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DEL PUEBLO DE LOS ESTADOS
UNIDOS DE AMÉRICA

Programa MIDAS

Más Inversión para el Desarrollo Alternativo Sostenible

SECOND QUARTER REPORT FY 2007

JANUARY TO MARCH 2007

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MÁS INVERSIÓN PARA EL DESARROLLO ALTERNATIVO SOSTENIBLE
Second Quarter Report FY' 07

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Acronyms

ABC	Agribusiness Component
ADAM	Áreas de Desarrollo Alternativo en los Municipios
ARD	Associates in Rural Development
ASOCARS	Asociación de Corporaciones Autónomas Regionales
BDC	Business Development Component
BDP	Business Development Process
BIRF	Banco Interamericana de Reconstrucción y Fomento
CADEFOR	Centro Amazónico de Desarrollo Forestal
CAF	Corporación Andina Fomento
CAPP	Colombia Agribusiness Partnership Program
CARS	Corporaciones Autónomas Regionales
CDM	Clean Development Mechanism
CED	Colombia Enterprise Development
CFC	Commercial Forestry Component
CIF	Certificado Incentivo Forestal de reforestación
CONIF	Corporación Nacional para la Investigación Forestal
DCA	Development Credit Authority
FAO	Food and Agricultural Organization
FEDEMADERA	Federación Nacional Maderera
FINAGRO	Fondo para la financiamiento del sector Agropecuario
FIP	Fondo de Inversión para la Paz
FOMIPYME	Fondo Colombiano de Modernización y Desarrollo Tecnológico de las Pequeñas y Medianas Empresas
FONAM	Fondo Nacional Ambiental
FPAА	Fondo Para la Acción Ambiental
FUPAD	Fundación Panamericana para el Desarrollo
GDA	Global Development Alliance
GEF	Global Environmental Fund
GoC	Government of Colombia
IDB	Inter Development Bank
IDP	Internally Displaced Populations
IESC	International Executive Service Corps
IICA	Inter-American Institute for Cooperation on Agriculture
INCUAGRO	Incubadora Empresarial de Producción y Comercialización Agropecuaria
MAVDT or MMA	Ministry of the Environment
MIDAS	Mas Inversión para el Desarrollo Alternativo Sostenible
MoA	Ministry of Agriculture
OAS	Organization of American States
OIM	Organización Internacional para las Migraciones
PC	Project/Proposal Coordinator
PCFP	Plan Colombia Forestal Program



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PILAS	Programa de Apoyo y Asistencia Humanitaria Integral a la Población Internamente Desplazada y Otros Grupos Vulnerables
PS	Project Suppliers
SME	Small and Medium Enterprises
TIMOs	Timber Investment Management Organizations
USAID	United States Agency for International Development



Executive Summary

Overall MIDAS Status - At the end of March 2007, the MIDAS project had actual achievements for all components of 5% (8,398) of the life of contract indicator for Numbers of Jobs Created, 5% (9,975) of New Hectares Planted, and 3.5% (5,311 families) for Number of Families Benefited. Project implementation is taking on increasing emphasis within MIDAS compared to project development with an increasing MIDAS presence in the field as a result. MIDAS presently has 112 active projects under implementation comprised of 3 new agribusiness projects, 23 ex-CAPP projects, 9 CFC projects, and 77 SME projects. During the next quarter the implementation rate will dramatically increase with the ABC component expecting to reach 26 projects for \$14.7 million in MIDAS funds and 40,123 hectares (of these, 5 projects were approved at the end of March, 2007 and three were in implementation), the CFC component expecting to reach 31 projects for a total of \$12 million in MIDAS funds and 62,000 hectares of natural forest and 65,928 hectares of plantation forestry (of these, 3 projects were approved at the end of March, 2007), and the SME component approving an additional 337 projects with a MIDAS contribution of US\$2,819,011 for the creation of an additional 13,554 new jobs.

CY07 1st quarter results - Results during the quarter were promising. As far as commitment targets, all indicator targets were exceeded with the exception of the internal SME indicator (not an ACI indicator) for families benefited which was behind by about 7%. With regards to actual achievements, only the new hectares target for the ABC component was exceeded. Part of the problem is the lag time within the MIDAS M&E system between when actual achievements occur and when they are reported and recorded. Also, in the case of forestry, given the effect of “El Niño”, grantees delayed some plantings until the next quarter. We hope to dramatically reduce this lag time during next quarter now that we have a greater field presence in our regional offices.

Expenditures - MIDAS is on track toward achieving its 2007 work plan goal of total expenditures of \$66,318,509. Key to achieving this goal is \$43.280 million in expenditures for the Grants and Contracts line item targeted for CY07. A total of \$54 million has been committed under the Grants and Contracts line item to date of which \$9.1 million has been expended. Total cumulative MIDAS expenditures at the end of March 31, 2007 were \$21,590,456 representing 12% of total life of contract funding available. Actual expenditures for the first quarter of 2007 were approximately \$9.2 million and were consistent with burn rate projections. During the second quarter of 2007, expenditures should double to \$18 million or about \$6 million a month.

Implementation Capacity - During the quarter ADAM and MIDAS jointly occupied a new office building with the benefit of increased efficiencies and synergies between the two projects. MIDAS is almost completely staffed up to its authorized level of 187 employees divided between 105 in the Bogota office and 82 in the Regional Offices. The scale of local business operations is increasing rapidly. During the quarter, the MIDAS Colombia operation handled 1,524 transactions for a total of \$4.581 million. In March alone there were 753 transactions for \$2.744 million.

MIDAS undertook a series of actions to streamline internal processes and reduce the time required to develop and implement projects. An internal project administration system is well underway allowing better tracking and management of the project development process. A digitalized voucher and payment approval process was installed during the quarter in preparation for a dramatic increase in payment actions as project implementation advances.



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SME Component - The SME component carried out a series of hiring, training, decentralization, and Project Supplier network expansion activities geared toward achieving the goal of 1,100 Fixed Obligation Grant agreements executed during CY'07. The component expanded its Project Suppliers network to 93 entities of which 31 submitted 66 project proposals during the quarter. It is expected that proposals will be received from the majority of the 93 Project Suppliers next quarter.

CFC Component - Three new CFC projects were approved for 31,684 hectares of plantation forestry and 35,000 ha of natural forest benefiting more than 6,000 families, with a MIDAS investment of 5 million dollars. These three new projects build upon 9 other projects that had been approved in late 2006, 5 of which are associated with Community Forest Enterprises (natural forest management pilot programs) and four plantation projects.

ABC Component - ABC moved through the pipeline the major part of its 184 APS proposals, which for the most part were received in the latter part of 2006 - of these, 57 passed the screening phase. During QR 2 FY'07 San Pablo palm project was signed completing three ABC MIDAS projects under implementation comprising 6,200 Has. Moreover, five projects comprising 11,467 Has. and covering a diverse geographical area were approved for implementation and will be signed next quarter.

Policy Component - During this quarter three decrees were approved as a result of Policy Component efforts: Decrees 387 and 388 improve competition for energy retailing and establish universal access to energy, and Decree 519 increases interest rate caps both for micro credit and for consumer loans thus effectively increasing access to credit. Additionally, Circular 21 was approved, lessening the reporting costs of savings accounts of low income clients, including *Familias en Acción* beneficiaries. The Policy Component assisted the Government of Colombia in drafting CONPES document 3458 which establishes new guidelines for improved sanitary and food safety standards for the pork industry. Also, the Policy Component provided critical assistance to the AIS (Agro Ingreso Seguro) Law 1133, with the aim of ensuring that subsidies to agricultural producers are non-distortive and promoting an efficient allocation of productive resources to activities with comparative advantages.

The Policy Component is also producing impressive results under its pilot program with financial institutions. Under this program no less than 308 Non Banking Correspondents were opened to the public and the number of loans disbursed reached \$ 25,000,000 benefiting 43,657 borrowers. The component has helped a total of 76 companies receive certification in various pilot standards implementation and certification programs. Furthermore, the component is assisting four beef slaughterhouses and meat processing plants in achieving HACCP certification according to international standards by July 2007, and assisted two dairy Colombian firms in complying with U.S. PMO standards .

ADAM/MIDAS Coordination - Effective coordination continued to expand between ADAM and MIDAS on a number of fronts. ADAM provided assistance MIDAS in the development of a protocol for determining land tenure status for potential project beneficiaries. ADAM and MIDAS agreed upon joint parameters for economic and financial of potential project investments.



1. PROGRAM ACCOMPLISHMENTS

1.1. Indicators

1.1.1. Achieved Impact on Key Indicators

MIDAS works through four components to reach its overall goals. The following Table 1 indicates actual achievements toward indicators during the second quarter FY07.

Table 1

ACTUAL ACHIEVEMENTS JANUARY TO MARCH 31, 2007

Performance Indicators	Goals	SO	IR	2 QR FY'07
1. Number of Jobs Created	177,000	SO2,SO3	2.1	3,600
2. Hectares Supported	217,239	SO2	2.1,2.3	6,613
3. Hectares of Natural Forest Managed	150,000	SO2	2.1,2.4	15
4. Number of Families Benefited	151,437	SO2	2.1	3,418
4.1 Number of Families Benefited (SME)	418,000	Internal	-	12,876
5. Private Sector Firms Formed or Strengthened	10,505	SO2	2.1	192

Note: Include projects merged into MIDAS



Table 2

DESCRIPTION				
	QII - 2007	Q III- 2007	QIV - 2007	QI - 2008
Laws Approved	AIS (Agro Ingreso Seguro) Law 1133 approved April 2007			
CONPES Implemented	CONPES document 3458 which establishes new guidelines for improved sanitary and food safety standards for the pork industry was approved in January 29, 2007			
Decrees, Resolutions and Circulars	Decree 519, approved February 26, 2007, Decree 519 of 2007 was published and new interest rate caps were announced, which result in higher interest rate caps both for micro credit and for consumer loans thus increasing access to credit			
	Energy Decree 387, approved February 13, 2007, establishes the basic fixed charge for the residential market and eliminates cross-subsidies as a function of consumption thereby improving competition for energy retailing			
	Decree 388, approved February 13, 2007, establishes universal access to energy			
	Circular 21, approved April 19, 2007, lessens the reporting costs of savings accounts of low income clients, including Familias en Accion beneficiaries			
Institutional Reforms	The "solicitud de crédito" (loan application) at Bancolombia was simplified from 14 pages to two starting February 28, 2007			
	The "Matriz de productividad" (matrix tracking the efficiency of credit officials) for both new credits and renewals was implemented for every credit official in the Bancolombia pilot branches starting March 15, 2007			



1.1.2. Anticipated Impacts on Key Indicators

The figures included in Table 3 show the potential achievements on MIDAS goals coming from projects approved and committed during the second quarter FY07.

Table 3

RESULTS FROM COMMITMENTS JANUARY TO MARCH 31, 2007

Performance Indicators	Goals	SO	IR	2 QR FY'07
1. Number of Jobs Created	177,000	SO2,SO3	2.1	8,730
2. Hectares Supported	217,239	SO2	2.1,2.3	29,434
3. Hectares of Natural Forest Managed	150,000	SO2	2.1,2.4	170
4. Number of Families Benefited	151,437	SO2	2.1	9,110
4.1 Number of Families Benefited (SME)	418,000	Internal	-	14,489
5. Private Sector Firms Formed or Strengthened	10,505	SO2	2.1	1,237

Note: Include projects merged into MIDAS

1.1.3. Proposal in Approval or Implementation

The following are the results toward indicators projected from projects expected to be approved and/or committed during the next quarter:

Table 4

EXPECTED RESULTS FROM PROJECTS APPROVED/COMMITTED APRIL TO JUNE 30, 2007 (Proposals in Implementation)

Performance Indicators	Goals	SO	IR	2 QR FY'07
1. Number of Jobs Created	177,000	SO2,SO3	2.1	21,848
2. Hectares Supported	217,239	SO2	2.1,2.3	52,288
3. Hectares of Natural Forest Managed	150,000	SO2	2.1,2.4	365
4. Number of Families Benefited	151,437	SO2	2.1	57,541
4.1 Number of Families Benefited (SME)	418,000	Internal	-	47,629
5. Private Sector Firms Formed or Strengthened	10,505	SO2	2.1	1,237

Note: Include projects merged into MIDAS



1.2. Proposal and Project Status

Table 5 shows the status of MIDAS proposals and projects as of 31 March 2007

Table 5

*(Exchange Rate\$2,300/USD)

PROPOSAL NUMBER	DESCRIPTION / NAME	PRODUCT / SECTOR	TOTAL COST (USD \$000)	MIDAS AMOUNT (USD \$000)	MIDAS %	HA. DIRECTLY IMPACTED	FAMILIES DIRECTLY IMPACTED	EQUIVALENT JOBS - FTE'S	STATUS
SMEC									
S-00325-07	ESTATAL DE SEGURIDAD	SECURITY	50,849	25,424	50%		364	120	APPROVAL
S-00386-07	CUELLAR SERRANO Y CIA S. EN C.	AGRIBUSINESS / BLACKBERRY	203,665	101,833	50%		796	726	APPROVAL
S-00419-07	DIVGO COMESTIBLES S.A	FOOD	488,364	159,207	33%		799	794	APPROVAL
S-00424-07	COOPERATIVA DE TRABAJO ASOCIADO PRESTADORES DE SERVICIOS PROFESIONALES PSP	HEALTH	8,674	4,337	50%		585	100	APPROVAL
S-00425-07	BRILLASEO S.A.	CLEANING	10,435	5,217	50%		399	27	APPROVAL
S-00427-07	RUIZ CASTELLANO JULIO CESAR (ALIMENTOS LA VICTORIA)	FOOD	7,465	3,733	50%		157	19	APPROVAL
S-00431-07	CAMARA DE COMERCIO DE BUCARAMANGA	COMMERCE	76,796	38,398	50%		210	210	APPROVAL
S-00433-07	CORPORACION BUEN AMBIENTE CORAMBIENTE	AGRIBUSINESS / FRUITS & VEGETABLES	129,157	64,578	50%		346	330	APPROVAL
S-00435-07	SERVI LIMPIEZA S.A.	CLEANING	2,391	1,196	50%		888	7	APPROVAL
S-00436-07	SOLUCIONES INTEGRALES DE OFICINA S.A. SIO	WOOD & FURNITURE	2,087	1,043	50%		62	6	APPROVAL
S-00438-07	ASOCIACIÓN NACIONAL DE INDUSTRIALES DE PANADERIA - ANIPAN	FOOD	12,870	3,130	24%		26	17	APPROVAL
S-00439-07	CIUDADELA COMERCIAL UNICENTRO	COMMERCE	228,835	114,417	50%		779	693	APPROVAL
S-00444-07	COOPERATIVA MULTIACTIVA DE PRODUCTORES DE SANTA MARIA "COOPROSAN"	AGRIBUSINESS / RED BEANS	36,535	18,268	50%		280	140	APPROVAL
S-00446-07	COOLECHERA LTDA	MILK	171,391	85,696	50%		917	480	APPROVAL
S-00452-07	SOCIEDAD DE FABRICACIÓN DE AUTOMOTORES S.A. - SOFASA	AUTOMOTIVE ASSEMBLY	1,097,886	173,627	16%		3,037	861	APPROVAL
S-00019-06	MULTIPARTES	AUTOMOTIVE PARTS	20,380	10,190	50%		149	49	IMPLEMENTATION
S-00020-06	LITOCENCOA	PUBLISHING	5,217	2,609	50%		69	12	IMPLEMENTATION
S-00021-06	NUTRIAVICOLAS	POULTRY	21,652	9,310	43%		305	40	IMPLEMENTATION
S-00024-06	MULTISERVICIOS DE INGENIERIA	OIL SUPPLIERS	295,219	130,354	44%		2,297	810	IMPLEMENTATION
S-00042-06	OBEN MUEBLES	WOOD & FURNITURE	17,826	5,696	32%		134	25	IMPLEMENTATION
S-00053-06	FUNDACION CICA	AGRIBUSINESS / TOMATO	47,148	23,574	50%		325	180	IMPLEMENTATION
S-00067-06	BRILLANTEX	CLEANING	7,826	3,913	50%		303	26	IMPLEMENTATION
S-00068-06	UNIVAC- CDP DEL CUERO	SHOES	88,168	44,084	50%		226	171	IMPLEMENTATION
S-00069-06	UNIVAC- (FERIA)	SHOES	13,043	6,522	50%		1,306	26	IMPLEMENTATION
S-00100-06	ECOTERMALES DE SAN VICENTE	TOURISM	40,926	20,463	50%		99	70	IMPLEMENTATION
S-00102-06	FONTEL	COMMUNICATIONS	9,130	4,348	48%		106	21	IMPLEMENTATION
S-00103-06	COLFLORA	FLOWERS	14,130	7,065	50%		223	50	IMPLEMENTATION
S-00104-06	COOPERATIVA SAN FERNANDO	TRANSPORT	31,761	15,880	50%		1,035	72	IMPLEMENTATION
S-00124-06	PRODISPEL S.A.	PAPER	37,565	15,026	40%		174	70	IMPLEMENTATION
S-00125-06	VINOS NEC LTDA.	HONEY PRODUCTS	9,217	3,687	40%		25	15	IMPLEMENTATION
S-00126-06	ARRIBA INTERNATIONAL SHOES & CIA LTDA.	SHOES	21,530	10,765	50%		80	60	IMPLEMENTATION
S-00127-06	GRANJA SANTA ANITA	POULTRY	18,261	9,130	50%		261	44	IMPLEMENTATION
S-00129-06	TEMPORALES UNO A S.A.	TEMPORAL LABOR	21,739	10,870	50%		1,060	200	IMPLEMENTATION
S-00131-07	SERVICIOS ESPECIALES PARA EMPRESAS & CIA LTDA. SESPEM - LTDA	TEMPORAL LABOR	62,400	31,200	50%		1,168	200	IMPLEMENTATION
S-00132-07	PRODESC S.A.	CONSTRUCTION	20,870	10,435	50%		50	50	IMPLEMENTATION
S-00133-07	INDUSTRIAS CADI	RUBBER PRODUCTS	42,065	21,033	50%		129	96	IMPLEMENTATION
S-00134-07	IMADERINCO	WOOD & FURNITURE	12,783	6,391	50%		80	30	IMPLEMENTATION
S-00135-07	SITECO LTDA.	METAL PARTS	6,957	3,478	50%		111	18	IMPLEMENTATION
S-00138-06	CLÍNICA LA ESTANCIA	HEALTH	126,270	63,135	50%		706	300	IMPLEMENTATION
S-00140-06	INCUBAR DEL CARIBE	SOFTWARE	19,652	9,565	49%		49	45	IMPLEMENTATION
S-00141-06	INDUSTRIAS VILORIA PEZZANO	FOOD	15,635	5,287	34%		30	25	IMPLEMENTATION
S-00143-06	COOPERATIVA DE TRABAJO ASOCIADO MANOS ACTIVAS - COOTRAMAC	TEMPORAL LABOR	51,557	25,778	50%		321	240	IMPLEMENTATION
S-00144-06	FUNDACIÓN DEL CERREJON	COMMERCE	203,771	99,125	49%		2,322	1,150	IMPLEMENTATION



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S-00145-06	PELCO S.A	TEXTILES	43,696	21,848	50%		183	100	IMPLEMENTATION
S-00146-06	ASODULCES	FOOD	265,217	103,435	39%		656	460	IMPLEMENTATION
S-00147-06	COOPIMAR C.T.A	TEXTILES	119,565	29,891	25%		734	120	IMPLEMENTATION
S-00149-07	HUGO RESTREPO & CIA LTDA	FOOD	14,239	6,574	46%		52	17	IMPLEMENTATION
S-00150-06	ASOCIACION DE CACAOCULTORES	AGRIBUSINESS / COCOA	163,565	81,783	50%		529	425	IMPLEMENTATION
S-00154-06	COOPERATIVA P. S. A.	HEALTH	8,674	4,337	50%		672	48	IMPLEMENTATION
S-00219-06	AMORTIAUTOS	AUTOMOTIVE PARTS	4,174	2,087	50%		24	10	IMPLEMENTATION
S-00223-06	MERCAPAVA	RETAIL	13,913	6,957	50%		223	35	IMPLEMENTATION
S-00224-06	SEGURIDAD OMEGA LTDA- ADMINISTRACIONES GJ	SECURITY	16,961	8,481	50%		716	40	IMPLEMENTATION
S-00227-06	ESMALGRES	CERAMIC / HANDCRAFT	38,504	19,252	50%		134	96	IMPLEMENTATION
S-00229-06	FUND. SAN LORENZO	PAPER	24,522	12,261	50%		58	50	IMPLEMENTATION
S-00320-07	MILENIUM CONNECTION E.U.	TEXTILES	39,130	19,565	50%		263	72	IMPLEMENTATION
S-00323-07	FUNDACION PARQUE INDUSTRIAL DE LA CONFECCION DEL CAUCA	TEXTILES	82,539	41,270	50%		195	195	IMPLEMENTATION
S-00324-07	SOCIEDAD PORTUARIA DEL NORTE S.A.	LOGISTICS	168,983	52,396	31%		295	260	IMPLEMENTATION
S-00326-07	C.I. ALTIPLANO NORTE S.A	TEXTILES	38,100	19,050	50%		102	100	IMPLEMENTATION
S-00376-07	INDUSTRIAS MORARBE LTDA	TEXTILES	4,174	2,087	50%		57	10	IMPLEMENTATION
S-00377-07	FIJACIONES OROZCO S.	CONSTRUCTION	10,017	5,009	50%		57	24	IMPLEMENTATION
S-00382-07	RELAX WOOD	WOOD & FURNITURE	18,087	9,043	50%		69	40	IMPLEMENTATION
S-00383-07	PRODUCTORA DE ALIMENTOS NATURALES, PANA LTDA.	FOOD	121,739	60,870	50%		304	304	IMPLEMENTATION
S-00384-07	CONGELADOS DE COLOMBIA CONGECOL LTDA.	FOOD	13,022	6,033	46%		38	30	IMPLEMENTATION
S-00387-07	FABIO MONJE ALRACON Y/O VIDRIONET	GLASS	696	348	50%		4	2	IMPLEMENTATION
S-00394-07	GENTE ESTRATEGICA S.A.	PERSONAL SERVICES	410,348	205,174	50%		6,088	1,903	IMPLEMENTATION
S-00395-07	COOPERATIVA DE TRABAJO ASOCIADO COMUNIDAD ESTRATEGICA	CALL CENTER	468,905	234,452	50%		1,180	1,180	IMPLEMENTATION
S-00396-07	SEGURIDAD Y VIGILANCIA COLOMBIANA LTDA SEVICOL LTDA	SECURITY	71,522	35,761	50%		180	180	IMPLEMENTATION
S-00397-07	CODIN S.A.	CONSTRUCTION	14,391	7,196	50%		102	85	IMPLEMENTATION
S-00398-07	ABADIA PLAZA E.U.	HOTELS	3,826	1,930	50%		29	10	IMPLEMENTATION
S-00399-07	DISTRIBUIDORA DE ACEITES Y GRASAS VEGETALES DEL VALLE LTDA.	FOOD	10,326	4,213	41%		28	21	IMPLEMENTATION
S-00400-07	AUTOCENTRO LTDA	AUTOMOTIVE PARTS	4,104	2,011	49%		18	10	IMPLEMENTATION
S-00401-07	DISTRIBUIDORA ALGER LTDA.	OIL SUPPLIERS	291,496	4,226	1%		33	19	IMPLEMENTATION
S-00402-07	COLMUEBLES S.A.	WOOD & FURNITURE	5,635	2,817	50%		66	15	IMPLEMENTATION
S-00403-07	CAJA SANTANDEREANA DE SUBSIDIO FAMILIAR - CAJASAN	TEXTILES	49,763	24,606	49%		122	122	IMPLEMENTATION
S-00404-07	FRADISA S.A. (FRANQUICIA DE INVERSIONISTAS SANTANDEREANOS)	COMMERCE	61,348	26,957	44%		154	138	IMPLEMENTATION
S-00407-07	IMAS - INDUSTRIALES DE LA MADERA ASOCIADOS	WOOD & FURNITURE	73,638	36,819	50%		236	200	IMPLEMENTATION
S-00408-07	LILIA EUGENIA RAMIREZ DE PADILLA (OBLEAS)	FOOD	23,270	11,478	49%		69	58	IMPLEMENTATION
S-00409-07	SERVICIOS DE COLOMBIA S.A (SERVICOL)	TEMPORAL LABOR	75,404	37,702	50%		1,086	189	IMPLEMENTATION
S-00411-07	ANDINAUTOS S.A.	AUTOMOTIVE PARTS	3,973	1,985	50%		83	10	IMPLEMENTATION
S-00412-07	CAMARA DE COMERCIO DE BUCARAMANGA - ALIANZA RIO SUAREZ, PANELAS Y MIELES	FOOD	167,261	83,565	50%		435	423	IMPLEMENTATION
S-00413-07	PRECOOPERATIVA PRODUCTORA DE ALIMENTOS PURO CAMPO	FOOD	54,413	26,326	48%		128	128	IMPLEMENTATION
S-00420-07	INSTITUTO PARA NIÑOS CIEGOS Y SORDOS DEL VALLE DEL CAUCA	HEALTH	28,122	14,061	50%		360	116	IMPLEMENTATION
S-00421-07	ESPARRAGOS CHAYANI S.A.	AGRIBUSINESS / ASPARRAGUS	222,304	111,152	50%		618	534	IMPLEMENTATION
S-00423-07	MIO GAS VEHICULAR LTDA	AUTOMOTIVE PARTS	62,804	32,283	51%		100	85	IMPLEMENTATION
S-00426-07	PROGRESALUD S.A	HEALTH	129,209	60,137	47%		340	300	IMPLEMENTATION



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S-00429-07	SISTEMAS Y COMPUTADORES S.A.	SOFTWARE	5,436	2,718	50%		699	14	IMPLEMENTATION	
S-00430-07	TRANSPORTES ORO Y CIA S.C.S.	TRANSPORT	46,070	23,035	50%		222	115	IMPLEMENTATION	
S-00432-07	LA CONSTRUCTORA S.A.	CONSTRUCTION	93,957	34,764	37%		250	205	IMPLEMENTATION	
S-0045-07	DARIO GIL & CIA S EN CS	WOOD & FURNITURE	12,670	6,335	50%		102	25	IMPLEMENTATION	
S-0060-06	PROSERVIS	TEMPORAL LABOR	10,435	5,217	50%		100	30	IMPLEMENTATION	
S-0078-06	GRUPO ZAMBRANO	ENGINEERING	13,020	2,870	22%		50	14	IMPLEMENTATION	
S-0098-06	FUNDESMAG	GENERAL SERVICES	142,870	71,435	50%		290	280	IMPLEMENTATION	
S-0099-06	CERCAFÉ	PORCINE INDUSTRY	34,783	8,696	25%		56	37	IMPLEMENTATION	
SUBTOTAL			95	7,610,916	40.0%	-	41,377	17,509		
COMMERCIAL FORESTRY										
F-0148-06	PIZANO BAJO ATRATO	PLANTACIONES FORESTALES	4,872	1,254	26%	5,000	1,000	1,136	APPROVAL	
F-0157-07	FEDECAFÉ	PLANTACIONES FORESTALES	40,094	3,463	9%	26,864	4,148	6,507	APPROVAL	
F-0336-08	ONUUC	BOSQUE NATURAL	624	343	55%	35,000	1,481	68	APPROVAL	
F-0022-06	EFC EL NUANAMO	BOSQUE NATURAL		5					CLOSED	
F-0007-06	MONTERREY FORESTAL	PLANTACIONES FORESTALES	1,842	393	21%	1,674	446	356	IMPLEMENTATION	
F-0008-06	REF. LA GIRONDA	PLANTACIONES FORESTALES	1,514	195	13%	785	100	404	IMPLEMENTATION	
F-0008-12	ASOFORESCOM	BOSQUE NATURAL	129	104	81%	30	30	10	IMPLEMENTATION	
F-0009-06	REF. EL INDIO	PLANTACIONES FORESTALES	1,669	250	15%	1,036	100	394	IMPLEMENTATION	
F-0012-06	EFC BAJO MIRA Y FRONTERA	BOSQUE NATURAL	226	102	45%	90	50	15	IMPLEMENTATION	
F-0036-06	COIGEMARENA	BOSQUE NATURAL	161	80	50%	150	30	15	IMPLEMENTATION	
F-0039-06	MADEALGUAPI	BOSQUE NATURAL	201	145	72%	15	50	15	IMPLEMENTATION	
F-0050-06	MADEFLEX	PLANTACIONES FORESTALES	5,805	789	14%	3,000	605	1,347	IMPLEMENTATION	
F-0156-06	EFC EL NUANAMO	BOSQUE NATURAL	179	112	62%	80	50	22	IMPLEMENTATION	
F-0161-06	CORCUENCAS. REF COMERCIAL DEL TOLIMA	PLANTACIONES FORESTALES	4,824	540	11%	2,700	197	614	SCREENING	
F-0013-06	MADEURABA	VALOR AGREGADO	539	209	39%		20	20	SCREENING	
F-0033-07	FEDEGAN	PLANTACIONES FORESTALES	6,641	1,000	15%	5,000	400	1,136	SCREENING	
F-0037-07	REFORESTACION SUAREZ	PLANTACIONES FORESTALES	1,713	200	12%	1,000	600	227	SCREENING	
F-0041-06	FUNDACION ECOL. CAFETE	PLANTACIONES FORESTALES	1,623	200	12%	1,000	250	199	SCREENING	
F-0086-06	MADERA Y CAFÉ	PLANTACIONES FORESTALES	4,873	360	7%	4000	800	798	SCREENING	
F-0121-06	AGROSANTAFE	PLANTACIONES FORESTALES	7,860	600	8%	2,000	200	682	SCREENING	
F-0145-06	PROCAUCHO MAGDALENA MEDIO	PLANTACIONES FORESTALES	17,400	1,200	7%	4,000	400	1,364	SCREENING	
F-0157-07	MAS BOSQUES	PLANTACIONES FORESTALES	2,998	144	5%	2,058	1,200	468	SCREENING	
F-0162-07	INDUCARBON	PLANTACIONES FORESTALES	396	80	20%	400	150	91	SCREENING	
F-0337-06	EMP FORESTAL DEL HUILA	PLANTACIONES FORESTALES	5,137	500	10%	2,500	300	568	SCREENING	
F-0338-07	CONSTRUPAZ	PLANTACIONES FORESTALES	3,553	239	7%	906	330	206	SCREENING	
F-0359-06	ALDEA GLOBAL	PLANTACIONES FORESTALES	2,111	300	14%	1,500	300	341	SCREENING	
SUBTOTAL			26	116,983	12,808	10.9%	100,788	13,237	16,999	-
AGRIBUSINESS										
023	CEA	PASSION FRUIT	8,207	702	9%	1,483	813	-	CLOSED	
131	ASOCATI	CACAO	3,722	854	23%	593	262	-	CLOSED	
025	CIA DE EMPAQUES DE M.	FIJUE	2,994	718	24%	1,300	2,167	-	IMPLEMENTATION	
035	CIA PALMERA SUR DE B.	PALMA	6,941	931	13%	2,000	200	-	IMPLEMENTATION	
040	NANYANVA	CACAO	6,173	1,149	19%	600	180	-	IMPLEMENTATION	
046	AGROTROPICAL COLOMBIA	CACAO	5,503	732	13%	500	180	-	IMPLEMENTATION	
048	FUND. ALTO MAGDALENA	CACAO	3,628	768	21%	510	100	-	IMPLEMENTATION	
050	COPROAGROSUR	PALMA	851	161	19%	400	100	-	IMPLEMENTATION	
052	PROPALMA	PALMA	34,200	986	3%	10,000	1,294	-	IMPLEMENTATION	
064	CORDEAGROPZ	PALMA	11,665	1,081	9%	3,054	436	-	IMPLEMENTATION	
079	ECOBIO COLOMBIA LTDA	CACAO	12,073	1,128	9%	2,500	686	-	IMPLEMENTATION	
082	ASBAMA	BANANO	3,304	333	10%	400	60	-	IMPLEMENTATION	
00102	FEDECACAO	CACAO	6,406	594	9%	700	350	-	IMPLEMENTATION	
117	MACEO	CACAO	11,941	1,501	13%	1,500	600	-	IMPLEMENTATION	
119	C.I. TEQUENDAMA S.A.	PALMA	14,289	1,824	13%	5,000	598	-	IMPLEMENTATION	
123	FUNDESCAT	CACAO	4,581	1,293	28%	1,200	240	-	IMPLEMENTATION	



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124	U.T. ALDEA	CACAO	5,510	1,265	23%	1,224	245	-	IMPLEMENTATION
125	ASOGPADOS - H LAS FLORES S.A.	PALMA	16,339	2,910	18%	4,000	400	-	IMPLEMENTATION
126	ESTAM H. LAS FLORES S.A.	PALMA	6,134	1,349	22%	1,500	150	-	IMPLEMENTATION
127	PROCAUCHO	CACAO	4,180	1,238	30%	1,200	240	-	IMPLEMENTATION
130	ASOGPADOS	PALMA	3,793	53	1%	1,000	133	-	IMPLEMENTATION
02703	EMPAQUES DEL CAUCA	FIQUE	1,475	267	18%	300	600	-	IMPLEMENTATION
02902	HUGO RESTREPO Y CIA	PEPPERS	2,390	230	10%	200	70	-	IMPLEMENTATION
03202	EL ROBLE S.A.	PALMA	1,726	284	16%	600	30	-	IMPLEMENTATION
125P	HACIENDA LAS FLORES S.A.	PLANTA PALMA	5,228	719	14%	-	32	-	IMPLEMENTATION
SUBTOTAL			26	183,253	23.070	13%	41,764	10,166	-
A-0001-06	CIA PALMERA SAN PABLO	PALMA	9,868	1,249	13%	3,000	375	-	APPROVAL
A-0003-06	ASOGPADOS	PALMA	15,525	1,596	10%	2,800	168	-	ASSESSMENT
A-0004-06	ESTAM	PALMA	12,938	1,330	10%	2,100	126	-	ASSESSMENT
A-00049-06	ASOPAFROM - CASE	OTROS - CANA PANELERA	2,911	550	19%	3,000	1,880	-	ASSESSMENT
A-00051-06	PALMERAS DE LA COSTA	PALMA	3,707	431	12%	1,200	64	-	ASSESSMENT
A-00062-06	FRUPALMA	PALMA	9,208	1,091	12%	2,565	183	-	ASSESSMENT
A-00066-06	PALMACETE	PALMA	6,201	773	12%	2,000	61	-	ASSESSMENT
A-00070-06	CI EFOLTEC	CACAO, AGUACATE Y CARDAMOMO	11,470	898	8%	1,900	1,100	-	ASSESSMENT
A-00071-06	BUCARELIA	PALMA	6,600	504	8%	1,800	70	-	ASSESSMENT
A-00074-06	IRRIMER - CACAO	CACAO	3,000	300	10%	900	200	-	ASSESSMENT
A-00077-06	AGUA Y TIERRA (S/DER SUR)	CACAO	6,560	549	8%	1,500	94	-	ASSESSMENT
A-00079-06	EL ROBLE	PALMA	1,534	172	11%	580	95	-	ASSESSMENT
A-00082-06	INDUPALMA	PALMA	4,311	550	13%	1,500	70	-	ASSESSMENT
A-00084-06	GRAMMA INDUSTRIA AGRICOLA	CACAO	4,055	215	5%	700	200	-	ASSESSMENT
A-00088-06	OCCCA	CACAO- ORG	1,264	70	6%	270	150	-	ASSESSMENT
A-00094-06	AGUA Y TIERRA (SANTANDER DEL NORTE)	CACAO	-	-	#DIV/0!	1,235	75	-	ASSESSMENT
A-00095-06	PALMAS OLEAGINOSAS DEL ARIGUANI	PALMA - EST Y SOST	4,757	504	11%	1,500	200	-	ASSESSMENT
A-00106-06	GRADESA	PALMA	3,263	383	12%	1,010	114	-	ASSESSMENT
A-00119-06	ECOCACAO	CACAO NUEVO Y REHABILITADO	23,685	1,364	6%	5,635	1,400	-	ASSESSMENT
A-00120-06	CORPOCAUCA	ESPARRAGOS	2,274	184	8%	200	200	-	ASSESSMENT
A-00151-06	PALMARES SAN FERNANDO	PALMA	10,521	1,303	12%	2,000	100	-	ASSESSMENT
A-00153-06	ALIANZA PLAN TRES	PALMA	26,587	168	1%	808	219	-	ASSESSMENT
A-00230-06	FRUTAS DEL HUILA	FRUTAS	10,170	505	5%	1,200	464	-	ASSESSMENT
A-00233-06	FRUTOS DEL CAMPO	FRUTALES	-	-	-	5,000	2,000	-	ASSESSMENT
A-00259-06	FUNDEPALMA	PALMA	6,946	233	3%	5,850	585	-	ASSESSMENT
A-00282-06	CI TEQUENDAMA S. A. (DAABON)	PALMA	-	1,667	#DIV/0!	7,700	500	-	ASSESSMENT
A-00047-06	ANIMAR	CACAO	5,114	511	10%	1,750	350	-	SCREENING
A-00072-06	FEDECACAO MONILIA	CACAO	15,726	1,502	10%	15,600	6,750	-	SCREENING
A-00026-06	CEA	FRUTAS - MARACUYA	4,099	248	6%	840	420	-	DEVELOPMENT
A-00052-06	FRUTAS POTOSI	FRUTAS	3,886	255	7%	600	300	-	DEVELOPMENT
A-00023-06	IRRIMER - CAFE	CAFE	8,729	387	4%	1,700	833	-	ASSESSMENT
A-00027-06	FEDECACAO SAN VICENTE	CACAO	19,210	707	4%	7,500	1,500	-	ASSESSMENT
A-00002-06	EL PORTICO	PALMA	4,525	695	15%	1,700	170	-	IMPLEMENTATION
A-00005-06	ASOCATI	CACAO	4,380	616	14%	1,500	300	-	IMPLEMENTATION
A-00085-06	COPROMAG	PALMA SOSTIENIMIENTO	-	-	#DIV/0!	6,194	451	-	REJECTED
A-00117-06	ASOPRALSA	OTROS - YUCA	111	5	5%	150	100	-	REJECTED
A-00260-06	PALMERAS DE PUERTO LIBRE S.A.	PALMA	-	-	#DIV/0!	1,972	13	-	REJECTED
A-00262-06	CORDEAGROPAZ	PALMA	8,538	813	10%	2,300	300	-	REJECTED
A-00266-06	COOPAR	PALMA	4,048	851	21%	2,000	300	-	REJECTED
A-00271-06	AGROTEQ	MATERIAL FORESTAL Y ORNAMENTAL	-	-	#DIV/0!	-	-	-	REJECTED
A-00048-06	FEDECACAO- TARRA	CACAO	1,000	32	3%	240	120	-	SCREENING
A-00061-06	FEDECAFÉ	CAFÉ	40,833	5,000	12%	40,000	40,000	-	SCREENING
A-00075-06	ASOCACAO	CACAO	3,078	380	12%	1,000	200	-	SCREENING
A-00080-06	ASOMARACUYA-VALENCIA	OTROS - AJI	742	27	4%	107	319	-	SCREENING
A-00081-06	FEDECACAO- CHAPARRAL	CACAO	182	32	18%	380	190	-	SCREENING
A-00089-06	FEDECACAO YALI	CACAO	-	157	#DIV/0!	240	80	-	SCREENING
A-00090-06	PROCAUCHO - ASOMAM	CACAO Y CAUCHO	6,040	576	10%	1,600	240	-	SCREENING



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A-00093-06	ESPERANZA - ASOCATI	CA CAO	3,207	370	12%	1,000	200	-	SCREENING
A-00097-06	ASOCACIM	CA CAO	-	-	#DIV/0!	600	200	-	SCREENING
A-00114-06	FUNDACION DARIO MAYA BOTERO	CA CAO	3,519	624	18%	1,600	555	-	SCREENING
A-00231-06	KIBUTZ	HIGUERILLA	4,116	2,056	50%	7,000	6,000	-	SCREENING
A-00234-06	ACOPI - GLOBAL FINANCE S. A.	ESPARRAGOS	625	125	20%	60	50	-	SCREENING
A-00237-06	CORPOBOYACA (CORPOICA - CORPOBOYACA)	CA CAO - OTROS	-	-	#DIV/0!	814	362	-	SCREENING
A-00238-06	REFORESTADORA CONSTRUPAZ S.A.	CA CAO Y PLATANO	1,680	297	18%	700	160	-	SCREENING
A-00239-06	EMSOLMEC	CA CAO	3,080	275	9%	750	350	-	SCREENING
A-00240-06	MUNICIPIO DE AMALFI	CA CAO	-	-	#DIV/0!	800	225	-	SCREENING
A-00241-06	CI ALDEA	CA CAO	1,117	177	16%	88	44	-	SCREENING
A-00242-06	ASOCIACION MUNICIPIOS Y CENTRO DE GESTION OCAÑA	CA CAO	2,872	198	7%	1,000	250	-	SCREENING
A-00243-06	ORGANIZACION DE CACAOTEROS DE UNGUIA	CA CAO	952	121	13%	200	100	-	SCREENING
A-00244-06	FEDERACION CAMPESINA DEL CAUCA	CA FE	626	295	47%	180	150	-	SCREENING
A-00245-06	ASOCIACION DE PLATANEROS VEREDA TANELA	PLATANO	1,477	120	8%	800	400	-	SCREENING
A-00246-06	AGROEMPRESARIAL S.A.	CA FE	1,485	313	21%	600	250	-	SCREENING
A-00247-06	TBD	CA CAO	1,426	-	0%	582	194	-	SCREENING
A-00248-06	ALIANZA PBS DEL PACIFICO, TIMBIQUI	CO CO	868	334	38%	4,700	150	-	SCREENING
A-00249-06	HUGO RESTREPO & CIA S.A. CI	AJÍ	4,482	316	7%	250	80	-	SCREENING
A-00250-06	JORGE ENRIQUE HERRERA G. & CARLOS GILBERTO HERRERA G.	PIÑA	117	-	0%	15	152	-	SCREENING
A-00251-06	CORDEAGROPZ	CA CAO	6,381	604	9%	2,000	667	-	SCREENING
A-00252-06	BRAVO NIETO & CIA	LIVA	-	-	#DIV/0!	300	80	-	SCREENING
A-00253-06	CI TEQUENDAMA S. A. (DAABON)	PLANTA DE PROCESAMIENTO DE PALMA	-	4,167	#DIV/0!	7,700	1,900	-	SCREENING
A-00255-06	T. E. A. -	FRUTAS HORTALIZAS	18,272	2,605	14%	4,000	500	-	SCREENING
A-00256-06	EMPAQUES DEL CAUCA	FIQUE; FIBRA, JUGO, ABONO	5,873	992	17%	1,784	1,008	-	SCREENING
A-00257-06	AGROCAMPO	YUCA, MAIZ, NAME, AHUYAMA, FRIJOL Y AJÍ	72	33	46%	66	550	-	SCREENING
A-00258-06	CORPODIB	SORGO DULCE, CANA DE AZUCAR	836	746	89%	58	1,331	-	SCREENING
A-00261-06	FEDECACAO - ASOPROCAP	CA CAO	1,029	361	35%	400	200	-	SCREENING
A-00264-06	JUNTA ACCION COMUNAL VEREDA CUBA	TILAPIA ROJA	141	94	67%	NA	12	-	SCREENING
A-00267-06	ASOCAPEGUA	CA CAO	800	212	26%	156	130	-	SCREENING
A-00268-06	ASBAMA	BANANO	6,932	613	9%	519	22	-	SCREENING
A-00269-06	CORPULMUNDO	CURCUMA	101	38	37%	11	10	-	SCREENING
A-00270-06	COMPANIA DE EMPAQUES S.A.	FIQUE	868	167	19%	200	334	-	SCREENING
A-00272-06	EDELMIRA DE JESUS GAVIRIA GARCÉS	FRUTAS - CITRICOS	113	-	0%	NA	NA	-	SCREENING
A-00273-06	CORPORACION SOLIDARIA NANYANVA	MORA	8,883	1,487	17%	300	150	-	SCREENING
A-00274-06	CORPORACION SOLIDARIA NANYANVA	CA CAO	-	-	#DIV/0!	500	-	-	SCREENING
A-00275-06	CORPORACION PBA	FRUTAS	1,990	386	19%	350	700	-	SCREENING
A-00276-06	ASOPRASAN	MORA	677	208	31%	100	-	-	SCREENING
A-00277-06	INCLUBADORA DE EMPRESAS DE ANTIOQUIA	FIQUE	242	54	22%	208	81	-	SCREENING
A-00278-06	PNUMA/DFMAM OFICINA REGIONAL PARA AMERICA LATINA Y EL CARIBE	-	-	-	#DIV/0!	-	-	-	SCREENING
A-00279-06	CIAT	AGRICULTURA DE CONSERVACION EN PROYECTOS MIDAS	-	625	#DIV/0!	NA	5,000	-	SCREENING
A-00280-06	CIAT	VENTA DE CARBONO	375	208	56%	NA	4,000	-	SCREENING
A-00283-06	ANUC DE SAMANIEGO	LECHE PIELS DE CABRA CHACHAFRUTO PASTO MARALFALFA	678	385	57%	50	40	-	SCREENING
A-00284-06	OSORNO Y ARROYAVE	CARNE BOVINA	253	148	59%	NA	ND	-	SCREENING
A-00285-06	COOPROHIGO	PLANTA DE PROCESAMIENTO Y COMERCIALIZACION HIGO Y NOPAL	133	47	35%	NA	240	-	SCREENING
A-00286-06	ASOCALIMA	CA CAO	-	-	#DIV/0!	1,050	350	-	SCREENING
A-00288-06	SWEET HARVEST E.U.	STEVIA	-	-	#DIV/0!	35	35	-	SCREENING
A-00289-06	FEDECACAO VALLE DEL CAUCA	CA CAO	2,703	277	10%	1,200	1,048	-	SCREENING
A-00290-06	FEDECACAO SANTANDER	CA CAO	3,713	249	7%	1,300	650	-	SCREENING
A-00291-06	FEDECACAO TIERRALTA	CA CAO	533	44	8%	228	76	-	SCREENING
A-00292-06	FEDECACAO VALENCIA	CA CAO	809	54	7%	285	95	-	SCREENING
A-00293-06	COOCAFE	CA FE	13,450	1,584	12%	3,200	466	-	SCREENING



