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Cover Photo: Beneficiary Wilber Mestre of the Arhuaco tribe at his coffee plantation in the Sierra Nevada. Organic Coffee Certification Project, SME Component.

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MÁS INVERSIÓN PARA EL DESARROLLO ALTERNATIVO SOSTENIBLE

Third Quarter Report FY' 08

DISCLAIMER

The author's views expressed in this publication do not necessarily reflect the views of the United States Agency for International Development or the United States Government.

JULY 2008

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ACRONYMS

ABC	Agribusiness Component
ADAM	Áreas de Desarrollo Alternativo en los Municipios
ARD	Associates in Rural Development
AWP	Annual Work Plan
BPIN	Banco de Proyectos de Inversión Nacional
C&G	Contracts and Grants
C&O	Communications and Outreach
CAPP	Colombia Agribusiness Partnership Program
CFC	Commercial Forestry Component
CIF	Certificado Incentivo Forestal de reforestación
FFS	Farmer Field School
FINAGRO	Fondo para el financiamiento del sector Agropecuario
FOMIPYME	Fondo Colombiano de Modernización y Desarrollo Tecnológico de las Pequeñas y Medianas Empresas
FOG	Fixed Obligation Grant
FTE	Full Time Equivalent
FUPAD	Fundación Panamericana para el Desarrollo
G&S	Grants and Subcontracts
GoC	Government of Colombia
ICBF	Instituto Colombiano de Bienestar Familiar
IDP	Internally Displaced Populations
INVIAS	Instituto Nacional de Vías
LoP	Life of Program
MAVDT or MMA	Ministry of Housing and the Environment
MHCP	Ministry of Finance
MIDAS	Mas Inversión para el Desarrollo Alternativo Sostenible
MPC	MIDAS Policy Component
PC	Project/Proposal Coordinator
PILAS	Programa de Apoyo y Asistencia Humanitaria Integral a la Población Internamente Desplazada y Otros Grupos Vulnerables
PMP	Performance Management Plan
PPD	Program Planning Department
PS	Project Suppliers
RBB	Results Based Budgeting
SIM	Sistema Información de MIDAS
SFS	Súper Intendencia Financiera
SME	Small and Medium Enterprises
SPS	Sanitary and Phyto-sanitary Standards
ToR	Terms of Reference
USAID	United States Agency for International Development

EXECUTIVE SUMMARY

The June 2008 USAID external evaluation of USAID's Alternative Development (AD) program found that, in terms of creating conditions in which robust economic growth could occur, MIDAS has achieved a great deal. The evaluation recognized that a growth-oriented strategy emphasis was highly appropriate given the prevailing weak economic performance at the time of the MIDAS design and that with a growing national economy, the attractiveness of AD increases. The evaluation also highlighted the importance of MIDAS microfinance activities (which presently have 378,024 active beneficiaries) and Alternative Development. It recognized that small enterprises in communities on and near the coca frontier will not be able to fulfill their

"...the policy work done under MIDAS has been excellent, is greatly appreciated by the GoC and has helped to bring about economic and regulatory reforms that have contributed to Colombia's strong economic growth performance over the past few years." USAID External Evaluation June 2008.

potential for growth if they do not have access to financial services and the structure of agriculture financing is not reformed.

MIDAS began an internal dialogue to better understand and strengthen its contribution to AD objectives. The MIDAS Senior Team determined that MIDAS' contribution to AD should not be defined in terms of the standard AD paradigm of coca substitution/prevention. Geographic areas and populations are affected differently by the presence of illicit crops with violence and

displacement a common denominator. MIDAS supports the recovery of these geographic areas and populations through the expansion of local licit economies which in turn generate significant new sustainable productive employment opportunities. MIDAS is now assisting the GoC on the development of a CONPES policy white paper for AD that will incorporate Lessons Learned from ADAM and MIDAS.

With implementation in full gear and moving smoothly, MIDAS began to develop an internal agenda to identify actions to enhance implementation efficiency and quality, begin actions on Knowledge Management and the MIDAS legacy, human resource development, and implementation of the Afro-Indigenous earmark.

At the request of USAID, three regional AD Consultative meetings were held with regional and national representatives from different NGO's. The need for follow up constructive dialogue was identified on critical issues such as food security, environmental regulations compliance, and land tenure.

Efforts were taken to make operational new activities financed under the new 2008 agreement with ACCIÓN SOCIAL to manage a first tranche of \$1.3 million in GoC funds. ACCIÓN SOCIAL also made known their intentions to amend this agreement and add an additional \$300,000 in GoC funding. Negotiations are currently underway with the Clinton Foundation for their contribution of approximately \$200,000 (to be managed by ARD) to a Cartagena Hotel Suppliers project.

MIDAS ended the third quarter of FY08 with important achievements in 2008 Work Plan targets. The target for New Jobs created was almost achieved (98% of the target), 78% of the Families Benefited target was reached, and 72% of the Natural Forest hectares work plan goals were achieved. In the case of Natural Forestry, MIDAS executed agreements with 4 community councils for 30,000 Has of natural forestry conservation and stewardship. These agreements are the foundation for the new strategy designed to enhance the value and long-term sustainable use for large areas of natural forest.

