to expansion of business in new, highly competitive market segments and the dissemination of the use of the technology. It is anticipated that the support provided under an active policy to develop new products and undertake a constant search for new market niches will minimize the impact of this factor on the project.
- 6.5 Online marketing systems can present initial barriers pertaining to transaction payment security, electronic billing, and the confidentiality of banking and credit card data. However, the project is not geared to direct sales to the public; accordingly, the number of business transactions expected to be established will not require the implementation of online payment systems. In the event that customers require legal representatives and business agents in their respective countries, CRECER will facilitate access to the network of equitable trade organizations for these purposes.

VII. EVALUATION AND MONITORING

- 7.1 Project execution and the fulfillment of project objectives will be monitored by using: (i) the indicators provided in the logical framework (Annex VI); (ii) the annual operating work plans; (iii) the annual progress reports; and (iv) the midterm and final performance evaluations.

A. Reports

- 7.2 The executing agency will submit an annual progress report on the activities executed within 30 days of the close of each calendar year of execution. The reports will devote special attention to: (i) new orders and customers generated for the partner organizations and recorded through a commercial auditing system and a register of orders; (ii) the technical operation of the SIED and electronic commerce; (iii) the effectiveness and timeliness of the technical assistance to the groups; (iv) the degree of fulfillment of the project objectives; (v) problems encountered and steps taken to address them; and (vi) potential adjustments and projection of activities proposed for the coming year. In addition, a final report will be presented within 30 days of the close of the project (execution period).

B. Midterm and final execution

- 7.3 After 18 months of project execution, a midterm evaluation of the activities will be performed and presented to the Bank. The evaluation will review the effectiveness of the methodology employed, the degree of fulfillment of the activities programmed, reports on the business monitoring, the results of the increased sales revenues taken in by the beneficiary organizations, the institutional and operational performance of the coordinating unit, the degree of participation of the organizations, and the number of organizations taking part in the project. Furthermore, three months after the conclusion of project execution, the Bank will be presented with the final report of the results obtained. These evaluations will be performed by independent consultants, hired by the Bank with resources from the operation.
- 7.4 The final evaluation will be performed 38 months after execution begins. It will supplement the midterm evaluation and will use similar criteria to determine the impact of the project, as well as incorporate pertinent recommendations for future reference.
- 7.5 For indicative purposes, the performance indicators considered under the midterm evaluation at 18 months will include a review of the status of established project contributions made by CRECER and the partner organizations. This evaluation will facilitate a review of the fulfillment of scheduled activities, adjusted for the actual levels of participation achieved; in addition, it will complement the monitoring system initiated by CRECER.

C. Audits

- 7.6 Within three months after the last disbursement of resources (disbursement period), the executing agency will present to the Bank a financial statement audited and reviewed by independent auditors acceptable to the Bank. This report will include an audit of the project expenses funded by the MIF, CRECER, and the participating organizations.

VIII. POLICY EXCEPTIONS

- 8.1 As conditions precedent to the first disbursement of MIF resources, the executing agency will present to the Bank: (i) the agreement signed with Fair Trade Assistance and the executing agency, pursuant to the terms and conditions previously agreed upon with the Bank; and (ii) evidence that the project coordinator has been contracted in accordance with the terms of reference agreed upon with the Bank.

IX. SPECIAL CONDITIONS PRECEDENT TO THE FIRST DISBURSEMENT

- 9.1 As conditions precedent to the first disbursement of MIF resources, the executing agency will present to the Bank: (i) the agreements or letters of commitment previously agreed upon by the Bank and signed with Fair Trade Assistance, spelling out the commitments and nature of the financial and in-kind contributions to the project; and (ii) evidence that the project coordinator has been contracted in accordance with Bank requirements.

## LOGICAL FRAMEWORK SYNOPSIS

OBJECTIVES	ACTIVITIES	VERIFICATION INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS
technology and handle electronic tools	<ul style="list-style-type: none"> <li>- Purchase and installation of equipment</li> <li>- Train staff from CRECER, COPAVIC (GU), PROARTE (NI), and XOCHIQUETZAL (ME) in the capture and digitizing of images</li> <li>- Development of systems to store information on customers and product designs</li> <li>- Installation and training in the use and management of electronic catalogs</li> </ul>	To be evaluated after 18 and 36 months of project execution: (i) Number of people trained at CRECER and its three partner organizations; (ii) Number of electronic catalogs and web pages produced; (iii) Number of handicraft products digitized by the organizations.	Annual progress reports. The annual operating work plans presented by CRECER and the participating organizations.	Institutional capacity existing personnel that will use the system on how to capture digital images and use the online exchange system.
ent of marketing and management capacities	<ul style="list-style-type: none"> <li>- Consulting assistance in preparing data base on market analysis</li> <li>- Technical assistance in updating marketing strategies for the three partner institutions and other participating groups</li> <li>- Technical assistance in business management</li> </ul>	Number of new customers and orders placed with the partner organizations that lead to higher billings as a result of online marketing and electronic data exchange system (SIED).	Electronic listings of digital catalogs sent; results of marketing contacts, and sales volumes over the SIED compared with the financial statements of CRECER and the other institutions.	The organizations adapt their systems and put them in operation. The customer response is favorable to the offerings. The information requirements of the organizations are able to match their production lines on the basis of information supplied.
ect design and nt	<ul style="list-style-type: none"> <li>- Consulting assistance with product design and new production techniques</li> <li>- Consulting assistance and implementation of an electronic exchange system</li> </ul>	Number of new designs adapted for quality, durability, and design with regard to specific customer trends/needs as per existing national policies on the environment and natural resources.	Records of electronic catalog usage broken down by customer and the record of usage and results obtained from the system and exchange digital images broken down by customer type.	The new product characteristics (price and design) adapted to customer needs find commercial market niches.

PROPOSED RESOLUTION

REGIONAL. NON REIMBURSABLE REGIONAL TECHNICAL COOPERATION FOR  
THE INTERNET MARKETING OF ARTISAN HANDICRAFTS PROJECT

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 Asociación para la Promoción del Comercio Equitativo de Centroamérica, México y el Caribe (CRECER) and to take such additional measures as may be pertinent for the execution of the plan of operations referred to in Document MIF/AT- with respect to a regional technical cooperation for the Internet Marketing of Artisan Handicrafts Project.
2. That up to the amount of US\$604,500 or its equivalent, is authorized for the purpose of this resolution, chargeable to resources of the Small Enterprise Development Facility of the Multilateral Investment Fund.
3. That the above-mentioned sum is to be provided on a non reimbursable basis.