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PROPOSAL NUMBER	DESCRIPTION / NAME	PRODUCT / SECTOR	TOTAL COST (USD \$000)	MIDAS AMOUNT (USD \$000)	MIDAS %	HA. DIRECTLY IMPACTED	FAMILIES DIRECTLY IMPACTED	EQUIVALENT JOBS - FTE'S	STATUS
A-00294-06	CORPOURABA	PIMIENTA NEGRA	-	-	#DIV/0!	100	100	-	SCREENING
A-00295-06	CI. COMEXA	AJI	-	-	#DIV/0!	200	-	-	SCREENING
A-00296-06	CORPORACIÓN PBA	CACAO PLATANO ZAPOTE	1,425	262	18%	171	57	-	SCREENING
A-00297-06	CORPORACIÓN PBA	PLATANO	494	82	17%	120	92	-	SCREENING
A-00298-06	ASOCIACIÓN COMUNAL DE JUNTAS DE EL DOVIO VALLE	PLÁTANO, BANANO, CACAO, AGUACATE Y MARACAYÁ	-	-	#DIV/0!	50	54	-	SCREENING
A-00299-06	CODINAR	PANELA: PRODUCCIÓN Y COMERCIALIZACIÓN	193	80	42%	NA	ND	-	SCREENING
A-00300-06	FUNDEWILCHES	PALMA	458	197	43%	1,500	150	-	SCREENING
A-00301-06	CCI	BROCOLI	6,600	715	11%	270	300	-	SCREENING
A-00302-06	AGEL	CÁRNICOS Y LÁCTEOS Y CULTIVOS DE CORTO RENDIMIENTO	4,312	4,313	100%	15,000	-	-	SCREENING
A-00303-06	PROGRESAMOS	SERICULTURA	164	95	58%	42	150	-	SCREENING
A-00304-06	ATINPEC	TOMATE	30	25	83%	0	2	-	SCREENING
A-00305-06	BIOINDUSTRIAS	REMOLACHA FORRAJERA E HIGUERILLA PARA BIODIESEL	256,250	76,875	30%	25,000	100,000	-	SCREENING
A-00306-06	CODINAR CORPORACIÓN PARA EL DESARROLLO INTEGRAL DEL ÁREA RURAL	MORA	285	60	21%	49	63	-	SCREENING
A-00307-06	GRUPO ASOCIATIVO DE CAFETEROS VILLA LIBANO	TOSTADORA DE CAFÉ	-	-	#DIV/0!	-	-	-	SCREENING
A-00308-06	COMITÉ DPTAL DE CAFETEROS RISARALDA	AGUACATE	2,747	234	9%	265	133	-	SCREENING
A-00309-06	COMITÉ DPTAL DE CAFETEROS RISARALDA	MORA	433	61	14%	50	100	-	SCREENING
A-00310-06	COMITÉ DPTAL DE CAFETEROS RISARALDA	CAFÉ ESPECIAL	1,481	206	14%	1,850	500	-	SCREENING
A-00311-06	COMITÉ DPTAL DE CAFETEROS RISARALDA	LIULO	243	30	12%	25	100	-	SCREENING
A-00312-06	COMITÉ DPTAL DE CAFETEROS RISARALDA	PLATANO	1,177	179	15%	360	120	-	SCREENING
A-00313-06	FUNDACIÓN VIDA Y FUTURO	UCHUVA Y AJI	526,250	73,058	14%	40	-	-	SCREENING
A-00314-06	ASOPRASAN	AGUACATE	1,584	559	35%	220	220	-	SCREENING
A-00315-06	CI ANTIOQUEÑA DE FRESAS	MORAS	1,634	467	29%	400	400	-	SCREENING
A-00316-06	CORPOINDES	CAFÉ	398	99	25%	50	10	-	SCREENING
A-00317-06	OVIDIO SERRATO	COMERCIALIZADORA CAÑA DE AZÚCAR	11	11	100%	2,500	1,020	-	SCREENING
A-00318-06	INVERSIONES MI VAQUITA S.A	CEBA DE BOVINOS	1,352	625	46%	0	-	-	SCREENING
A-00319-06	CCI	FRUTAS	-	-	#DIV/0!	250	500	-	SCREENING
A-00118-06	CASA LUKER - COLDES	FRUTAS	-	-	#DIV/0!	-	-	-	SCREENING
A-00232-06	FAMILIAS GUARDABOSQUES	CAFÉ	-	-	#DIV/0!	11,270	8,622	-	SCREENING
A-00254-06	CONSTRUPAZ	PLATANO	9,398	124	1%	500	182	-	SCREENING
A-00073-06	PROCAUCHO	CAUCHO	13,302	1,448	11%	4,152	635	-	SENT TO CFC
A-00235-06	REFORESTADORA CONSTRUPAZ S.A.	TECA Y MELINA	1,887	438	23%	406	33	-	TO BE TRANSFERRED TO CFC
A-00236-06	ACCIÓN SOCIAL - CONSEJOS COMUNITARIOS (10)	FORESTALES - AGROFORESTALES	8,500	1,700	20%	84,800	33	-	TO BE TRANSFERRED TO CFC
A-00263-06	FEDECAFE NORTE DE SANTANDER	GUADUA HELICONIA OTROS	1,335	109	8%	800	600	-	TO BE TRANSFERRED TO CFC
A-00265-06	ARQ. JUAN GUILLERMO GIL GARCIA	FOLLAJE ORNAMENTAL TILAPIA AVICULTURA	125	41	33%	NA	NA	-	TO BE TRANSFERRED TO CFC
A-00281-06	CIAT	CAUCHO REFORESTACIÓN	-	1,022	#DIV/0!	2,300	1,800	-	TO BE TRANSFERRED TO CFC
A-00287-06	C.I. AGRONEGOCIOS DEL SUR DEL CESAR S.A.	FRUTALES HORTALIZAS CAUCHO MADERABLES GANADERÍA	31,583	2,833	9%	10,000	1,000	-	TO BE TRANSFERRED TO CFC
SUBTOTAL			136	1,298,758	217,341	16.7%	355,806	210,132	-
TOTAL AGRUBUSINESS			162	1,308,626	218,590	17%	358,806	210,507	0
TOTALS			283	9,036,525	3,272,911	36.2%	459,594	265,121	34,508



Table 6

EXPAT CONSULTANTS				
Project	MAIN RESPONSIBILITY	NAME	START DATE	LEVEL OF EFFORT (Days)
TBT	TBT Activity Leader	Melani Shultz	1-Jun-06	143
	GMP Pharmaceutical Expert	Encarnación ZAMORA	23-Aug-06	43
	GMP Pharmaceutical Expert	Sarah PÉREZ	23-Aug-06	72
	GMP pharmaceutical expert	Fernando TAZÓN	19-Nov-06	29
	TBT Workshop Presenter	Lilia ROMERO	4-Sep-06	4
	TBT Workshop Presenter	Jorge GOMEZ	4-Sep-06	4
	TBT Workshop Presenter	Jane Schweiker	4-Sep-06	6
	TBT Workshop Presenter	Bill Hawks	14-Nov-06	7
TBT Workshop Presenter	Rick Stier	14-Nov-06	4	
SPS	Meat Inspection Expert	Larry Lee	2-Oct-06	9
	Artisan Cheese Expert	Steen MOLLER	1-Oct-06	7
	Low pest prevalence areas expert	Manuel Mejía	16-Nov-06	27
	Meat safety auditor	Servando Morales	18-Mar-07	0
	Meat safety project leader	Tom Hoffman	1-Jun-06	65
	Meat laboratory expert	Tom Lonczynski	23-Oct-06	17
	Dairy PMO expert	Ken Anderson	18-Sep-06	26
	Milk & dairy laboratory expert	Debra Hall	18-Sep-06	10
	Milk safety project leader	Gabriel Pascual	13-Jun-06	56
	Thermal treatments and LACF regulation Expert	Stephen Spinak	19-Oct-07	16
	Thermal treatments and LACF regulation Expert	Su-Tze Liu	19-Oct-06	23
Expert in PERSUAP design and update	Mario Pareja	1-May-07	0	
Financial Reform	Financial Services Expert	Juan Carlos PROTASI	11-Sep-06	36
	Pilot Bank Expert	Rolando Virreira	28-Aug-06	32
	Workshop Presenter	Tarcisio Luiz Dalvi	1-Jul-06	pro bono
	Workshop Presenter	André Rodrigues Cano	1-Jul-06	pro bono
	Workshop Presenter	Robson Rocha	1-Jul-06	pro bono
	Workshop Presenter	Luiz Edson Feltrim	1-Jul-06	pro bono
	Workshop Presenter	Cleofas Salviano Junior	1-Jul-06	pro bono
	Derivatives Market Supervision Expert	Angel Vilariño	6-Nov-06	18
	Expert in Market Oversight	Nuria de la RIVA NEGRO	18-Sep-06	42
	Expert in Market Oversight	Elisa MUNOZ	18-Sep-06	42
	Non-Banking Correspondent Expert	Marcos RASTEIRO	15-Mar-07	0
	Financial Expert	Robert Vogel	14-Jul-06	72
	Financial Expert	Tom Moyes	8-Nov-06	21



Project	MAIN RESPONSIBILITY	NAME	START DATE	LEVEL OF EFFORT (Days)
Financial Reform	Banking Reform Team Coordinator	Arelis Gómez	12-Jul-06	80
	Bank Leader and Expert in Rural Microfinance	Elizabeth Andrade	28-Jul-06	61
	Bank Leader and Expert in Rural Microfinance	Elvis Alva	28-Aug-06	91
	Expert in Rural Microfinance	Martin Cuenca	2-Feb-07	0
	Expert in Rural Microfinance	Fernando Vargas	28-Aug-06	20
	Info Systems Expert	TBD	1-Apr-07	0
	Banking Supervision Expert	Bruce Byus	1-Dec-06	16
	Expert in Rural Microfinance	Terence Gallager	22-Oct-06	30
	Electronic Banking Expert	TBD	1-Mar-07	0
	Capital Markets Clearing House Expert	TBD	1-Jul-07	0
	Collateral Regime Expert	Nuria de la Peña	1-Mar-07	0
Collateral Regime Expert	TBD	15-Mar-07	0	
Fiscal	Tax Expert	George ZODROW	31-Jul-06	15
	Budget By Results Expert	TBD	1-Jul-07	0
	Cost Benefit Analysis Expert	TBD	1-Mar-07	0
	International Expert in Self-valuation	Hernando Garzón	31-Jul-06	24
Arbitra	Arbitration Lawyer	David PAWLACK	16-Oct-06	13
DIAN Institutional Strengthening, Services and Procurement	Customs Activity Team Leader	Cuitlahuac Baños		0
	Expert in Federal and State level procurement regulations	Khi THAI		0
	Expert in Federal and State level procurement regulations	Cliff McCUE		0
	Expert in Federal and State level procurement regulations	Eric PRIER		0
	Customs Expert for FTA implementation	Alejandro GARCÍA	20-Jun-07	
	Expert in Risk Management Software	Juan Ernesto de Leon	12-Jun-07	25
	Expert in accounting standards	TBD	1-Mar-07	0
	Expert in Accounting and Auditing Standards Oversight	TBD	1-Mar-07	0
	Expert in Services Questionnaires	Fernando CORTINA	1-Mar-07	
	Expert in Auditing Techniques	Rafael ISUNZA	15-Nov-06	40
	Expert in Risk Management	Davd SANTOS	14-Jun-06	108
	Expert in Auditing Techniques	Rodrigo IRURETAGOYENA	15-Nov-06	23
Competitiveness	Expert in Antitrust and Competition	Santiago URBIZTONDO	19-Jun-06	87
	Energy EXPERT	Perry SIOSHANSI	19-Jun-06	16
	Telecommunications and IT Team leader	Andres Rodriguez	28-Aug-06	92



Project	MAIN RESPONSIBILITY	NAME	START DATE	LEVEL OF EFFORT (Days)
Competitiveness	Telecommunications Policy Expert	Jose Manuel VILLAR	26-Oct-06	37
	Telecommunications Antitrust Expert	TBD	15-Mar-07	0
	ICT Expert	TBD	15-Mar-07	0
	Telecommunications regulation expert	Rene Bustillo	23-Oct-06	45
	Telecommunications regulation expert	Salma Jalife	29-Oct-06	42
	Information Technology expert	Daniel Pimienta	23-Oct-06	47
	Tech Transfer Pharmaceutical expert	Frederick Abbott	2-Jan-07	0
Labor	Labor Inspection Expert	Jaime Luis PADILLA	17-Dec-06	9
Mn gt.	Project Management	Stephen Lewarne	1-Jul-06	19
	Project Management	Tom Moyes	1-Nov-06	18
COLOMBIAN CONSULTANTS				
Project	MAIN RESPONSIBILITY	NAME	START DATE	LEVEL OF EFFORT (Days)
TBT	TBT HACCP Consultant	Liliana NAVARRETE	2-Aug-06	100
	National TBT Assistant	Rafael RAMIREZ	6-Jul-06	120
	TS 16949 Expert	Alfredo LOW PADILLA	25-Aug-06	80
	Green Markets Expert	Maria Claudia TORRES	2-Aug-06	40
	Information Systems Expert	Sandra BOTERO	17-Jul-06	70
	ISO Expert	Orlando Cedeño	15-Jun-06	103
	GMP Expert	Martha Meneses	21-Jun-06	60
	Legal Expert	Jose Montealegre	6-Sep-06	30
	National HACCP Expert	Carolina Ramirez	21-Sep-06	105
	Legal Expert	Juan Manuel Charry	1-Mar-07	0
	TBT Organic Standards Expert	Jhon Jairo Jaramillo	1-May-07	0
SPS	SPS Activity Leader	Jairo ROMERO	15-Jun-06	143
	Good Agricultural Practices Expert	Lina FULLADOSA	10-Jul-06	60
	Processed Foods Expert	Teresita BELTRAN	10-Jul-06	100
	Information Systems Expert	Sandra BOTERO	17-Jul-06	70
	GHP Expert for Beef Farms	Juan Fernando GALLEGO	24-Aug-06	60
	Information System Consultant	Monica RIOS	24-Aug-06	30
Local Information Expert for Dairy Chain	Jorge Giovanni LOPEZ	23-Oct-06	75	



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Project	MAIN RESPONSIBILITY	NAME	START DATE	LEVEL OF EFFORT (Days)
SPS	Minor crops and low pest prevalence areas expert	Adriana Vélez	23-Jun-06	112
	Institutional strengthening project consultant	Laura Pasculli	23-Jun-06	100
	HACCP/GMP expert for the meat project	Rafael Ramírez	1-Jan-07	0
	Field veterinarian for the GHP in beef farms pilot project	Mauricio Botero	15-Mar-07	0
	Field Veterinarian for the GHP in beef farms pilot project	Rene Herazo	15-Mar-07	0
	Expert in regulation of dairy products	Guillermo Cárdenas	1-Apr-07	0
	GMP expert for the cheese project	Martha Meneses	21-Jun-06	60
	HACCP/GMP expert for the milk project	Alexandra Calle	21-Jun-06	140
	Risk Analysis expert	Gustavo Mosquera	5-Sep-06	70
	Strategic Planning Expert for ICA	Ines de Mosquera	9-Feb-07	0
	Expert on SOP development for pesticide control	Mauricio Maldonado	21-Mar-07	0
Labor Reform	Labor Activity Team Leader	Jaime Tenjo	15-Jun-06	143
	Database Assistant	Angela Uribe	6-Jul-06	117
	Local Labor Inspections Expert	Ludmila Florez	15-Dec-06	8
	Training Needs Expert	Jorge Vivas	25-Oct-06	35
	Training needs pilot expert	Carlos Barbosa	30-Nov-06	0
	Training needs information technology expert	TBD	1-May-07	0
	Training needs data management expert	TBD	1-May-07	0
	Labor market intermediation expert	TBD	1-May-07	0
	Competencies Local Expert	Carolina Nieto	15-Jan-07	0
	Competencies Local Expert	Johana Paola Campuzano	1-Mar-07	0
	Procedural Labor Law Expert	Mauricio Galarza	20-Feb-07	0
	Oral Justice System Financial Expert	David Yanovich	18-Apr-07	0
	Labor Rights Lawyer	Cesar Rodriguez	15-Nov-06	31
Financial Reform	Financial Sector Activity Leader	Germán CAMACHO	1-Jul-06	132
	Local Mergers Lawyer	Maria Consuelo RODRIGUEZ	19-Aug-06	45
	Low Amounts Accounts	Janeth VARGAS	21-Aug-07	20
	Low Amounts Accounts	Gustavo Osorio	2-Aug-07	10
	Financial Sector Activity Leader	TBD	19-Feb-07	0
	Banking and Financial Expert	Diana Parra	11-Aug-06	60
	Expert in Rural Finance	Henry Cardona	17-Jan-07	0
	Financial Expert	Jairo Martínez	17-Jan-07	0
	Bank Leader	TBD	15-Mar-07	0
	Bank Leader	TBD	15-Mar-07	0



Project	MAIN RESPONSIBILITY	NAME	START DATE	LEVEL OF EFFORT (Days)
Financial Reform	Bank Leader	TBD	15-Mar-07	0
	Bank Leader	TBD	15-Mar-07	0
	Expert in Rural Finance	Wilson Gómez	17-Jan-07	0
	Electronic Banking Expert	TBD	1-Mar-07	0
	Supervision Database Expert	TBD	1-Mar-07	0
	Collateral Regime Reform	Luis Alfredo Barragan	1-Apr-07	0
	Collateral Regime Reform	Alberto Paez	1-Apr-07	0
	Collateral Regime Reform	Maria Loboguerrero	1-Apr-07	0
	Banking Expert	Beatriz Marulanda	26-Jun-06	88
	Banking Expert	Lisbeth Fajury	10-Aug-06	94
	Banking Expert	Mariana Paredes	26-Jun-06	105
	Finagro and Rural Finance Reform Expert	TBD	15-Mar-07	0
	Expert Lawyer in Credit Bureaus	TBD	16-Mar-07	0
Agriculture, Forestry and Environmental Reform	Environment and Agriculture Team Leader	Juan Carlos SALAZAR	2-Aug-06	100
	Agriculture Transition and AIS Policy Leader	Luis Eduardo Quintero	26-Feb-07	0
	Technical Forestry Law Expert	Lombardo Tibaquirá	5-Feb-07	0
	Natural Resources Code Expert	Catalina LLINAS	14-Aug-06	40
	Natural Resources Code Expert	Ricardo Felipe HERRERA	15-Aug-06	35
	Natural Resources Code Expert	Julio RODAS	5-Sep-06	35
	Legal Expert on Environmental Norms, Procedures and Principles	Jose Maria BORRERO	5-Sep-06	40
	Penalty System Legal Expert	Antonio CAMACHO	6-Sep-06	40
	Natural Resources Code Expert	Julio Enrique GONZALEZ	5-Sep-06	35
	Natural Resources Code Expert	Lina MARINO	15-Aug-06	45
	Natural Resources Code Expert	Cesar LURDOY	15-Aug-06	40
	Agriculture Information Systems Leader	Juan Jose Perfetti	15-Jan-07	0
	Agricultural Market Intelligence and Information Expert	Miguel Fadul	21-Feb-07	0
	Environment Regulation Leader	Gloria SANCLEMENTE	10-Jul-06	92
	Environment Regulation Consultant	Fabian NAVARRETE	19-Jul-06	75
	Environment Economic Incentives Consultant	Javier BLANCO	10-Jul-06	75
	Natural Resources Code Expert	Catalina LLINAS	14-Aug-06	40
	Natural Resources Code Expert	Lina MARINO	15-Aug-06	45
	Natural Resources Code Expert	Julio RODAS	5-Sep-06	35
Competitiveness	Competitiveness Team Leader	Diego BAUTISTA	5-Jul-06	132
	Coordinator of 2019	Ximena HOYOS	1-Jun-06	62
	Social Security Expert	Alonso VILLA	2-Aug-06	100
	Competition Lawyer	Alberto ZULETA	5-Sep-06	30



Project	MAIN RESPONSIBILITY	NAME	START DATE	LEVEL OF EFFORT (Days)
Competitiveness	Energy Regulation Expert	Carmenza CHAHIN	7-Aug-06	75
	Expert on Retail Commercialization of Power	Ana Maria FERREIRA	6-Jul-06	38
	Electric Power Expert	Eduardo AFANADOR	6-Jul-06	32
	Intellectual Property Rights Expert	Gustavo PALACIO	30-Oct-05	40
	Lawyer Logistics and Transport Regulatory Reform	TBD	1-Mar-07	0
	Competition Policy Reform- lawyer	Luis Ignacio Betancur	9-Oct-06	22
	Last Mile Initiative Coordinator	Jorge Macias	1-Apr-07	0
	Telecommunications Antritrust Expert	TBD	15-Jul-07	0
	Lawyer to Implement Telecommunications Reform	Marcela Anzola	23-Oct-06	40
	Arbitration Expert	Adriana Polania	2-Oct-06	70
	Lawyer to Implement Arbitration Unit	Juan Pablo Cardenas	15-Mar-07	0
	Investment Disputes Risk Analyiss IIT Expert	TBD	1-Jun-07	0
	Investment Risk Consultant	Monica Janer	1-Jul-07	0
Expert in SME Policy to reform FOMIPYMES	TBD		0	
DIAN Institutional Strengthening, Services, Procurement	Customs Activity Leader	Miguel CAMACHO	1-Jun-06	155
	Professional Services Expert	Carlos GONZALEZ	2-Aug-06	69
	Professional Services Expert	Erika MARDONES	2-Aug-06	69
	Professional Services Expert	Juan RODRIGUEZ	2-Aug-06	69
	Lawyer to Implement Customs Code	Silvia ANZOLA	2-Jan-07	0
	Accounting and Audit Licensing Reform Expert	TBD	1-Jun-07	0
Management	Component Leader	Jaime Andres Niño	1-Jun-06	154
	Deputy Component Leader	Ana Maria Rivera	7-Nov-06	44
	Operations Support Manager	Ana María HOYOS	15-Jun-06	143
	Monitoring and Evaluation Technical Project Officer	Estefania Samper	2-Aug-06	110
	Operations Support Officer	Maria Del Pilar Quintero	2-Aug-06	110
	Banking Informality	Econometria	1-Mar-07	

1.3. Financial Information



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Table 7

ARD Inc.
COLOMBIA MIDAS
Contract No. 514-C-00-06-00301-00
Month Ending 3/31/07
CLIN Breakdown

Inception to March 31, 2007

	BUDGET	Clin 1 Small & Medium Sized Enterprises (SME) Development	Clin 2 Agribusiness	Clin 3 Commercial Forestry	Clin 4 Policy & Institutional Reform	Total Spent Inception to 3/31/2007	Remaining From 10/01/06 to 12/21/10	% SPENT
Personnel								
Direct Labor-FT	1,483,134	103,896	367,584	207,361	59,827	738,668	744,466	49.8%
Direct Labor-ST	1,003,453	70,013	67,077	93,527	33,063	263,680	739,773	26.3%
Consultants	1,288,320	93,000	69,271	63,993	107,619	333,883	954,437	25.9%
CCN/TCN Technical	13,595,414	554,464	462,858	322,304	125,745	1,465,371	12,130,043	10.8%
CCN/TCN Support	2,326,444	311,033	209,788	209,788	93,295	925,180	1,401,264	39.8%
Total Personnel	19,696,765	1,132,406	1,277,854	896,973	419,549	3,726,782	15,969,983	18.9%
Fringe Benefits	7,831,019	406,328	501,948	332,495	170,754	1,411,525	6,419,494	18.0%
Travel & Transportation	9,334,697	255,083	281,578	259,426	599,291	1,395,378	7,939,319	14.9%
Allowances	2,761,279	105,154	172,317	86,797	48,511	412,779	2,348,500	14.9%
Subcontracts	110,904,669	365,525	4,877,769	428,782	3,416,163	9,088,239	101,816,430	8.2%
Equipment	739,403	196,594	139,720	98,136	71,127	505,577	233,826	68.4%
Other Direct Costs	4,990,229	557,637	423,100	285,030	315,806	1,581,573	3,408,656	31.7%
Subtotal	156,258,061	3,018,727	7,674,286	2,387,639	5,041,201	18,121,853	138,136,208	11.6%
Indirect Costs	18,616,236	680,049	939,593	550,598	426,599	2,596,839	16,019,397	13.9%
Total Indirect Costs	18,616,236	680,049	939,593	550,598	426,599	2,596,839	16,019,397	13.9%
Fixed Fee	7,173,798	157,034	361,502	124,308	228,944	871,788	6,302,010	12.2%
Total Costs & Fixed Fee	182,048,095	3,855,810	8,975,381	3,062,545	5,696,744	21,590,480	160,457,615	11.9%



1.4. Next Quarter Objectives

Table 8 shows the June 30 summary status for current projects from the MIDAS Components

Table 8

PROJECT STATUS AS JUNE 30, 2007

COMPONENT	PORTFOLIO							ONLY IMPLEMENTATION (USD \$)
	PROJECTS	TOTAL COST (USD)	MIDAS AMOUNT (USD)	MIDAS %	HA. DIRECTLY IMPACTED	FAMILIES DIRECTLY IMPACTED	EQUIVALENT JOBS - FTE'S	
SME	163	15,127,766	6,754,987	44.7%	0	49,745	36,184	3,356,231
Commercial Forestry	32	139,293	14,295	10.3%	107,788	13,907	18,704	2,169,765
Agribusiness	132	1,482,011	240,412	16.2%	386,300	211,676	0	23,604,362
Policy	304							2,914,189
SUBTOTAL	631	16,749,070	7,009,693	41.9%	494,088	275,328	54,888	32,044,546



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2. SMALL & MEDIUM ENTERPRISE COMPONENT

2.1. Overview

Altogether, as of March 31, 56 of the 64 SMEC positions were filled. The decentralized operational scheme is in operation through the transfer of the SME Local Consultants to CCN LT employees and by including two additional positions in the Bogotá office, in order to enhance support to the Corridors.

The SMEC consolidated its Project Suppliers (PS) portfolio, covering all MIDAS departments. During this quarter, 18 additional PSs were identified and habilitated, resulting in a network of 93. 8 PSs presented projects and 23 more became active, for a total of 31 PSs working with MIDAS to date. It is worth mentioning that during this period, the SMEC continued the PPs training process. Likewise, the launching of the network was concluded by mid March with 7 motivational events, tailored for each Regional with the aim of highlighting the importance of the role of PSs in the business development process of the SMEC, positioning MIDAS as a strategic ally and stressing the importance of teamwork.

Regarding technical processes oriented to evaluate, approve and implement business expansion initiatives, 66 proposals were received and evaluated during FY07 QR2. 57 were approved and 48 awarded with FOGs, committing nearly 1.5 million dollars and 8.265 new jobs.

For the implementation phase, 75 technical assistance projects are on execution and 51 are being implemented, out of which 37 projects certified the creation of 1,617 Full Time Equivalents (FTE) jobs, corresponding to 2,693 individuals hired for different periods.

Effective synergies with the agribusiness, forestry and policy components, as well as with ADAM were developed during this quarter, leading to more potential projects and job generation.



2.2. Administration and Support Activities

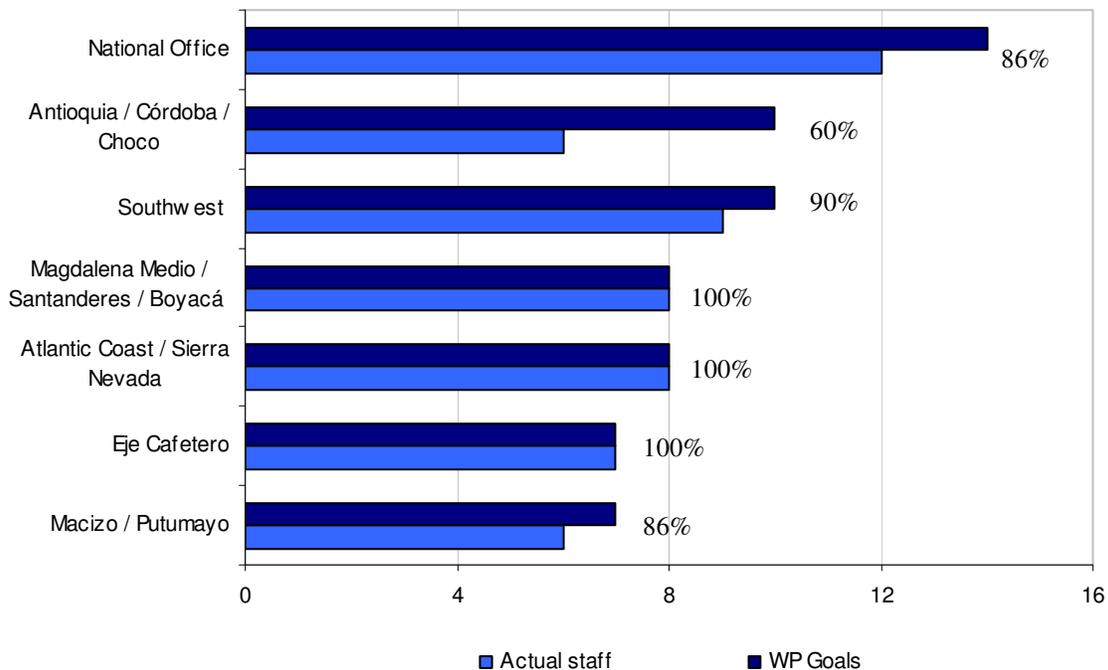
2.2.1. Component’s staffing process

The staffing process for the Bogotá Office finished this quarter with 12 of its 14 positions filled, representing 86% of its goal.

As shown in Graph 1, the corridor offices finished the quarter with 44 of the 50 positions filled, which equals an operating capacity of 88%. The Medellín corridor filled 6 positions during this quarter, after functioning during the last quarter with 1 Project Specialist and supported by the Bogotá staff. The Cali office ended the quarter with 5 additional positions for a total of 9 positions filled; the Bucaramanga office added 4 new positions ending the quarter completely filled, Barranquilla closed the quarter with 5 new positions and Pereira with 2 additional ones also ending the quarter completely filled. Finally, the Neiva office filled 2 new positions and the Regional Director quitted after being in the position for nearly three months, so this office ended the quarter with a total of 6 positions filled.

The SMEC has 88% of its operating capacity in place and is committed to finish its staffing process by May 2007.

Graph 1





2.3. Technical Implementation

2.3.1. Business Development

2.3.1.1. The SMEC consolidated its Project Suppliers' Network

The SMEC integrated its network of ninety three strategic allies to perform as Project Suppliers (PSs) through three different mechanisms:

1. Direct invitation: Twelve of the most recognized and experienced business organizations of the country were the first chosen PSs. Many were ARD's proposal partners, other prior CED Program operators, and others organizations holding key characteristics that qualify them as unique organizations able to develop a particular role.

2. Public Bid: Through a public and competitive process, the SMEC selected a group of sixty three organizations.

3. Completion of the regional representation through direct identification and invitation: After the public bid, six departments (Cesar, Chocó, La Guajira, Magdalena, Putumayo and Tolima) were not able to be represented by any PS. The SMEC identified and negotiated to work with eighteen more PSs, assuring coverage in all MIDAS departments.

The PSs' network evolution and composition by corridor are presented in **¡Error! La autoreferencia al marcador no es válida.** and Graph 2 as follows:

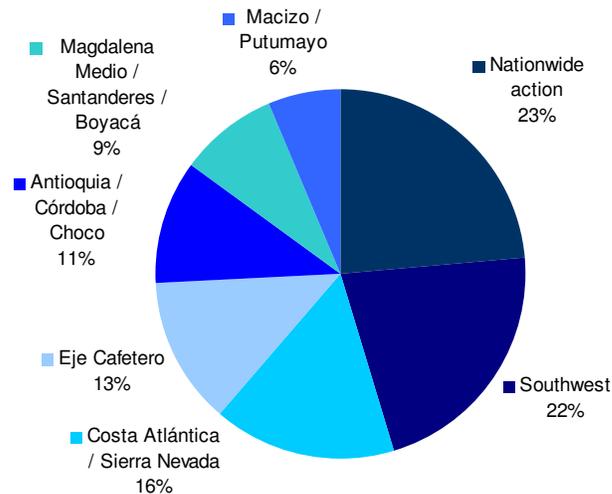
Table 9

CORRIDORS	INITIAL	FY07Q1	FY07Q2	TOTAL
Antioquia / Urabá / Chocó	0	7	3	10
Antioquia		6	1	7
Córdoba		1	1	2
Chocó			1	1
Costa Atlántica / Sierra Nevada	0	9	6	15
Atlántico		6	1	7
Bolívar		3		3
Magdalena			2	2
La Guajira			2	2
Cesar			1	1
Eje Cafetero	0	10	2	12
Caldas		3	1	4
Quindío		2		2
Risaralda		5	1	6
Macizo / Putumayo	0	3	3	6
Huila		3		3
Tolima			1	1
Putumayo			2	2
Magdalena Medio / Santanderes / Boyacá	1	7	0	8



CORRIDORS	INITIAL	FY07Q1	FY07Q2	TOTAL
Boyacá		2		2
Norte de Santander		1		1
Santander	1	4		5
Southwest	1	18	1	20
Cauca		4		4
Nariño		1		1
Valle del Cauca	1	13	1	15
Nationwide action	10	9	3	22
TOTAL	12	63	18	93

Graph 2



During FY07 Q2 the SMEC signed 50 Blanket Purchase Agreements (BPAs), in addition to 40 signed during FY07 Q1, and has three currently in formalization process (Aid to Artisans, Fundación Amigos del Chocó and Universidad del Cesar).

2.3.1.2. Project Suppliers’ activity in terms of proposals presented

Closing FY07 Q1 the SMEC had eight active PSs that had actually presented proposals—. During FY07 Q2, twenty three additional PSs presented proposals or technical assistance requests, for a result of thirty one of the ninety three selected PSs or 30% active at the moment. It is worth pointing out, the PSs network decentralization process. The new twenty three active PSs correspond to PSs from the regional level, although the nationwide PSs continue presenting projects during the quarter as well. A distribution by corridor of the active PSs is shown in Table 10.



Table 10

CORRIDORS	ACTIVE PS FY07Q1	ACTIVE PS FY07Q2	TOTAL
Antioquia / Córdoba / Choco	1	1	2
Costa Atlántica / Sierra Nevada		1	1
Eje Cafetero		6	6
Macizo / Putumayo		2	2
Magdalena Medio / Santanderes / Boyacá	1	6	7
Southwest	1	7	8
Nationwide action	5	0	5
TOTAL	8	23	31

Table 11 presents the behavior of the main PSs during FY07 Q2, in terms of number of proposals, MIDAS contribution, number of jobs to be created and average cost per job, Graph 3 presents the cumulative figures.

Table 11

Project Supplier	No. projects	%	MIDAS Contribution (USD)	%	Number of Jobs Presented	%	Average cost per job (USD)
Previously Reported	45	41%	\$ 1,167,710	32%	7,137	34%	\$ 163.6
Fundación Progreso y Cultura Futura	8	12%	\$ 248,921	10%	1,285	14%	\$ 193.7
Impact International	7	11%	\$ 401,444	16%	2,041	9%	\$ 196.7
COMFENALCO Valle	6	9%	\$ 92,098	4%	421	6%	\$ 218.8
Infihuala	4	6%	\$ 623,704	25%	4,038	6%	\$ 154.5
FENALCO Atlántico	4	6%	\$ 130,928	5%	850	4%	\$ 154.0
CNP	3	5%	\$ 120,448	5%	868	3%	\$ 138.8
Fondo Regional de Garantías CONFE S.A.	3	5%	\$ 118,565	5%	590	0%	\$ 201.0
*Special projects	3	5%	\$ 7,457	0%	40	29%	\$ 186.4
PS with 2 projects	14	21%	\$ 299,507	12%	1,534	11%	\$ 195.2
PS with 1 project	14	21%	\$ 494,875	19%	2,443	17%	\$ 202.6
Total FY07 Q2	66	59%	\$ 2,537,946	68%	14,110	66%	\$ 179.9
CUMMULATIVE TOTAL	111	100%	\$ 3,705,656	100%	21,247	100%	\$ 174.4

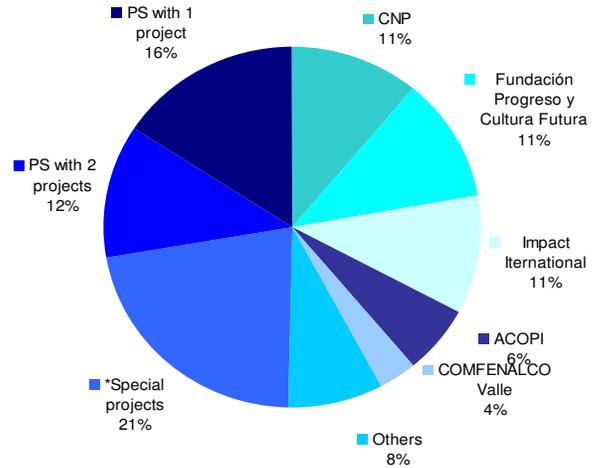
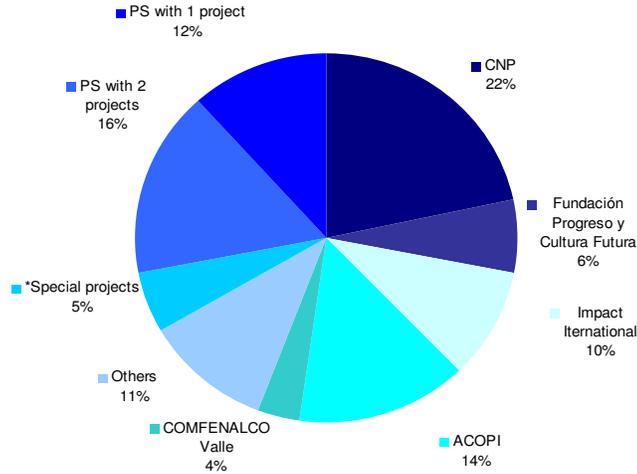


Graph 3

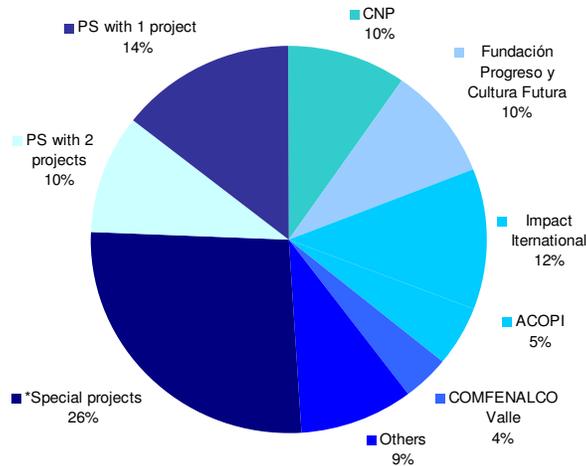
Cumulative Analysis by project supplier

Number of projects

MIDAS' contribution in US\$



No. of Jobs Committed



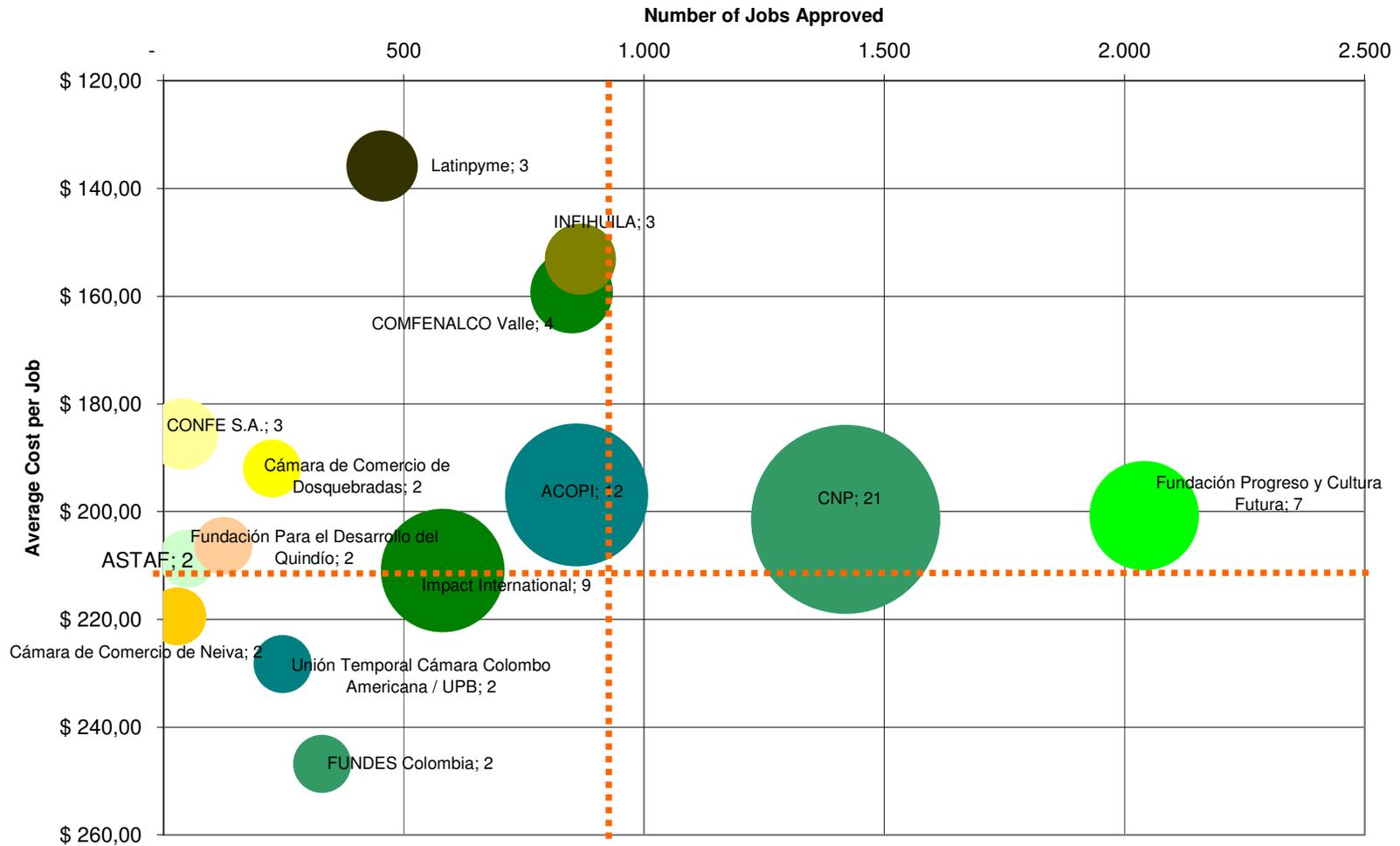
2.3.1.3. Project Suppliers' performance

Graph 4 below shows the efficiency of active PSs to date. Most efficient PSs in terms of presented jobs and average cost per job are located in the upper right quadrant. The upper left quadrant shows a concentration of eight PSs that have presented projects ranging from 40 to 900 jobs and that are within or under the average cost per job. The lower left quadrant shows four PSs with no cost efficient and small projects. In order to make the map fully understandable, the information regarding Special Projects (6)

and PSs with one project (15) was excluded. The size of each circle is given by the number of projects presented and approved by each PS.



Graph 4





Finally, PSs receive a commission corresponding to 5% of MIDAS contribution for each approved and formalized project (FOG signed). Total commissions accrued to date add up to US\$96,000 from which US\$40,800 have been paid to date. During FY07 Q2, the SMEC paid US\$25,600, as shown in Table 12.

Table 12

CORRIDOR	DATA	TOTAL
Antioquia / Córdoba / Chocó	Approved and formalized projects	10
	Accrued to date (USD)	\$ 7,880
	Paid FY07 Q2 (USD)	\$ 4,509
	Paid to date (USD)	\$ 4,509
Costa Atlántica / Sierra Nevada	Approved and formalized projects	9
	Accrued to date (USD)	\$ 5,585
	Paid FY07 Q2 (USD)	\$ 3,098
	Paid to date (USD)	\$ 5,140
Eje Cafetero	Approved and formalized projects	15
	Accrued to date (USD)	\$ 10,093
	Paid FY07 Q2 (USD)	\$ 1,775
	Paid to date (USD)	\$ 2,922
Macizo / Putumayo	Approved and formalized projects	5
	Accrued to date (USD)	\$ 1,786
	Paid FY07 Q2 (USD)	\$ 543
	Paid to date (USD)	\$ 543
Magdalena Medio / Santanderes / Boyacá	Approved and formalized projects	12
	Accrued to date (USD)	\$ 34,233
	Paid FY07 Q2 (USD)	\$ 7,131
	Paid to date (USD)	\$ 10,702
Southwest	Approved and formalized projects	30
	Accrued to date (USD)	\$ 36,465
	Paid FY07 Q2 (USD)	\$ 8,615
	Paid to date (USD)	\$ 17,067
Total approved and formalized projects		81
Total accrued to date (USD)		\$ 96,041
Total paid FY07 Q2 (USD)		\$ 25,672
Total paid to date (USD)		\$ 40,884



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2.3.2. Proposal Development

2.3.2.1. Project status analysis

2.3.2.1.1. Project Approvals

As of March 31st, 2007, 111 proposals have been submitted to the SMEC, requesting MIDAS SME support equivalent to US\$3.7 million and offering the estimated generation of 21,247 jobs. From this group, 98 proposals (89%) were approved by Review Committees, representing technical assistance requests equivalent to US\$3.2 millions and 18,596 jobs pledged to be created.

From the 98 proposals approved, 81 were awarded with Fixed Obligation Grants by the end of the quarter, and as a consequence US\$2.3 million and 13,967 jobs were committed. The following chart illustrates the trend in the approval and formalization processes of the component by quarter and corridor.

From the 18,596 jobs approved, 1,087 (5.7%) were once committed, but faced inconveniences that have determined their annulations or cancellation (these 1,087 jobs were committed in 5 FOGs). In the other hand the remaining 3,542 jobs between 18,596 and 13,967 are represented by 12 projects that have already been approved by the Review Committee but have not been committed through the award of a FOG yet.



Table 13

Corridor	Quarter	PROPOSALS SUBMITTED			APPROVALS			COMMITMENTS		
		No Projects	MIDAS Contribution (USD)	Number of Jobs Proposed	No Projects	MIDAS Contribution (USD)	Number of Jobs Approved	No Projects	MIDAS Contribution (USD)	Number of Jobs Committed
Antioquia / Choco / Cordoba	FY06 4TH	0	\$ 0	0	0	\$ 0	0	0	\$ 0	0
	FY07 1ST	5	\$ 178.552	981	5	\$ 178.552	981	2	\$ 55.670	360
	FY07 2ND	7	\$ 253.523	1.249	7	\$ 253.523	1.249	9	\$ 202.778	1.009
	Cummulative	12	\$ 432.075	2.230	12	\$ 432.075	2.230	11	\$ 258.448	1.369
Atlantic Coast	FY06 4TH	2	\$ 7.217	35	2	\$ 7.217	35	2	\$ 6.896	35
	FY07 1ST	5	\$ 224.753	2.265	4	\$ 215.127	2.220	3	\$ 113.977	1.220
	FY07 2ND	9	\$ 776.707	4.867	7	\$ 599.841	3.967	6	\$ 456.088	3.693
	Cummulative	16	\$ 1.008.678	7.167	13	\$ 822.185	6.222	11	\$ 576.961	4.948
Eje Cafetero	FY06 4TH	4	\$ 52.104	229	4	\$ 52.104	229	4	\$ 49.070	229
	FY07 1ST	5	\$ 35.056	159	3	\$ 13.485	60	2	\$ 9.798	35
	FY07 2ND	12	\$ 159.619	866	10	\$ 146.063	798	10	\$ 124.325	693
	Cummulative	21	\$ 246.779	1.254	17	\$ 211.652	1.087	16	\$ 183.193	957
Macizo / Putumayo	FY06 4TH	0	\$ 0	0	0	\$ 0	0	0	\$ 0	0
	FY07 1ST	1	\$ 10.870	200	1	\$ 10.870	200	1	\$ 10.870	200
	FY07 2ND	5	\$ 126.685	897	5	\$ 126.685	897	3	\$ 6.585	31
	Cummulative	6	\$ 137.555	1.097	6	\$ 137.555	1.097	4	\$ 17.455	231
Magdalena Medio	FY06 4TH	2	\$ 201.789	1.090	2	\$ 201.789	1.090	2	\$ 188.874	1.090
	FY07 1ST	1	\$ 12.261	50	1	\$ 12.261	50	0	\$ 0	0
	FY07 2ND	12	\$ 565.882	2.889	12	\$ 565.882	2.889	9	\$ 468.716	2.366
	Cummulative	15	\$ 779.931	4.029	15	\$ 779.931	4.029	11	\$ 657.590	3.456
Southwest	FY06 4TH	11	\$ 120.454	601	11	\$ 120.454	601	11	\$ 113.418	601
	FY07 1ST	9	\$ 324.654	1.527	8	\$ 214.872	1.027	5	\$ 195.063	922
	FY07 2ND	21	\$ 655.529	3.342	16	\$ 443.074	2.303	12	\$ 301.259	1.473
	Cummulative	41	\$ 1.100.638	5.470	35	\$ 778.401	3.931	28	\$ 609.740	2.996
TOTAL	FY06 4TH	19	\$ 381.565	1.955	19	\$ 381.565	1.955	19	\$ 358.258	1.955
	FY07 1ST	26	\$ 786.146	5.182	22	\$ 645.166	4.538	13	\$ 385.378	2.737
	FY07 2ND	66	\$ 2.537.946	14.110	57	\$ 2.135.068	12.103	49	\$ 1.559.752	9.265
	Cummulative	111	\$ 3.705.656	21.247	98	\$ 3.161.799	18.596	81	\$ 2.303.388	13.957



2.3.2.1.2. Projects Committed

From the 81 projects committed, 4 were cancelled; resulting in 76 on the implementation phase and 1 finished successfully its technical assistance intervention supported by the SMEC.

Table 14

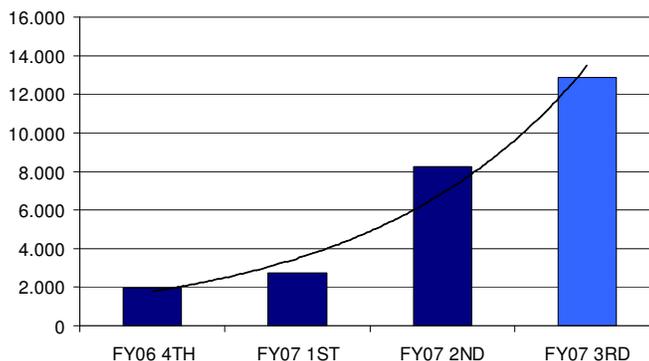
Corridor	Committe d Projects	Cancelled Projects	Projects on Implementation	Technical assistance finished
Antioquia / Córdoba / Choco	11	0	11	0
Atlantic Coast / Sierra Nevada	10	1	9	0
Eje Cafetero	16	2	14	0
Macizo / Putumayo	4	0	4	0
Magdalena Medio / Santanderes / Boyacá	11	0	11	0
Southwest	29	1	27	1
Total	81	4	76	1

During FY07 Q2 66 proposals were received, 57 were approved and 49 committed. It is important to note that one project (S-00218-06 – Coopemer) was committed and cancelled during this quarter; therefore, the numbers reported in the following paragraphs present only 48 projects that actually committed resources and jobs at the end of the period

According to the schedule presented in the 2007 SMEC Work Plan, during this quarter the decentralized scheme of regional review committees was fully implemented. As a consequence 7 review committees were held at the National Level and 6 regional review committees were held at the Corridors offices. This increased capacity allows the SMEC to successfully confront the expected growth in the operation, as show in Graph 5.

Graph 5

MIDAS SME - Jobs Committed by Quarter



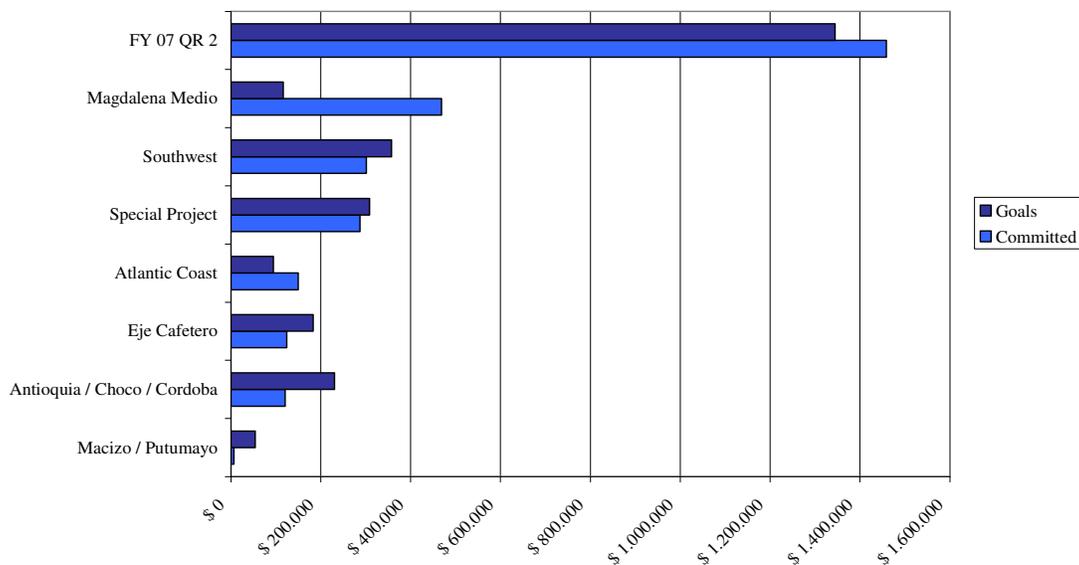


During this quarter the SMEC awarded 48 Fixed Obligation Grants, committing 8,265 jobs and close to US\$1.5 million, fulfilling its quarter commitment goals both in terms of jobs (128%) and resources (108%).

The Component goal accomplishment per corridor office in terms of resources committed is illustrated in Graph 6.

Graph 6

FY07 QR2: MIDAS SMEC Commitments in USD by corridor office



In the following paragraphs, the SMEC presents an additional breakdown of the projects approved by corridor office, type of project and type of intervention.

2.3.2.1.3. Geographic coverage analysis

Currently the SMEC has already committed resources to projects located in 104 municipalities, representing 12% of the 867 municipalities covered by the MIDAS corridors. It must be noticed that, using the population per square kilometer classification¹, the municipalities under SMEC intervention that are classified as rural represent 55% vs. 45% that are classified as urban. In Table 15 the behavior in terms of geographic coverage is presented by corridor office.

¹ The classification used for this analysis defines a rural municipality as the one with less than 100 inhabitants per square kilometer. The data source is the Colombia General Census from 2005 (National Administrative Department of Statistics - DANE)



Table 15

Corridor		Rural	Urban	TOTAL	% Rural	%Urban
Antioquia - Córdoba - Chocó	Municipalities in Corridor	150	34	184	82%	18%
	Municipalities with SME Intervention	9	6	15	60%	40%
Atlantic Coast	Municipalities in Corridor	105	25	130	81%	19%
	Municipalities with SME Intervention	18	3	21	86%	14%
Eje Cafetero	Municipalities in Corridor	25	28	53	47%	53%
	Municipalities with SME Intervention	2	12	14	14%	86%
Macizo Putumayo	Municipalities in Corridor	82	13	95	86%	14%
	Municipalities with SME Intervention	5	2	7	71%	29%
Magdalena Medio	Municipalities in Corridor	224	34	258	87%	13%
	Municipalities with SME Intervention	15	11	26	58%	42%
Southwest	Municipalities in Corridor	98	49	147	67%	33%
	Municipalities with SME Intervention	8	13	21	38%	62%
Total Municipalities in Corridor		684	183	867	79%	21%
Total Municipalities with SME Intervention		57	47	104	55%	45%

The SMEC expects to continue to extend its support through the municipalities in the corridors, gaining presence especially in rural areas and trying to irrigate the benefits of USAID resources to the maximum possible number of municipalities under its coverage.

2.3.2.1.4. Type of project analysis

The committed projects' breakdown by type of project provides the results presented in Table 16.

Table 16

Corridor	Type	Number of Proposals	%	MIDAS Contribution USD	%	Number of Jobs	%
Previously Reported		32	40%	\$ 762.345	34%	4.692	36%
Antioquia / Choco / Cordoba	Individual	8	16,67%	\$ 120.996	8,30%	584	7,07%
Atlantic Coast	Individual	4	8,33%	\$ 149.765	10,27%	790	9,56%
Eje Cafetero	Collective	2	4,17%	\$ 26.513	1,82%	133	1,61%
	Individual	8	16,67%	\$ 97.812	6,71%	560	6,78%
Macizo / Putumayo	Individual	3	6,25%	\$ 6.585	0,45%	31	0,38%
Magdalena Medio	Collective	3	6,25%	\$ 144.990	9,94%	745	9,01%
	Individual	6	12,50%	\$ 323.726	22,19%	1.621	19,61%
Southwest	Collective	3	6,25%	\$ 78.394	5,37%	384	4,65%
	Individual	9	18,75%	\$ 222.865	15,28%	1.089	13,18%
Special Project	Collective	1	2,08%	\$ 81.783	5,61%	425	5,14%
	Individual	1	2,08%	\$ 205.174	14,07%	1.903	23,02%
	Total Collective	9	0,00%	\$ 331.679	22,74%	1.687	20,41%
	Total Individual	39	0,00%	\$ 1.126.923	77,26%	6.578	79,59%
FY07 QR2		48	60%	\$ 1.458.602	66%	8.265	64%
CUMULATIVE		80	100%	\$ 2.220.947	100%	12.957	100%

Similarly to the indicators registered in the previous quarter report, there is not a significant difference in the average cost per job, between individual and collective proposals. It is interesting to note that neither the Antioquia/Chocó/Córdoba Corridor nor the Atlantic Coast / Sierra Nevada one committed collective projects during the present quarter.



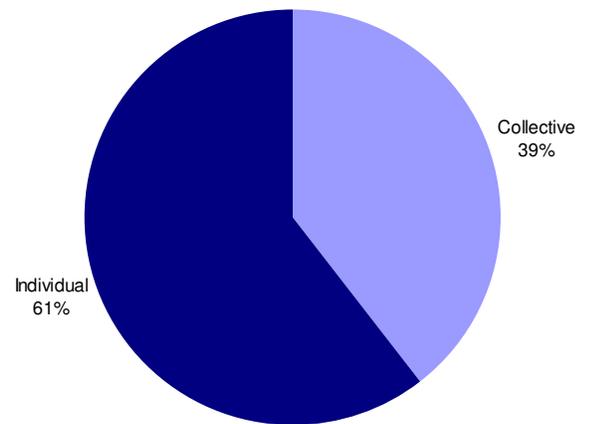
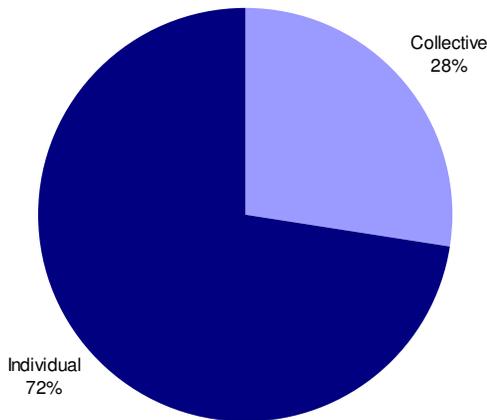
In the other hand, some rather large individual projects have been committed which lowered the average cost per job in individual projects and the number of projects required to reach the goals. However, the SMEC believes that in the medium term the number of big projects will decrease and the benefits of the collective projects will be more identifiable.

Graph 7

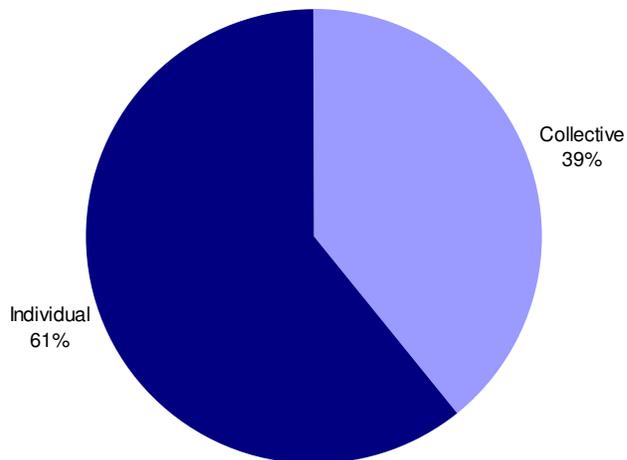
Cumulative Analysis by Type of Project

Number of projects

MIDAS' contribution in US\$



No. of Jobs Committed



2.3.2.1.5. Main Economic Sector Analysis (Standard Industrial Classification -SIC)

Under the SIC the 48 projects committed during the quarter could be classified as showed in Table 17.



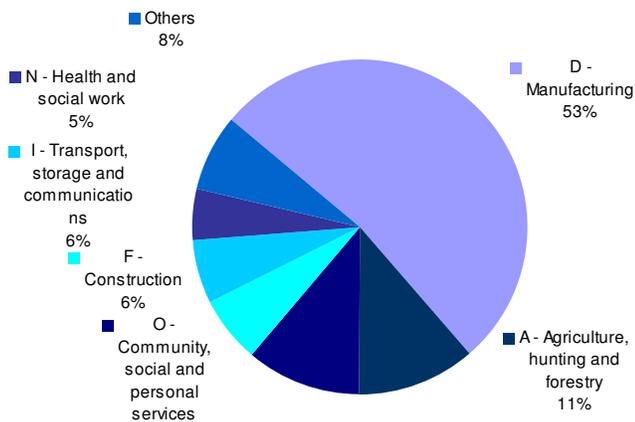
Table 17

Main Economic Sector - SIC	No. projects	%	MIDAS Contribution (USD)	%	Number of Jobs Created	%
Total	32	40%	\$ 762.345	34%	4.692	36%
A - Agriculture, hunting and forestry	4	8,33%	\$ 203.196	13,93%	991	11,99%
D - Manufacturing	28	58,33%	\$ 486.719	33,37%	2.382	28,82%
F - Construction	4	8,33%	\$ 57.403	3,94%	364	4,40%
G - Wholesale and retail trade	1	2,08%	\$ 6.957	0,48%	35	0,42%
H - Hotels and restaurants	1	2,08%	\$ 1.930	0,13%	10	0,12%
I - Transport, storage and communications	3	6,25%	\$ 309.883	21,25%	1.555	18,81%
N - Health and social work	2	4,17%	\$ 74.197	5,09%	416	5,03%
O - Other community, social and personal services	5	10,42%	\$ 318.318	21,82%	2.512	30,39%
FY07 QR2	48	60%	\$ 1.458.602	66%	8.265	64%
CUMULATIVE	80	100%	\$ 2.220.947	100%	12.957	100%

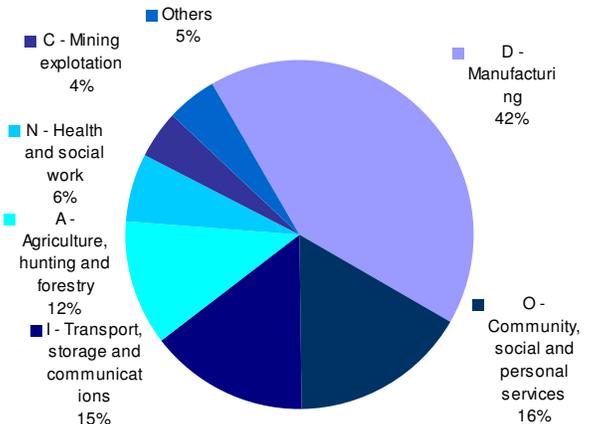
Graph 8

Cumulative Analysis by Main Economic Sector

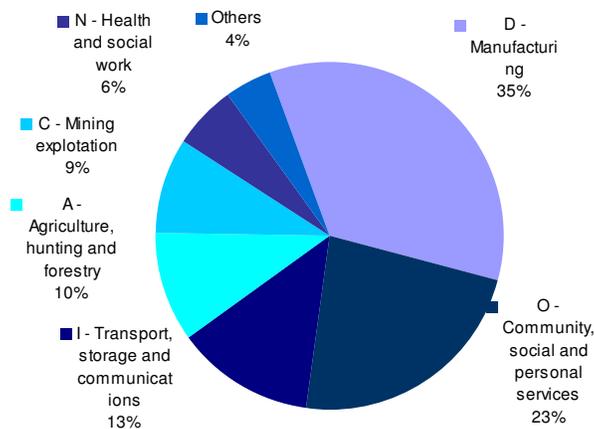
Number of projects



MIDAS' contribution in US\$



No. of Jobs Committed





2.3.2.1.6. Type of intervention analysis

The breakdown of committed projects by type of technical assistance supported by MIDAS is presented in Table 18.

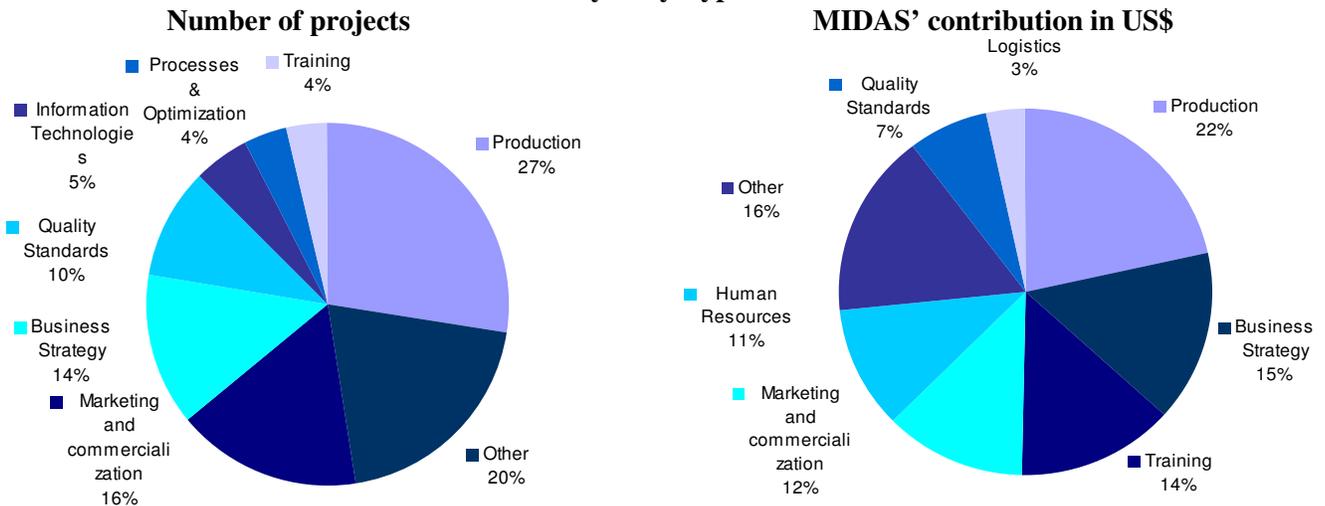
Table 18

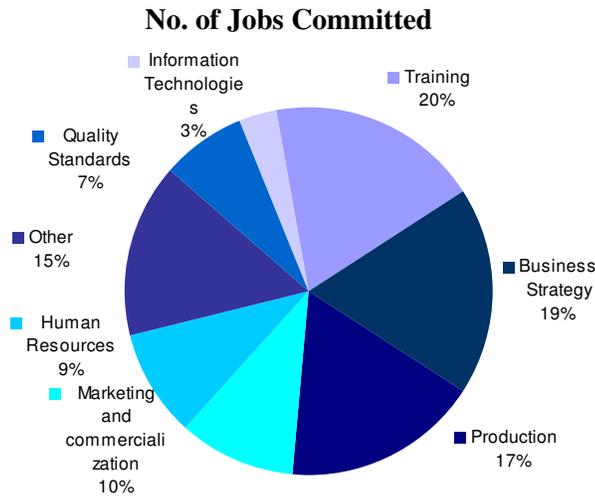
Type of Project	No. projects	%	MIDAS Contribution (USD)	%	Number of Jobs Created	%
Previously Reported	32	40%	\$ 762.345	34%	4.682	36%
Business Strategy	7	14,58%	\$ 206.380	14,15%	1068	12,92%
Construction	3	6,25%	\$ 52.394	3,59%	340	4,11%
Entrepreneurship	1	2,08%	\$ 26.326	1,80%	128	1,55%
Finance & Cost	1	2,08%	\$ 6.335	0,43%	25	0,30%
Human Resources	2	4,17%	\$ 243.496	16,69%	1220	14,76%
Information Technologies	1	2,08%	\$ 37.702	2,58%	189	2,29%
Marketing & Commercialization	10	20,83%	\$ 135.853	9,31%	662	8,01%
Other	3	6,25%	\$ 97.185	6,66%	502	6,07%
Processes & Optimization	2	4,17%	\$ 20.093	1,38%	146	1,77%
Production	12	25,00%	\$ 344.065	23,59%	1668	20,18%
Quality Standards	3	6,25%	\$ 8.168	0,56%	39	0,47%
Trade & Logistics	2	4,17%	\$ 75.430	5,17%	375	4,54%
Training	1	2,08%	\$ 205.174	14,07%	1903	23,02%
FY 07 QR 2	48	60%	\$ 1.458.602	66%	8.265	64%
CUMULATIVE	80	100%	\$ 2.220.947	100%	12.947	100%

As observed in Table 18, from the projects approved and committed as of March 31st, 2007, 37% can be classified under the area of Production and Quality Standards. These projects account for 24% of the pledged number of jobs to be created. It is important to notice the register of the category Trade & Logistics, that reflects projects directly associated with external markets opportunities and particularly with the upcoming impact of the Free Trade Agreement with the United States of America.

Graph 9

Cumulative Analysis by Type of Intervention





2.3.2.1.7. Corridor office analysis

A breakdown of the projects committed by corridor office result in the figures presented in Table 19.

Table 19

Main Economic Sector - SIC	No. projects	%	MIDAS Contribution (USD)	%	Number of Jobs Created	%
Previously reported	32	40%	\$ 762,345	34%	4,692	36%
Antioquia / Choco / Cordoba	9	19%	\$ 202,778	14%	1,009	12%
Atlantic Coast	5	10%	\$ 354,939	24%	2,693	33%
Eje Cafetero	10	21%	\$ 124,325	9%	693	8%
Macizo / Putumayo	3	6%	\$ 6,585	0%	31	0%
Magdalena Medio	9	19%	\$ 468,716	32%	2,366	29%
Southwest	12	25%	\$ 301,259	21%	1,473	18%
FY07 QR2	48	60%	\$ 1,458,602	66%	8,265	64%
CUMULATIVE	80	100%	\$ 2,220,947	100%	12,957	100%

It is important to note that the overall fulfillment of the goals is sustained specially by the performance of the Magdalena Medio / Santanderes / Boyacá and Atlantic Coast / Sierra Nevada corridor offices and the ability of the Special Projects to reach its forecasted share based upon the goals established in the 2007 SMEC WP.

The Macizo Putumayo office has already presented to the Review Committee one proposal that allows it to allocate resources over its quarter goal. However, this proposal has not been formalized yet due to the process of Environmental Review that was required. In the section of Key Constraints and actions to take, the actions developed to improve this procedure will be explained in detail.

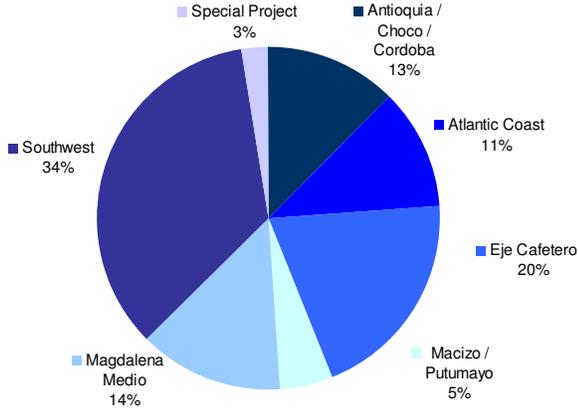
The Antioquia/Chocó/Córdoba Corridor, despite the fact of its late full operational start and its ambitious goals, was able to commit 8 projects and more than US\$120,000. The component expects this corridor will be able to grow aggressively in the following quarters and support the fulfillment of the goals the Component has forecasted. Graph 10 compares the behavior of the cumulative figures by corridor offices, in terms of number of projects committed, MIDAS contribution, and number of jobs to be created.



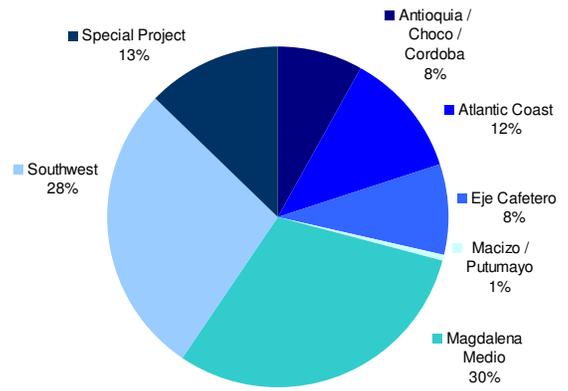
Graph 10

Cumulative Analysis by corridor office

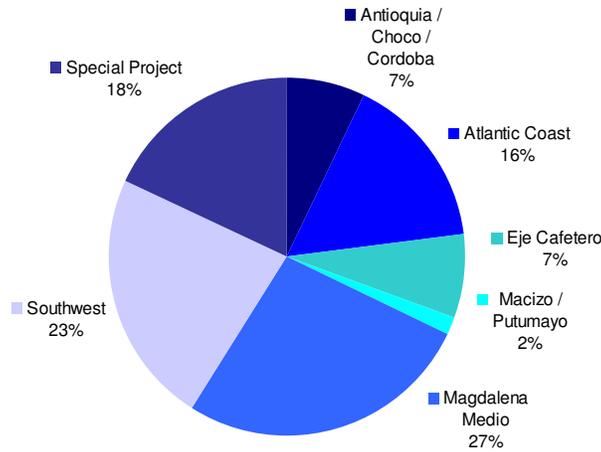
Number of projects



MIDAS' contribution in US\$



No. of Jobs Committed



During this quarter, the Magdalena Medio / Santanderes / Boyacá corridor office reacted to the follow up plan announced in the previous quarterly report and took the lead in terms of resources and jobs committed.

In the same line the Special Projects represented the 28% of the jobs committed, assuming its role as a main driver to the fulfillment of the goals. As expected, this type of projects has registered a relatively low cost per job. Currently all the Corridors have a cost per job under the reference goal of US\$208 and the average cost for the SMEC is US\$ 171.



2.3.3. Project Implementation

2.3.3.1. Project status analysis

2.3.3.1.1. Projects in Execution

Closing this quarter, 76 technical assistance projects are in implementation phase (a project enters the implementation phase once it is formalized but starts its execution after subscribing the Initiation Act (Acta de Inicio). As shown in Table 20, of the 76 projects in execution phase, 25 projects are pending to subscribe their Initiation Act (33%), so actually 51 projects (67%) are being executed.

Table 20

Corridor	Projects on Implementation Phase	Projects Pending Initiation Act	Projects on Execution
Antioquia / Córdoba / Choco	11	3	8
Atlantic Coast / Sierra Nevada	9	4	5
Eje Cafetero	14	6	8
Macizo / Putumayo	4	1	3
Magdalena Medio / Santanderes / Boyacá	11	7	4
Southwest	27	4	23
Total	76	25	51

The 25 projects pending Initiation Act have a 30 day period to subscribe it. Of these 25 projects, 4 have exceeded this time limit.

2.3.3.1.2. Projects being executed

As shown in Table 21, at the end of this quarter, 5 projects should have finished their technical assistance intervention. So far, 1 project (20%) finished successfully its technical assistance intervention, supported by the SMEC.

Table 21

Corridor	Projects on Execution	Projects that should be finished	Projects Finished
Antioquia / Córdoba / Choco	8	0	0
Atlantic Coast / Sierra Nevada	5	0	0
Eje Cafetero	8	0	0
Macizo / Putumayo	3	1	0
Magdalena Medio / Santanderes / Boyacá	4	0	0
Southwest	23	4	1
Total	51	5	1

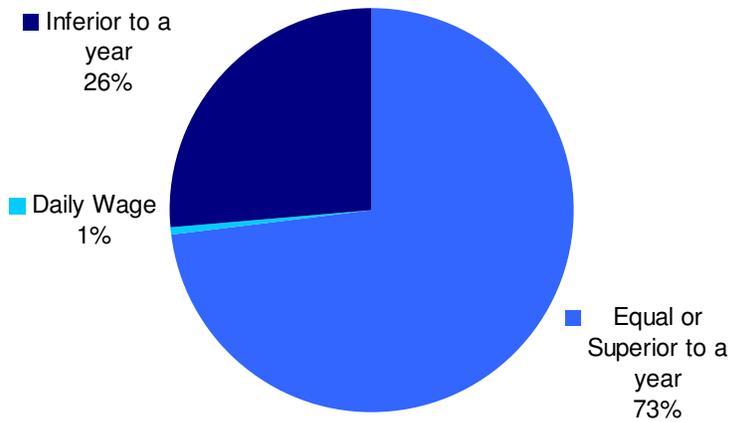


2.3.3.2. Number of Jobs Created

Of the 51 projects in execution, 37 (73%) certified the creation of 1,617 Full Time Equivalents (FTE) jobs (44 FTE on average per project).

As observed in Graph 11, from the 1,617 FTE jobs, 73% equal o superior to 1 year, 26% were inferior to 1 year and 1% corresponds to daily wage..

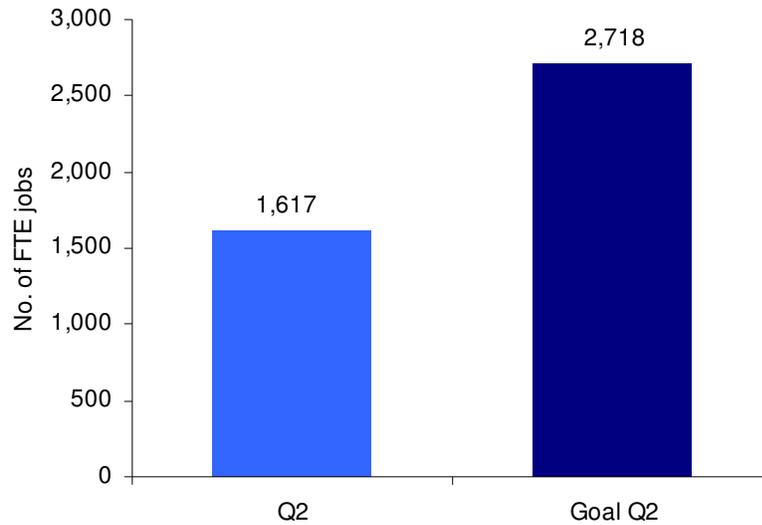
Graph 11



Compared to the FY07 Q2WP Goals (2,758), the 1,617 FTE jobs created represent a 59% fulfillment.



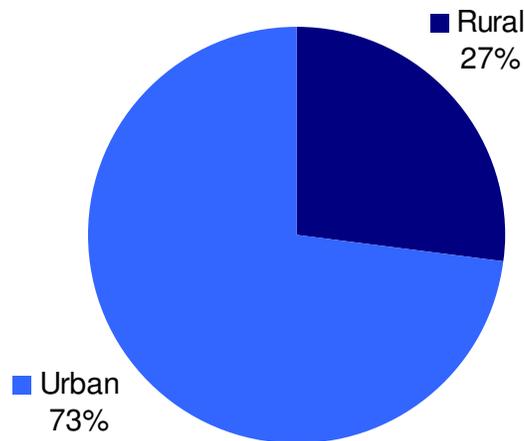
Graph 12



2.3.3.2.1. Geographic coverage analysis

From the 1,617 certified FTE jobs, 434 (27%) were certified in rural municipalities and 1,183 (73%) in urban ones.

Graph 13



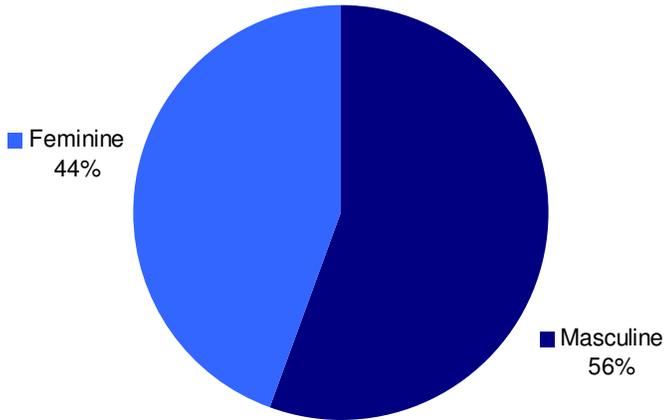
2.3.3.2.2. Socio-demographic analysis

From the 1,617 FTE jobs, the socio-demographic statistics are presented in Graph 14.

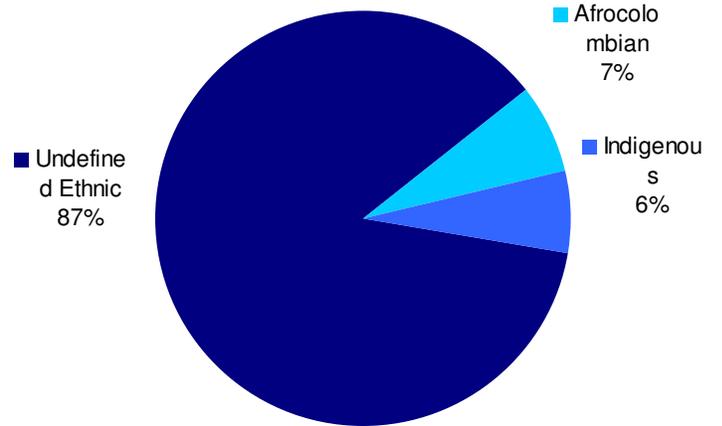


Graph 14

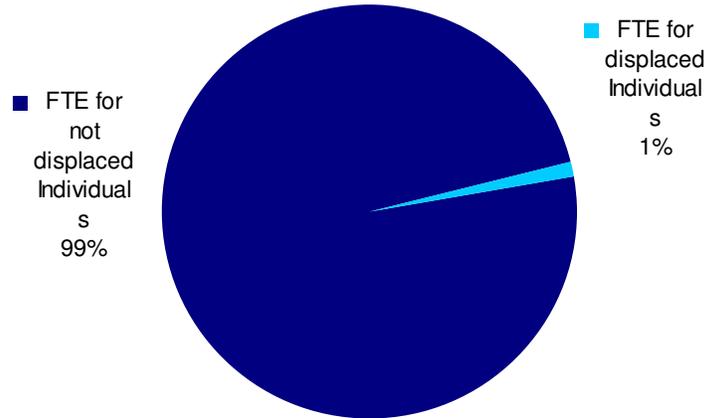
Certified Jobs by Gender



Certified Jobs by Ethnic group



FTE for displaced individuals

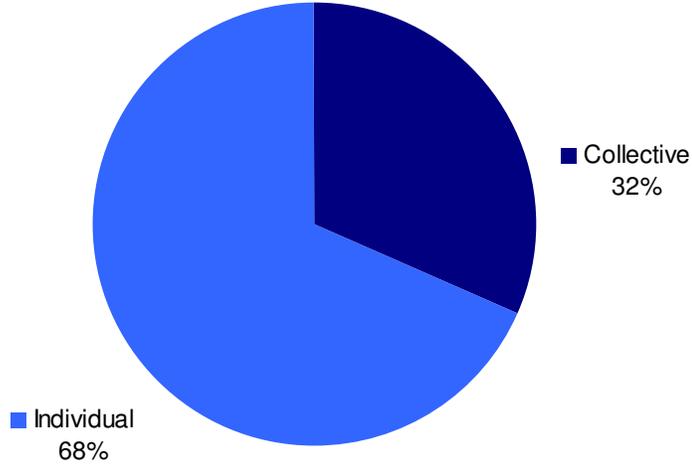


2.3.3.2.3. Type of project analysis

For the FY07 Q2 period, 68% of the certified FTE jobs belong to individual projects while 32% belong to collective ones as shown in Graph 15.



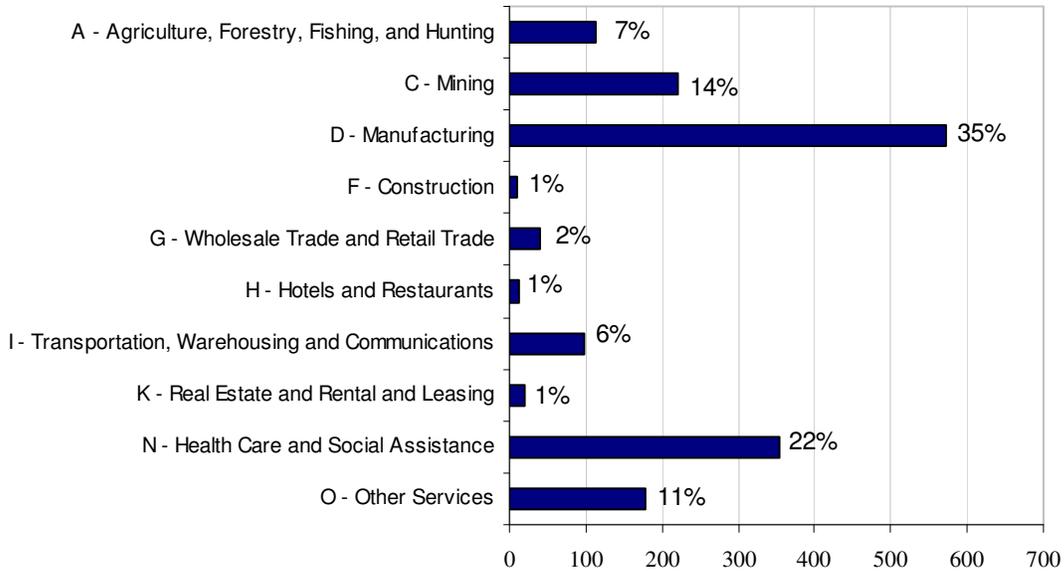
Graph 15



2.3.3.2.4. Main Economic Sector Analysis (Standard Industrial Classification -SIC)

The economic sector in which the SMEC has created more new jobs is the Manufacturing sector with 35% of the jobs created, followed by the Health Care and Social Assistance sector with 22%.

Graph 16





2.3.3.2.5. Type of intervention analysis

From de 1,617 certified jobs, 26% are associated to technical assistance interventions in Production and 20% to Business Strategy.

Table 22

Type of intervention	Certified Jobs	%
Production	418	26%
Other	323	20%
Business Strategy	317	20%
Quality Standards	220	14%
Information Technologies	148	9%
Marketing and commercialization	137	8%
Supply chain	24	1%
Finance & Costs	17	1%
Processes & Optimization	14	1%
Total	1,617	100%

2.3.3.3. Number of Families Benefited

The number of families benefited in the period was 12,574, which represents a cumulative of 22,901 for the life of the Program.

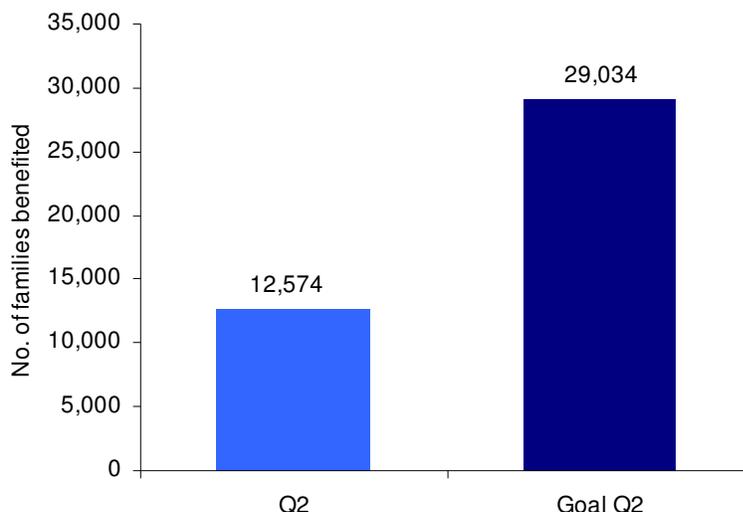
Table 23

Number of Families Benefited	Goal for Families Benefited	Number of Families Benefited Q1	Number of Families Benefited Q2	Cumulative Q1+Q2	%
Number of Families Benefited (ACI)	11,141	520	2,693	3,213	29%
Number of Families Benefited (INTERNAL)	32,382	9,807	9,881	19,688	61%
Total	43,523	10,327	12,574	22,901	53%

Compared to the FY07 Q2 WP Goals (29.034), the 12,574 families benefited represent a 43% fulfillment.



Graph 17



2.3.3.3.1. Geographic coverage analysis

From the total of 22,901 families benefited, 4,061 corresponding to 18% correspond to rural municipalities and 18,840 (82%) correspond to urban ones.

Table 24

Location	No. of Families Benefited Q1	No. of Families Benefited Q2	Cumulative Q1 + Q2	%
Rural	1,421	2,640	4,061	18%
Urban	8,906	9,934	18,840	82%
Total	10,327	12,574	22,901	100%

2.3.3.3.2. Socio-demographic analysis

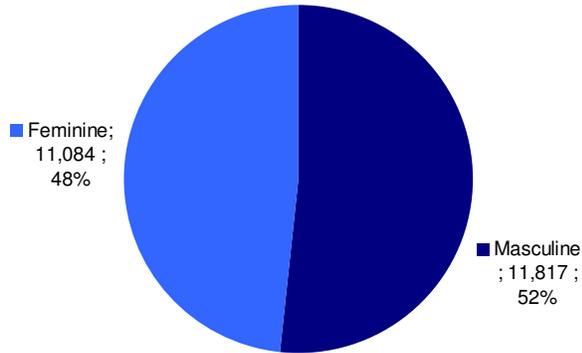
From the total number of individuals benefited 22,901, 52% were men and 48% women. In terms of an ethnic group analysis, 94% are characterized as undefined ethnics, 5% afrocolombians and 1% indigenous. Having in mind based upon the 2005 DANE population census that from the whole Colombian population, 11% corresponds to afrocolombians and 3% to indigenous, the participation of these groups in the total number of individuals can be improved, but is relevant.

Finally, from the total number of individuals benefited, 0.18% have a displaced condition, equivalent to 41 individuals.

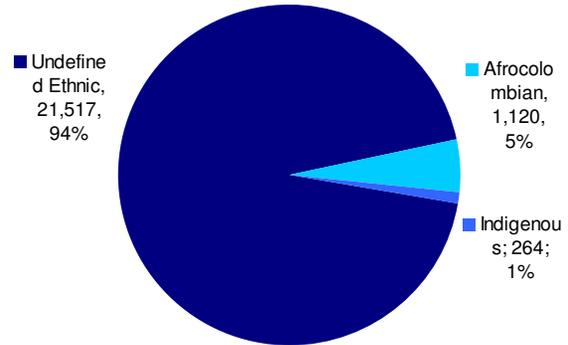


Graph 18

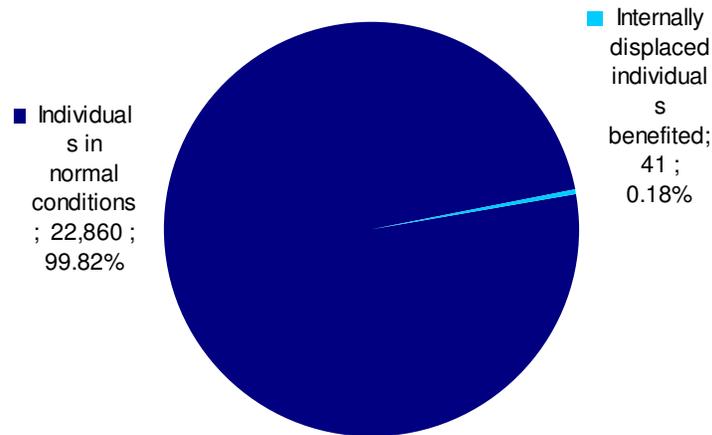
Benefited Individuals by Gender



Benefited Individuals by Ethnic group



Displaced Individuals Benefited



2.3.3.4. Corridor office analysis

Table 25 presents the number of FTE jobs certified during the period and the number of individuals hired by corridor.

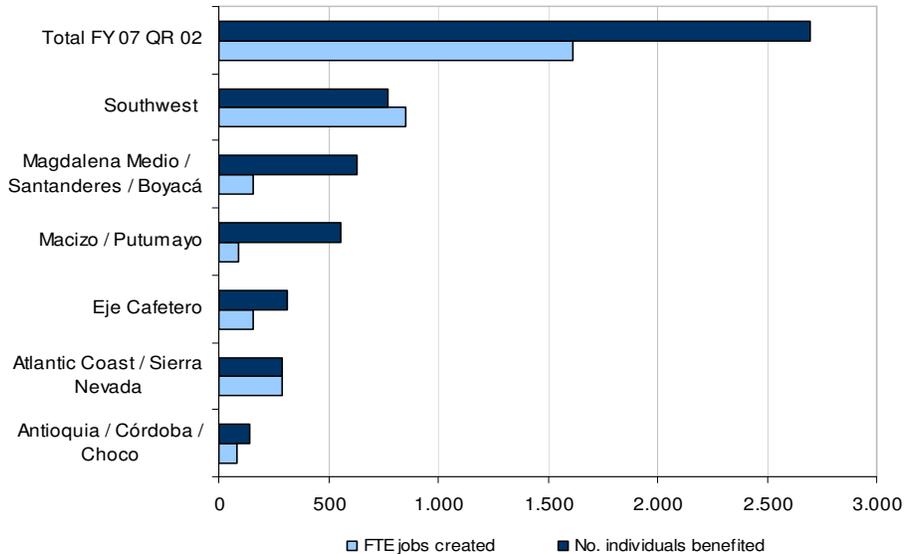
Table 25

Corridor	FTE jobs created	%	No. Families benefited	%
Antioquia / Córdoba / Choco	82	5%	1,226	5%
Atlantic Coast / Sierra Nevada	286	18%	6,826	30%
Eje Cafetero	152	9%	2,886	13%
Macizo / Putumayo	90	6%	1,437	6%
Magdalena Medio / Santanderes / Boyacá	158	10%	3,496	15%
Southwest	849	52%	7,030	31%
Total	1,617	100%	22,901	100%



As shown above, the Southwest corridor has the highest achievement for FTE jobs certified and for individuals benefited followed by the Atlantic Coast / Sierra Nevada corridor.

Graph 19



The 1,617 Full Time Equivalents (FTE) jobs achieved during this period represent an accomplishment of 59% of the established goal FY07 Q2 goal of 2,758 jobs created.

Table 26 shows the results for FY07 Q2 in terms of certified jobs per corridor office versus the 2007 SMEC Work Plan goals.

Table 26

Corridor	WP Goals FY07 QR02	Certified Jobs FY07 QR02	%
Antioquia / Córdoba / Choco	626	82	13%
Atlantic Coast / Sierra Nevada	236	286	121%
Eje Cafetero	481	152	32%
Macizo / Putumayo	149	90	60%
Magdalena Medio / Santanderes / Boyacá	348	158	45%
Southwest	918	849	92%
Total FY 07 QR 02	2,758	1,617	59%

The corridor with the highest achievement level is the Atlantic Coast / Sierra Nevada corridor with 121%, followed by the Southwest Corridor with an achievement of 92%, which presents also the highest number of certified jobs.



Nevertheless, it's important to highlight that the WP Goals of Q2 were above the real capacity of job certification in terms of projects in implementation phase. The gap between the WP goals and the real capacity is due to the lag of 3 months given by the delay in the formalization procedure and the time a project needs to start certifying jobs generation. Actually, for the FY07 Q2 there was a planned capacity of 1,294 jobs to certify, but 1,617 jobs were actually certified, representing an achievement of 125%.

As shown in Table 27; 3 corridors (50%) were above 100% of the jobs available to certify in the term. Magdalena Medio, Santander and Boyacá being the first with 316% of accomplishment, followed by Eje Cafetero with 211% and the Southwest corridor with 165%.

Table 27

Corridor	Jobs Committed available to certify in the term	Certified jobs	%
Antioquia / Córdoba / Choco	154	82	53%
Atlantic Coast / Sierra Nevada	296	286	97%
Eje Cafetero	72	152	211%
Macizo / Putumayo	207	90	44%
Magdalena Medio / Santanderes / Boyacá	50	158	316%
Southwest	515	849	165%
Total	1,294	1,617	125%

From the 51 projects being implemented, 37 projects (73%) have effectively certified new jobs. Table 28 presents the number of projects by corridor which have certified jobs from the ones in implementation.

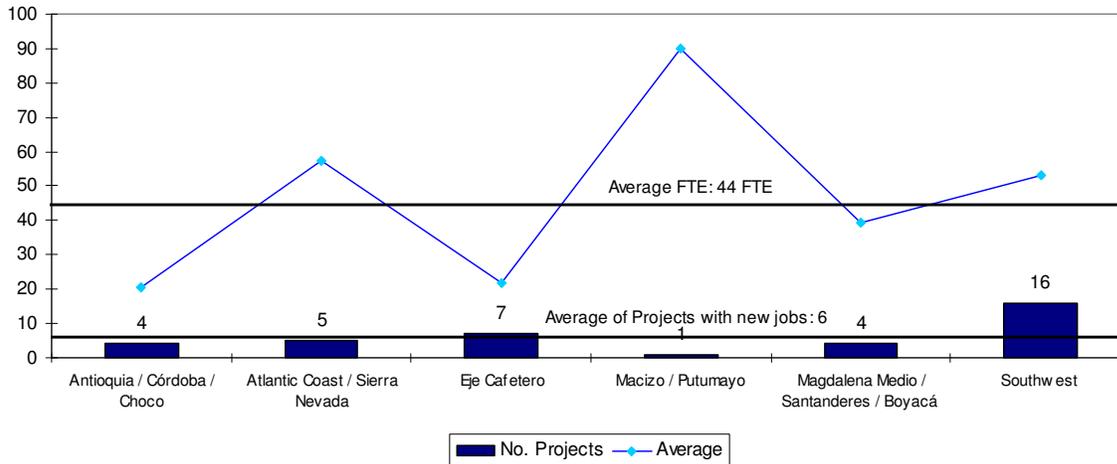
Table 28

Corridor	Projects in Implementation	Projects with new jobs	%
Antioquia / Córdoba / Choco	8	4	50%
Atlantic Coast / Sierra Nevada	5	5	100%
Eje Cafetero	8	7	88%
Macizo / Putumayo	3	1	25%
Magdalena Medio / Santanderes / Boyacá	4	4	100%
Southwest	23	16	67%
Total	51	37	70%

Graph 20 shows the number of projects per corridor that have certified new jobs. The dots present the FTE average per project as well as the comparison of both data with the general average.



Graph 20



As shown in Graph 20, 3 corridors have an FTE average per project above the general average. And one of the corridors has just 1 project that certified jobs. On the other hand, 2 corridors present a project average that certified new jobs above the general average. But one of the corridors, Eje Cafetero, has only 1 project above the general average.

In order to archive the FTE goals established for the next quarter, if the SMEC maintains the 44 FTE average per project, this means that the component will require to pass from 37 job generating projects up to 250 projects.

In the other hand, Table 29 shows the number of Families benefited per corridor.

Table 29

Corridor	Number of Families Benefited Q1	Number of Families Benefited (INTERNAL) Q2	Number of Families Benefited (ACI) Q2	Families Benefited Total Q2	Cumulative Q1 + Q2
Antioquia / Córdoba / Choco	695	389	142	531	1.226
Atlantic Coast / Sierra Nevada	1.302	5.236	288	5.524	6.826
Eje Cafetero	1.184	1.389	313	1.702	2.886
Macizo / Putumayo	860	24	553	577	1.437
Magdalena Medio / Santanderes / Boyacá	1.497	1.372	627	1.999	3.496
Southwest	4.789	1.471	770	2.241	7.030
Total	10.327	9.881	2.693	12.574	22.901

2.3.3.5. Firms Strengthened

At the end of this quarter 183 firms were strengthened, as shown in Table 30.

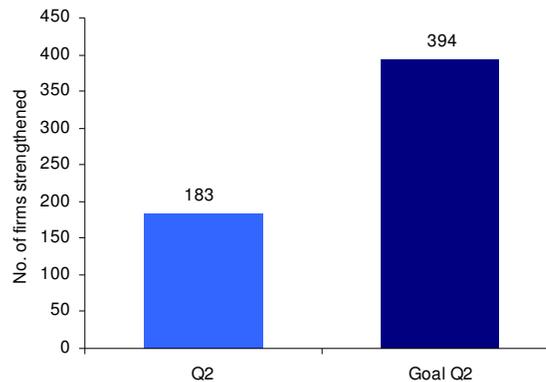


Table 30

Corridor	Firms Strengthened FY07Q1	Firms Strengthened FY07Q2	Cumulative	%
Antioquia / Córdoba / Choco	2	17	19	1%
Atlantic Coast / Sierra Nevada	918	5	923	66%
Eje Cafetero	142	13	155	11%
Macizo / Putumayo	61	3	64	5%
Magdalena Medio / Santanderes / Boyacá	1	122	123	9%
Southwest	81	23	104	7%
Total	1.205	183	1.388	100%

Compared to the WP Goals FY07 Q2 (394), the 183 families benefited represent a 46% of fulfillment.

Graph 21



2.3.3.6. Disbursement

The disbursements' goal established in the Work Plan for FY07 Q2 was US\$955.993. During this period, disbursements amounted US\$122.013, corresponding to 13% of the goal. Table 31 shows the actual period disbursements per corridor.

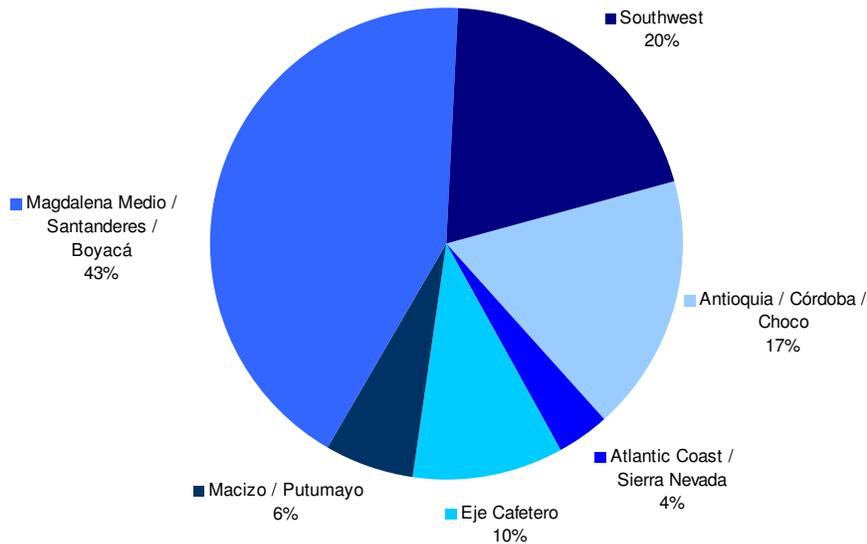


Table 31

Corridor	Disbursements goal	Disbursements Q2	%	Participation
Antioquia / Córdoba / Choco	\$ 210,857	\$ 21,283	10%	17%
Atlantic Coast / Sierra Nevada	\$ 87,537	\$ 4,603	5%	4%
Eje Cafetero	\$ 167,202	\$ 12,448	7%	10%
Macizo / Putumayo	\$ 49,491	\$ 7,516	15%	6%
Magdalena Medio / Santanderes / Boyacá	\$ 111,070	\$ 51,655	47%	42%
Southwest	\$ 329,836	\$ 24,508	7%	20%
Total FY07 Q2	\$ 955,993	\$ 122,013	13%	100%

As shown in Graph 22, Magdalena Medio / Santanderes / Boyacá is responsible of 43% of the disbursements made during the period and the second place goes to the Southwest corridor with the 20%, followed by the Antioquia / Córdoba / Chocó corridor with the 17%.

Graph 22



2.3.4. Other Key Accomplishments during the Quarter

2.3.4.1. Training and motivational events

During this quarter, the SMEC continued the PSs training process. Training sessions were initially supported by the National Office, as shown in Table 32. It is worth mentioning that regional offices continue training PSs on an individual basis, due to the weakness in project formulation identified in an important number of members of the network.



Table 32

CORRIDOR	PROJECT SUPPLIERS	DATES
Antioquia / Córdoba / Chocó	41 Participants: Universidad Católica de Oriente, ADEPROA, Cámara de Comercio Colombo Americana, Universidad Pontificia Bolivariana, ANDI, ACOPI, Nest, Eafit, ACICAM.	20-feb-07
Costa Atlántica / Sierra Nevada	Barranquilla - 48 Participants: ANDI, ACOPI, FENALCO, Universidad del Norte, Universidad Simón Bolívar, Incubar del Caribe, Fundaempresa Santodomingo, Actuar Atlántico, Camacol, Agropymes, Asoganorte, Comfacor.	01-feb-07
	Cartagena - 27 Participants: ANDI, ACOPI, FENALCO, Universidad de Cartagena, Universidad Tecnológica de Bolívar, Cámara de Comercio de Cartagena.	02-feb-07
Eje Cafetero	73 Participants: Representatives of all PSs of the Corridor.	19-ene-07
Magdalena Medio / Santanderes / Boyacá	Cucutá - 30 Participants: Corporación Propulsora de Empresas, Universidad Francisco de Paula Santander.	08-feb-07
	Tunja – 34 participants: Universidad Pedagógica y Tecnológica de Colombia, Universidad Nacional Abierta y a Distancia, Agencia de Desarrollo Local Los Dinosaurios.	16-feb-07
Nationwide PSs	COTELCO	11-ene-07
	Fundación PIDUR	15-ene-07
	Latinpyme	22-ene-07
	Fundación Antonio Restrepo Barco	23-ene-07
	Confederación de Cooperativas de Colombia	26-ene-07
	Remolina Estrada	31-ene-07
	ANDI	13-feb-07
	Fundaset and Althviz	15-feb-07
	Corporación Industrial Confecciones Minuto de Dios	26-feb-07

Likewise, during February and March the SMEC officially launched the Project Supplier’ Network and held seven motivational events named “Lleguemos lejos, juntos”. The dates for these events are found in Table 33.

Table 33

CORRIDOR	CITY	DATE
Macizo / Putumayo	Neiva	28-feb-07
Costa Atlántica/ Sierra Nevada	Barranquilla	02-mar-07
Eje Cafetero	Pereira	06-mar-07



CORRIDOR	CITY	DATE
Magdalena Medio / Santanderes / Boyacá	Bucaramanga	08-mar-07
Suroccidente	Cali	14-mar-07
Antioquia / Córdoba / Chocó	Medellín	16-mar-07
Nationwide PSs	Bogotá	21-mar-07

The events were designed and executed jointly with Epopeya Ltda., a consultancy firm specialized in training and motivational events, composed by mountaineers that have reached several of the highest peaks of the world, including the Everest. Epopeya's methodology establishes a parallel between the challenges their team has faced in different expeditions and the challenges of teamwork and goals achievement in a corporate environment.

Each event was carefully tailored in order to create exciting and involving situations to test essential points of teamwork, to position MIDAS as a strategic ally and to internalize the responsibility of being a Project Supplier. In general, all events were highly successful, according to the results shown by the surveys conducted after each event and feedback from some participants.

2.3.4.2. Progress in Implementing a Project Management Information System

After a competitive process, in the first quarter of 2007, MIDAS initiated the development of Project Management Information System with the provider selected. Currently the development of the Project Management Information System is finishing the detailed specification of the functionality need in order to automate MIDAS processes and procedures.



2.4. Key Constraints and Actions to take

2.4.1. Business Development Coordination Constraints – PSs Network Constraints

Table 34

CONSTRAINTS	ACTION PLAN
PS's institutional weaknesses: lack of technical skills, specifically in project formulation.	1) Strengthening training by developing a project formulation handbook + tutorial software and a seminar for 2 members of each organization. MIDAS will certify attendance to the seminar with a Diploma. 2) Permanent training in MIDAS methodology and associate concepts.
Insufficient material to support the marketing of the Program.	1) Prepare business cards. 2) Prepare a brochure with basic information – no logos. 3) Update the Program's PowerPoint with information regarding models projects.
MIDAS is not a priority for a majority of PS's	1) Training and motivation oriented to results – quarterly report regarding each PS's performance.
Lack of enough personnel assigned to the Program, properly qualified in project formulation.	1) Permanent training and support. 2) Prepare and carry out an agenda of individual meetings to inform the performance of each PS's -information regarding PS's achievements and MIDAS requirements focusing in those PS's with clear potential.
Commercial weaknesses of PS's - proposed promotional plans extremely poor.	1) Follow up to the activities proposed in the business plans and commitments definitions.
Resistance to accept new commitments.	1) Constant follow up of all activities established in the business plans.
Extreme weakness of some PS's.	1) Support regional offices in developing promotional activities, identify projects and assign them to PS's which are not currently active. 2) Identify new PS's in key cities or municipalities (e.g. Buenaventura). 3) Promote strategic alliances (e.g. SENA). 4) Facilitate traveling of Business Development Coordinators.

2.4.2. Environmental Review for SME component projects

During the quarter the SME component has identified the requirements to develop environmental reviews for several projects. In the general design of the Operational Model of the SME component, it was assumed that all the projects will be covered by the category exclusion defined to the Technical Assistance projects.

However the particular emphasis in rural oriented projects and the support to construction activities has caused frequent requirement of this regulatory procedure. Unfortunately, the time associated with the review is not compatible with the cycle of the projects in this high volume component.



The component, supported by MIDAS M&E, had a meeting with the USAID Environmental Officer, and defined some criteria to minimize the impact of the environmental review in the projects, and to validate the fulfillment of Colombian environmental regulations in order to accelerate the definition of the USAID requirement.

2.4.3. Access to CED Program Data Bases, in order to standardize durations and cost of technical assistance for projects

At this moment, the Component is trying to gather the information from the CED Program data bases, but this has proven to be a more difficult task than initially conceived. Hopefully, by the end of April, we will have access to the CED Data Bases.

The gap between the WP goals and the real capacity is due to the lag of 3 months given by the delay in the formalization procedure and the time a project needs to start certifying jobs generation.

2.5. Synergies

2.5.1. Synergies with other MIDAS Components

2.5.1.1. Agribusiness Component

The Agribusiness and SME components identified the initiatives and developed the procedures in order to manage jointly those projects, which size does not fulfill the requirements of the Agribusiness component, allowing the SMEC to develop them for additional job creation.

12 prospective projects were analyzed, which had the potential to generate 4,046 jobs:

Table 35

OPERATOR	PROJECT
Agrocampo	Peasant's Rural Life..
Corporación Instituto Morrosquillo.	Program for the development, promotion and consolidation of the Aquaculture value chain.
Café con Alma.	Strengthening of micro-enterprises of special coffees.
Cooagroguaipi.	Timbiquí Coconut.
Junta de Acción Comunal Vereda Cuba.	Antioquia Tilapia (Oreochromis).
Granja Integral Autosostenible E.U.	Pereira's Foliage.
Comité Departamental de Cafeteros de Risaralda.	Avocado, Special Coffee, Plantain, Lulo and Blackberry.
Fundación Vida y Futuro y Secretaría de Agricultura Departamental.	Chili and Gooseberry.



Additionally, the SMEC agreed to formulate the project named “Programa Piloto de Desarrollo Agroindustrial del Coco” and to present it as a special project. This project supports vulnerable population and benefits around 150 families.

2.5.1.2. Forestry Component

The Forestry and SME components defined existing synergies in order to identify possible projects to be undertaken jointly for added-value generation.

The following prospective projects with job generation potential were analyzed:

Table 36

FIRM	TECHNICAL ASSISTANCE
MADERINCO	Technical Assistance for the standardization of manufacture process in wood products.
DARIO GIL & CIA S EN SC	Technical Assistance for the design and structure of costs and inventories system
RELAX WOOD	Development of labor abilities to displaced population.
IMAS	Technical Assistance to incorporate innovation processes - Industrialist of the wood associate
COLMUEBLES S.A.	Technical assistance for the design of a new Giron’s plant and implementation of cost system

2.5.1.3. Policy Component

The Policy Component has been working for more than 2 years in quality standardization processes for products and services of Colombian companies, in order to prepare them to face the challenges and opportunities of the FTA with the United States. Up to date, the Policy Component has developed one hundred pilot projects in different international standards such as: CMMI (Capability Maturity Model Integration), HACCP (Hazard Analysis and Critical Control Points) Kosher, TS 16949 (Technical Standard 16949), WRAP (Worldwide Responsible Apparel Production) and BASC (Business Anti-Smuggling Coalition), among others.

As part of the commitments of the WP, the SMEC is working jointly with the Policy Component in order to continue their efforts and provide technical assistance to the companies of their pilot projects and by offering this type of standardization processes to current SMEC beneficiaries.

The SMEC will conduct information meetings with the commercial representatives of banks to provide them with information related to the scope of the SMEC.

An agenda with Bancolombia has been schedule to be executed during the last week of April as shown in the Table 37:



Table 37

Bancolombia

City	Date
Pereira	19/04/2007
Cúcuta	20/04/2007
Santa Marta	24/04/2007
Medellín	24/04/2007
Medellín	24/04/2007
Manizales	26/04/2007

2.5.2. Synergies with ADAM

Meetings were conducted between the components in order to define a model of interaction.

Both staff carried out meetings along the corridors with members of the community of the silk value-chain, aimed to strengthen this productive sub-sector.

With the support of one of the SMEC Project Suppliers (Fundaset), the Project “Cadena Productiva de la Sericultura en Colombia” has been approved under ADAM and it is at the formalization stage.

2.6. Next Quarter Objectives

Based upon the main objectives that the SMEC identified in its 2007 Work Plan and the Component’s action plan presented to USAID during January, the SMEC primary objectives for the next quarter are the following:

2.6.1. Business development area

As all the presented projects are not approved, the Business development area needs to do the effort to work jointly with PSs to present projects that account for at least 10% more than the goals in terms of expected commitments for MIDAS Contribution in USD and Jobs created.

Table 38

MIDAS contribution per corridor	Abr-07	May-07	Jun-07	FY 07 Q3
TOTAL	\$ 861,034	\$ 1,268,205	\$ 1,021,420	\$ 3,150,659
Antioquia/Urabá	\$ 241,871	\$ 346,568	\$ 281,324	\$ 869,762
Southwest	\$ 286,524	\$ 291,104	\$ 236,300	\$ 813,927
Costa / Sierra Nevada	\$ 91,135	\$ 247,975	\$ 232,475	\$ 571,586
Magdalena Medio/ Santanderes	\$ 102,764	\$ 167,898	\$ 136,289	\$ 406,951
Eje Cafetero	\$ 101,499	\$ 165,831	\$ 98,784	\$ 366,113
Macizo Putumayo	\$ 37,242	\$ 48,830	\$ 36,248	\$ 122,320



Jobs committed per corridor	Abr-07	May-07	Jun-07	FY 07 Q3
TOTAL	4,140	6,098	4,911	15,148
Antioquia/Urabá	1,162	1,666	1,352	4,180
Southwest	1,378	1,399	1,135	3,912
Costa / Sierra Nevada	438	1,192	1,118	2,747
Magdalena Medio/ Santanderes	493	807	654	1,954
Eje Cafetero	487	796	474	1,758
Macizo Putumayo	182	238	178	598

2.6.1.1. Projects' Pipeline

Table 39 presents a comparison between WP 2007 goals and projects in the pipeline or identified by each corridor office for the same period.

Table 39

MIDAS contribution per corridor	WP 2007 FY 07 QR03	PIPELINE FY 07 QR03	%
TOTAL	\$ 3,150,659	\$ 3,173,040	101%
Antioquia/Urabá	\$ 869,762	\$ 330,720	38%
Southwest	\$ 813,927	\$ 593,632	73%
Costa / Sierra Nevada	\$ 571,586	\$ 189,280	33%
Magdalena Medio/ Santanderes	\$ 406,951	\$ 60,944	15%
Eje Cafetero	\$ 366,113	\$ 1,392,560	380%
Macizo Putumayo	\$ 122,320	\$ 605,904	495%

Jobs committed per corridor	WP 2007 FY 07 QR03	PIPELINE FY 07 QR03	%
TOTAL	15,148	15,255	101%
Antioquia/Urabá	4,180	1,590	38%
Southwest	3,912	2,854	73%
Costa / Sierra Nevada	2,747	910	33%
Magdalena Medio/ Santanderes	1,954	293	15%
Eje Cafetero	1,758	6,695	381%
Macizo Putumayo	598	2,913	487%

Having into account that an important percentage of identified projects do not materialize in technical assistance proposals, the Business Development area will have to strengthen its efforts in order to obtain additional proposals, due to the tight margin between identified projects and the proposed objectives.

2.6.2. Proposal Development

As all the approved projects not always finish successfully their technical assistance approved, the Technical Coordination of Proposals area needs to do the effort to work jointly with the Business Development area to approve and commit at least 5% more than the goals in terms of expected commitments for MIDAS Contribution in USD and Jobs created.



Table 40

Technical proposals' goals: Projects approved and formalized				
MIDAS contribution per corridor	Abr-07	May-07	Jun-07	FY 07 Q3
TOTAL	\$ 770,399	\$ 1,134,710	\$ 913,902	\$ 2,819,011
Antioquia/Urabá	\$ 216,411	\$ 310,087	\$ 251,711	\$ 778,208
Southwest	\$ 256,363	\$ 260,461	\$ 211,426	\$ 728,251
Costa / Sierra Nevada	\$ 81,542	\$ 221,873	\$ 208,004	\$ 511,419
Magdalena Medio/ Santanderes	\$ 91,946	\$ 150,224	\$ 121,943	\$ 364,114
Eje Cafetero	\$ 90,815	\$ 148,375	\$ 88,385	\$ 327,575
Macizo Putumayo	\$ 33,322	\$ 43,690	\$ 32,432	\$ 109,444

Jobs committed per corridor	Abr-07	May-07	Jun-07	FY 07 Q3
TOTAL	3,704	5,456	4,394	13,554
Antioquia/Urabá	1,040	1,491	1,209	3,740
Southwest	1,233	1,252	1,016	3,500
Costa / Sierra Nevada	392	1,066	1,000	2,458
Magdalena Medio/ Santanderes	441	722	585	1,748
Eje Cafetero	436	713	424	1,573
Macizo Putumayo	163	213	159	535

2.6.3. Project implementation

Table 41

Technical assistance goals: Projects being implemented				
Project disbursements per corridor	Abr-07	May-07	Jun-07	FY 07 Q3
TOTAL	\$ 622,037	\$ 821,767	\$ 813,794	\$ 2,257,599
Antioquia/Urabá	\$ 174,895	\$ 224,103	\$ 224,076	\$ 623,074
Southwest	\$ 207,183	\$ 188,238	\$ 188,214	\$ 583,635
Costa / Sierra Nevada	\$ 65,899	\$ 160,350	\$ 185,168	\$ 411,417
Magdalena Medio/ Santanderes	\$ 74,307	\$ 108,568	\$ 108,555	\$ 291,430
Eje Cafetero	\$ 73,393	\$ 107,232	\$ 78,682	\$ 259,307
Macizo Putumayo	\$ 26,360	\$ 33,276	\$ 29,099	\$ 88,736

Jobs achieved per corridor	Abr-07	May-07	Jun-07	FY 07 Q3
TOTAL	2,577	4,716	5,026	12,319
Antioquia/Urabá	723	1,288	1,384	3,395
Southwest	857	1,082	1,162	3,101
Costa / Sierra Nevada	272	922	1,143	2,337
Magdalena Medio/ Santanderes	307	624	670	1,601
Eje Cafetero	303	616	486	1,405
Macizo Putumayo	115	184	181	480



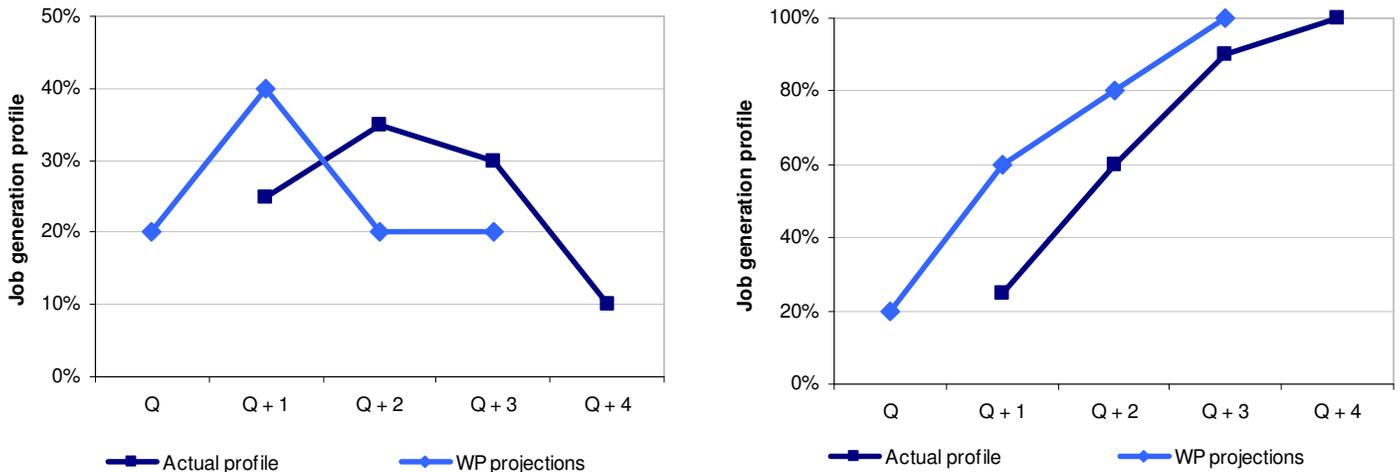
Finally, is important to note that the model developed to forecast the 2007 WP figures, had assumptions that are not being fulfilled while the Program is being implemented:

1. Projects start implementation immediately after being approved
2. Projects job generation start 2 months after the project starts implementation

At the moment projects are taking around 2 to 3 weeks to formalize after being approved in the review committees and their implementation is starting (subscription of the Initiation Act) on average 29 days after they have been formalized. This implies, actually projects are effectively starting around two months after they are approved and not immediately as assumed by the model.

Regarding job generation, effectively projects start generating jobs around 2 months after their implementation has started, but the percentage of jobs to be generated is not very high. From the Components experience, job generation has the job generation profile presented in Graph 23.

Graph 23



Based upon this job generation profile, at the end of 2007 the Component should be able to generate 100% of the jobs committed in 2006, 90% of the jobs committed this quarter, 60% of the jobs committed in the next one and only 25% of the ones committed in FY07 Q4. This analysis implies the Component will have to do an additional effort to commit as many jobs as possible during the next two quarter to maximize the achievements in terms of new jobs generated and approach as much as possible to the 43.023 jobs defined as a target for 2007.



2.7. Success Stories

Como el Ave Fénix



Los procesos de empaclado y embasado que hacen de manera rudimentaria los empleados de Coolechera serán próximamente tecnificados con aportes del gobierno de los Estados Unidos.



Decir Cooperativa de Productores de Leche de la Costa Atlántica, Coolechera, es hablar de más de 70 años de historia. Historia que está rodeada de trabajo en equipo, de esfuerzo que ha logrado la unión de más de 1.000 ganaderos cooperados para desarrollar una empresa competitiva en el sector lácteo.

Coolechera ha enfrentado serias dificultades, entre ellas, las amenazas y las limitantes por el orden público resultado del conflicto armado que vive el país. A esto se suma la crisis financiera que puso a la empresa al borde de un fracaso económico y la obligó a acogerse a la Ley 550 de 2004 y facilitó iniciar un proceso de reorganización administrativa, para cumplir con el pago de impuestos, pasivos laborales y deudas con proveedores.

Sin embargo, ponerse al día económicamente no era suficiente. Faltaba un paso más: el desarrollo y actualización tecnológica, administrativa y comercial que le permitiera mantener el liderazgo en el mercado. Para eso, el programa Más Inversión para el Desarrollo Alternativo Sostenible, MIDAS, financiado con recursos del Gobierno de los Estados Unidos está brindándoles la asistencia técnica.

“Al principio tenía mis dudas. No había encontrado un programa tan transparente y con tanto compromiso. Por eso pensé que el “truquito” debía estar en algún lado. Pero el proceso me ha demostrado que es realmente muy serio”, comentó Andrés Arango, gerente de Coolechera Ltda.



USAID
DEL PUEBLO DE LOS ESTADOS
UNIDOS DE AMÉRICA

Programa MIDAS
Más Inversión para el Desarrollo Alternativo Sostenible

Con la asistencia técnica del componente PYME del programa MIDAS, la empresa espera ampliar su nueva planta de procesamiento de leche larga vida con maquinaria de empaque *tetra brik aseptic*, como producto de la alianza suscrita con la empresa Tetra Pack. Aunque los malos tiempos no han quedado del todo atrás pues aún subsisten algunas deudas, hay un buen camino por recorrer pues el proyecto fortalece el desarrollo en la cadena de producción y, por tanto, la recuperación empresarial.

El programa MIDAS apoya con más 200 millones de pesos el reto tecnológico de Coolechera, que consiste en el montaje e instalación de una nueva planta de producción para dar respuesta a los requerimientos asegurados del mercado nacional, explicó Andrés Arango. Actualmente se están iniciando conversaciones para extender la oferta de la línea de productos lácteos a Venezuela, una vez se tenga satisfecha la demanda en la Costa Atlántica.

Por ahora, el aporte social de la empresa a la región se refleja en la generación de más de 500 empleos directos y el beneficio indirecto a aproximadamente 10 mil familias ubicadas en los departamentos de Atlántico, Cesar y Magdalena, quienes hacen parte de la cadena de producción, comercialización y distribución de los diferentes productos.

Para Arango, con el trabajo y el esfuerzo de sus asociados, “Coolechera contribuye a la paz y al desarrollo de Colombia y es el mejor ejemplo de que cuando se quiere, se puede”.



3. COMMERCIAL FORESTRY COMPONENT

3.1. Overview

During the quarter the CFC team made an impressive effort in the analysis and development of the proposals received in the APS that finished the end of 2006. Three new projects were approved for 31,684 hectares of plantation forestry and 35,000 ha of natural forest benefiting more than 6,000 families, with a MIDAS committed investment of 5 million dollars. These three new projects build upon 9 other projects that had been approved in late 2006 and signed during the quarter, 5 of which are with Community Forest Enterprises (natural forest management pilot programs) and four plantation projects.

The new Natural Forest project for 35,000 ha, approved during this quarter, has special significance. It will develop a Forest Management Plan for the 35,000 hectares of natural forests with the assistance of the United Nations and Acción Social, benefiting 4 Afrocolombian Community Councils approximately 1,500 families in Bajo Atrato. The CFC also issued a RFP to subcontract technical assistance for 4 of the Community Forest Enterprises.

The CFC is examining the technical and economic feasibility of executing new management plans for 120,000 hectares of natural forest with the Ministry of the Environment, Housing, and Territorial Development and the Autonomous Regional Corporations. Efforts have begun for the organization of an International Forum on the Sustainable Forest management SFM of Natural Forests as Community Forestry Ownership, which is programmed for the middle of September 2007. The linkage between natural forests and the vulnerable groups that control them provides a particular challenge for the investment and business development goals of MIDAS. The CFC will continue to strengthen the conceptual design and methodologies of the natural forest management approach. The CFC is working with the indigenous communities in Wayu Guajira for the use of natural forests in converting timber into charcoal for export. Similarly, the Resguardo indigenous groups of Tálaga have submitted a proposal for the planting of 1,000 ha of *Pinus patula* in the Municipality of Belalcazar, Cauca Department.

The CFC review committee approved projects during this quarter for plantations of 31684 hectares which should result in the work plan goal of 22,000 hectares planted during 2007. However, the interruption of the contracting process with the Kanguroid Group diminished that goal by 9,000 hectares which will be made up by advancing other projects.

A special relationship was established with the Ministry of Agriculture where by MIDAS will help with the development of a national forestry plan, the creation and launching of a Forest Investment Fund (FIF), and assistance in attracting foreign investment for reforestation in Colombia through contact with three TIMOS (Timber Investment Management Organizations).

The CFC received 15 value-added project proposals which are in the evaluation process. However, an initial analysis of these proposals indicate the need to open a new APS specifically for these type of projects, particularly for alternative Non Timber Forest Products NTFP projects that could provide work in for women heads of families.



The CFC is in the process of contracting with FEDEMADERAS to establish a forestry PYMES MIDAS corridors data base. A paper on the commercialization of MIDAS Forestry PYMES has started to be circulated for discussion. This paper shows the difficulties found in the forestry industry and proposes alternatives for creating markets clusters in value chains already applying for international opportunities.

3.2. Administrative And Support Activities

As of the end of March 2007, the CFC was 92% staffed with only two vacant positions remaining. Technical teams in Pereira, Neiva, Medellín, Apartadó, Bucaramanga and Cali have been completed, while, Barranquilla Regional director is pending for approval. A professional who has been tasked with monitoring and tracking (REVA) at the Bogotá headquarters, will be starting in May.

A summary of administrative activities conducted during the quarter follows:

Table 42

ACTIVITY	EXECUTION
Forestry Component Planning Workshop	Occurred in Medellin with the participation of the entire technical team. Resulted in a work plan by region with indicators and specific goals for each sub-component.
Forestry Law Training	Finished the training course contracted with the University of the Rosario. Included the whole CFC team and covered the content, reach, and development of Law 1021 of 2006. The last work session was achieved on Saturday, February 24, with the participation of the regions via Skype.
CFC Database Adjustments	Monitoring activities, the regular control of project evolution, and the assignment of responsibilities.
Senior Technical Advisor Visit	Abraham Guillén, who conducts CFC overall performance monitoring, visited some projects, went to Cali and Medellin and conducted internal meetings.
Sponsorship of the publication of the records of the Third National Environmental Congress of Colombia in the 21 st Century	Delivery of the publication in March 2007 with credit to USAID.



3.3. Technical Implementation

3.3.1. Development of project implementation proposals

During this quarter, four (4) new grant contracts were signed and committee approval for 3 more projects was achieved. These actions significantly advance the component's goals for this year.

Table 43

GRANT/CONTRACTS SIGNED (JANUARY – MARCH 2007)				
SUBCOMPONENT	RECIPIENT	VALUE (\$ Col)	OBJECT	DATE
Natural Forest	ASOFORESCOM	238,445,166	Pilot Program for forest use	January 26
Natural Forest	COIGEMARENA	182,977,056	Pilot Program for forest use	January 26
Natural Forest	MADEALGUAPI	331,455,378	Pilot Program for forest use	February 9
Plantations	MADEFLEX	1,815,554,480	Planting of 3,000 has. of <i>Eucalyptus teriticornis</i>	March 5

GRANT/CONTRACTS APPROVED (JANUARY – MARCH 2007)				
SUBCOMPONENT	RECIPIENT	VALUE (\$ Col)	OBJECT	DATE
Plantations	MADERAS DEL DARIEN	2,883,928,271	Planting of 5,000 has of Melina and Ceiba roja	March 30
Plantations	FEDERACION NACIONAL DE CAFETEROS	7,965,557,713	Planting of 26,864 has in marginal coffee zone	March 30
Natural Forest	ONU DC	751,641,119	Formulation of PMF for 35,000 has.	March 30

Additionally, the process of approving approximately 20 more projects was significantly advanced.

The CFC team also made efforts to move forward with the implementation activities as soon as grants or contracts were signed. Efforts focused on the development of Annual Operative Plans and documentation for the approval of advancing payments. During this quarter, no actual project disbursements were made as advances were made covering the first two months of project implementation.

Goals in plantation of 1,192 has of Melina was registered by the agreement signed with Monterrey Forestal in the municipalities of Copey and Becerril in the departments of Cesar, Fundación, and San Angel and Magdalena. These plantations were made on 10 private forest farms. MIDAS support the plantation workers associated with the Coopzam Cooperative.



Additionally, a good progress was registered, with Forest Farming enterprises El Indio and La Gironda and with Community Forest Enterprises Bajo Mira y Frontera and El Nuánamo. Their results were credited but in some extent some activities and results which couldn't be reached in the first months due to climatic reasons².

The level of project development as of March 30, 2007 is presented next.

Table 44

PROPOSAL NUMBER	DESCRIPTION / NAME	PRODUCT / SECTOR	TOTAL COST (USD \$000)	MIDAS AMOUNT (USD \$000)	MIDAS %	HA. DIRECTLY IMPACTED	FAMILIES DIRECTLY IMPACTED	EQUIVALENT JOBS - FTE/S	STATUS
F-0008-06	REF LA GIRONDA	PLANTATIONS	1 514	195	13%	785	100	404	IMPLEMENTATION
F-0009-06	REF EL INDIO	PLANTATIONS	1 669	250	15%	1 036	100	394	IMPLEMENTATION
F-0012-06	EFC BAJO MIRA Y FRONTERA	NAT FOREST	226	102	45%	90	50	15	IMPLEMENTATION
F-0022-06	EFC EL NUANAMO	NAT FOREST		5					CANCELLED
F-0156-06	EFC EL NUANAMO	NAT FOREST	179	112	62%	80	50	22	IMPLEMENTATION
F-0007-06	MONTERREY FORESTAL	PLANTATIONS	1 842	393	21%	1 674	446	356	IMPLEMENTATION
F-0036-06	COIGEMARENA	NAT FOREST	161	80	50%	150	30	15	IMPLEMENTATION
F-0008-12	ASOFORESCOM	NAT FOREST	129	104	81%	30	30	10	IMPLEMENTATION
F-0039-06	MADEALGUAPE	NAT FOREST	201	145	72%	15	50	15	IMPLEMENTATION
F-0050-06	MADEFLEX	PLANTATIONS	5 805	789	14%	3	605	1 347	IMPLEMENTATION
F-0148-06	PIZANO BAJO ATRATO	PLANTATIONS	4 872	1 254	26%	5	1	1 136	APPROVED
F-0157-07	FEDECAFE	PLANTATIONS	40 094	3 463	9%	26 864	4 148	6 507	APPROVED
F-0336-08	ONUDC	NAT FOREST	624	343	55%	35	1 481	68	APPROVED
F-0086-06	MADERA Y CAFÉ	PLANTATIONS	4 873	360	7%	4	800	795	IN SCREENING
F-0145-06	PROCAUCHO MAGDALENA MEDIO	PLANTATIONS	174	12	7%	4	400	1 364	IN SCREENING
F-0121-06	AGROSANTAFE	PLANTATIONS	786	600	8%	2	200	682	IN SCREENING
F-0161-06	CORCUENCAS REF COMERCIAL DEL TOLIMA	PLANTATIONS	4 824	540	11%	27	197	614	IN SCREENING
F-0337-06	EMP FORESTAL DEL HUILA	PLANTATIONS	5 137	500	10%	25	300	568	IN SCREENING
F-0013-06	MADEURABA	VALUE ADDED	539	209	39%		20	20	IN SCREENING
F-0010-07	PROCAUCHO DE URABA	PLANTATIONS	289	150	5%	500	150	170	REGISTERED
F-0136-07	SAN PEDRO DE URABA	PLANTATIONS	2 969	150	5%	500	150	170	REGISTERED
F-0037-07	REFORESTACION SUAREZ	PLANTATIONS	1 713	200	12%	1	600	227	IN SCREENING
F-0162-07	INDUCARBON	PLANTATIONS	396	80	20%	400	150	91	IN SCREENING
F-0448-07	TALAGA	PLANTATIONS	1 173	250	21%	1	100	227	REGISTERED
F-0033-07	FEDEGAN	PLANTATIONS	6 641	1	15%	5	400	1 136	IN SCREENING
F-0331-07	RIA	PLANTATIONS	35	200	6%	1	60	227	REGISTERED
F-0086-08	CORANTIOQUIA	PLANTATIONS	35	200	6%	1	60	227	REGISTERED
F-0157-07	MAS BOSQUES	PLANTATIONS	2 998	144	5%	2 058	12	468	IN SCREENING
F-0338-07	CONSTRUPAZ	PLANTATIONS	3 553	239	7%	906	330	206	IN SCREENING
F-0341-07	REFOCOL	PLANTATIONS	8 277	735	9%	3	150	682	REGISTERED
F-0041-06	FUNDACION ECOL CAFETE	PLANTATIONS	1 623	200	12%	1	250	199	IN SCREENING
F-0359-06	ALDEA GLOBAL	PLANTATIONS	2 111	300	14%	15	300	341	IN SCREENING
F-0166-06	CARDER	VALUE ADDED	186	65	35%		40	15	REGISTERED
F-0343-06	FAMILIAS GUARDABOSQUE	PLANTATIONS	1 007	191	19%	1	100	227	REGISTERED
F-0034-06	ASURNIMA	VALUE ADDED	150	65	43%		20	12	REGISTERED
F-0344-06	CEPIM	VALUE ADDED	150	65	43%		20	12	REGISTERED
F-0342-06	CORPOURABA	PLANTATIONS	970	100	10%	600	80	136	REGISTERED
F-0339-06	MADERANDO	VALUE ADDED	130	52	40%		15	8	REGISTERED
REFORESTATION			139 211	13 685	10%	74 023	12 376	18 903	
NATURAL FOREST			1 52	890	59%	35 365	1 691	145	
VALUE ADDED			1 155	457	40%	-	115	67	
TOTAL			141.886	15.031	11%	109 358	14.182	19.114	

² In section 3.4 the climatic difficulties encountered in the first months of the year are explained in more detail.



Note: Projects presented by REFOCOSTA, AGROFORESTAL-PROCUENCA and EL GUASIMO, totaling 6,500 hectares, are on hold-pending as they are under review by the directors of these organizations.

As can be seen in the previous table, the CFC team has been working on the evaluation of projects for over 110% of the plantations goal to prevent for projects not approved. Moreover, it is important to highlight the coordination with other donors, in particular Acción Social, for the co-financing of projects and for substantially increasing local community participation in governance and ownership of plantation forestry schemes.

For initiatives in natural forest management, in addition to the approval of a project for the formulation of a Forest Management Plan of 35,000 ha of natural forests in the Riosucio-Chocó region, the Terms of Reference for formulating new management plans was also developed, as well as a prioritization matrix for the selection of areas that are to be a target of MIDAS Program support.

Assistance in natural forests has continued in coordination with the Ministry of the Environment, Housing, and Territorial Development, through the Direction of Ecosystems, who are responsible at the national level for natural forest management and, with Autonomous Regional Corporations, with whom 12 potential projects have been identified to develop forest management plans in an area of about 120,000 hectares that would benefit vulnerable Afrocolombians and indigenous communities. With these instruments, the CFC has taken the necessary steps to obtain a viable strategy for assisting the natural forest areas of the country and to facilitate the implementation of plans that are formulated.

For the Value Added subcomponent, approved projects still haven't been registered, but the Subcomponent has been working on the analysis of the proposals received in the APS, and issuing in the next quarter a new APS.

Rejected Proposals:

A total of 8 proposals were rejected by the Committee for Proposal Evaluation as follows.

Table 45

NAME	PROPONENT	CORRIDOR
Use and increase of the RNR in the areas able for reforestation	ASORPAR LTDA	Urabá Antioquia-Chocó
Establishment of 165 ha of forests in the biological corridor between the National Park Puracé and Cueva de Guácharos	Grupo Ecológico de Palestina-Huila	Macizo Colombiano-Putumayo
Reforestation and incentives for natural forests in micro-catchments of the municipal water supply in the Department of Caldas.	Fundación Ecológica Cafetera	Eje Cafetero



NAME	PROPONENT	CORRIDOR
Improvement of the capacity to transform primary and secondary (Kiln Dry) Pátula pine wood of Corforestal	Corporación Forestal del Tolima CORFORESTAL	Macizo Colombiano- Putumayo
Pilot Silvo-pastoral project of 700 ha to be implemented in the eco-region center to the east and south of the Atlantic.	Desarrollos y Proyectos S.A.	Sierra Nevada y Costa Atlántica
Design and establishment of a participative agro-forestry management model in the Vereda la Pradera, municipality of La Victoria (Dep't Caldas).	INVERANDES DE COLOMBIA	Municipio Cáceres (Antioquia).
Participative development of replicable models of agro-forestry systems in the Zulia watershed	CONSORNOC	Magdalena Medio- Santanderes -Boyacá
Planting of 176 Ha in the township of Leticia, municipalities of Puracé – La Plata, departments of Cauca – Huila	Junta Acción Comunal San José	Macizo Colombiano, Huila - Tolima

3.3.2. Other accomplishments during the quarter

- FORUM ON THE SUSTAINABLE MANAGEMENT OF NATURAL FORESTS

With the goals of dissemination at national level the MIDAS experience in forest management, exchange lessons learned, and contrast the vision versus the scheme MIDAS is implementing, an international forum is being planned with scientific and local community participation. It is anticipated that forest management experts will participate to bring experiences from Bolivia, Mexico, Guatemala, Malaysia, India, and Nigeria, among other countries.

The organization of this forum is the responsibility of CFC-MIDAS with the participation of entities like Acción Social, the United Nations, the Embassy of Holland, and the Ministry of the Environment as co-sponsors. This event is being planned for the second semester of year 2007. The topics include political-strategic aspects, presentations by experts, and the discussion of Colombian Models of Natural Forest Management with Community Participation. Communities from different regions will be called for papers or opinions of four (4) main topics:

- ✓ Sustainable Forestry
- ✓ Social and Community Forestry



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- ✓ Economic/Financial
 - ✓ Legal Aspects, Certification, and Transparency
-
- RFP FOR STRENGTHENING 4 CFEs designed and approved.

The objective of contracting an operator is to provide technical and administrative assistance to Community Forestry Enterprises of MADEALGUAPI, COIGEMARENA, ASOFORESCOM, and EL NUANAMO through the integral strengthening of their business management skills and the improvement of the sustainable management of approximately 120,281 hectares of natural forests, thus creating a basis for self-management by these Community Forest Enterprises.

The contract will be defined in May according to the terms of the RFP.

- NEW APS FOR THE VALUE ADDED SUBCOMPONENT

From the analysis of the 12 value added proposals received by the MIDAS Program APS announcement in 2006, the CFC found that only a few proposals meet the minimum MIDAS viability requirements. Therefore, in the next Review Committee on Project Evaluation, the future of these proposals and the request for opening a new APS will be discussed to allow for new project proposals to be considered. APS is set to be published the first week of May

- DESIGN OF A FOREST DATABASE FOR PYMES

In March, the terms of reference for a consultant that would assist the Federación Colombiana de Empresas de la Madera – FEDEMADERAS in the design and implementation of a database that will contain information about the forestry and timber PYMES was elaborated and approved.

With the information contained in this database, the MIDAS Program, through the Commercial Forestry and the SME Components, will be able to coordinate actions for:

- ✓ Improving the competitiveness of small businesses, their social responsibility and the transparent management of forest resources.
- ✓ Recommending activities and tasks for increasing the product quality of the different businesses.
- ✓ Improving their participation in domestic and international markets.
- ✓ Identifying potential groups and their integration with the CFE assisted by the MIDAS CFC.

- PROCESSES AND PROCEDURES OF THE CFC.

During this quarter, the CFC actively participated in the MIDAS task force for the design of processes, standardizing procedures and formats to be used in the different evaluation stages for proposals and projects received.

The procedures developed cover the stages of Initial Review, Evaluation, Approval, Implementation, and Closing:



- a. For the Initial Review stage, procedures for analyzing proposals received by the CFC for determining the viability and possibility of continuing the proposal evaluation process of the Component, were developed in agreement with the Program Selection Criteria and the Requirements established in the Annual Program Statement (APS).
 - b. For the Evaluation stage, procedures for technical, financial, economic, and social verification and evaluation of the proposal presented to the CFC by the Proponents and approved in the Initial Review phase were developed. These procedures will assure the completion of USAID and MIDAS Program criteria and guidelines as well as Due Diligence.
 - c. For the Approval stage, the contractually required procedures for obtaining final approval on the part of core MIDAS groups, ARD Headquarters and USAID, were developed. These procedures are for those proposals that complete the evaluation process and are approved by the Evaluation Review Committee.
 - d. For the implementation stage, procedures were developed for initiating the execution of projects financed with MIDAS resources, including tracking, monitoring, and verification of the completion of the goals and indicators as agreed with the recipient.
 - e. For the Closing stage, procedures were developed for completion of the administrative actions established in the Contracts and Grants Manual, which delivers all the products required under the Contract or Grant Agreement, to determine that it has been properly completed by the Recipient and MIDAS.
- CFC DATABASE, AN INFORMATION SYSTEM THAT CONSOLIDATES THE PORTFOLIO OF PROPOSALS AND PROJECTS.

The CFC developed a unified system that contains basic information on all of the proposals received and projects in implementation. This tool, named PORTAFOLIO AND STATUS REPORT CFC, facilitates access to information about each and every project for any CFC staff member and the MIDAS Program. This tool also allows knowing about the stage of each proposal/project, indicators, dates and observations of the RC, and value of MIDAS resources, among others. This database can be found on the “Z” drive of the MIDAS server.

- FOREST TRANSPARENCY MODEL

During this quarter, a document for implementing and consolidating the forest transparency model was worked on. This model uses the forest management and operational plans approved by the authorities as the basic references for tracking wood flow and monitoring of forestry activities.

3.4. Key Constraints and Actions to Take

During this quarter, two main events prevented the CFC from reaching its quarterly goals. The first event was that a large 9,000-ha project (Bosques de Futuro- Kanguroid) did not pass the US Embassy vetting process. This project had scheduled to establish 2,000 ha plantation in 2007 and



start implementation in this quarter, which affected the projected reimbursement. The second event was the extended January-to-March drought that has caused delays in plantations projects, and it has reduced the water flow in the Atrato River, used by the El Nuanamo community to haul their logs from the forest.

Despite the above, the CFC in this quarter has concentrated efforts in preparing and evaluating new project proposals, and building internal capacity for monitoring and in registering the implementation of projects to enable the CFC effectively approve and start the project implementation from the next quarter on. Of particular importance is the FEDECAFE project, given its over 26,000-ha size and its future impact in terms of area covered, families benefited and developing the CFC regional implementation and monitoring capacity.

3.5. Synergies (achieved and planned) with other MIDAS Components and ADAM

3.5.1. Policy Component

- Technical support in the formulation of the decrees of the forestry law.
- Technical support of the forest certification consultancy.
- Technical support in the preparation of terms of reference for Financial Sourcing.
- Technical support for the preparation of the terms of reference for Competitiveness Analysis.

3.5.2. SME Component

- Direction and coordination for offering with the SMEC, technical assistance for all forest utilization projects with CFEs.
- Direction and coordination for a contract with FEDEMADERAS regarding forestry SMEs.

3.5.3. ADAM Program

- Preparation and initiation of ADAM Program support to the community forest enterprise of Bajo Mira y Frontera. The CFC is covering expenses related to the preparatory workshops for the ADAM grant.
- A coordinator who can expand ADAM's operational coverage in the municipalities of Chocó is being considered.

The CFC is seeking further coordination with ADAM in the Urabá zone, especially with those municipalities where there already exist CFE operations.

3.6. Next Quarter Objectives

During the next quarter the CFC will seek approval for most of the projects that will be implemented during 2007 to 2009. The goal is to have approved at least 90% of the projects in



order to guarantee the start of establishing plantations, developing management plans and the fulfillment of activities necessary to allow the registry of goals executed by the end of 2007. The following is a table projecting the status of all CFC projects by June 30, 2007

Table 46

CFC PROPOSAL STATUS REPORT AS OF JUNE 30, 2007*									
*(Exchange Rate\$2.300/USD)									
PROPOSAL NUMBER	DESCRIPTION / NAME	PRODUCT / SECTOR	TOTAL COST (USD \$000)	MIDAS AMOUNT (USD \$000)	MIDAS %	HA. DIRECTLY IMPACTED	FAMILIES DIRECTLY IMPACTED	EQUIVALENT JOBS - FTE'S	STATUS
F-0008-06	REF. LA GIRONDA	PLANTATIONS	1.514	195	13%	785	100	404	IMPLEMENTATION
F-0009-06	REF. EL INDIO	PLANTATIONS	1.669	250	15%	1.036	100	394	IMPLEMENTATION
F-0012-06	EFC BAJO MIRA Y FRONTERA	NAT FOREST	226	102	45%	90	50	15	IMPLEMENTATION
F-0022-06	EFC EL NUANAMO	NAT FOREST	-	5	0%	-	-	-	CANCELLED
F-0156-06	EFC EL NUANAMO	NAT FOREST	179	112	62%	80	50	22	IMPLEMENTATION
F-0007-06	MONTERREY FORESTAL	PLANTATIONS	1.842	393	21%	1.674	446	356	IMPLEMENTATION
F-0036-06	COIGEMARENA	NAT FOREST	161	80	50%	150	30	15	IMPLEMENTATION
F-0008-12	ASOFORESCOM	NAT FOREST	129	104	81%	30	30	10	IMPLEMENTATION
F-0039-06	MADEALGUAPI	NAT FOREST	201	145	72%	15	50	15	IMPLEMENTATION
F-0050-06	MADEFLEX	PLANTATIONS	5.805	789	14%	3	605	1.347	IMPLEMENTATION
F-0148-06	PIZANO BAJO ATRATO	PLANTATIONS	4.872	1.254	26%	5	1	1.136	IMPLEMENTATION
F-0157-07	FEDECAFE	PLANTATIONS	40.094	3.463	9%	26.864	4.148	6.507	IMPLEMENTATION
F-0336-08	ONUDC	NAT FOREST	624	343	55%	35	1.481	68	IMPLEMENTATION
F-0086-06	MADERA Y CAFÉ	PLANTATIONS	4.873	342	7%	4	800	795	APPROVED
F-0145-06	PROCAUCHO MAGDALENA MEDIO	PLANTATIONS	17.4	1.2	7%	4	400	1.364	APPROVED
F-0121-06	AGROSANTAFE	PLANTATIONS	7.86	600	8%	2	200	682	APPROVED
F-0161-06	CORCUENCAS. REF. COMERCIAL DEL TOLIMA	PLANTATIONS	4.824	540	11%	2.7	197	614	APPROVED
F-0337-06	EMP FORESTAL DEL HUILA	PLANTATIONS	5.137	500	10%	2.5	300	568	APPROVED
F-0013-06	MADEURABA	VALUE ADDED	539	209	39%	-	20	20	APPROVED
F-0010-07	PROCAUCHO DE URABA	PLANTATIONS	2.89	150	5%	500	150	170	APPROVED
F-0136-07	SAN PEDRO DE URABA	PLANTATIONS	2.969	150	5%	500	150	170	APPROVED
F-0037-07	REFORESTACION SUAREZ	PLANTATIONS	1.713	200	12%	1	600	227	APPROVED
F-0162-07	INDUCARBON	PLANTATIONS	396	80	20%	400	150	91	APPROVED
F-0448-07	TALAGA	PLANTATIONS	1.173	250	21%	1	100	227	APPROVED
F-0033-07	FEDEGAN	PLANTATIONS	6.641	1	15%	5	400	1.136	APPROVED
F-0331-07	RIA	PLANTATIONS	3.5	200	6%	1	60	227	APPROVED
F-0086-08	CORANTIOQUIA	PLANTATIONS	3.5	200	6%	1	60	227	APPROVED
F-0157-07	MAS BOSQUES	PLANTATIONS	2.998	144	5%	2.058	1.2	468	APPROVED
F-0338-07	CONSTRUPAZ	PLANTATIONS	3.553	239	7%	906	330	206	APPROVED
F-0341-07	REFOCOL	PLANTATIONS	8.277	735	9%	3	150	682	APPROVED
F-0041-06	FUNDACION ECOL. CAFETERA	PLANTATIONS	1.623	200	12%	1	250	199	APPROVED
F-0359-06	ALDEA GLOBAL	PLANTATIONS	2.111	300	14%	1.5	300	341	APPROVED
F-0166-06	CARDER	VALUE ADDED	186	65	35%	-	40	15	REGISTERED
F-0343-06	FAMILIAS GUARDABOSQUES	PLANTATIONS	1.007	191	19%	1	100	227	REGISTERED
F-0034-06	ASURNIMA	VALUE ADDED	150	65	43%	-	20	12	REGISTERED
F-0344-06	CEPIM	VALUE ADDED	150	65	43%	-	20	12	REGISTERED
F-0342-06	CORPOURABA	PLANTATIONS	970	100	10%	600	80	136	REGISTERED
F-0339-06	MADERANDO	VALUE ADDED	130	52	40%	-	15	8	REGISTERED
SUBTOTAL			141.886	15.013	11%	109.388	14.182	19.114	



Below is a table summarizing the CFC projections needed to validate the goal of 22,000 hectares of established plantations in 2007. The emphasis of the last two quarters will be to follow up the verification of establishing plantations according to the bimodal periods of rain seasons during the months of April-May and September-October.

Table 47

REGISTER OF PLANTATIONS ESTABLISHED FOR VALIDATING 2007 GOALS						
NUMBER	PROJECT	2006	Jan- March- 2007	April - June 2007	July- Sept 2007	Oct – Nov 2007
F-0008-06	LA GIIRONDA	256			300	
F-0009-06	EL INDIO	156			300	
F-0007-06	MONTERREY		1.192		362	120
F-0050-06	MADEFLEX			130	1.740	
F-0105-06	PIZ. BAJO ATRATO				1.500	
F-0157-07	FEDECAFE			2.313	2.313	4.712
F-0346-07	PROCAUCHO				350	350
F-0121-07	AGROSANTAFE				150	150
F-0086-07	MADERA Y CAFÉ				500	500
F-0341-07	REFOCOL					300
F-0161-07	CORCUENCAS				250	250
F-0337-07	EMPRESA F. HUILA				250	250
F-0010-07	PROCAUCHO DE URABA				100	
F-0136-07	SAN PEDRO DE URABA				100	
F-0037-07	REFORESTACION SUAREZ				150	150
F-0162-07	INDUCARBON				100	100
F-0448-07	TALAGA					300
F-0033-	FEDEGAN					1.500



REGISTER OF PLANTATIONS ESTABLISHED FOR VALIDATING 2007 GOALS						
NUMBER	PROJECT	2006	Jan- March- 2007	April - June 2007	July- Sept 2007	Oct – Nov 2007
07						
F-0331-07	RIA				250	250
F-0086-08	CORANTIOQUIA				150	150
F-0157-07	MAS BOSQUES				500	500
F-0338-07	CONSTRUPAZ					100
F-0041-06	ALDEA GLOBAL					250
F-0359-06	FUND. ECOLOGICA CAFET					500
TOTAL PLANTATIONS		412	1.192	2.443	9.365	10.432

In order to fulfill the 2007 goal of improving the management of 62,000 ha of natural forests, a projection has been established by target area in accordance with verification established in the ACI indicators. For that reason, the credits will be added at the end of the year, once the competent authorities have approved the Forest Management Plans formulated and the building capacity and governance actions are verified at the community level.

Table 48

REGISTER OF AREAS OF NATURAL FORESTS WITH BETTER MANAGEMENT						
NUMBER	PROJECT	2006	Jan- March- 2007	April - June 2007	July- Sept 2007	Oct – Nov 2007
F-0012-06	EFC BMYF	30	20	40		
F-0136-07	EFC EL NUANAMO			40	40	
F-0036-06	COIGEMARENA				70	80
F-0036-06	ASOFORESCOM				10	20
F-0039-12	MADEALGUAPI				5	10
F-0336-08	RIOSUCION B.N.					35.000
	EFC BMYF - FASE II				550	1.100
	NUEVOS PMFS					26.000
TOTAL PLANTATIONS		30	20	80	675	62.210



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3.7. Success Stories

La Empresa Comunitaria de Bajo Mira y Frontera:

Un ejemplo de mejor aprovechamiento



Arriba: Carrilera lista para extracción de madera en Bajo Mira y Frontera.



Derecha: Bombeo de trozas a zanja de extracción

Sobreexplotación de los bosques, explotación sin respeto al medio ambiente, poner en peligro para más de 10.000 especies por destrucción de su habitat y el consecuente agotamiento del recurso maderero, son algunos de los problemas que han estado enfrentando las comunidades afro colombianas de los consejos comunitarios de Bajo Mira y Frontera en Tumaco. En 2003 el Gobierno colombiano les entregó la propiedad colectiva de 46,481 hectáreas de bosque.

Tres años después, la Empresa Forestal Comercial de Bajo Mira y Frontera –EFC- tenía aún un largo camino por recorrer en términos de organización empresarial y comunitaria y sus resultados en explotación maderera estaban muy por debajo de su potencial. La falta de asistencia técnica para el manejo del bosque y las debilidades organizativas llevaron a que el programa Más inversión para el Desarrollo Alternativo Sostenible, MIDAS, financiado con recursos del Gobierno de los Estados Unidos, los apoyara en la consolidación de una empresa forestal comunitaria que, con un plan de manejo forestal pudiera hacer un mejor aprovechamiento de sus recursos.

“Cuando empezamos, no sabíamos nada de costos. Sólo sabíamos cortar la madera y venderla. Aunque fue muy duro ver que habíamos perdido plata todo ese tiempo, el apoyo al proyecto nos enseñó a identificar costos de transporte, transformación y comercialización que antes no teníamos en cuenta”, dice Rodrigo Matute, gerente de la empresa.

Hasta hace unos meses, los ingresos de los trabajadores de la EFC no llegaban ni siquiera al mínimo legal y la empresa no tenía garantizada su cadena de distribución maderera. Por ello, dependían de



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intermediarios que pagaban precios muy bajos por la materia prima y, además, la falta de conocimiento técnico en el manejo del producto generaba mucho desperdicio.

Hoy, gracias al apoyo técnico y financiero del programa MIDAS, se han logrado mejores estándares de producción; la puesta en marcha de un plan estratégico para una gerencia eficiente de la empresa; la construcción de su portafolio de negocios y el establecimiento y formalización de relaciones comerciales que les permitan ampliar sus mercados.

El apoyo técnico ha permitido a la EFC optimizar su producción al punto que actualmente sus costos -cumpliendo con una serie de requisitos técnicos- están muy por debajo de los que tenían. El resultado ha ido incluso más allá, pues se esperaba que el desperdicio se redujera en un 10% y actualmente con la elaboración de palos de escoba, refuerzos para puertas, listones para camas, entre otros, el desperdicio se redujo en 50%.

Además, la EFC se ha convertido en maquila para fabricación de marcos de puertas, puertas y machimbre y con la asistencia técnica brindada, la segunda fase permitirá que cerca de 2.600 metros cúbicos de madera en rollo sean mejor aprovechados. Esto, además de generar nuevos empleos entre la comunidad va a implicar más de 80 millones de pesos para la empresa.

“No sabíamos cómo manejar el bosque y con el apoyo de MIDAS sabemos que la naturaleza nos da mucho y nuestro trabajo es saber aprovecharlo mejor”, enfatiza Lidoro Hurtado, representante del Consejo Comunitario.



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4. AGRIBUSINESS COMPONENT

4.1. Overview

The objective of the Agribusiness Component (ABC) is to stimulate a significant increase in the number of supported hectares of longer-term licit crops planted, and sustainable jobs created within the MIDAS growth corridors. The activities of the ABC are focused on supporting, in a sustainable manner, new or existing agribusinesses. Such activities will result in developing viable, licit, sustainable businesses; integrating the links of value chains within the agricultural sector; reactivating regional economies; and strengthening entrepreneurial skills and culture.

The Second Quarter FY' 07 (QR 2 FY'07), constituted a critical turning point for ABC, as it formalized a strategic vision and mission for its central and regional operations, and established a new organizational structure- including the designation of new senior management - to support this direction. These efforts were vital in helping ABC regain momentum and actually surpass its goals established for this quarter, while laying the foundation for attaining the level of performance that will be required to achieve the ambitious objectives established in the ABC 2007 work plan.

A vital aspect of the restructuring effort was that of consolidating the once segregated efforts of the Technical Services Unit, Ex-CAPP and MIDAS project management areas that operated independently under the previous organizational structure. The new structure which now places the three operational units under “one umbrella” has brought new vitality to the overall ABC Team, and has ushered in limitless opportunities for technical “cross-fertilization” while vastly improving communications across all operational levels.

Another key aspect critical to both the successful restructuring of ABC, as well as the improved performance that it experienced during QR 2 FY'07 was the prioritization that was placed in developing the Regional Offices (ROs). Consistent with this objective, a Senior Project Coordinator (Davis Celis) was designated as Regional Offices Coordinator in order to assure that RO staff are able to perform at the same level of standard as central office personnel, as well as to effectively manage an increasing work flow to ROs in accordance with the decentralization objectives that have been agreed with USAID.

During the quarter all twelve RO staff members were identified/selected, as well as pertinent training materials and a training plan developed, in order to train these personnel in all aspects of ABC operations (grant management, monitoring and evaluation, environmental requirements, and reporting procedures, etc.) and have them in place in their respective offices next quarter. It is expected that in this same quarter, over 40 % of ABC proposals will be developed by RO personnel and that a significant portion of the Ex-CAPP portfolio will be transferred over to RO management.

In terms of operations, during QR 2 FY'07, ABC processed the major part of its 184 APS proposals, which for the most part were received in the latter part of 2006 - of these, 57 passed the screening phase. The ABC proposal review process incorporates a tried evaluation procedure that filters potential proposals through specified, pre-determined criteria. The processing of proposals was the principal activity for the component during the quarter. Additionally, ABC implemented a strategy aimed at portfolio diversification, devised over the previous quarter (QR1 FY'07).



Most notably, during QR 2 FY'07, three ABC projects comprising 6,200 Has. were put into implementation, including a newly signed project (San Pablo) as described below:

Table 49

Number	Project	Product	Location	Has
A-001-06	San Pablo	African Palm	San Pablo, Simití, Bolívar	3,000
A-002-06	Asocati	Cacao	Tibú, Sardinata, El Tarra, Norte de Santander	1,700
A-005-06	Portico	African Palm	Sabana de Torres, Santander	1,500
Total	Total			6,200

Moreover, five projects comprising 11,467 Has. and covering a diverse geographical area were approved for implementation:

Table 50

Number	Project	Product	Location	Has
A-003-06	Asogpados	African Palm	Catatumbo, Norte de Santander	2,800
A-004-06	Estam	African Palm	Catatumbo, Norte de Santander	2,800
A-026-06	CEA	Passion Fruit	Antioquia, Santander, Magdalena	732
A-082-06	Indupalma	African Palm	Magdalena, Sabana de Torres	1,500
A-119-06	Ecocacao	Cacao	Magdalena Medio, Santander, Cesar, Sur de Bolivar, Antioquia	3,635
Total				11,467

The newly invigorated ABC is now very well poised to meet the ambitious goals set for the current year and expects to sign and put into implementation 20 new projects by June '07, as well as have an additional 24 projects approved during this timeframe (assuming normal implementation conditions).

4.2. Administration and Support Activities

During the quarter the ABC worked diligently on preparing new strategic orientation and implementation arrangements in the organizational structure in order to guarantee the continued success of the Component and attainment of its goals.

The new structure and orientation has been structured under two main areas as follows:

1. New Strategic Orientation and Implementation Arrangements for ABC
 - Integration of Technical Services Unit and Expansion of Technical Services
 - Focus of Technical Services



- ABC Operations Decentralization Strategy
- 2. Redefinition of Job Descriptions and Incorporation of New Services
 - Designation of New Deputy Manager of Agribusiness and ABC Technical Support
 - Harmonization of Position Descriptions
 - Incorporation of a Financial Resources Technical Advisor

This new structure was prepared during QR 2 FY'07 and was presented to USAID at the end of the quarter. However, some modifications are still being considered and final approval is still pending.

In terms of staffing, the QR 2 FY'07 represented a significant change in the component. A new Agribusiness Manager joined the team and a ABC Deputy Manager was designated. Additionally, two staff members and the Senior Technical Advisor left the component. The component staffed more PCs and also selected the specialists for the regional offices, according to the request made in the 2007 Annual Work Plan.

Table 51: Staff Approved by USAID during QR 2 FY'07

Name	Position	Status	Sent to USAID	Entry Date
Rodrigo Carvajal	Senior Manager Agribusiness Component	Contracted		01-15-07
María del Pilar Ruíz	Senior Project Coordinator	Promoted – COP approval		02-01-07
Pablo Lamprea	Senior Project Coordinator	Contracted	02-14-07	03-01-07
Monica Madrid	Project Coordinator	Contracted – COP approval		02-22-07
Carlos S. Cavanzo	Project Coordinator	Promoted – COP approval		02-01-07
Melquisedec Pulido	Project Coordinator (JE Austinn)	Pending		
Sandra Sanabria	Junior Project Coordinator	Contracted	08-29-06	01-02-07
Hernan Montoya	Junior Project Coordinator	Approved DCOP		22-03-07
Patricia Meléndez	Regional Agribusiness Specialist Tolima Grande - Neiva	Contracted	12-06	01-02-07
Mauricio Muñoz	Regional Agribusiness Specialist Tolima Grande - Neiva	Pending	03-30-07	
Jesús A.Cabal Lavado	Regional Agribusiness Specialist Pacífico y Sur Occidental – Cali	Approved DCOP		03-26-07
Robinson Ortega	Regional Agribusiness Specialist Pacífico y Sur Occidental – Cali	Approved COP		03-29-07



Name	Position	Status	Sent to USAID	Entry Date
Diana Aracelly López	Regional Agribusiness Specialist Costa Norte – Barranquilla	Contracted		01-09-07
Rodolfo Rodríguez	Regional Agribusiness Specialist Costa Norte – Barranquilla	Contracted		01-18-07
Jaqueline Vargas Barbosa	Regional Agribusiness Specialist Bucaramanga	Contracted		01-02-07
Alberto Duque Chacon	Regional Agribusiness Specialist Bucaramanga	Contracted		02-01-07
Manuel Aldana	Technical Services Manager	Contracted	12-21-06	01-09-08
Martha Rivas	Social Capital Development Specialist	Contracted		03-07-07

Table 52: Staffing Status and Requirements

Approval Status as of	Position	Approved Staff	Current Staff by March 31, 2007	Projected Staffing Requirements (ABC proposal)
March 31	Senior Manager Agribusiness Component	1	1	1
March 31	Deputy ABC Director	1	1	1
March 31	Senior Administrative Assistant	1	1	1
March 31	Senior Project Coordinators	6	5	3
TBD	Senior Project Coordinator - Regional Offices Coordinator			1
TBD	Senior Project Coordinator - Sr. Technical Services Specialist			1
March 31	Project Coordinator	6	5	7
TBD	Project Coordinator and Technical ABC Assistant			1
TBD	Project Coordinator - Financial Specialist			2
March 31	Junior Project Coordinators	6	4	0
March 31	Regional Agribusiness Specialist	6	5	12
March 31	Senior Technical Advisor	1	1	0
March 31	Technical Services Manager	1	1	0
March 31	Social Capital Development Specialist	1	1	1



TBD	Financial Resources			1
	Technical Advisor			
Total		30	25	32

Additionally Mr. Indalecio Dangond was seconded to ABC from the DCOP's office to assist in matters related to access to credit and leveraging of resources for ABC clients. Mr. Dangond's transfer to ABC is proposed in the new ABC structure.

4.3. Technical Implementation

During January – March 2007, the ABC continued to focus on reviewing all the proposals received during the APS term which ended December 29, 2006. During the quarter ABC received an additional 93 proposals, resulting in a total of 184 received.

- APS portfolio: 184 new proposals
- Complete ABC portfolio (APS plus 25 CAPP merge proposals): 209 proposals
- Active Portfolio: 145 new proposals (received and under active review by ABC)
- 22 active ex-CAPP projects, three closed out ex-CAPP project: 171 projects.
- 57 projects passed screening phase
- 1 grant signed: San Pablo
- 5 projects in approval: CEA, Ecocacao, Asgopados, Estam, Indupalma
- 25 projects in implementation (22 ex-CAPP and 3 new projects).
- 9 projects passed into development
- Some specific proposals received and reviewed by the ABC have been assessed with SMEC & CFC, given the particular objectives/focus of the proposals. Five of them have been definitely been rejected; others are being reviewed by these components or will be reviewed by them during QR 3 FY'07.

The current ABC portfolio (of proposals/projects) is being processed as follows:

Table 53

Proposal Phase	Registered Proposals as of March 30, 2007
Preliminary Revision + Screening [A]	81
Assessment	51
Development	5
Approval	5
Implementation	3
Transferred [B]	5
Rejected	25
Other	9
Subtotal [C]	184



Former CAPP Projects in Implementation [D]	22
Closed Out	3
Total	209

[A] "Preliminary Revision" refers to the review of proposals in order to determine their compliance to the basic APS requisites.

[B] Proposals received that are being reviewed in order to transfer to CFC or other components.

[C] Current number of received proposals refers to proposals registered by December 29, 2006.

[D] 25 projects were received during the CAPP to MIDAS merger, (two closed out during QR 4 FY'06, one closed out during QR 2 FY'07, leaving 22 active projects as of March 31, 2007.)

The current MIDAS proposals can be summarized by product and initially proposed goals as follows:

Table 54

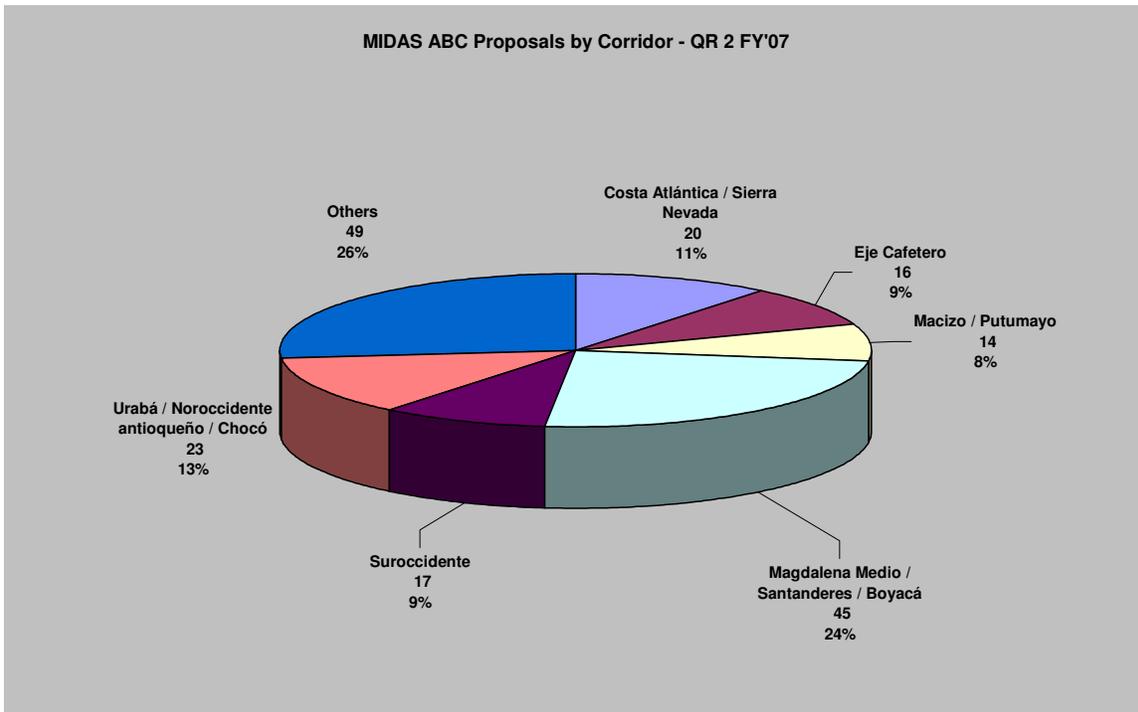
Product	Registered Proposals	Total Hectares	Total Families	Total Cost US\$ 000	Requested MIDAS Support US\$ 000	Cost per Ha USD\$
Cocoa	34	39,468	12,914	610,411	92,053	2,332
African Palm	19	37,233	4,798	109,266	16,520	444
Other ³	86	86,899	129,149	2,871,492	193,254	2,224
Coffee	10	18,108	10,230	27,619	5,449	301
On Hold	9	60,150	48,515	40,998	2,707	45
Transferred	5	94,158	3,521	24,730	4,819	51
Rejected	21	28,197	10,844	48,368	6,015	213
Total	184	364,212	219,971	3,732,885	320,817	881

Current active portfolio (of proposals) is spread throughout the USAID/MIDAS corridors as follows:

³ Includes fruits, horticulture, livestock, dairy, aquaculture, panela cane, nuts, silk.



Graph 24



Progress in Contractual Goals for former CAPP projects is shown below:

4.3.1. Proposal Development and Project Implementation

4.3.1.1. Development

- **Cacao Projects**

By the end of the quarter, 34 cacao proposals covering more than 39,000 hectares and benefiting more than 12,000 families had been received and have been undergoing different review stages, only 14 remain to be screened (some, for the second time). These potential projects are located throughout all of the MIDAS corridors but mostly concern the Magdalena Medio and Urabá corridors.

During the quarter, the most significant matters related to cacao development were the following:

- Ecocacao (A-119-06) passed into approval. The project has a goal of establishing 3,635 new hectares.
- Fedecacao has worked on proposal restructuring in order to guarantee a minimum number of hectares for growers involved in projects, as well as combine new hectares with cacao renovation. After this restructuring, there are two Fedecacao projects that are close to the development phase (A-290-06 Fedecacao Norte de Santander and A-048-06 Fedecacao Tarra). These projects include establishment of new hectares, as well as cacao rehabilitation and renovation.



- **Coffee Projects**

MIDAS has 5 projects in the pipeline coming from the APS. During the Month of March the Program participated in a discussion at USAID and presented its general approach to work in coffee renovation of traditional coffee plantations under the current specialty coffee guidelines. We expect during the month of May to present specific projects for approval of the USAID internal coffee committee, within said guidelines.

- **African Palm Oil**

MIDAS continues to have a waiver for an African Palm portfolio that allows for 50,000 hectares and plans to support that entire amount. Given the constraints in hectares under the waiver and demand to assist new hectares, the ABC worked with the financial team in order to prioritize palm projects according to an impact driven alternative development (AD) perspective and the standpoint of their contribution to USAID alternative development objectives (including impact on community, families involved, hectares, infrastructure, technical conditions, IRR, distribution of net economic benefits, etc.) An additional factor that was taken into account was the social and economic benefits derived as per the economic project valuation performed by the Financial Department that was finally approved towards the end of January.

During the quarter, three palm projects were approved for implementation :

- Asogpados (A-003-06) passed into approval. The project has a goal of establishing 2,800 new hectares.
- Estam (A-004-06) passed into approval. The project has a goal of establishing 2,800 new hectares.
- Indupalma (A-119-06) passed into approval. The project has a goal of establishing 1,500 new hectares.

- **Non-traditional Products**

Forty-eight percent of the ABC portfolio involves non-traditional products such as fruits, vegetables, dairy, livestock, aquaculture, silk, nuts, fibers, panela cane, etc. This represents a major challenge for the component as the proposals shift to projects that are smaller in terms of hectares involved, but have greater costs per hectare and tend to be more labor intensive, i.e. guaranteeing more benefited families per hectare. This requires a significant review of current portfolio demands in order to determine proposal success probability and need to redefine ABC achievement goals, as stated in the 2007 Annual Work Plan. This matter is currently being assessed inside the ABC and will be reviewed with USAID at the end of QR 3 FY'07, as initially planned.

4.3.2. Implementation

During the QR 2 FY '07, 22 CAPP merge projects and three MIDAS projects are currently under implementation and ABC is providing ongoing project oversight to our Grantees.



- San Pablo (A-001-06) was signed on March 2007. During the quarter, the project continued to plant new hectares and work on their annual work plan.
- All of the CAPP merge projects were reviewed in order to determine the need for restructuring, deobligations, or other specific modifications.
- The following projects requested No Cost Extensions (NCE) that require approval:
 1. 046 Agrotropical until December 2008
 2. 048 Fundación Alto Magdalena until December 2008
 3. 040 Nanyanva until December 2008
 4. 052 propalma until December 2007
 5. 119 C.I. Tequendama until December 2008
 6. 123 Fundescat until December 2008
 7. 124 Aldea until December 2008
 8. 127 Procaucho until December 2008
- Closed-Out Grants:
 1. Asogados (African Palm) February 28, 2007
- Given the delays in loan disbursements, specifically for cacao projects in implementation, ABC estimates that there will be the following reductions in hectare achievements for former CAPP projects:

Table 55

Project Number	Current Ha Goal	New proposed Ha Goal (after reduction)
48	236	125
64	3,054	1,481
119	5,000	3,000
124	550	350
127	1,200	400
Total	10,040	5,356

- As mentioned above, it is convenient to approve NCEs in order to allow the projects to complete their goals with MIDAS support in technical assistance and training, ensuring long term project sustainability.

4.4. Other Key Accomplishments during the Quarter

- **Farmer Field Schools** - To date, the Technical Service Unit has focused almost exclusively on the implementation of Farmer Field Schools - FFS (or ECAs in Spanish), primarily in support of cacao crops and growers.



The Farmer Field School methodology can be characterized as a technology transfer process, whereby producers actively participate in group learning sessions in which they provide their respective technical appreciations and advice for the benefit of the entire group, as well as offer individual assessments of their current productive situations.

The implementation of the FFS methodology will continue under the new ABC organizational structure, however, it will be only one of various approaches to knowledge transfer and training that the technical team will utilize in addressing this concern in supporting the development and implementation of ABC proposals. Further, the application of the FFS methodology, as in the case of any other training or knowledge transfer technique, will strictly depend on the specific requirements of the project to be implemented, the needs of project proponents and implementers, as well as cost effectiveness considerations.

4.5. Key Constraints and Actions to take

Several major impediments to project approval and implementation surfaced during QR 2 FY'07. They include:

- Significant weakness of APS proposals – A total of 184 proposals were received by the close of the APS. Almost 50% of these projects still need to go through the Screening Review Committee. However, many of these projects lack sufficient information and their proponents fail to send the information to the ABC in a timely manner. Additionally, the need to thoroughly review each proposal and occasionally assist the proponents in the restructuring or completion of the proposal for the screening stage has become a key constraint. Additionally, a great deal of work must be undertaken with each proponent in order to achieve a reasonable proposal, with appropriate leveraging and in a nucleated area. The aforementioned delays the review process during project development.
- Loan Approval – One of the greatest constraints is related to the proponents' ability to successfully achieve project leveraging through bank loans or private sector funding. This represents major setbacks and a high probability of project rejection during the different stages of proposal development. This also may suggest that small associations and new organizations are less likely to obtain loans, or may have to suffer through the restructuring of their projects and planting schedules.
- Palm projects – the need to reevaluate all of the palm proposals and obtain sufficient information to perform a preliminary financial and economic analysis not only delayed ABC and the Financial Department daily activities, it also had a significant impact on project implementation. This is specifically related to the fact that the main rain season (April-May) was lost, adversely affecting planting schedules and project implementation and eventually the timing of ABC achievements in terms of new hectares. The component expects to reschedule with the Grantees the planting of these hectares to the next rainy season in the months of September to November 2007.
- **Zero-Coca Policy** - As Acción Social, ADAM, and MIDAS continue cooperating on project implementation, the proposed zero-coca policy must be reviewed in terms of the participation of the private sector and their willingness/ability to put resources at risk because of the actions



of neighboring farms over which they have not control. MIDAS, USAID and Acción Social are continuing to review the new proposed zero-coca policy and modify it according to Acción Social, USAID and MIDAS requirements and monitoring abilities.

4.6. Next Quarter Objectives

According to what is detailed in our 2007 Annual Work Plan, the ABC will concentrate on project development in order to pass as many projects into implementation as possible. In order to do so, one of the component's major challenges is to complete the screening of the proposals received during the APS. The elements of a new APS is still under discussion, as it will depart technically from the previous APS, in that it will be focused principally on assisting vulnerable populations. A draft of this document is expected to be prepared during the next quarter.

In order to facilitate and multiply the ABC efforts, the new quarter will begin with the ABC regional office staff training in the proposal development process, including training in grant administration (from Midas Grants and Subcontracts Office), monitoring and, evaluation, environmental issues (from MIDAS Program Planning Department), MIDAS reporting formats, selection criteria, as well as understanding of strategic alliances within MIDAS, ADAM and other institutions.

- ABC will support renovation/rehabilitation, when possible, in addition to establishment of new hectares. Equivalencies between new hectares and new net hectares from renovation/rehabilitation can be determined as follows:
 - a) Renovation via replanting of crop will be acknowledged as new hectares.
 - b) Rehabilitation hectares will be acknowledged according to the new plants/trees brought into each hectare, proportional to what MIDAS had determined to be the ratios for new establishment.
- Other types of activities require the creation of an indicator to determine new equivalent hectares (activities such as livestock and aquaculture). MIDAS ABC proposes the following:
 1. In the case of livestock –
 - i. 1 ha = 2 cattleheads
 - ii. 1 ha = 10 pigs.
 - a) In case of aquaculture, has can be determined according to m² of “water mirrors” (espejos de agua).
- Projects with associated crops such as cacao, that require plantain and forestry as secondary crops (for shading) will be considered to be established as soon as any of the crops (primary or secondary/associated) are planted in its definitive location and the land has received all the necessary technical preparation.

It should be kept in mind that:

- The ABC hectare achievements will be recognized from the moment the project proposals were officially presented to MIDAS ABC central offices, given the fact that technical conditions and private sector initiatives must be supported by MIDAS from the outset. This also stimulates the



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proponents to move forward with the project's BP and loan activities while the proposal goes through the MIDAS review process.

- During the QR 3 FY'07, all active projects received through the CAPP to MIDAS merger will be reviewed in detail in order to determine whether or not no-cost extensions and/or other adjustments in the award budget, and/or goals is considered necessary in order to ensure the greatest assistance to farmers who have suffered delays in loan disbursements and therefore delays in planting and related technical assistance and training activities. (MIDAS expects to technically justify no-cost extensions - NCE- for five or six former CAPP cacao grantees and possibly two to three palm grantees.)

Other Objectives include:

- Sign and put into implementation 20 new projects
- Approve an additional 24 projects
- Restructuring implementation schedules, goals and award budgets for projects in implementation requiring NCEs.
- Close-out project 082 Asbama (banana) by May 31st, 2007.

4.7. Synergies (achieved and planned) with other MIDAS Components and ADAM

ABC has worked closely with the MIDAS Policy Component (PC) and expects to continue these activities and complete them successfully.

- *Assisting potential grantees in successfully “linking up” with financial counterparts* – The component worked closely with the PC through Mr. Indalecio Dangond (a MIDAS financial expert) during QR 2 FY'07. MIDAS has met and negotiated with private banks as well as Private Sector Organizations (PSO) focused on Social Corporate Responsibility. We have worked with PSOs interested in achieving a positive social impact in MIDAS corridors in order to leverage resources for ABC beneficiaries. All of our credit access and leveraging activities have been shared with the PC.
- *Pilot Project in Guajira* - ABC and PC are structuring a pilot project in the south of Guajira and north of Cesar that has three main activities:
 - Sanitary and Phytosanitary activities involving the establishment of a low prevalence zone for quaternary flies and related export certification for this region's produce.
 - ABC will participate in the structuring and implementation of pilot projects for these regions in the area of non traditional crops, which will serve as viable substitutes to crops that will suffer market share as a result of the FTA process.
- ABC also has been working closely with ADAM in the design and structuring of a special cacao project in Tumaco. Another project that will require a similar level of synergy, but is still at a very early stage of review is the Silkworm project in Valle del Cauca.



- ABC is also working closely with Acción Social and the Ministry of Agriculture in all of the proposal development and implementation stages. Relationships with institutions from the Government of Colombia is very important in order to guarantee that proposal implementation has support from both the private and public sectors. Acción Social is working closely with ABC in the restructuring of the ‘Plan Colombia Convocatoria’ projects (exCAPP portfolio), and is also working with MIDAS in cacao and specialty coffee projects.
- Representatives from both Acción Social and the Ministry of Agriculture now join MIDAS and USAID at all Review Committees for proposals currently under consideration.

4.8. Success Stories

Project name: ECOBIO

Component Agribusiness

MIDAS Corridor: Costa Atlántica / Sierra Nevada

Cacao ‘strengthens’ communities

“Cacao has intertwined us and this is a beautiful thing that agrees with nature. It is harmless to the environment and it benefits us as growers. It has allowed us to enter an unknown field in agriculture, learn about loans, relate to one another and work as a community”. Daniel Carey, grower from the Municipality of Mingueo, Department of Guajira.



Photo: MIDAS

German Martinez Marquez.. Cacao grower, Flórez de María farm, Municipality of Cienaga, Department of Magdalena.

Living in the vicinity of illicit crops, having wasted more than half a lifetime due to drug abuse, living under an internally displaced population’s condition, facing the characteristic conditions of small growers, has set the building blocks to unite a group of growers that live in the Sierra Nevada of Santa Martha, in the departments of Cesar, La Guajira and Magdalena. These growers have



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associated themselves in order to diversify their agricultural economic activities through the cultivation of cacao.

For Germán Martínez Márquez, Daniel Garay and Luis Hernando Medina, growers and founders of the grower associations in the area, life has been very difficult. Because of all the hardships, Germán explains, with teary eyes, how he spent half of his life consuming all the drugs he could lay his hands on (marijuana, coca, and other chemical drugs). Hernando, looks towards the ground while he softly and sadly explains how he and his family have been displaced more than three times due to violence.

Because of their pasts and their suffering, they accepted the MIDAS challenge without hesitation. They have worked with the USAID program for over a year, planting cacao as a new way of life. However, they did not simply find this challenge on their own. MIDAS provides technical assistance, financial resources and training through Ecobio Colombia Ltda, a private sector company and MIDAS collaborator. Ecobio has supported the growers helping them organize themselves into 10 grower associations and providing them training in environmental management and entrepreneurial development, as well as other activities that benefit more than 650 families, including those of Germán, Daniel and Luis Hernando.

The training of the growers is performed using the Farmer Field School (FFS) methodology, which consists of conducting learning-by-doing activities focused on communitarian decision making in order to determine what the best practices for each planted field should be. FFS increases the growers' technical knowledge and skills in the specific crop (cacao) and provides added value by generating solid roots amongst the growers, resurfacing the meaning and value of being a grower, rural life and collective work.

This effective method perfectly combines theory and practice, according to the president of one of the grower associations, Asociación de Productores de Cacao Orgánico –Apon- in the municipality of Dibulla in the department of La Guajira. Participation in FFS goes beyond the grower/producer, as it includes grower families as well as neighboring families, in search of creating a new cacao culture for the entire region.

More than 2,030 hectares of cacao have been planted in three departments (Guajira, Cesar, and Magdalena) and 14 FFS have been performed, where Germán, Daniel and Luis Eduardo, as well as other growers, have received technical training.

The MIDAS – USAID supported program has allowed these families to diversify the use of their land, which had traditionally been used inefficiently or for the cultivation of crops for domestic consumption exclusively (such as plantain, banana, guandul, avocado, guava, lemon, zapote and mango). This diversification has allowed them to plant cacao productively in search of improving their quality of life, as well as guaranteeing economic stability over time.

“In some cases, some of us have had to shift from illicit to licit crops. Everyday, more and more growers wish to make this transition and join the associations, and this motivates those involved in the project. Before none of us believed in this cacao production, now we do!”



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“Planting cacao is done in a very orderly manner, with the help of people that visit each one of us at our farms”. This was Daniel Garay’s conclusion, given the fact that he has grown many different products in his farm, but is convinced that cacao will give him the economic stability that will enable him to become the entrepreneur he and his partners have always dreamed of.



5. POLICY COMPONENT

5.1. Overview

5.1.1. Financial Reform

- Under the Financial Reform subcomponent, three new financial intermediaries joined the pilot program: Finamérica, Coopcentral and DAVIVIENDA. Each of the new three financial intermediaries strengthen the subcomponent. Microcredit is Finamérica's core business and is interested in expanding their services to both MIDAS corridors and ADAM Municipalities. Currently, Finamerica has 36,000 active clients and the goal is to expand to over 100,000 in the next three years. They are also interested in technical assistance for developing/expanding micro savings, micro insurance and non-banking correspondents. Coopcentral has an important presence in the Department of Santander and it is interested in expanding to Bolívar and Boyacá, to both MIDAS Corridors and ADAM municipalities. With these two new institutions, seven financial intermediaries have joined the pilot program. DAVIVIENDA has recently acquired BANCAFE, which has one of the most extensive regional networks in Colombia and is interested in expanding its microlending, SME lending, microsavings, and rural finance.
- By the end of March, 308 Non Bank Correspondents were opened to the public and the number of loans disbursed reached \$ 25,000,000 that benefited 43,657 borrowers.

5.1.2. Technical Norms (TBT)

- The component has helped a total of 76 companies receive certification in various pilot standards implementation and certification programs. These include 13 in the HACCP (Hazard Analysis Critical Control Point) process standard for the food industry, 9 in the CMMI (Capability Maturity Model Integration) process standard for the software industry, and 8 in GMPs (Good Manufacturing Practices) standard (basis for HACCP) for the food industry, and 46 in BASC (Business Alliance for Secure Commerce) for security in the logistics process.

5.1.3. Sanitary and Phytosanitary Standards (SPS)

- The GoC adopted and approved CONPES document 3458 which establishes new guidelines for improved sanitary and food safety standards for the pork industry.
- Following advice by MIDAS Policy Component experts, four beef slaughterhouses participating in the HACCP certification project have invested over \$3 million to improve their infrastructure and meet international standards. The investments are a prerequisite for gaining international certification by June 2007.
- The RUT Irrigation District – the low pest prevalence area for papaya – received technical approval by APHIS (USDA Animal and Plant Health Inspection Service) during an inspection visit by Wilmer Snell of APHIS.

5.1.4. Labor Reform

- The reform of the labor inspection preventive system developed with MIDAS technical assistance was included in the government's National Development Plan. In turn, four pilot



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projects to establish a new labor inspection system started in the regions of Caldas, Uraba, Cartagena, and Neiva. The pilot projects have been referenced several times in the media as a positive development in the effort to improve enforcement of labor regulations in Colombia.

5.1.5. Procurement

- MIDAS provided training to 347 SME representatives from different sectors in 6 cities of the country: Bogotá, Cali, Medellín, Barranquilla, Pereira and Bucaramanga. Concurrently, a manual was designed that lays out in detail required processes for SME participation in public procurement contracts in the United States. This manual will be available to the public on the web pages of PROEXPORT, the Ministry of Trade and MIDAS for ongoing consultation.

5.1.6. Agriculture

- Congress approved the law introducing a new scheme for subsidizing agricultural sectors affected by economic integration and that require assistance to transition to more productive activities. The Law included the adoption of direct subsidization schemes for small agricultural producers which are more efficient and better targeted than traditional credit subsidies.
- New agreements were reached with the Ministry of Agriculture and Rural Development and assistance activities were effectively initiated under MIDAS. The Ministry agreed to jointly develop with MIDAS a pilot program for the design and implementation of direct support under the AIS (Agro Ingreso Seguro) program.
- The Ministry adopted critical advice provided by MIDAS Policy Component experts aimed at improving the Rural Development draft law and ensuring that it provided adequate protection to the property rights of displaced population and the adoption of incentives which promoted a more efficient use of land holdings and prevented small land holders from continuing to operate in highly informal environments.

5.1.7. Competitiveness

- Critical issues from the MIDAS policy component competitiveness agenda were incorporated into the agenda of the Colombian government's National Competitiveness Commission.
- Consensus was reached on assistance for the Ministry of Transport to promote competitive logistic services and concessions legislation in Colombia.
- The latest version of the draft competition bill, which amends the present system, was presented to the Ministry of Trade and the Competitiveness High Commissioner for Productivity and Competitiveness.
- Decree 387 (energy marketing) and Decree 388 (energy service universal access) were approved February 13, 2007.
- The Quarterly Services Survey was implemented and analysis of the survey carried out by MIDAS experts is currently being implemented to adapt the annual services survey.



5.2. Key Accomplishments

5.2.1. Technical Norms (TBT)

5.2.1.1. Institutional Reform

Institutional Reform is needed to eliminate duplicate measures and responsibilities across official organizations. These changes will allow Colombia to participate internationally and conform to international standards and guides creating efficiencies, raising quality of products and strengthening consumer protection. This quarter all activities under this project were initiated, but there are no key achievements yet to report. Among the most important TBT accomplishments were:

- A revision of Decree 2269 that originally established the System for Standardization, Accreditation and Metrology in compliance with the changes defined in the Quality CONPES 3446.
- A draft Decree that will enable Ministries to designate testing laboratories to provide testing services until a laboratory is accredited according to technical regulations released and for a specified limited time period as defined in the new Quality CONPES 3446.
- A draft Decree that will revise official organizations' accreditation responsibilities and create an agreement between the Government and the new private/public accreditation body as defined in the new Quality CONPES 3446.
- A draft legal document for the creation of the new private/public accreditation body.
- A draft agreement between the new National Accreditation Body and the State (MITT).
- A draft decree defining the creation of the National Accreditation Body.
- A draft of by-laws defining the operation of the National Accreditation Body.
- An information system to complement the Colombian Enquiry Point to maintain information on the quality system and provide for discussion and notification of new measures as defined by the WTO (World Trade Organization) TBT (Technical Barriers to Trade) agreement. The system will integrate and simplify systems across Ministries responsible for notification of regulations. This process is being implemented in cooperation with the Regional USAID Andean project.

5.2.1.2. Green Markets

In the green markets sector pilot standards implementation and certification programs are being set up, standards developed in needed areas to support development of the sector, and workshops to provide general information on these measures in the sector.

- Companies and consultant were identified to support the development of a pilot implementation program in the area of organic certification of coffee and cacao. The pilot will provide for implementation and certification of those two products as USDA organic.
- Companies identified to support the development of a pilot implementation program in the area of green labeling certification in guadua (a type of Bamboo native to Colombia) and cacao. The pilots will support the implementation and certification of those two products according to the Rainforest Alliance environmental standards.
- Began the development of two new categories of standards under the Colombian green label for artisan crafts made of fique and caña flecha. The standards will be developed over the next year in cooperation with the Ministry of Environment and ICONTEC.



5.2.1.3. Pilot Projects

A total of 76 companies were certified in the following standards as of March 31, 2007.

Table 56

Standard	Current Status	# of Companies Certified			# of Companies to be Certified			
		2006	1st Quarter 2007	Total To Date	2nd Quarter 2007	3rd Quarter 2007	4th Quarter 2007	Total To Be Certified
BASC	In process	28*	18	46	7			53
HACCP	In process	5	8	13	4			17
HACCP Cheese	In process				6			6
HACCP Meat	In process					6		6
CMMI	Completed	3	6	9				9
GMPs	Completed	8		8				8
TS 16949	In process				3	3		6
Kosher	In process				2			2
WRAP	In process				2			2
Green Labeling	Start NLT April						6	6
Organic	Start NLT April							
TOTAL		44	32	76	24			115

*Note: the 28 Companies certified in BASC in 2006 were not previously reported

Auto Sector (TS16949)

- Continued implementation of TS16949 (international standard for quality management in the automobile sector based on the ISO9000 series standards for general quality management) in 6 identified auto parts companies.

Food Sector (HACCP, Kosher and GMPs)

- Continued implementation of HACCP (Hazard Critical Control Point) process standard in 17 companies resulting in certification of 13 companies by March 31, 2007.
- Continued implementation of the Kosher (Jewish product standard as defined in the Bible) in 5 selected companies.

Software (CMMI)

- Completed implementation of CMMI (Capability Maturity Model Integration) process standard in 9 software companies resulting in certification of 5 companies at level 3 maturity and 4 companies at level 2 maturity. There are a total of 5 levels of maturity possible. The higher the number the higher the level of maturity.

Various Sectors (BASC)



- Continued implementation in various sectors in over 50 companies in the BASC (Business Alliance for Secure Commerce) standard for safety in logistics resulting in a total of 46 companies certified in the standard through March 31, 2007.

5.2.1.4. Laboratory Accreditation

- 28 total laboratories in the ISO17025 (international standard for the accreditation of testing and calibration laboratories) program turned in the application for accreditation to the SIC (Superintendencia de Industria y Comercio) March 31, 2007. This includes 2 additional laboratories that were not originally in the program as the original goal was 20 public sector laboratories. 3 remain to submit documentation for accreditation.

5.2.1.5. Pharmaceuticals Technology Transfer

- Continued the 3 country comparative technology transfer of best practices in the pharmaceuticals sector study including recommendations for the Colombian pharmaceuticals sector. Conducted visit to Brazil to interview industry and government representatives from the pharmaceuticals sector and began contacts for the technology transfer with Colombian companies
- 4 Colombian pharmaceutical companies were identified to participate in the technology transfer part of the project.
- Conducted 2 workshops on the commercial aspects and regulatory side of technology transfer with a focus on the United States. Workshops completed with participation from over 20 representatives from government and private sector in each workshop.

5.2.2. Financial Reform

5.2.2.1. Promoting Access to Financial Services

- Since one of the objectives of the policy reforms has been to promote access in general to financial services, special attention has been given to developing products which can revive the savings culture in the country. As part of that objective the following legal regulations have been adopted:
 - The requirements regarding prior knowledge of persons opening savings accounts were simplified by the Superintendency and incorporated to the Circular Básica, which will be published April 30, 2007.
 - Following advice from MIDAS, low amount savings accounts (“Cuentas de Ahorro de Bajo Monto”) were exempted from forced investment requirements. This will lessen the costs for these accounts for banks throughout the country and extend access to savings accounts to traditionally excluded population. The new measure was included in the National development Plan in February 2007.
- Additional work has been carried out regarding norms pertaining to interest rate ceilings. The MIDAS team worked with the Minister of Finance and the Superintendency to resolve this limitation, and finally Decree 519 of 2007 was published and new interest rate caps were



announced, which result in higher interest rate caps both for micro credit and for consumer loans thus increasing access to credit. February – March 2007.

- Under the Banca de Las Oportunidades Program, the MIDAS team helped Bancoldex structure its strategic long term plan, as well as its action plan for 2007, which was approved by its Board in January. In February the budget of the program was also approved, making it possible now to structure support for formal and informal intermediaries, which can help accomplish MIDAS goals to increase access to financial services. January – February 2007.
- By the end of March, 308 Non Bank Correspondents were opened to the public. Four of the banks involved with the MIDAS technical assistance project have already initiated their Correspondent programs.

5.2.2.2. Pilot Program with Financial Institutions

Under the SME Program, during the past quarter considerable effort was spent in: i) visiting new financial institutions and presenting the pilot program, ii) continuing to provide technical assistance to five (5) major financial institutions (FIs) in the implementation of new financial techniques for expanding credit and financial services for rural and urban micro and SMEs through the MIDAS pilot program and iii) continuing to provide technical assistance to the banks in the implementation of non – banking correspondents. The main accomplishments during this quarter were:

- Davivienda joined the pilot program along with its new subsidiary Bancafé. With this addition, all major players in the banking sector will be participating in the pilot program.
- The team continued providing technical assistance to Bancolombia, Banco Caja Social, Banco Agrario, Financiera Compartir, Banco de Bogotá and started providing technical assistance to Finamérica.
- Bancolombia:
 - The “solicitud de crédito” (loan application) was simplified from 14 pages to two in February.
 - The “Matriz de productividad” for both new credits and renewals was implemented for every credit official in the pilot branches in March.
 - The “Matriz de Control de Renovaciones” (Renewal Control Chart) was designed, for controlling the desertion index (March).
 - The customer satisfaction survey was designed (March).
 - 43 credit officials and 5 supervisors of three pilot branches in Cali, Medellín and Barranquilla were trained in February and March.
- Financiera Compartir:
 - Three branches were provided with technical assistance during the first quarter - Cenabastos (Cúcuta), La Casona (Agua Blanca district in Cali) and Corabastos (Bogotá).
 - The technical assistance concentrated on: i) accompanying credit advisers on field visits to strengthen the character evaluation process, with emphasis on risk measurement (March), ii) supporting the credit committee, to strengthen the Office Manager supervision process and speed up the evaluation process, and iii) stabilizing the portfolio of the Cali-Casona office, where the default level was particularly high. To achieve this, follow-up was provided in the field on the portfolios of advisers who had left the institution, selective visits were made to defaulting borrowers to investigate the causes, and the portfolio was reassigned



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- (February), and iv) the productivity matrix was implemented for all credit advisers at the Cenabastos and La Casona branches (March).
 - Finally, 18 new credit advisers were trained for the offices in Cúcuta, Cali and Bogotá.
- Banco Agrario:
 - i) A productivity analysis was undertaken for each credit adviser, and this indicated that the real productivity figure is very low (February); based on these results, strategies will be designed next quarter for increasing each adviser's productivity;
 - ii) a start was made on implementing a “Plan Padrino” for following up on and recouping loans in the portfolio, and this will control the increase that had been occurring in the “portfolio due” (delinquency) indicator (March); and iii) it was found that no advisers were responsible for some credit operations, principally those carried out under SENA advisory services, and no follow-up was therefore being carried out on collecting these loans. People were accordingly assigned responsibility for these micro-credits, with to guarantee follow-up and repayment. (March).
 - 28 new credit advisers were trained in February and March, along with seven regional coordinators, internal trainers (4), and the micro-finance management team members(3).
- Banco de Bogotá:
 - The Risk Unit, which is developing the credit scoring tool for micro-credits, was given technical assistance in identifying variables which incorporate the character analysis.
 - Two (2) training sessions were held for officers involved in implementing the pilot program (February and March).
- Terence Gallagher, international expert on non-banking correspondents, provided all pilot banks with technical assistance in March.

5.2.2.3. Strengthening the Financial Superintendency

- Following advice provided by MIDAS, the SF is designing a new liquidity risk resolution and a resolution on interest rate risk. New procedures and methodologies that are critical for supervision of liquidity and interest rate risk are currently being developed with MIDAS advice and expected to be fully adopted by July 2007.

5.2.3. Sanitary and Phytosanitary Standards (SPS)

5.2.3.1. Meat safety Project

- The GoC adopted and approved CONPES document 3458 which establishes new guidelines for improved sanitary and food safety standards for the pork industry.
- All regulations for beef, pork and poultry required for obtaining international recognition of Colombian raw and processed meat safety inspection systems were completed and delivered for public discussion. The international notification period for the general meat inspection decree was completed and it is ready for signature. The following regulations were delivered to the Ministry of Social Protection and ICA:



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- Bovine Farming regulation delivered February 16, 2007
- Poultry slaughter, processing and trading regulation delivered February 19, 2007
- Swine slaughter, processing and trading regulation delivered March 20, 2007
- Swine farming regulation delivered March 30, 2007

5.2.3.2. Milk and Dairy Project

- Two milk and dairy processing plants, Alquería and Colanta, were forwarded by third party auditors to the FDA to be included in the list of six plants that will participate in the pilot FDA/NCIMS PMO certification project. This project will result in the first six plants in the world with permission to export Grade A milk products to the US
- The HACCP pilot project worked in coordination with Proexport's Agro-industrial Sector to establish commercial contacts for exporting Colombian cheese to the US.
- Inspection manuals and acts for milk farms and milk and dairy plants are in the validation stage and will be ready for implementation during the next quarter
- Draft of technical regulation for dairy products was completed by the consultant and will be delivered to the Ministry of Social Protection next April 10, 2007
- Effective completion of a two-day hands-on training course on Milk and Dairy Safety Inspection for a group of 20 official farm inspectors. Completed March 29, 2007.

5.2.3.3. Minor Crops Project

- General structure of an integrated inspection, surveillance and control system for pesticide evaluation, registration and use was proposed by MIDAS and accepted by the Pesticide Registration Support Group (RSG), February 8, 2007
- Preliminary recommendations presented for infrastructure renovation and equipment purchasing needed at the LANIA laboratory to initiate upgrading towards international standards for pesticide residue analysis. March 5, 2007.

5.2.3.4. Low Pest Prevalence Areas Project

- APHIS (USDA Animal and Plant Health Inspection Service) inspected the MIDAS RUT Irrigation district – the low pest prevalence area for papaya – and approved the technical work plan for exporting papaya to the US (February 27, 2007). The inspector delivered recommendations regarding the pest monitoring program, which are now under implementation. High level political involvement is required to minimize the process time for official access of fresh papaya into the US.
- The Policy Component worked in coordination with the Agribusiness Component to continue activities in the Melon Pest Free Pilot Area in Baja Guajira. The Agriculture project under the Policy Component will lead a transition project in this area promoting other crops and the development of regional policy instruments that will potentialize the effects that the pest free pilot will have.



5.2.3.5. Good Agricultural Practices and Responsible Use of Pesticides

- High commitment from small peasant growers to implementing Good Agricultural Practices and following the process required for obtaining GAP certification.
- 42 farmers for the Broccoli GAP pilot project were selected and started GAP implementation on their farms. This effort will impact not only Broccoli but other crops cultivated in the same farms, such as onions, lettuce and cauliflower

5.2.3.6. Processed Foods Project

- Draft version of the LACF (Low Acidified Canned Foods) national regulation was delivered to the Ministry of Social Protection for revision and public discussion, February 8, 2007
- A database for the organization and evaluation of information on which a baseline for risk evaluation can be constructed, was prepared and delivered March 15, 2007.
- Draft version of the national food additives decree was delivered to the Ministry of Social Protection for revision and public discussion, March 23, 2007
- Draft decree for the national regulation on cleaning and sanitizing compounds was delivered to the Ministry of Social Protection for revision and public discussion, March 23, 2007
- Criteria for identifying the type of safety problems appropriate for undergoing a risk assessment were delivered January 30, 2007.
- An initial agreement was reached with Universidad Jorge Tadeo Lozano to serve as national center for training LACF (Low Acidified Canned Foods) inspectors, March 30 /06.

5.2.3.7. Institutional Strengthening Project

- High level National SPS Council continues to work on a permanent basis; two ad hoc groups tied to it are: the SPS Meat Group, in charge of following up on the equivalence recognition process, and the SPS Poultry Group, preparing the CONPES document for that sector.
- SPS CONPES 3458 for the pork sector was released January 29, 2007. The document issues crucial sanitary and safety policy guidelines and tasks for this sector.
- Guidelines for the creation of the SPS Group at the Ministry of Social Protection (Public Health Direction)
- Draft regulation creating the SPS Group at the Ministry of the Environment was delivered to the Directorate of Sustainable Development for revision and approval, March 16, 2007
- Technical, economic and operative guidelines for SPS groups mentioned above were prepared by MIDAS and technically approved by the corresponding Directorates. Regulatory process required to operationalize these groups is expected to be completed next quarter
- Consolidation of the Pesticide Registration Support Group (RSG) with an approved work plan and two technical work groups, one for development of the MRL legislation and another for registration process reform effectively operationalized
- Policy document for SPS issues in fruits and vegetables drafted under DNP leadership and strong MIDAS participation will become the basis for regulatory and institutional modernization as well as budget allocation
- Regulatory agenda for food safety reforms based on CONPES 3375 and 3376 policy documents was presented to the SPS authorities, January 30, 2007



- Two out of three steps necessary for completing ICA’s (Instituto Colombiano Agropecuario) strategic plan were completed.
- Diagnostic for the institutional redesign of ICA is being prepared by PRAP’s (Program for renovation of Colombian Public Administration) contractor (Bahamon Asociados) and closely overseen by MIDAS. The diagnostic is expected to be completed early next quarter.

5.2.3.8. List of SPS Seminars and Workshops Held this Quarter

Table 57

Seminar	Presenters	Dates	Number of Participants
Basic GLP for pesticide analysis laboratories	Jau Yoh	27-Feb	25
Safety inspection of milk producing farms	Gabriel Pascual	March 29 – 30	25
ICA safety inspection meeting	Mc Allister Tafur Laura Pasculli	February 26-27	25
Strategic Planning of ICA – session I	Inés de Mosquera	February 20 - 23	120
Strategic Planning of ICA – session II	Inés de Mosquera	March 20 - 22	40
TOTAL PARTICIPANTS			235

5.2.4. Labor Reform

- Four labor inspection pilot projects have been initiated in Caldas (Manizales) Antioquia (Apartadó), Bolivar (Cartagena), and Huila (Neiva). The first of four training activities for labor inspectors has been implemented.
- The revised report on best practices for training needs forecasting was delivered January 30, 2007. This document is currently being used to design a training needs forecasting system to be implemented in three SENA regional offices in May 2007.
- Under the pilot projects for the preventive inspection system the first training activities on general preventive inspection competencies were carried out. Included in this round of training activities were labor inspectors from Caldas, Huila, Bolivar and Neiva (15 inspectors).
- Final report on Fundamental Labor Rights, including recommendations on needed legal changes to improve compliance with ILO standards was delivered February 28, 2007. The report will be presented to the Ministry of Social Protection on April 15, 2007.
- Oral adjudication system law bill passed the second reading in the Chamber of Representatives and critical modifications suggested by MIDAS were incorporated. There are two more readings in the Senate before it becomes a law.



5.2.5. Procurement

- The FTA with the U.S provides increased opportunities for Colombian SMEs to participate in public procurement with the U.S. at both the federal and state levels. Nevertheless, to maximize the capacity of SMEs to participate in this process, it is necessary to inform and train them in the specific procedures required for procurement by U.S. federal and state legislation. This quarter, with the support of the Public Procurement Research Center of Florida Atlantic University, 6 seminars were carried out to train 247 SME representatives on the processes to enter the U.S. public procurement market. The seminars took place in Bogotá (February 2, 2007), Medellín and Barranquilla (March 1, 2007) and Pereira, Cali and Bucaramanga (March 8, 2007). The largest number of participants was in the city of Bogotá (112). The training focused on five U.S state governments (Florida, New York, Texas, Puerto Rico and Illinois) selected by the Ministry of Trade, Industry and Tourism and ACOPI (Asociación Colombiana de Pequeñas Industrias).
- A manual was designed that lays out in detail required processes for public procurement. This manual will be available to the public on the web pages of PROEXPORT, the Ministry of Trade and MIDAS.

5.2.6. Agriculture, Forestry and Environmental Reform

5.2.6.1. Agriculture Reform

- The Transition Strategy conceptual and methodological framework that is to be adhered to in the three regions was agreed upon with AID. The analysis includes the steps to be followed, the parties to be brought into the process, and the schedule of activities. This conceptual and methodological framework is available in a presentation that serves as a reference for the design and implementation of the transition strategy in each pilot region. The presentation and discussion with USAID took place on February 20, 2007.
- Provided recommendations to the Agro Ingreso Seguro (AIS) Law 1133 during this quarter. The law was approved April 2007.
- Three regions for transition pilots were selected in collaboration with the Vice-Minister of Agriculture and Rural Development, the Regional Policy Division and the National Planning Department. These regions that currently grow sensitive products were selected for transition strategy activities to facilitate economic integration. The three regions chosen, together with the respective towns, are detailed in the following table.

Table 58

Tunja Wheat Zone	Southern Bolívar	Southern Guajira
Chivata	Arenal	Albania
Combita	Cantagallo	Barrancas
Cucaita	Morales	Distracción
Motavita	Regidor	El Molino
Oicata	Rio Viejo	Fonseca
Samaca	San Pablo	Hatonuevo



Siachoque	Santa Rosa del Sur	La Jagua
Sora	Simiti	San Juan
Soraca		Urumita
Toca		Villanueva
Tuta		
Viracacha		

5.2.6.2. Environmental Reform

- The first draft of the first regulatory decree on Law 1021 of 2006 (Forestry System Law), was drawn up jointly with officials from the Ministry of the Environment, Housing and Regional Development. The draft was published on the Ministry’s web page March 29, 2007.

5.2.6.3. Land Tenure and Land Markets

- A report with specific recommendations to improve the Rural Development Bill, discussed initially with USAID and later delivered, was very positively received by the Ministry of Agriculture and Rural Development and will be included in the bill discussions in Congress during April and May 2007.

5.2.7. DIAN Institutional Strengthening

- The new Customs Code has been delivered to streamline the import process and reduce bureaucracy, create a warehouse deposit system, and transfer incoming and outgoing merchandise from ports and airports. The draft Customs Code was handed in and a consensus was reached with DIAN on February 15, 2007.
- A proposed transition plan from the current system to the new customs model was developed and provided to DIAN. The plan summarizes the basic areas and most important actions as well as the proposed strategy needed for institutional change to successfully carry out the customs operation with new procedures that comply with FTA requirements and modern guidelines. Delivered March 29, 2007
- A proposal was delivered to establish a new risk management model for customs in the country based on the model used successfully in a customs pilot in Medellín (March 30, 2007). The proposal details improvements in risk management and the selection of inspection operations in order to streamline customs controls and make them more efficient. Implementation of this model will be completed in customs operations in Cartagena, Barranquilla, Buenaventura between April and June 2007 and in Bogotá by July 2007.

5.2.8. Competitiveness

5.2.8.1. Institutional and Policy Framework for Competitiveness

- The list of critical issues on the MIDAS competitiveness policy agenda that were to be incorporated into the National Competitiveness Commission's Commitment Follow-up System



were agreed upon, and the first meetings were held with GoC authorities to resolve issues. March 2007.

- In collaboration with the World Bank the process of preparing the regional Doing Business document was initiated. The objective is to help the Ministry of Trade and the DNP review the investment climate and the hurdles to doing business efficiently in the different regions of Colombia. (March 2007.) The costs, time, and number of procedures needed for the following activities will be reviewed: starting a business, registering property, contract compliance, tax payments and foreign trade.
- In collaboration with the Competitiveness and High Commissioner for Productivity, the Ministry of Trade, and the DNP, the agenda for assistance in strengthening the Regional Competitiveness Commissions was agreed upon (March 2007.) This assistance, which will be provided through Confecamaras, will help determine the action plans that the regions will need to follow to improve local competitiveness and identify regional and sector development strategies. It is expected that, based on an evaluation and subsequent prioritization of regional production forecasts, these action plans and strategies will be synchronized with the national competitiveness and productivity policy.
- The DNP and the Ministry of Trade terms of assistance were defined, and these include support for drawing up the MIPYMES (Micro-SME) CONPES and for the design of a demand-driven Business Development Services Program, which has specific mechanisms for serving micro-businesses, SMEs and displaced persons (March 2007.) The recommendations will be included in the MIPYMES CONPES, and the methodology will be integrated into the FOMIPYME operating procedures.
- Ministry of Transport terms of assistance were defined, and these include support for drawing up a draft CONPES document to promote a competitive market for logistic services in Colombia and an assessment of, and recommendations for improving, concessions legislation in Colombia (March 2007.)
- Competitiveness policy guidelines for the next four years were included in the government's 2006 - 2010 National Development Plan. (February 2007).

5.2.8.2. Competition

- Although regulation on free competition has existed in Colombia since the mid-1990s, both the current institutional scheme and the legal and operational capacity of the entity responsible for its reinforcement have been shown to have weaknesses which hinder efforts to achieve full and complete enforcement and consumer protection. To address this issue, the latest version of the draft competition bill which, amongst other things, establishes a single system and a single, independent authority on competition, was prepared and presented to the Ministry of Trade and the High Commissioner for Productivity in February 2007. This Bill should be presented to Congress in June 2007. (February 2007).

5.2.8.3. Intellectual Property

- The Office of Authors' Rights received technical assistance and trainings on improving procedures and registering authors' rights.
- The DNP received a report with comments and recommendations for improving the draft Intellectual Property Rights CONPES document including an assessment and evaluation of



sectors with IP interests that reflects international best practices in IPR treatment and enforcement. January and February 2007.

5.2.8.4. Energy

- Decree 387 was passed February 13, 2007 which established the basic fixed charge for the residential market and eliminated cross-subsidies as a function of consumption, thereby avoiding "creaming off of the market", a situation in which retailers offer users who consume the most, the lowest rates, while charging those who consume less and have fewer resources higher prices. Market segmentation and the fragmentation of retail companies are also avoided, while government funds are freed up, due to the reduction in subsidies from the national budget. February 2007.
- Decree 388 was passed February 13, 2007 under which the terms of three geographical distribution areas were set up with identical charges in each, with a view to achieving a noticeable drop in energy costs for rural users (up to 40% in some areas). This regulation also established that there would be a rate for network operator assets for which no remuneration had been paid before, thereby allowing an increase in investments, the maintenance and replacement of rural electrification networks, and better service in remote areas. February 2007.
- An antitrust analysis guide was drawn up, to be used in the analysis of possible business integrations on the Wholesale Energy Market. This guide will provide energy generation market operators in Colombia with greater transparency and clarity. March 2007.
- Technical assistance for the Superintendency of Public Services and the Energy Regulatory Commission was agreed upon and will focus on drawing up the design for implementing a policy and regulatory framework that will lead to bigger investments in natural gas infrastructure and more reliable service. March 2007.

5.2.8.5. Services

- The Ministry of Trade and the DANE (National Statistics Department) were provided with initial recommendations stemming from the analysis of the different phases in the Annual Services Survey and Quarterly Services Survey statistical process. Special emphasis was placed on drawing up of directories and the selection of samples, designing questionnaires, and the data validation, purification and imputation process. March 2007.

5.2.8.6. Telecommunications

- The process of implementing USAID's Last Mile Initiative pilot project continued. The first stage will identify and develop content that will stimulate demand for broadband services in the three LMI regions - Huila, Magdalena and Meta - and in twenty towns. With cooperation from the private and public sectors in these areas, two types of results are envisaged: content and connectivity. March 2007.
- The Ministry of Communications approved (March 2007) the fourth and final version of the CONPES document for Institutional Reform, which includes:
 - The Decree creating the Ministry of ICT
 - The Decree modifying the Communications Fund



- The Decree strengthening the CRT
 - The Law creating the Spectrum Agency
- A second draft of the General Communications Bill was presented and agreed upon with the Ministry of Communications (March 2007).
- Technical assistance on drafting the second version of the Convergence Decree was provided (March 2007).
- Terms of reference and consultants were agreed upon with the Ministry of Communications to prepare a technical assessment on private ownership, market concentration and anticompetitive practices in the Colombian telecommunications sector (March 2007).
- Terms of reference were agreed upon with the Ministry of Communications to elaborate a "Digital SMEs" project (March 2007).
- Topics and terms of reference were agreed upon (March 2007) with the CRT to initiate technical assistance on:
 - Unbundling of the local loop
 - Services resell
 - New generation networks
 - CRT institutional transformation to the CRC
 - Internet security and payments fraud regulation

5.2.8.7. Arbitration

- In accordance with the work plan, training was completed for public officials responsible for the implementation of the FTA with the US. The objective of the seminar was to develop skills to define the areas for protection of investors' rights that could be affected by actions of public entities in Colombia. This training included investor rights, FTA provision responsibilities, and investor-State disputes; and was designed to enable the core group to provide further training and information to other governmental agencies on investment-related matters. The seminar was carried out on February 12 and 13, 2007 in Bogotá.
- The first version of the manual containing a set of recommendations on compliance with those investment-related commitments undertaken by Colombia in the FTA, and the type of administrative and regulatory activities that may increase the risk of non-compliance or generate investor-State disputes was delivered March 30, 2007. The manual is ready for distribution to the public organizations that will be trained in its development.
- A document containing a set of detailed recommendations on modifying the existing administrative regulations for an effective compliance with FTA investment commitments and, in particular, for an effective representation of Colombia in investor-State differences was delivered February 10, 2007
- The process for the development of the new arbitration law in Colombia was initiated with the creation of a commission specifically formed by the Ministry of the Interior and Justice. This commission which includes several MIDAS experts has been working on a weekly basis (6 meetings during the Quarter) to draft the new Arbitration Law for Colombia.
- Regulations (two administrative acts) for implementing the FTA investment commitments were delivered in March 2007.



5.3. Constraints

5.3.1. Technical Norms (TBT)

- The pharmaceuticals GMP implementation project is currently on-hold at the request of the Colombian pharmaceutical companies. They have requested support for a marketing study before proceeding with the technical part of the project.
- The organic certification pilots that have been identified but will not accomplish the certification by the end of this year. Preparation for certification will begin in April 2007, yet given the changes required in agricultural farms, certification is expected for second quarter of 2008.

5.3.2. Financial Reform

- Although the new decree addressing interest rates established higher caps than those that were applicable until December, the system as originally proposed by the MIDAS team was not fully implemented: first, because the reference for micro credit will stay fixed until next March and second, because consumer loans were included in the average with commercial loans, a decision that implies that consumer loans, through which the program of Banca de las Oportunidades had hoped would give access to credit for lower income salaried workers, will not be as profitable for banks to offer as initially estimated.
- In relation to the interest rate caps, additional work has been done to maintain the commissions that financial institutions (formal and informal) are allowed to charge for micro credits. This commission will be crucial for to accomplish micro credit goals under the MIDAS and ADAM program. To support these reforms, intensive work has been carried out through the Banca de Las Oportunidades Program to provide the Vice Minister of Commerce responsible for these decisions with critical advice that draws from related international best practices.
- Banco Agrario: The Bank's recent administrative reorganization of micro-finance project management has delayed implementation of the pilot program. It has, accordingly, become necessary to redefine the terms of the MIDAS technical assistance with the new manager.
- Banco de Bogotá: Services for the micro-credit segment currently do not exist at the bank, and implementing the micro-credit program will therefore imply changes in its organizational structure, in the internal control system, and in the bank's culture. To surmount this problem, the micro-credit program is initially being developed within the 'Banca Pyme' (SME banking) division. The computer system was moreover designed with the traditional, commercial credit approach in mind, and a new focus on micro credit will mean new computer applications will be needed.

5.3.3. Sanitary and Phytosanitary Standards (SPS)

- The work-plan for the institutional strengthening of INVIMA (Instituto Nacional de Vigilancia e Inspeccion de Medicamentos y Alimentos) and the ETS (Entidades Territoriales de Salud) based on CONPES 3375 guidelines, as well as some training activities and activities related to INVIMA's Food Safety Risk Analysis Unit, did not progress according to schedule due to delays in the hiring of new inspectors at INVIMA. MIDAS has explained the urgency of hiring the new inspectors and the Office of the President and the National Planning Department have



- Draft reformed versions of Decree 3075 /97 and the National Sanitary Code (Law 09 /79) are still at the Ministry of Social Protection and haven't been reviewed yet due to changing priorities of the regulatory agenda of that Ministry. MIDAS is currently providing advice to speed up the approval of the decrees.

5.3.4. Labor Reform

- There are some difficulties obtaining full cooperation of mid-ranked officials in the Ministry of Social Protection for the four labor inspection pilot projects in spite of the commitment expressed by the Minister and Deputy Minister. The implementation support committee should have been set up in January by the MSP, but it is yet to be created. This has delayed the implementation of legal reforms needed for the new inspection system to fully function. MIDAS with USAID direct assistance has met with MSP officials (Labor Relations Vice-Minister and other high ranking officials) to accelerate the appointment of committee members.

5.3.5. Agriculture, Forestry and Environmental Reform

- Principal constraints are associated with policy priority changes by the national government over the last year, specifically in the agricultural and environmental sectors. These constraints have been surmounted through a more fluent dialogue in which USAID has very actively participated.

5.3.6. DIAN Institutional Strengthening

- Due to the large number of changes necessary for DIAN to institute a more flexible approach to customs dispatch of merchandise in ports, airports, border crossings, there has been considerable resistance to change mainly because they fear not having sufficient capacity to implement US FTA customs provisions at those sites. To address these fears and encourage viable and adequate progress both for those in DIAN and those involved in foreign trade, a proposed transition plan was developed to move from the current system to the new customs model. This plan is based on provisions of the new draft customs code and on the breach analysis report which was previously provided to DIAN. The proposed transition plan includes the most important actions to carry out as well as a proposed strategy to move forward on organization change needed to implement the new customs operations, the new procedures to comply with those established in the FTA and the objectives related to a modern system. It is expected that this plan will considerably reduce resistance to change.

5.3.7. Competitiveness Enhancing Support

- The training of customs, legal and other authorities on intellectual property rights enforcement in at least five cities and at border crossings in Colombia has not been completed, due to delays by DIAN in summoning the different authorities in the various cities and arranging training dates.



5.4. Objectives For The Next Quarter

5.4.1. Technical Norms (TBT)

5.4.1.1. Institutional Reform

- Presentation of the Quality Law that establishes the National Metrology Body, the National Quality Council, the requirement that technical regulations be consistent with the TBT WTO Agreement, and a coordinated approach concerning conformity assessment bodies.
- Final agreement between the new National Accreditation Body and the State (MITT) defining the relationship and responsibilities including State support for international activities to promote mutual recognition agreements.
- Final and approved Decree revising Decree 2269 that originally established the Quality system in compliance with the new Quality Policy as defined in CONPES 3446.
- Final and approved Decree revising the accreditation functions of entities currently performing the function officially replaced by the new private/public accreditation body.
- Final and approved Decree to permit designation of testing laboratories to comply with new regulations where no accredited laboratories exist.
- Final and approved decree defining the creation of the National Accreditation Body as a private/public independent entity to eliminate duplications and inefficiencies in the area of accreditation.
- Final and approved by-laws and other legal documents defining the operation of the National Accreditation Body.
- Begin implementation of the creation of an information system to complement the Colombian Enquiry Point to maintain information on the quality system and provide for discussion and notification of new measures as defined by the WTO (World Trade Organization) TBT (Technical Barriers to Trade) agreement. The system will integrate and simplify systems across Ministries responsible for notification of regulations.

5.4.1.2. Green Markets

- Two comprehensive and detailed documents defining summary information on the sectors, goals of the standards, and feasibility of the standardization process under the Colombian Environmental Labeling program for caña flecha and fique.
- A draft proposal for the classification of fique and caña flecha as new standards categories under the Colombian Environmental Label.
- Two draft standards categories established under the Colombian Environmental Label for fique and caña flecha.

5.4.1.3. Pilot Projects

- Certify 6 auto companies in the TS16949 standard.
- Certify remaining 4 companies in the HACCP certification program by.
- Certify 5 companies in Kosher.
- Certify 7 companies in the HACCP cheese project.
- Certify at least 4 additional companies in the BASC project.



- Certify at least 2 additional companies in the WRAP (Worldwide Responsible Apparel Production) project.

5.4.1.4. Laboratory Accreditation

- Support the final submission for the remaining 3 laboratories to request the accreditation by the SIC.

5.4.1.5. Harmaceuticals pilot, training, workshops and technology transfer

- Complete action plans for Pharmaceuticals GMPs and begin implementation for completion by the end of the year.
- Support the development of one additional workshop on each of the pharmaceutical systems in accordance with GMPs June/July.
- Complete comparative country study on best technology transfer practices in the pharmaceuticals sector with recommendations for Colombia.
- Complete evaluation of 4 companies' technology transfer practices and prospects and develop a strategy for each company to complete a transfer.
- Develop at least one cooperative agreement with the four companies and a foreign private enterprise and/or public sector institution.
- Editorial revisions to the Basic Manual on Management of Intellectual Property Rights (industrial property and author's rights), developed by the Andean Regional Project, to make it more business-oriented focus, including formats of technology transfer agreements, contracts, and successful case studies.

5.4.2. Financial Reform

5.4.2.1. Promoting Access to Financial Services

- Norms by the Board of Governors of the Central Bank authorizing loans from international investors to micro credit NGOs
- Investment Program of Banca de las Oportunidades general operation rules and specific rules for the operation of individual incentives aimed at increasing outreach, savings and credit access, and technical assistance.
- Design and start-up of one pilot project on financial education with Cajas de Compensación Familiar.
- Publication of informal credit survey results with which to demonstrate the reality of the cost of funds available for lower income population to garner support for the regulation liberalizing interest rates.
- First draft of the law on secured transactions and reforms on guarantees presented to the Minister of Finance.

5.4.2.2. SME Pilot Program

- Baseline for each financial institution (May).
- Delivery of a quarterly report containing pilot program implementation indicator results (May).



- One additional bank, four additional cooperatives and two NGOs joining the Microfinance Pilot Program for a total of 14 financial institutions (Mayo). The programs have the specific objective of massively extending, deepening and diversifying, financial products in Colombia.
- Bancolombia: micro-credit program for farming designed, staff trained and pilot program started for implementation (June).
- Banco Agrario: i) Credit Manual processes and procedures improved and adjusted, ii) bank's portfolio recovery strategy defined and implemented, iii) credit adviser incentive structure reviewed and adjusted, iv) micro-credit management's functional structure and communication channels with the bank's structure reviewed and adjusted, v) a plan for increasing adviser productivity including performance indicators, defined and implemented, and vi) continuation of the training plan for micro-credit advisers and management, to include national and regional top management.
- Banco de Bogotá: i) pilot programme implemented in two branches (May and June), ii) fifteen micro-credit advisers selected, hired and trained, and iii) micro-credit policies, regulations, processes and manual defined, approved and implemented (May).
- The implementation of the pilot program in all the participating financial intermediaries as well as the strategic alliances that are being developed with FASECOLDA, Red Emprender, Opportunity International and CHF are moving forward in both MIDAS Corridors and ADAM Municipalities.

5.4.2.3. Strengthening the Financial Superintendency

- Liquidity Risk Resolution issued by the Financial Superintendency (FS).
- Draft Interest Rate Risk Resolution issued by the Financial Superintendency (FS).
- Report received from John Palmer on improving the FS integrated risk supervision model.
- Report received from Juan Carlos Protasi on the information needs of users outside the FS.
- Intermediate report by Alfa-Azurian delivered on the design of the FS computer system and FS machine requirements.
- Consultancy work for implementing the FS ISO 9001-based quality system initiated.
- Discussions begun in Congress on the Law of Habeas Data.
- Capitals market study initiated.
- Work on long-term financing instruments initiated.

5.4.3. Sanitary and Phytosanitary Standards (SPS)

5.4.3.1. Milk safety project

- Effective adoption of the milk and dairy IVC system at ICA and INVIMA.

5.4.3.2. Pilot projects

- HACCP Certification of seven cheese processing plants and six meat plants
- Re-start up of the GHP pilot project at beef farms
- Start up of Onion and Gulupa GAP pilot projects



5.4.3.3. Low Pest Prevalence Projects

- Low pest prevalence area for papaya at RUT Irrigation District will continue its pest monitoring program with APHIS recommendations which include training by US trappers from Florida and/ or California state government.
- According to official APHIS recommendations, MIDAS will articulate with DNE (papaya farm management) the required investments and infrastructure upgrading to guarantee adequate conditions for an export program to the US.
- Training trip to Brazil will be coordinated with the PTA-World Bank project so private and public officials can visit an operating low pest prevalence area for papaya.
- Pest free pilot area at Baja Guajira for Melon will effectively start, managed by Agribusiness component. Pest monitoring system will be implemented in four melon trial sites for data collection which will be submitted to APHIS on a monthly basis as from 3rd quarter.

5.4.3.4. Minor Crops Project

- The Pesticide registration Support Group (RSG) will continue its monthly meetings at DNP to follow up on key deliverables and other technical work.
- Technical work group for MRLs will complete its reviews of international legislation and crop grouping. A draft version of the local MRL legislation with its corresponding Colombian crop grouping system will be submitted to Ministry of Social Protection for revision.
- Design of a National Monitoring Program for Pesticide Residues in fruits and vegetables will be presented to the Ministry of Social Protection as a tool for enforcement of the MRL legislation. Implementation of the program is due third quarter 2007.
- Technical work group for Pesticide Registration will develop a detailed revision of CAN legislation and local regulatory tools in order to submit a proposal for legal reform of the system, including legal framework for inspection, surveillance and control.
- PERSUAP updating will be developed and outreach workshops programmed will be carried out with public and private actors.
- Policy document for SPS issues in fruits and vegetables drafted under DNP leadership will be discussed with ministries and private sector. Budget will be discussed and final version will be submitted for approval as a new CONPES document.
- Fast track solutions will as priorities to provide crop management tools for fruit and herb growers who currently have access to foreign markets. A new use registration tracker will be delivered monthly to follow up on effective pesticide registrations for minor crops.
- Resolution to reevaluate the pesticide registrations issued by ICA by May 2007.

5.4.3.5. Processed foods project

- Effective start up of the two food safety microbiological risk assessment studies
- Effective start up of the LACF training program for public and private technicians.

5.4.3.6. Regulations

- General decree for the meat sector and bovine slaughterhouse regulation signed and in process of implementation



- Meat regulations released during QI 07 for international public discussion will be signed and in the implementation phase
- LACF regulations signed and in process of implementation

5.4.3.7. Institutional Strengthening

- CONPES document for the poultry sector released
- Visit by INVIMA inspectors to Canadian food inspection system at ports and border points effectively carried out and a work plan for implementations of lessons learned within Colombian System prepared and begun
- Effective implementation of the SPS Group at the Ministry of Environment
- Transition plan INVIMA – ETS effectively agreed upon and in progress
- Final strategic plan for ICA turned in and start up of a work plan for the implementation of this new model in strategic areas/processes related to Sanitary and Phytosanitary measures
- FSIS Equivalence recognition questionnaire updated to reflect the regulatory and institutional changes achieved to date.

5.4.4. Labor Reform

- Continue the implementation of labor inspection pilot projects. These projects are to be completed by September 30, 2007 but the first draft evaluation will be completed by June 30, 2007.
- Begin implementing the training needs forecasting system for SENA. Due August 31, 2007.
- Improved job matching system fully functional in the four pilot sites (Santa Marta, Medellín, Ibagué and Neiva). Due June 30, 2007.
- Detailed recommendations for the implementation of the improved job matching system at the national level to be presented to SENA April 30, 2007.
- Begin implementing recommendations to improve the consistency of Colombian labor legislation with ILO labor standards by April 30, 2007.

5.4.5. Procurement

- In accordance with the design of the project, this activity was due to end on March 8, 2007 and so there are no activities for next quarter.

5.4.6. Agriculture, Forestry and Environmental Reform

5.4.6.1. Agriculture

Transition strategy

- A report that presents a comprehensive and strategic diagnostic of the institutional and regulatory framework of the selected transition strategy regions (May 15, 2007.)
- A document covering a Regional Transition Plan for each pilot region, agreed with and signed by the regional actors, the Ministry of Agriculture, DNP and USAID (June 30, 2007.)

Agriculture Information Systems



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- Design and start up of the implementation of two pilot projects to promote the use of agricultural information systems among producers (May 30, 2007.)
- A document which contains the evaluation, analysis and recommendations on the regulatory and institutional framework for the management and provision of information services (May 30, 2007.)
- A document defining the indicators to measure competitiveness and functioning of the agricultural sector market, and a methodology to estimate them (May 30, 2007.)
- A report on the data needs and priorities among users of the agriculture information system (June 15, 2007.)
- A manual for improving the methodology, instruments and operational processes of the ENA (National Agriculture Survey) and the production costs system (June 30, 2007.)
A draft CONPES on Agricultural Information and Statistics. AIS
- The design and start up, with the support of the Ministry of Agriculture, of a pilot project for allocating direct subsidies to vulnerable small producers (June 30, 2007.)
- Report evaluating the institutional, technical and policy framework for providing technical assistance and technology transfer services to the agriculture sector and the quality and timeliness of service access to producers (May 18, 2007.)
- Document with policy recommendations for improving the policy, institutional and regulatory framework for providing demand-driven technical assistance. This document will be used as input to a CONPES draft on technical assistance (June 15, 2007.)

Risk hedging instruments

- A report assessing existing risk hedging instruments, and the legal regulatory and institutional framework factors that discourage the use of hedging instruments (May 18, 2007.)
- Design and start up of the implementation of two pilots for selected producer groups to use risk hedging instruments (May 31, 2007.)
- Document with recommendation on policy reforms to remove barriers to the use of insurance instruments and financial derivatives for risk management in the ag and ag-business sector (June 15, 2007.)

Irrigation systems

- The Terms of Reference agreed with USAID and the Colombian Government on the design and implementation of a water irrigation systems concessions policy and legal framework reform. (May 10, 2007)
- A document with an assessment of the regulatory and institutional framework of private sector investment in rural infrastructure and rural and community water irrigation systems. (June 30, 2007)

FINAGRO

- The Terms of Reference agreed with USAID and the Government of Colombia on the design of a project to improve the agriculture financing system (April 20, 2007)

5.4.6.2. Environment

- An assessment and recommendations on the institutional issues regarding the enforcement of the Renewable Natural Resources National Code (June 15, 2007.)



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- The legal, economic and technical findings that result from the simulation of implementing the water pollution charge and water use charge in the two pilot regional environmental authorities (June 30, 2007.)
- Decrees implementing general aspects of the General Forestry Law (May 15, 2007)

5.4.6.3. Land Tenure and Land Markets

- A report building upon previous research carried out by USAID, World Bank and IDB, on policy/legal/regulatory/institutional rigidities that hinder a more efficient functioning of rural land markets (May 15, 2007.)
- A first progress report on the design and implementation of pilot projects to promote streamlined land titling, registration and increased land rental in three selected ADAM municipalities (May 31, 2007.)
- A report with recommendations for improving legal and institutional framework as well as processes and procedures for disposing and transferring property seized from narcotraffickers (May 18, 2007.)
- A report that proposes an institutional regulatory framework that promotes access to capital and private investment in the land held under ethnic community arrangements. The proposal will take into consideration the social and cultural values of the local communities, while at the same time creating economic opportunities for these communities (May 18, 2007.)

5.4.7. DIAN Institutional Strengthening

- Continue to provide support during the approval process of the new Customs Code that complies with FTA requirements and WTO provisions. This Code is to be approved by a decree issued by the Ministry of Finance and the Ministry of Trade, Industry and Tourism that should be issued by June 30th, 2007. This support includes consensus-building activities, technical support in the drafting of the regulation required for implementation and training of DIAN staff who will implement the new procedures.
- Provide a joint inspection manual involving other agencies such as INVIMA, ICA and Narcotics, that will improve efficiency and effectiveness of Customs merchandise clearance (April).
- Provide an FTA compliant Customs Entry Procedures Manual for sea ports and air ports, which allows goods to be released at the point of arrival, without temporary transfer to warehouses or other facilities (April)..
- Provide a detailed description of the new customs warehouse import destinations where goods subject to duty may be stored, handled, or undergo manufacturing operations without payment or duty. Upon entry of goods into the warehouse, the importer and warehouse proprietor incur liability (April).
- Provide a non preferential origin's manual that will ensure antidumping measure and countervailing duty control of goods that come from countries that sell with price discrimination that could result in injury to Colombian industry, commonly referred to as dumping (May).
- Risk Assessment Model, adjusted to results from the pilot implemented by MUISCA management, and operating definitively in Cartagena, Barranquilla, Buenaventura, and Bogotá (April-June)



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- Design, contract and initiate implementation of technical assistance to improve tax audit procedures by providing expert technical advice, drafting regulatory and procedural reforms, drafting operation manuals and designing and implementing training on those new procedures and provisions (June).

5.4.8. Competitiveness Enhancing Support

5.4.8.1. Competitiveness

- The preliminary results regarding the critical reforms needed for reducing business hurdles and red tape for twelve provinces and provincial capitals (June 10, 2007.) The cities and provinces are: Barranquilla (Atlántico), Bucaramanga (Santander), Cartagena (Bolívar), Cali (Valle del Cauca), Cúcuta (Norte de Santander), Manizales (Caldas), Medellín (Antioquia), Neiva (Huila), Pereira (Risaralda), Popayán (Cauca), Santa Marta (Magdalena) and Villavicencio (Meta).
- The preliminary results of applying the methodology proposed by Economists Hausmann, Rodrik and Velasco in 2004. The results should describe the identified macroeconomic restrictions, together with those goods and services sectors with a high growth potential in Colombia and modifications needed to support implementation of the different scenarios (June 20, 2007.)
- At least three teams from the regional competitiveness commissions trained on the methodology and the unified competitiveness conceptual framework designed with the government authorities. The report will contain action plans and strategies for each of these regions and the established follow-up framework (June 15, 2007.)
- Drawing up a draft CONPES document containing a more effective policy for small and medium-sized businesses including a change of focus in FOMIPYME assignment procedures. This will be handed in to the DNP and the Ministry of Trade June 30, 2007.
- Initiate implementing a demand-driven Business Development Services Program for pilot projects (June 2007.)
- A report with an assessment of and recommendations for improving concessions legislation in Colombia, to be delivered to the DNP, the Ministry of Finance and the Ministry of Transport by June 15 2007.
- Draft CONPES document aimed at promoting a competitive market for logistic services in Colombia, to be delivered to the DNP and the Ministry of Transport by June 10, 2007.

5.4.8.2. Competition

- The Competition Law is submitted to Congress by June 16, 2007.
- Assist the DNP and the Ministry of Trade in designing and implementing an institutional arrangement for setting up an authority in the area of competition and adopting best practices to prevent the abuse of market power in Colombia. 30 June 2007.

5.4.8.3. Energy

- The CREG (Energy Regulatory Commission) and the Ministry of Mines and Energy officials will be visiting the USA, through USEA, to present the new regulation and marketing plan,



investment opportunities in the Colombian energy sector, and also to meet potential US investment companies (1 - 10 May 2007.)

- Implementation of decrees that will improve competition, transparency and efficiency on the electricity and natural gas markets (May - June 2007.)
- Preparing a report analyzing international best practices in the natural gas infrastructure regulatory and legal framework, developing recommendations adapted for Colombia, and delivering this to the Superintendency of Public Services, the Ministry of Mines and Energy, and the CREG (May 2, 2007.)
- Preparing a second report and presentation which includes a detailed analysis of the current situation in the natural gas network system and how it has been influenced by the current legal and regulatory framework and handing this in to the Superintendency of Public Services, the Ministry of Mines and Energy, and the CREG. The consultant should identify obstacles and restrictions affecting the industry (May, 20 2007.)
- Preparing a report with detailed recommendations for adjusting the current legal and regulatory framework to ensure long-term private investment in natural gas infrastructure, and handing this in to the Superintendency of Public Services, the Ministry of Mines and Energy, and the CREG (June 6, 2007.)

5.4.8.4. Intellectual Property

- Training for customs, legal and other authorities in intellectual property rights enforcement. This training will be provided to not less than 80 authorities in at least five cities and at border crossings in Colombia (April - June 2007.)
- Effective design and development of information system software for the General Prosecutor's Office, to be used throughout the country. The purpose of the system is to help the General Prosecutor's Office publicize information about its efforts to provide effective enforcement of intellectual property rights. The system will, for example, track the quantity of goods that have been seized and destroyed, and also information that will provide adequate guidelines for prosecuting people for these criminal offences (May 2007.)
- Finalizing the process of improving the Copyright Office's information system (June 2007.)

5.4.8.5. Services Sector

- A report with specific, detailed recommendations on how to optimise the Quarterly Services Survey and the Annual Services Survey to ensure the best possible coverage, information quality and operating efficiency, and handing this in to the Ministry of Trade, the DNP and the DANE (April 13, 2007.)
- A report with the final survey and the design of the specific questionnaires for the respective sectors, especially trade, tourism, the information society and business services, and handing this in to the Ministry of Trade and Industry, DNP and DANE (May 24 2007.)
- A report with a set of precise, detailed methodological guides, so that the Colombian government can improve information reliability and accuracy in research information and also modify the Annual Services Survey sector questionnaires, to be delivered to the Ministry of Trade and Industry, the DNP and the DANE. In addition a written proposal and methodology for incorporating professional services into the services sector survey (June 30 2007.)



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- A report providing detailed final recommendations for reforming the licensing process for architects and engineers, and handing this in to the Ministry of Trade and Industry (April 30 2007.)
- A report with a detailed plan of action for achieving mutual recognition in the professional areas of engineering and architecture in the five states in the US analyzed and detailed, specific recommendations on reinforcing the Colombian professional councils' capacity to adopt the best international standards in licensing and oversight, and handing this in to the Ministry of Trade and Industry.
- Draft CONPES document outlining a policy and detailed plan of action for reforming the licensing process and guidance for architects and engineers. (June 30 2007.)
- Drafts of necessary bills, decrees, resolutions and administrative acts for implementing the recommendations for reforming the licensing process and guidance for engineers and architects, and handing this in to the Ministry of Trade and Industry and DNP (June 10 2007.)
- Detailed written recommendations for reforming the accounting and financial audit academic curriculum at universities and other further education establishments in order to bring them into line with international accounting standards, to be delivered to the Ministry of Trade and Industry (June 30 2007.)
- A draft reform of licensing and oversight procedures for accountants and auditors and a detailed plan of action for implementing this, to be delivered to the GoC June 10, 2007.
- Designing a transition plan for SMEs in such a way that it minimizes the potentially negative effects of adopting international accounting and auditing standards and facilitates a cost-effective transition of SMEs to international accounting and audit standards, and handing this in to the Ministry of Trade and Industry (June 10 2007.)

5.4.8.6. Telecommunications

- In the context of implementing USAID's Last Mile Initiative pilot project in Colombia, connectivity and content will be established for the towns of Neiva, Rivera, Villavicencio, Acacías and Santa Marta (May - June 2007.)
- Approval at the Minister's Counsel, and further legal approval of supporting decrees and laws of the CONPES document for Institutional Reform, which includes:
 - The Decree creating the Ministry of ICT.
 - The Decree modifying the Communications Foundation
 - The Decree strengthening the CRT.
 - The Law creating the Spectrum Agency
 - (April 2007).
- Deliver a technical assessment on private ownership, market concentration and anticompetitive practices in the Colombian telecommunications sector (June 2007).
- Deliver a report proposing the structure and processes to transform the CRT into the CRC (May 2007).
- Deliver to the CRT draft resolutions addressing pro-broadband interconnection, leasing of infrastructure and unbundling of the local loop (June 2007).
- Deliver to the CRT draft resolutions promoting convergence and new generation networks (June 2007).
- Deliver a draft bill, decree or resolution updating national legislation and regulation on telecommunications to FTA agreements (June 2007).



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- Deliver to the CRT a draft decree or resolution establishing long distance and other reselling services (June 2007).
- Initiate the infrastructure implementation step of the USAID's Last Mile Initiative pilot project in Colombia (May 2007).
- The General Communications Bill is discussed and agreed upon with the industry and presented to Congress in May 2007.

5.4.8.7. Arbitration

- The last training (Training Phase III) on the implementation of investment matters provided to a core group of staff of appropriate agencies, particularly the Ministry of Trade, Industry and Tourism will be completed April 25, 2007. This training will include investor rights, FTA provision responsibilities, and investor-State disputes; and will be designed to enable the core group to provide further training and information to other governmental agencies on investment-related matters.
- Printing and distribution of the manual containing a set of recommendations on Colombian government compliance with investment-related commitments in the FTA and the type of administrative and regulatory activities that may increase the risk of non-compliance or generate investor-State disputes.
- Continuing the meetings of the Arbitration Commission responsible for drafting the new Arbitration law for Colombia
- A document analyzing the results from the analytic assessment of risks to investors in Colombia (June 2007)
- Presentation to Congress of the final version of the arbitration bill (June 2007)

5.5. Administrative Support Activities

In regards to the administrative activity for the quarter, the policy component continued contracting high-level technical staff. The Policy Component during the last trimester contracted the leaders for the financial, fiscal and agricultural subcomponents, contracted experts in institutional strengthening for the restructuring of ICA, as well as made significant contributions to the financial, customs and competitiveness teams.

During the last trimester the Policy Component contracted the following 15 long-term employees as:

Agriculture Sub-component:

Juan Carlos Elorza --- Lead Consultant Agricultural Component

Luis Eduardo Quintero --- Transition Strategy and AIS Program Expert

Finance Sub-component:

Miguel Arango --- Competitiveness Enhancing Support Financial Market Reform

Wilson Gomez --- Finance and statistics experts

Jairo Martinez --- Finance and statistics experts

Henry Cardona --- SME and Microfinance Expert

Diana Parra --- Financial Expert



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Arelis Gomez --- Banking Reform Team Coordinator --- hired through TSG Home Office
Martin Cuenca --- Expert in Rural Microfinance --- hired through TSG Home Office
Elizabeth Andrade --- Bank Leader and Expert in Rural Microfinance --- hired through TSG Home Office
Elvis Alva --- Bank Leader and Expert in Rural Microfinance --- hired through TSG Home Office
Fernando Vargas --- Expert in Rural Microfinance --- hired through TSG Home Office

Sanitary and Phytosanitary Standards Sub-component:

Adriana Velez --- Minor Crops and Low Pest Prevalence Projects Leader
Laura Pasculli --- Institutional Strengthening Expert

Competitiveness Sub-component:

Andres Felipe Rodriguez --- Telecommunications and IT Team leader – hired through TSG Home Office.

In terms of short-term technical assistance the Policy component contracted:

- 60 TSG Short Term consultants (ST)
- 3 ARD ST consultants;
- 1 BP ST consultant

In coordination with the World Bank Foreign Investment Advisory Service (FIAS), the Policy component worked on developing a project entitled: “Colombia: Elimination of Administrative Barriers at the Sub National Level – Phase 1”. The project uses “doing business indicators” to raise awareness of the need to improve business regulations at the sub national level while building dialogue with the government and private sector.

For the design and implementation of the following surveys:

- Entry regulation,
- Contract enforcement,
- Property rights,
- Trade across borders;

The Policy component contracted the Cavalier Abogados firm, which has under its responsibility the implementation of surveys in 12 cities throughout the country.

In regards to support activities, the Policy component worked in coordination with the program planning department to revise indicators for the modification of the PMP, so as to not only have them be consistent with the contract between ARD and USAID but also with the goals outlined in the Workplan 2007.

5.6. Success Stories

No sólo más rico, sino más seguro

En 2005, 18 microempresas participaron en una feria organizada por la Consejería Presidencial para la Equidad de la Mujer. De ellas, 8 fueron seleccionadas para hacer parte de un piloto de Buenas Prácticas de Manufactura (BPM) que busca asegurar la calidad en el proceso de producción, implementar normas de seguridad e inocuidad, hacer procesos de selección y evaluación de los



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empleados y lograr altos estándares en procesos de almacenamiento y distribución del sector alimenticio.

“Fue muy bonito ir a la feria Microempresaria porque me di cuenta que no era sólo yo la que tenía fallas para producir mis conservas de frutas. Cuando hablé con las otras mujeres, me di cuenta que todas teníamos que responder por los hijos y la casa solas, sin ayuda de nadie. Saber eso, me dio ganas de quedarme en este proceso”, asegura Marta López de la Asociación de Mujeres La Antioqueña.

Aunque el tamaño de estas empresas piloto –la mayoría con 5 empleados - hace que los exigentes requisitos de buenas prácticas de manufactura sean difíciles de cumplir, pues cada empleado tiene responsabilidad por muchos pasos del proceso, los beneficios son claros: disminución de fallas, mejoramiento de procesos productivos, control de personal que manipula los productos, exigencia a los proveedores de materias primas confiables, recepción y rechazo de materias primas con base en criterios y elaboración de planes de muestreo.

Después de más de 6 meses de trabajo y entrenamiento con el apoyo del programa Más Inversión para el Desarrollo Alternativo Sostenible, MIDAS, financiado con recursos de la Agencia de los Estados Unidos para el Desarrollo Internacional, USAID, estas 8 empresas con liderazgo femenino han recibido aprobación técnica sanitaria. El Instituto Nacional de Vigilancia de Medicamentos y Alimentos, INVIMA, la máxima autoridad sanitaria en el tema certificó a estas empresas y, con ello, sus productos están llegando a las grandes superficies; pasaron de ser micro empresas a pymes; empezaron a conocer el manejo de proveedores. Todo esto, acompañado de un incremento promedio de 24% en sus ventas de los últimos 3 meses.

Con 5 empleados más de los que tenía hace un año y mayor demanda de sus productos, Marta resume el aprendizaje que ha tenido con el apoyo del Componente de Política del programa MIDAS diciendo: “ahora sabemos muchas cosas que antes ni siquiera nos imaginábamos. Hay mucho que aprender, pero ya nos expresamos como gente de negocios y nos sentimos más seguras a la hora de negociar con proveedores. Hasta nos han enseñado cómo vestarnos bien”.

Aunque aún deben recibir otras certificaciones y estar en capacidad de ampliar su producción antes de exportar, estas 8 mujeres de empresas alimenticias quieren dar un salto que hasta hace sólo un año, no era ni siquiera una posibilidad.



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6. DCOP AND TECHNICAL COORDINATOR'S OFFICE

6.1. Overview

During the quarter the Technical Services Office made important achievements in several cross-cutting areas as follows:

A draft of the MIDAS Action Plan for Vulnerable Groups was submitted to USAID for review. The document includes specific proposals and actions for each of the MIDAS' Components to increase their involvement in projects that benefit afrocolombian, indigenous and internally displaced populations. The Office also represented MIDAS in USAID's IDP's Committee, the Income Generation Discussion Table, and the Afrocolombian Discussion Table. Also, liaison with SENA and the ethnic department at the Ministry of State was established.

The DCOP Office together with the Financial and Economic Department have been working closely with MIDAS and ADAM economic experts to incorporate the recommendations of the Economic/Financial Project Analysis Assessment for improving the economic and financial analysis of ADAM and MIDAS projects without slowing down the review and approval process. We are at the final stages of incorporating the recommendations which should be fully implemented by ADAM and MIDAS next quarter. All ABC and CFC project coordinators will be trained in the new standardized analysis formats.

The Office is responsible for the coordination of the Competitiveness Assessment currently in progress. Preliminary information and findings of the assessment are expected to be submitted by the end of April. The assessment will not only be useful for agribusiness and forestry components but also for policy transition pilot projects, and will be shared with relevant public and private Colombian institutions.

Long-term Financing for Rural Enterprises Assessment: Finally, after various discussions between MIDAS components and USAID, umbrella TORs for developing new long-term financial instruments, including a forestry investment fund, have been approved and a team to develop the consultancy has been identified. A Task Order is expected to be submitted for USAID approval by the end of April and work should begin early May. Also a MIDAS Internal Standing Finance Committee was established to discuss long-term financing and other financing issues of interest for all the components; it has met twice and is expected to meet biweekly.

During the quarter, with the participation of the Components and support areas of MIDAS, we completed the documentation and layout of all business procedures and for some areas of support such as Environmental, M&E and Administration. Based on these procedures, we initiated the design and uploading of the detailed work flows in the new project management system. This new system will allow the monitoring and control in real time of all the activities of the business components and to allow access to reports that should facilitate the oversight of Program management at different levels of the organization, optimizing the use of MIDAS resources.



6.2. Key Constraints and Actions to Take

- Definition of indicators/targets that allows monitoring the results of the MIDAS Action Plan for Vulnerable Groups. This should be submitted to USAID by the end of April.
- Enhance communications with ADAM at the technical levels in order to develop more coordinated actions, especially at project sites. This is relevant for Best Agricultural Practices, cacao projects, and the policy transition pilot activities among others.
- Although discussions with Acción Social on “Zero Coca” implementation guidelines for MIDAS have been positive and moving forward, it is critical to finalize discussions and reach an agreement that complies with GoC’s Policy objective’s without slowing down MIDAS project development and keeping the private sector as a key partner for the Program
- Workshops for final implementation of economic analysis on the ABC and CFC projects should be developed in May.

6.3. Synergies (achieved and planned) with other MIDAS Components and ADAM

Effective working relationships were established with ADAM regarding land tenure and the drafting of comments and proposals on the GoC Rural Development Act Project and the Afrocolombian Act (Ley 70) regulations.

The DCOP Office helped draft terms for the proposed legal framework for MIDAS to manage Acción Social funding in support of MIDAS projects. Also MIDAS attended the Acción Social - PCI periodic meeting, where MIDAS Components had the opportunity to interact with PCI regional staff and discuss specific projects in the pipeline.

MIDAS made a presentation at the National Secretaries of Agriculture Executive Council Session that was held in Neiva during the first week of March. At this event, regional authorities had the chance to understand the way MIDAS is operating and how they can interact with each one of the BDC’s. As a result of this meeting, the relationship with the Ministry of Agriculture was further strengthened and a high level delegate from this institution began attending the ABC review committees.

The DCOP Office has also helped prepare meetings with potential private sector partners such as Compartamos con Colombia and the Social Responsibility Committee from the American Colombian Chamber of Commerce. These actions should lead to increased alliances and synergies in the next second quarter.

6.4. Outreach

6.4.1. Overview

The approval of the Outreach Strategy and Work Plan in the beginning of the first quarter provided the framework to improve efficiency and develop more strategic tasks. Technical concurrence was provided for the Outreach specialists and the last one (Business Communication Specialist) is going to be part of the team for the second quarter.



The new Outreach Department management under the DCOP Office - approved along with the work plan- has been also a positive change, because the area works closer to the Components and therefore understands and supports their needs.

6.4.2. Main Achievements

A. Sub-objective A: To raise public awareness and inform USAID/Colombia target audiences about US alternative development programs in place and USAID’s role in assisting the Government of Colombia (GoC).

Table 59

Proposed Activity	Achievements during Quarter
1. Design and organize events to support project implementation and USAID public outreach activities.	<ul style="list-style-type: none"> - 7 project providers training events were designed and supported. - 1 Contract signing event supported (Madeflex/ CFC) - 1 visit to chili project from national and international media as part of president Bush visit to Colombia. - Design and organization of MIDAS ADAM event with USAID, Acción Social and the “Yo creo en Colombia” foundation.
2. Develop project branding and marking strategies based on USAID guidance.	<ul style="list-style-type: none"> - 1 MIDAS branding and marking manual produced and approved by USAID.*

B. Sub-objective B: To attract positive publicity for USAID-funded activities by preparing and sharing fact sheets and success stories that describe the impact – especially at the community and individual levels-

Table 60

Proposed Activity	Achievements during Quarter
1. Prepare and share with USAID success stories and other program materials describing the accomplishments and impact on project activities.	<ul style="list-style-type: none"> - 7 success stories sent to USAID - 4 success stories published in media - 36 articles about various program activities published in media at the national and regional levels

* Due to new regulations (ADS 250) the document must be changed.



Proposed Activity	Achievements during Quarter
2. Draft and submit for USAID approval public affair documents to promote project-level activities and achievements/impacts in target geographic regions.	- 1 media event coordinated with USAID and the material for journalists approved by USAID
3. Coordinate with USAID to ensure information flow and support to Acción Social project activities	- 2 meetings with Acción Social for coordinating Outreach activities in common projects.

C. Program Level Activities

Table 61

Proposed Activity	Achievements during Quarter
1. Reinforce the application of MIDAS corporate image, branding and marking strategy through workshops, revision of proposed materials and meeting with regional offices staff.	- 2 informal meetings with regional offices staff for discussing outreach needs and requirements. Formal meetings are pending when Branding and Marking Plan are presented by USAID
2. Design media formats and products (brochures, fact sheet templates, templates, photo exhibits, etc.) to promote the project according to targets, type of activity and component needs.	- 4 success stories appeared in media (free press). The short format with project's images has had good impact in media. Direct contact and informal talks explaining MIDAS objectives and nature have been very positive.
3. Help disseminate MIDAS activities and APSs at the local, regional, and national level to encourage information sharing.	- 2 advertisement in the main national and regional media for promoting ABC activities
4. Design promotional materials according to components needs.	- 1 SMEC leaflet designed and edited to promote the Program. - Design and production of 6 banners for MIDAS public events



Proposed Activity	Achievements during Quarter
5. Design and disseminate e-bulletins and printed bulletins to promote program benefits and inform program beneficiaries.	- Writing, design and publication of Infomidas second edition. 4.000 printed and distributed in regions and 2.500 e-mails sent to producers and business associations, Chambers of Commerce, media, regional government, general public that attended roll outs, among others.

D. Component Level Activities

General Objective No. 2: Support the achievement of MIDAS goals of promoting alternative development projects and strengthening local governance.

Sub-objective B: To support the efforts of the ‘Business Development’ component of MIDAS to reach potential project participants, including developing a connection with business and producer associations that will facilitate this objective.

Table 62

Proposed Activity	Achievements during Quarter
1. Design and produce project level communication materials (e-bulletins, printed, audio, video and web) based on technical documents and adjusted to specific project needs.	- 1 SMEC manual designed, edited and printed to inform project providers about their responsibilities, program needs and nature. (5.000 copies) Revised material
2. Promote alliances with business associations (e.g. <i>Fedecafé, Fedepalma</i>) to promote the program during their PR activities.	- Alliances promoted with: IICA (ABC) Fedemaderas (CFC) Acopi (SMEC) Fundes (SMEC) - Participation in Agrotec Fair. Design and production of a promotional stand and POP material for ABC.



Proposed Activity	Achievements during Quarter
3. Support the training of the Project Providers for promoting the program and provide the needed materials for doing so.	<ul style="list-style-type: none"> - 1 informal meeting with regional offices members to discuss materials needed to promote the component throughout project provider activities. - 7 project providers training activities supported
4. Coordinate outreach efforts with regional offices to raise awareness, understanding and support for project- level activities among the public and private sector.	<ul style="list-style-type: none"> - 1 meeting with ABC regional staff for discussing the roles and rules for working with media and Program public relation events at the corridors
5. Design and manage project websites, call centers, and al other project-level outreach tools.	<ul style="list-style-type: none"> - Design and coordination of MIDAS web page according to Program and component needs and based on Project Monitoring System.

6.4.3. Next Quarter Objectives

- - Develop the Branding and Marking Implementation Plan based on USAID Branding and Marking Strategy. This aspect is critical taking in consideration that materials and training to regional offices staff is needed to improve MIDAS image.
- - Reinforce the application of MIDAS corporate image, branding and marking strategy through workshops, revision of proposed materials and meeting with regional offices staff.
- - Support and help designing an international forum to discuss the problems and perspectives of the Colombian forest sector.
- - Organize and design field visits for USAID representatives.
- - Put into full operation the new MIDAS web page.
- - Maintain the interest of the Media in all MIDAS activities by providing them with information on different projects and initiatives.



7. PROGRAM PLANNING DEPARTMENT

7.1. Overview

For this quarter, the Program Planning Department, aware of the relevance year 2007 had for the MIDAS Program, focused on those activities that contributed with project development and grant signing. For the period this effort meant that, among other results, 27 initial verification visits took place, 48 monitoring plans were prepared, 42 base lines were approved, 18 environmental reviews were submitted to USAID and 16 were approved and 77 requests for categorical exclusions were submitted to USAID and 75 were obtained. These figures have been, in part, a result of the Department's ability to react to the requests of the different Components and, for the other part, a consequence of the Department's constant interest to anticipate upcoming needs from the Components.

7.2. Administration and Support Activities

During the first three months of 2007 two significant events happened regarding Program Planning personnel:

- First, eight new members of the team were hired to complete the Department's staff; six of these eight new members were M&E and Environmental Specialist for each of the MIDAS corridor offices (Medellin, Cali, Barranquilla, Bucaramanga, Pereira and Neiva); the other two pertained to the Bogota office, one the Field Visit Specialist (hired to coordinate all the visits the Department has to make to verify, train and supervise projects on M&E and Environmental issues) and the Program Planning Officer (hired to support the preparation of MIDAS reports and to support the Policy Component on M&E and Environmental issues).
- Second, the Program Planning Manager resigned her position; this implied that a new manager had to be hired and potential candidates were to be interviewed for this job.

7.3. M&E Coordination

Besides the development of monitoring plans, revision of payrolls, initial verification visits and monitoring visits (see table), M&E has worked in the design of flow charts for typical processes of the area in order to incorporate them into the new information system which is being implemented. The department has also been coordinating the required adjustments to the Performance Management Plan – PMP – and participating in the Review Committees of the different components.



Table 63

M&E Activities - QR2/2007

	SME	CFC	AGB	Total
Monitoring Plans	48	6	4	58
Base Line Approved	42	6	13	61

Initial Verification Visits		Follow Up Visits		Training Activities	
Project	Date	Project	Date	Project	Date
SME					
S-00386-07 CUELLAR SERRANO	21/03/2007				
S-00133-07 INDUSTRIAS CADI	13/02/2007				
S-00421-07 ESPARRAGOS CHAYANI	21/03/2007				
CFC					
F-0036-06 COOIGEMARENA	17/01/2007	F-0012-06 BAJO MIRA Y FRONTERA	12/02/2007	F-00007-06 MONTERREY FORESTAL	02/Mar/2007
F-0039-06 CONSEJO COMUNITARIO GUAPI	18/01/2007			F-00015-06 AGROFORESTAL	22/Mar/2007
F-00148-06 MADERAS DEL DARIEN- PIZANO	28/01/2007			F-00028-06 ASOFORESCOM	07/Mar/2007
F-0086-06 FEDERACION CAFETEROS MAGDALENA	12/02/2007			F-00036-06 COOIGEMARENA	08/Mar/2007
F-00015-06 AGROFORESTAL-PROCUENCA	15/03/2007			F-00039-06 MADEALGUAPI	07/Mar/2007
F-00157-06 FEDERACION Nal DE CAFETEROS	29/03/2007			F-00050-06 MADEFLEX	12/Mar/2007
F-00157-06 FEDERACION Nal DE CAFETEROS	30/03/2007			F-00105-06 KANGUROID	12/Mar/2007
F-00346-06 PROCAUCHO	28/03/2007				
AGB					
P-064 CORDEAGROPAZ	29/01/2007	P-064 CORDEAGROPAZ	29/01/2007		
P-052 PROPALMA	29/01/2007	P-123 FUNDESCAT	30/01/2007		
P-123 FUNDESCAT	30/01/2007	P-048 FUNDACION ALTO MAGDALENA	31/01/2007		
A-0052-06 FRUTAS POTOSI	05/02/2007	P-124 ALDEA	31/01/2007		
P-127 PROCAUCHO	11/02/2007	P-117 CASE	04/02/2007		
A-0079-06 C.I. EL ROBLE	08/02/2007	P-127 PROCAUCHO	11/02/2007		
A-0019-06 ECOCACAO	11/02/2007				
A-0082-06 INDUPALMA	21/02/2007				
A-0053-06 ALIANZA PLAN TRES S.A.	08/03/2007				
A-0066-06 PALMACEITE S. A.	15/03/2007				
A-0259-06 FUNDEPALMA	15/03/2007				
A-0062-06 FRUPALMA	20/03/2007				
A-0095-06 PALMERAS OLEAGINOSAS DE ARIGUANI	12/03/2007				
A-0004-06 ESTAM	21/03/2007				
A-0003-06 ASOGPADOS	21/03/2007				
MPC					
P-0000-06-C-52-CCI - Broccoli	14/02/2007				

7.4. Environmental Coordination

7.4.1. Most significant accomplishments during the quarter:

1. As shown in the table below, during the period eighteen Environmental Reviews were submitted to USAID and sixteen received approval:

Table 64

Environmental Review	Submitted during the Period	Approved during the Period
(A-0002-06) Palmares El Pórtico	✓	✓
(A-0005-06) Asocati	✓	✓
(A-0079-06) C.I. El Roble	✓	✓
(A-0052-06) Frutas Potosí	✓	✓
(A-0023-06) Irrimer Café	✓	✓
(A-0027-06) Fedecacao San Vicente	✓	✓
(A-0026-06) CEA Maracuyá	✓	✓



(A-0047-06)	Misión Animar Cacao	✓	✓
(A-0001-06)	Cia. Palmera San Pablo	✓	✓
(A-0119-06)	Ecocacao Magdalena Medio	✓	✓
(A-0082-06)	Indupalma	✓	✓
(A-0003-06)	Asogpados	✓	✓
(A-0259-06)	Fundepalma	✓	
(A-0004-06)	Estam	✓	
(F-0157-06)	Fedecafé	✓	✓
(F-0148-06)	Maderas del Darién S.A.	✓	✓
(F-0013-06)	Madeurabá S.A.	✓	
(F-0105-06)	Bosques Del Futuro		✓
(P-0000-06)	CCI - BPA Brocoli	✓	✓

2. As shown in the table below, during the period seventy-seven requests for Categorical Exclusions were submitted to USAID and seventy-five received approval:

Table 65

Requests for Categorical Exclusion		Submitted during the Period	Approved during the Period
(S-0060-06)	Proservis S.A.	✓	✓
(S-0134-07)	Maderinco S.A.	✓	✓
(S-0132-07)	Prodecis S.A.	✓	✓
(S-0046-07)	Federación Plataneros de Urabá	✓	✓
(S-0225-06)	T. Ruiz & Cia. S. en C.S.	✓	✓
(S-0222-06)	Las Guías Ltda.	✓	✓
(S-0131-07)	Sespem	✓	✓
(S-0045-07)	Darío Gil y Cia. S en C.S.	✓	✓
(S-0159-07)	Tropical Veneers S.A.	✓	✓
(S-0160-07)	Hugo Restrepo y Cia. S.A.	✓	✓
(S-0135-07)	Siteco Ltda.	✓	✓
(S-0133-07)	Industrias Cadi S.A.	✓	✓
(S-0320-07)	Milenium Connection E.U.	✓	✓
(S-0325-07)	Estatad de Seguridad Ltda.	✓	✓
(S-0324-07)	Sociedad Portuaria del Norte S.A.	✓	✓
(S-0322-07)	Hospital Universitario del Caribe	✓	✓
(S-0376-07)	Industrias Morarbe Ltda.	✓	✓
(S-0377-07)	Fijaciones Orozco	✓	✓
(S-0382-07)	Relax Wood	✓	✓
(S-0383-07)	Pana Ltda.	✓	✓
(S-0384-07)	Congecol Ltda.	✓	✓
(S-0386-07)	Cuéllar Serrano y Cia. S. en C.	✓	✓



Requests for Categorical Exclusion		Submitted during the Period	Approved during the Period
(S-0323-07)	Parque Confección del Cauca	✓	✓
(S-0387-07)	Vidirionet	✓	✓
(S-0394-07)	Gente Estratégica S.A.	✓	✓
(S-0395-07)	Comunidad Estratégica	✓	✓
(S-0396-07)	Sevicol Ltda.	✓	✓
(S-0397-07)	Codin S.A.	✓	✓
(S-0398-07)	Abadía Plaza E.U.	✓	✓
(S-0399-07)	Aceites y Grasas del Valle	✓	✓
(S-0400-07)	Autocentro Ltda.	✓	✓
(S-0401-07)	Distribuidora Alger Ltda.	✓	✓
(S-0402-07)	Colmuebles S.A.	✓	✓
(S-0403-07)	Caja Santandereana de Subsidio	✓	✓
(S-0404-07)	Fradisa S.A.	✓	✓
(S-0405-07)	Paternina Escaf Alba Elena	✓	✓
(S-0407-07)	Imas	✓	✓
(S-0408-07)	Lilia Eugenia Ramirez	✓	✓
(S-0409-07)	Servicios de Colombia S.A.	✓	✓
(S-0410-07)	Imágenes Diagnósticas	✓	✓
(S-0411-07)	Andinautos S.A.	✓	✓
(S-0412-07)	Cámara Comercio Bucaramanga	✓	✓
(S-0415-07)	Minjoexp	✓	✓
(S-0419-07)	Divco Comestibles S.A.	✓	
(S-0426-07)	Progresalud S.A.	✓	✓
(S-0413-07)	Puro Campo	✓	✓
(S-0428-07)	Organización Técnica S.A.	✓	✓
(S-0429-07)	Sistemas y Computadores S.A.	✓	✓
(S-0430-07)	Transportes Oro y Cia. S.C.S.	✓	✓
(S-0431-07)	Cámara Comercio Bucaramanga	✓	✓
(S-0432-07)	La Constructora S.A.	✓	✓
(S-0433-07)	Corambiente	✓	✓
(S-0420-07)	Niños Ciegos y Sordos del Valle	✓	✓
(S-0427-07)	Ruiz Castellanos Julio Cesar	✓	✓
(S-0422-07)	Míneros de Suárez	✓	✓
(S-0423-07)	Mío Gas Ltda.	✓	✓
(S-0438-07)	Anipan	✓	✓
(S-0421-07)	Espárragos Chayani S.A.	✓	✓
(S-0424-07)	Servicios Profesionales	✓	✓
(S-0435-07)	Servi Limpieza S.A.	✓	✓
(S-0440-07)	Trabajadores Central Castilla	✓	✓



Requests for Categorical Exclusion		Submitted during the Period	Approved during the Period
(S-0436-07)	Soluciones Integrales de Oficina	✓	✓
(S-0425-07)	Brillaseo S.A.	✓	✓
(S-0446-07)	Coolechera Ltda.	✓	
(S-0439-07)	Ciudadela Comercial Unicentro	✓	✓
(S-0444-07)	Cooprosan	✓	✓
(S-0445-07)	Inversiones Proin Ltda.	✓	✓
(S-0452-07)	Sofasa	✓	✓
(S-0456-07)	Kosta Azul	✓	✓
(S-0454-07)	Cootraesvip Ltda.	✓	✓
(S-0447-07)	Cootrasalba	✓	✓
(S-0453-07)	Tecnologías Integrales Seguridad	✓	✓
(S-0457-07)	Industrias Nortecaucanas Ltda.	✓	✓
(S-0460-07)	Incolfec S.A.	✓	✓
(S-0462-07)	C.I. Súper de Alimentos S.A.	✓	✓
(S-0458-07)	C.I. Colpar	✓	✓
(S-0326-07)	C.I. Altiplano Norte	✓	✓

3. As shown in the table below, during the period nine field verification visits were carried out in order to supervise the implementation of the Environmental Reviews:

Table 66

Field Verification Visit	
(CAPP 048)	Fundación Alto Magdalena
(CAPP 052)	Propalma S.A.
(CAPP 064)	Cordeagropaz
(CAPP 117)	Case S.A.
(CAPP 123)	Fundación Catatumbo - Fundescat
(CAPP 124)	Aldea Minriego - El Zulia
(CAPP 127)	Procaucho S.A.
(F-0012-06)	Bajo Mira y Frontera
(P-0000-06)	CCI - BPA Brocoli

4. As shown in the table below, during the period seven field training visits were carried out in order to support the preparation of Environmental Reviews:



Table 67

Field Training Visit	
(F-0007-06)	Monterrey Forestal
(F-0015-06)	Agroforestal
(F-0028-06)	Asoforescon - Docampadó
(F-0036-06)	Cooigemarena - OIA
(F-0039-06)	Consejo Comunitario Alto Guapi
(F-0050-06)	Madeflex S.A.
(F-0105-06)	Bosques Del Futuro

5. All of the projects in implementation submitted the required environmental reports; fifty-four (54) reports were received and fifty-three (53) reports were approved.
6. The M&E and Environmental specialists for regional offices were selected and trained to begin working.
7. All environmental documents prepared previous to the SIGA that had already received an Environmental approval were uploaded to the system and the approval was confirmed (twenty-two projects uploaded and twenty-two projects received approval confirmation).
8. Grantees and proponents were trained in the SIGA System.
9. Terms of reference were prepared, submitted and approved to hire a group of expert consultants that should amend the current PERSUAP.

7.4.2. Key Constraints and Actions to Take

1. For some projects underway, information has not arrived to the environmental area in a timely fashion. Although this event has not caused any consequences, a better system has to be implemented so this information is known opportunely and documents can be prepared on time and approvals arrive before contracts are signed.
2. The SIGA System has presented some problems that somewhat hinder the inclusion of environmental information. These problems have been informed to USAID to be solved by them.
3. Training proponents to use the SIGA System increases the time and cost required to prepare an Environmental Review.
4. Hiring the PERSUAP amendment consultants has taken more time than expected due to different circumstances that involve time availability and approval procedures.
5. Some projects have contemplated high impact activities that imply the need for an Environmental Assessment, which in time may delay the environmental approval process.

7.4.3. Next Quarter Objectives

In the next Quarter, the following activities will receive the most attention:

1. Prepare and deliver environmental information for MIDAS projects;
2. Start or continue the environmental follow up of projects that are in or move into implementation;
3. Hire the amendment to the current PERSUAP;
4. Offer alternatives to improve the SIGA system and solve the current technical problems.
5. Finished the ICONO implementation and applications developments.



8. CONTRACTS AND GRANTS

8.1. Overview

The Grant Agreements and Contracts shown in the following chart were signed during this reporting period. (Values in Colombian Pesos)

Table 68

MIDAS INSTRUMENT	CONTRACT/GRANT NUMBER	CONTRACTOR/GRANTEE NAME	MIDAS GRANT AMOUNT	EFFECTIVE DATE
SG	MIDAS-F-0036-06-G-017	COOPERATIVA INTEGRAL GENENE PARA EL MANEJO DE LOS RECURSOS NATURALES-COOIGEMARENA	\$ 182.977.056	January 26, 2007
FOG	MIDAS-S-0125-06-G-050	VINOS NEC LTDA	\$ 8.480.000	January 9, 2007
CONT	MIDAS-A-0001-06-C-054	COMPAÑÍA PALMERA SAN PABLO SUR DE BOLIVAR, S.A.	\$ 2.837.103.390	March 22, 2007
FOG	MIDAS-S-0150-06-G-0127	ASOCIACION DE FINQUEROS CACAOCULTORES DE VEGACHI	\$ 188.100.000	January 2, 2007
FOG	MIDAS-S-0229-06-G-0129	FUNDACION SAN LORENZO DE BARICHARA	\$ 28.200.000	January 18, 2007
FOG	MIDAS-S-0223-06-G-0130	MERCAPAVA SA	\$ 16.000.000	January 12, 2007
	MIDAS-S-0145-06-G-0131	PELCO SA	\$ 50.250.000	January 30, 2007
FOG	MIDAS-S-0227-06-G-0132	ESMALGRES SA	\$ 44.280.000	January 16, 2007
FOG	MIDAS-S-0228-06-G-0133	COOPERATIVA DE TRABJO ASOCIADO Y MERCADEO - COPEMER	\$ 232.644.000	January 18, 2007
FOG	MIDAS-S-0219-06-G-0134	AMORTIAUTOS LIMITADA	\$ 4.800.000	January 12, 2007
FOG	MIDAS-F-0050-06-G-135	MADEFLEX S.A.	\$ 1.815.554.480	March 5, 2007
FOG	MIDAS-S-00126-06-G-0136	ARRIBA INTERNATIONAL SHOES Y CIA LTDA	\$ 24.760.000	January 2, 2007
BPA	MIDAS-S-0130-07-C-0137	FAMIEMPRESA ACTUAR ATLANTICO	\$ 50.000.000	January 5, 2007



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MIDAS INSTRUMENT	CONTRACT/GRANT NUMBER	CONTRACTOR/GRANTEE NAME	MIDAS GRANT AMOUNT	EFFECTIVE DATE
CONT	MIDAS-CF-0011-06-C-138	ECONAT LTDA	\$ 138.787.515	January 15, 2007
SG	MIDAS-CF-0028-06-G-139	ASOCIACION FORESTAL DE RECURSO SOSTENIBLE DE CON COSTA - ASOFORESCON	\$ 238.445.166	January 26, 2007
SG	MIDAS-CF-0039-06-G-140	MADERAS ALTO GUAPI E.U.	\$ 331.455.378	February 9, 2007
SG	MIDAS-CF-0105-06-G-141	KANGUROID LTDA	\$ 4.566.680.550	February 15, 2007
FOG	MIDAS-S-0135-07-G-142	SITECO LTDA	\$ 8.000.000	February 1, 2007
FOG	MIDAS-S-0324-07-G-143	SOCIEDAD PORTUARIA DEL NORTE S.A.	\$ 120.510.000	January 29, 2007
FOG	MIDAS-S-0224-06-G-144	ADMINISTRACIONES GJ/SEGURIDAD OMEGA	\$ 19.505.800	February 6, 2007
FOG	MIDAS-S-0045-07-G-145	DARIO GIL Y CIA S. EN C.S.	\$ 14.570.000	February 1, 2007
FOG	MIDAS-S-00134-07-G-146	MADERINCO S.A.	\$ 14.700.000	January 29, 2007
CONT	MIDAS-P-00361-07-C-147	ECONOMETRIA	\$ 140.969.035	February 5, 2007
FOG	MIDAS-S-0320-06-G-148	MILENIUM CONNECTION E.U.	\$ 45.000.000	February 1, 2007
FOG	MIDAS-S-0132-07-G-149	PRODESIC S.A.	\$ 24.000.000	February 2, 2007
BPA	MIDAS-S-00332-07-C-150	FUNDACION DEL ALTO MAGDALENA	\$ 50.000.000	February 1, 2007
BPA	MIDAS-S-00333-07-C-151	CAMARA DE COMERCIO DE PEREIRA	\$ 50.000.000	February 1, 2007
BPA	MIDAS-S-00373-07-C-152	CAMARA DE COMERCIO DE MANIZALES	\$ 50.000.000	February 1, 2007
BPA	MIDAS-S-00379-07-C-153	REMOLINA ESTRADA CONSULTORIA GERENCIAL S.A.	\$ 50.000.000	February 1, 2007
BPA	MIDAS-S-00380-07-C-154	SERVIMARKETING RESEARCH LIMITADA	\$ 50.000.000	February 1, 2007
FOG	MIDAS-S-00376-07-G-155	INDUSTRIAS MORARBE LIMITADA	\$ 4.800.000	February 12, 2007
FOG	MIDAS-S-00131-07-G-156	SESPEN	\$ 71.760.000	February 13, 2007
FOG	MIDAS-S-00377-07-G-157	FIJACIONES OROZCO	\$ 11.520.000	February 16, 2007



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FOG	MIDAS-S-00160-07-G-158	HUGO RESTREPO Y CIA	\$ 15.120.000	February 13, 2007
FOG	MIDAS-S-00323-07-G-159	FUNDACION PARQUE INDUSTRIAL DE LA CONFECCIÓN	\$ 94.920.000	February 19, 2007
FOG	MIDAS-S-00133-07-G-160	INDUSTRIAS CADI S.A.	\$ 48.375.000	February 20, 2007
FOG	MIDAS-S-00384-07-G-161	CONGELADOS DE COLOMBIA LTDA	\$ 13.875.000	February 20, 2007
FOG	MIDAS-S-00325-07-G-162	ESTATAL DE SEGURIDAD	\$ 19.055.486	February 6, 2007
BPA	MIDAS-S-0000-07-C-163	MARCOTEM	\$ 50.000.000	27-Feb.07
BPA	MIDAS-S-0000-07-C-164	CAJA DE COMPENSACION FAMILIAR DE CORDOBA	\$ 50.000.000	23.Feb.07
CONT	MIDAS-A-00417-07-C-165	CENTRO ANDINO PARA LA ECONOMIA EN EL MEDIO AMBIENTE (CAEMA)	\$ 47.947.200	March 1, 2007
FOG	MIDAS-S-00382-07-G-166	RELAX WOOD	\$ 20.800.000	February 26, 2007
CONT	MIDAS-S-00418-07-C-167	EPOPEYA LTDA.	\$ 28.000.000	February 28, 2007
FOG	MIDAS-S-00400-07-G-168	AUTOCENTRO LTDA	\$ 4.625.600	March 2, 2007
BPA	MIDAS-L-00000-07-C-169	LA IMPRENTA EDITORES SA	\$ 100.000.000	March 1, 2007
BPA	MIDAS-L-00000-07-C-170	CI GRAFICAS COLORAMA	\$ 100.000.000	March 1, 2007
FOG	MIDAS-S-00396-07-G-171	SEGURIDAD COLOMBIANA Y VIGILANCIA LTDA - SEVICOL	\$ 82.250.000	Marzo 13, 2007
FOG	MIDAS-S-00411-07-G-172	ANDINAUTOS S.A.	\$ 4.566.018	Marzo 6,2007
FOG	MIDAS-S-00399-07-G-173	DISTRIBUIDORA DE ACEITES Y GRASAS VEGETALES DEL VALLE LTDA	\$ 9.690.000	Marzo 9,2007
FOG	MIDAS-S-00397-07-G-174	CODIN S.A.	\$ 16.549.774	March 12, 2007
FOG	MIDAS-S-00398-07-G-175	HOTEL ABADIA PLAZA E.U.	\$ 4.440.000	Marzo 6,2007



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FOG	MIDAS-S-00387-07-G-176	VIDRIONET	\$ 800.000	March 7, 2007
FOG	MIDAS-S-00395-07-G-177	COOPERATIVA DE TRABAJO ASOCIADO COMUNIDAD ESTRATEGICA	\$ 539.240.200	Marzo 9,2007
FOG	MIDAS-S-00401-07-G-178	ALGER LTDA	\$ 9.720.000	March 12, 2007
FOG	MIDAS-S-00383-07-G-179	PRODUCTORES DE ALIMENTOS NATURALES PANA LTDA	\$ 140.000.000	March 2, 2007
BPA	MIDAS-L-00000-07-C-180	MARCO FIDEL ROBAYO MOYA	\$ 35.000.000	March 1, 2007
BPA	MIDAS-L-00000-07-C-181	CARMEN YANETH PIEDRAHITA POSADA	\$ 35.000.000	March 1, 2007
CONT	MIDAS-P-00000-07-C-182	RESEARCH AND OPPORTUNITIES	\$ 3.500.000	March 7, 2007
BPA	MIDAS-S-00437-07-C-183	CAMARA DE COMERCIO DE PUTUMAYO	\$ 50.000.000	March 9, 2007
BPA	MIDAS-S-00414-07-C-184	ACOPI ANTIOQUIA	\$ 50.000.000	March 9, 2007
FOG	MIDAS-S-00413-07-G-185	PRECOOPERATIVA PRODUCTORA DE ALIMENTOS PURO CAMPO	\$ 60.550.000	15.mar-07
FOG	MIDAS-S-00326-07-G-186	C.I. ALTIPLANO NORTE S.A.	\$ 43.815.000	March 30, 2007
FOG	MIDAS-S-00394-07-G-187	GENTE ESTRATEGICA S.A.	\$ 471.900.000	21-mar.07
FOG	MIDAS-S-00404-07-G-188	FRADISA S.A. (FRNQUICIA DE INVERSIONISTAS SANTANDEREANOS)	\$ 61.999.948	March 28, 2007
FOG	MIDAS-S-00403-07-G-189	CAJA SANTANDEREANA DE SUBSIDIO FAMILIAR-CAJASAN	\$ 56.593.000	Marzo 21,2007
FOG	MIDAS-S-00402-07-G-190	COLMUEBLES	\$ 6.480.000	Marzo 15,2007
FOG	MIDAS-S-00408-07-G-191	OBLEAS FLORIDABLANCA	\$ 26.400.000	March 21, 2007
FOG	MIDAS-S-00407-07-G-192	IMAS - INDUSTRIALES DE LA MADERA ASOCIADOS EN EL NORTE DE SANTANDER	\$ 84.683.500	Marzo 14, 2007



MIDAS INSTRUMENT	CONTRACT/GRANT NUMBER	CONTRACTOR/GRANTEE NAME	MIDAS GRANT AMOUNT	EFFECTIVE DATE
FOG	MIDAS-S-00412-07-G-193	CAMARA DE COMERCIO BUCARAMANGA-ALIANZA RIO SUAREZ PENELAS Y NIELES	\$ 192.200.000	Marzo 23, 2007
FOG	MIDAS-S-00426-07-G-194	PROGRESALUD	\$ 138.313.968	Marzo 21,2007
FOG	MIDAS-S-00386-07-G-195	CUELLAR SERRANO Y CIA. S EN C.	\$ 234.214.904	Abril 16, 2007
FOG	MIDAS-S-00430-07-G-197	TRANSPORTES ORO Y CIS S.C.S.	\$ 52.980.000	Marzo 26, 2007
FOG	MIDAS-S-00420-07-G-198	INSTITUTO PARA NIÑOS CIEGOS Y SORDOS DEL VALLE DEL CAUCA	\$ 32.340.000	marzo 16/07
FOG	MIDAS-S-00026-06-G-199	COMPAÑIA ENVASADORA DEL ATLÁNTICO LTDA (CEA)	\$ 561.550.218	April 1, 2007
BPA	MIDAS-S-00463-07-C-201	UNIVERSIDAD DEL MAGDALENA	\$ 50.000.000	Marzo 27, 2007
BPA	MIDAS-S-00464-07-C-202	FUNDEMICROMAG	\$ 50.000.000	Marzo 27, 2007
BPA	MIDAS-S-00465-07-C-203	CAMARA DE COMERCIO DE LA GUAJIRA	\$ 50.000.000	Marzo 27, 2007
BPA	MIDAS-S-00466-07-C-204	UNIVERSIDAD DE L A GUAJIRA	\$ 50.000.000	Marzo 27, 2007
FOG	MIDAS-S-00432-07-G-205	LA CONSTRUCTORA	\$ 79.957.000	Marzo 26,2007
FOG	MIDAS-S-00409-07-G-206	SERVICIOS DE COLOMBIA S.A. SERVICOL	\$ 86.715.000	Marzo 26, 2007
FOG	MIDAS-S-00404-07-G-205	FRADISIA S.A.	\$ 61.999.948	March 28, 2007
CONT	MIDAS-P-00419-07-C-210	CAVELIER ABOGADOS	\$ 104.260.320	March 15, 2007
TOTAL			\$ 15.614.279.454	

The following Task Orders were signed during this quarter:

Table 69

TASK ORDER NO.	TASK ORDER NAME	T.O. PERIOD	AMOUNT PAID IN US\$
MIDAS-TSG-001-084	MIDAS Policy Component Management Subactivity	January - December 2007	\$ 394.369
MIDAS-TSG-	MIDAS Policy Component - Financial Market	January - December	\$ 1.803.739



TASK ORDER NO.	TASK ORDER NAME	T.O. PERIOD	AMOUNT PAID IN US\$
001-085	Reform	2007	
MIDAS-TSG-001-086	MIDAS Policy Component - Agriculture, Forestry and Environmental Policy Reform	January - December 2007	\$ 952.186
MIDAS-TSG-001-087	MIDAS Policy Component - Sanitary and Phytosanitary Standars	January - December 2007	\$ 1.197.897
MIDAS-TSG-001-088	MIDAS Policy Component - Technical Norms - TBT	January - December 2007	\$ 322.611
MIDAS-TSG-001-089	MIDAS Policy Component - Labor Markets Reform	January - December 2007	\$ 570.385
MIDAS-TSG-001-090	MIDAS Policy Component - Competitiveness Reform	January - December 2007	\$ 1.102.361
MIDAS-TSG-001-091	MIDAS Policy Component - DIAN Institutional Strengthening, Service Sector Regulatory Reform and Procurement Seminars	January - December 2007	\$ 327.417
MIDAS-The Trust For The Americas-001-001	Community Public Information/Relations Specialist	March 2007 - March 2008	\$ 46.307
TOTAL			\$ 6.717.272

The Requests for Proposals (RFP) shown in advance were published during this quarter.

Table 70

RFP No	DETAILS	Component	Starting Date	Ending Date
MIDAS-P-2007-001	PROYECTO DE ELIMINACIÓN DE BARRERAS ADMINISTRATIVAS A NIVEL SUB-NACIONAL - LEGAL	POLICY	Feb 13, 2007	Feb 28, 2007
MIDAS-P-2007-002	PROYECTO DE ELIMINACIÓN DE BARRERAS ADMINISTRATIVAS A NIVEL SUB-NACIONAL - IMPUESTOS	POLICY	Feb 13, 2007	Feb 28, 2007
MIDAS-S-2007-003	CONTRATACIÓN DE UNA ORGANIZACIÓN QUE SE ENCARGUE DE DISEÑAR Y DESARROLLAR SIETE TALLERES DE MOTIVACIÓN PARA LA RED DE PROVEEDORES DE PROYECTOS DEL COMPONENTE PYME DEL PROGRAMA MIDAS	PYME	Feb 14, 2007	Feb 21, 2007
MIDAS-P-2007-004	FEDESARROLLO	POLICY	Feb 16, 2007	March 9, 2007
MIDAS-P-2007-005	UNIANDES - CEDE - VARIOS	POLICY	Feb 15, 2007	Mar 2, 2007
MIDAS-P-2007-006	PROYECTO DE ELIMINACIÓN DE BARRERAS ADMINISTRATIVAS A	POLICY	March 14, 2007	March 23, 2007



RFP No	DETAILS	Component	Starting Date	Ending Date
	NIVEL SUB-NACIONAL - IMPUESTOS (2)			
MIDAS-F-2007-007	FEDEMADERAS - CONSULTORIA PARA EL DISEÑO E IMPLEMENTACION DE UNA BASE DE DATOS QUE CONTENGA INFORMACION SOBRE LAS PYMES FORESTALES Y MADERERAS	FORESTRY	March 27, 2007	April 13, 2007

8.2. Next Quarter Objectives

- Continue to evaluate and award new proposals derived from the ABC's and CFC's APS's published in 2006.
- Continue to evaluate and award new proposals for the SME component new project providers.
- Negotiate and award task orders per activity for the Policy Component.
- Review and approve Biodata Forms for Consultants and long term staff included in Task Orders as "To Be Determined".
- Compete and Award subcontracts for the Policy Component.
- Compete and award the subcontract for the Natural Forest Projects operator for the Forestry Component.
- Issue Long-Term Financial Sources Assessment Task Order for the Agribusiness and Forestry Components.
- Update ex-CAPP Grants and Contracts into MIDAS model.
- Continue the training of new grantees and MIDAS Staff.



9. FINANCIAL AND ECONOMIC ANALYSIS

9.1. Overview

The Financial and Economic Analysis department of MIDAS was created out of the reorganization or merge that took place between CAPP and MIDAS which became effective on June 30, 2006 and completed in late September, 2006. Since September 2006, in view of the new USAID requirement for an economic analysis, the department has worked during the quarter with an outside consultant to incorporate economic factors into the analysis of projects.

9.2. Administration

FEAD staff consists of a manager, a senior analyst and an administrative assistant. FEAD coaches and trains project coordinators and component financial analysts to carry out and complete standardized project financial and economic analysis.

9.3. Support Activities

FEAD works closely with project coordinators of both the Agribusiness Component (ABC) and the Commercial Forestry Component (CFC) and reviews all project proposals from the financial and economic perspective. The FEAD manager is a voting member of MIDAS Review Committees which approve projects to move to the approval and implementation stages. However, for the Small and Medium Enterprise Component (SMEC), FEAD does not coach or train project coordinators nor participates in the standardization of the financial analysis carry out in the component but does provide feedback and recommendations about the weaknesses of financial nature raised during the review committees.

9.4. Key Constraints and Actions to Take

9.4.1. Key Constraints

- The review and application of the new financial and economic analysis recommendations of Raul Castro, the consultant contracted to provide recommendations to further improve the financial analysis and establish the economic analysis of projects, came at a time of a heavy project development load.

9.4.2. Actions Taken to Overcome Constrains

- The department has been working very closely with Mr. Raul Castro to understand and minimize the impact of the recommendations to be adopted. We are at the final stages of and are certain the recommendations will be fully implemented early next quarter.
- All PCs of the ABC and CFC components are scheduled to be trained in the new standardized analysis formats but it is extremely important everyone adheres to the established standards and procedures to expedite the flow of a project to its approval.



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- Component managers and USAID activity managers have to be in agreement to carry out the financial and economic analysis as per the recommendations of the consultant or request the necessary changes prior to the scheduled date for initiating the new analysis process.

9.5. Next Quarter Objectives

- Process all the proposals in the most efficient manner within the established time and quality standards. It is expected the volume of projects for 2007 will increase dramatically.
- Coach and train component staff in the use of standardized analysis procedures and forms. The consultant is not planning to provide a fully automatic integrated analysis system and the output template will need to be fed from various manual and excel sources which need to be examined thoroughly to ensure accurate and reliable information and reports are provided.
- Draft the revised financial review procedures. Do the same with the economic analysis procedures in the event the consultant does not provide it.
- During the next quarter, the financial and economic analysis processes of MIDAS and ADAMS will be reviewed to share best practices.



10. MIDAS & ADAM SHARED SERVICES

10.1. Combined Services

10.1.1. Controller

10.1.1.1. Key Achievements of Current Quarter:

- Audit reports and communications were issued in relation to the closing of year 2006, internal controls in the Information Technology area, due dates of tax obligations and presentation of reports to control and oversight entities, recommendations on the implementation of the DGP software package and responses to questions that came up during training sessions for grantees.
- Implementation of the Microsoft Dynamics Great Plains accounting software package in a record time of only 4 months.
- For the first time in the company's history, financial statements were issued and published.
- Training sessions on the Manual of Financial Procedures for Grantees were planned and carried out for grantees in the Agribusiness and Forestry components.
- Special audits were performed on some grantees, and the corresponding reports were issued.
- Support was provided to the Administrative Department to review procedures in purchasing, travel expenses, formalization of advance payments, Petty Cash funds at regional offices, and also to the Comptroller's area concerning document flows and MIDAS program components.
- A payment system using checks and automatic deposits through Citibank was implemented.
- The agreement with the entity through which payments are made to regional suppliers that are not linked with the financial sector (SIN) was formalized.

10.1.1.2. Main Challenges for the Current Quarter:

- Strengthen regional offices through training on the Manual on Financial Procedures for Grantees.
- Strengthening and socialization of the accounting software package throughout the organization.
- Validation and integration of the accounting software package with the payroll software package.
- Updating of processes in which the accounting software is involved.



- Strengthening of the review process of grantee financial documents.
- Begin the execution of audits for CAPP grantees and new grantees of the ADAM and MIDAS programs.
- Follow up on the results of the inventory taken on furniture and equipment.
- Define the approach Internal Auditing will take towards the organization, and establish the audit plan for the year.
- Obtain access to information for Internal Auditing to information on the different components.
- Installation and testing of the payment system through ACH, based on information generated in the accounting software package.
- Manage the implementation process for the Invoice Tracking System in ADAM and follow up on the process improvements made through the Invoice Tracking System in MIDAS
- Manage the implementation process of MERA, SIMA – and the accounting software package.
- Manage the software development process for management of travel expenses in ARD
- Design tools to help make more precise requests for funds

10.1.1.3. Primary Objectives for the Next Quarter

- Define the role of each signature required in the payment process, particularly those of the COPs, so as to evaluate the possibility of having a second authorized staff signature for transfers and checks by other staff members. This shall ensure a faster payment process once the treasurers have received the payment documents.
- Analysis of accounting information.
- Migration of historical information to the new accounting software package.
- Design and implementation of reports in the new accounting package.
- Provide training to the areas that require it on the use of the accounting software package and the data queries available in the system.
- Review and validate the budget information.
- Perform training at the regional level on the Manual of Financial Procedures for Grantees.
- Perform Audits on the graduated projects and the new projects of the ADAM and MIDAS programs.
- Provide support in writing up procedures for the ADAM program.
- Establish the audit plan for the year.



- Establishment of internal processes in the comptroller's office: Invoice reviews, tax calculations, accounting records and filing of documents, among others.

10.1.2. Security

10.1.2.1. Achievements during the Quarter

- Voluntary brigade members training in Bogotá headquarters.
- Antioquia regional training about land mines.
- Buy fire extinction equipment for Regional Offices.
- Security incidents Follow-up.
- Implementation of the electronic security system for the main office: Installation and function of the Access control System, CCTV and alarm and fire detection system.
- Implementation of new travel procedure.
- Access procedures implementation in the main office.

10.1.2.2. Future Activities for the Next Quarter

- Review and approval of the Security Plan by the security committee.
- Review of physical security audits for the Regional Offices.
- Design crisis procedures design.
- Emergency plans implementation in the Regional Offices.
- Evacuation Training for Bogotá and Regional Offices.

10.1.2.3. For each of the ADAM & MIDAS regional offices: Security Incidents

Putumayo, Magdalena Medio and Tolima regional offices inform to have developed their activities without being affected by the situation of violence and armed conflict in the middle of were they work.

Apartadó had an incident where a boat capsized in the Atrato River and two officials didn't have life jackets, therefore the purchase of vests was done for all the regional offices.

Municipality of Caldono visit was cancelled because of a combat incident on the Pan-American Highway with the Guerrillas.

The ADAM Roadshow in Tumaco, Nariño (provincial Rio Rosario) was canceled because of concerns of possible reactions by the ELN in the sector.

Officials of the forest component of the Antioquia regional office canceled a visit to the Municipality of Vigía del Fuerte (Chocó) because of a large abduction in the Municipality Medio Atrato.



An explosion of a bomb in the proximity of the office of the regional one in Neiva, creating alarms among the employees, by which a called chain was initiated to locate all the employees, nevertheless the task was complied without any misfortune.

10.1.3. Administration

10.1.3.1. Achievements during the Quarter

- Full physical reorganization of ADAM, MIDAS and share functions personnel at the central offices.
- Recruiting and purchase of the new software for external visitors.
- Hiring of 90% of required personnel.
- Implementation of 70% of payroll software.
- Purchase and installation of security equipments required for central offices.
- Training and delegation of authority to regional administrative assistants to facilitate processes and enhance customer support efficiency.
- Great Plains software implementation to best manages administrative processes that incur in accounting implications.
- New Internet System implemented at Barranquilla, Medellín and Cali regional offices.
- Improve the internet connection and support system for all regional offices of ARD Inc. Colombia.
- Installation of voice and data services at the new central offices, corporative services and managing email accounts. Design and implementation of the SAM Help Desk.(Support ADAM - MIDAS)
- Installation of new corporative phone lines.
- Kick-off of the process of identifying company assets in a systemized way.
- Implementation of the central filling system.
- Changes and improvements for all administrative process and procedures including flowcharts and key performance indicators.
- Reduced hiring and salary negotiating timings for best customer support.
- Started implementation of new competencies system and performance management.
- Design and implemented EXPAT process which includes security updates, accreditation process, house hunting and others.
- For the first quarter of 2007, 1,101 local trips were processed, 25% for ADAM, and 73% for MIDAS and 2% for shared functions.
- During this first quarter, 38 local trips were processed for local events, 42% ADAM and 58% MIDAS.
- For international trips, 84% were processed for MIDAS, all for the Policy component, 10% for ADAM, and 6% trips from HO.



Table 71

Activity Description	Shared Functions	ADAM Program	MIDAS Program	TOTAL
National Trips	17	283	801	1101
International Trips	3	7	54	64
Hotel Reservations	9	215	408	632
Events		16	22	38
Agreements with Hotels				6
Trips Changed (%)	15%	15%	15%	
Reservations Changed (%)	15%	15%	15%	

10.1.3.2. Main Challenges of the Previous Quarter

- Supervision of the central offices building to guarantee that fixings took place according to plans
- Establish and aligned administrative goals for 2007 in order to support ADAM & MIDAS Work Plans.
- Opening of Bucaramanga, Cali, Pereira, Ibagué and Neiva Regional Offices.
- Designed a communications network that allows us to be connected between main and regional offices, ADAM & MIDAS.
- Developed and implemented administrative software for better control and centralizing mailing information.

10.1.3.3. Primary Objectives for the Next Quarter

- Second phase of the new competencies plan and performance management system implementation.
- Finish payrolls software implementation.
- Design a risk management plan for central and regional offices.
- New ID's for all employees and consultants.
- Minimize time in purchasing orders for regional offices requisitions.
- Communicate and publish all administrative procedures in the intranet.
- Finish physical inventory and implement bar code system obtaining for more efficient assets control.
- Installation of wireless Internet service.
- Design and implement an Intranet.

10.1.3.4. Personnel Hiring

In regard to the first quarter of 2007, the Human Resources Department processed 27% of the hiring of personnel and 12% of the contracting of consultants of the total hiring and contracting completed by the closing date of March 31, 2007.

The following table lists the contracting/hiring made during the quarter as well as the total distributed per program and per shared services.



Table 72

Activity Description	Shared Functions	ADAM	MIDAS	TOTAL	TOTAL as of march
Employees signed in the Quarter	20	11	65	96	355
Withdrawals	2	5	7	14	34
Total Employees as of March	75	106	140	321	
Consultant Contracts	0	7	4	11	92
Total Consultancies as of march	2	63	27	92	
Required Personnel/Contracted Personnel	97%	83%	90%	89%	89%

During this quarter, the Human Resources Department processed 31% of all salary verifications that were completed by march 31st. Likewise, 17% of the RFAs delivered to USAID were processed. During the first quarter end, 5 of 54 RFAs still remained pending for USAID's approval; 27% of social security affiliations were processed and 27% of the induction trainings were carried out.

Table 73

Activity Description	Shared Functions	ADAM Program	MIDAS Program	TOTAL	TOTAL as of march
Salaries Verifications	26	17	78	121	395
Delivery of RFAs	3	11	40	54	317
Social Security Affiliations	20	11	65	96	355
Training (Inductions)	9	9	48	66	155