MIDAS has now achieved 121% of its LoP target for Families Assisted, 40% New Hectares, 48% Natural Forest Hectares, and 69% of New Jobs Created. MIDAS is now going beyond its emphasis on quantitative

results and is beginning to assess the qualitative impact of these achievements, particularly in terms of their contribution to Alternative Development. A Case Study is being prepared on the Alternative Development impact of MIDAS activities in Catatumbo. The project is also beginning to look at the relationship among investments in ex-conflictive areas, the decline in illicit activities, and the increase in social capital formation.

1. OVERVIEW

1.1. DELIVERING ON COMMITMENTS

Total commitments under MIDAS Grants & Subcontracts budget line reached during the third quarter were COP\$ 162,955,329,107 equivalent \$ 87.4 million at an exchange rate of 1,830. An additional USD \$ 17.9 million has been committed by the home office since the program began. During the reporting period thirty-nine new contracts and grants were committed. In addition, sixty contracts and grants were modified and thirty were closed.

The CFC is now fully committed. During the next quarter the ABC will commit an additional \$900,000 and the SME an additional \$650,000 and be fully committed as well.

Results during the quarter raise cumulative achievements as follows:

Table 1: Key Q3FY08 and Cumulative Indicator Achievements

Indicator	Adjusted LoP	Achievements Q3 FY'08	Cumulative	% of LoP (% adjusted LoP)
Families	151,437	49,552	183,584	121
New Hectares	170,696	17,231	67,759	40
Natural Forest hectares	107,268	13,659	51,630	48
New Jobs	177,000	33,113	121,960	69

MIDAS now has 452 projects in implementation divided by components as follows: CFC with 15 projects for forestry plantations, 13 projects for sustainable management of natural forest; ABC with 26 new projects and 25 projects which were previously managed by CAPP; and SMEC with 373 projects in rural and urban areas.

1.2. THE NUMBERS

1.2.1. Overall Expenditures

Total cumulative MIDAS expenditures at the end of June 30, 2008 were \$ 84.2 million, representing 46% of total life of contract funding available. Actual expenditures for Q3 FY'08 were \$16 million. This represents a 152% increase vs. the previous quarter. The program reached approximately 94% of its expenditure target for Q3 FY'08 of \$17 million. MIDAS has expended 43% of its 2008 work plan budget total of \$62.2 million. Cumulative expenditures for CY08 are only about 82% of projected for the first semester of 2008. However, MIDAS is confident that expenditure projections will be exceeded during the second semester of 2008 and will finish the year fully meeting expenditure targets.

1.2.2. Overall Achievements

For the New Hectares target, 64% of the quarter target was achieved and 98% of the New Job Created target. MIDAS has now achieved 121% of its LoP target for Families Assisted, 40% New Hectares, 48% Natural Forest Hectares, and 69% of New Jobs Created.

1.2.3. The Small & Medium Enterprise Component

During the quarter the SMEC certified 27,073 new FTE jobs and benefited 38,289 families. Adding these figures to the 63,629 cumulative FTE jobs reported as of the end of March 2008, the SMEC has now certified a cumulative total of 90,702 new FTE jobs, benefited 152,692 families and strengthened 10,283 firms. These results represent an increase of 30% compared to the previous cumulative figure and a fulfillment of 107% of the 2008 Work Plan targets. The SMEC is active in 523 municipalities in all 6 MIDAS corridors – 400 classified as rural (76%) and 123 as urban (24%).

The SMEC is now generating 59% of its New Jobs in rural areas. Rural New Job creation is primarily a result of Specialty Coffee projects (63% of New Jobs) and fruits and vegetable projects (24% of New Jobs). Twenty-seven percent of New Jobs created directly benefited vulnerable groups.

The SMEC Project Provider network is now down to 44 institutions (from a high of 90+ in 2007) of which 13 had presented projects that were actually approved. SMEC, with the support of the Policy component continues discussions with the Ministry of Trade, Industry, and Tourism on incorporating the MIDAS SME Lessons Learned model into the FOMIPYME methodology. It is expected that the SMEC will assume a leading role in the implementation of the Afro-Indigenous Earmark in two zones: Buenaventura and the municipalities of the Pacific Coast of Cauca. The SMEC is developing a coconut value chain improvement project and a project to link local Afro Colombian communities to the building of the large Social Interest Housing projects in Buenaventura and eventually develop local suppliers for goods used by the construction sector.

1.2.4. The Commercial Forestry Component

With the approval of the AGRONAYA forestry plantation project during the quarter, CFC now has a final implementation portfolio of 15 forestry plantation projects. CFC also signed agreements with the 4 community organizations that will be implementing MIDA's new "Better Management" of Natural Forests strategy referred as the PHASE II projects. In return for effective protection of clearly delineated conservation areas, the communities will receive between COP\$ 37,500 and COP\$ 41,650 per hectare that they agree to invest in productive agricultural and agro-forestry projects within their communities. Under the new strategy a total of 30,198 hectares will be placed under conservation and a total of COP\$ 1,590,250,000 will be provided to communities for protection and vigilance efforts.

During this quarter, the main indicators showed significant albeit mixed progress: the number of hectares planted was 5,208 hectares compared to 8,396 planned. On the other hand, the number of Families Benefited achieved during the quarter reached 1,824 out of a goal of 876 (208%). Natural forest hectares were 13,659 compared to 19,000 projected. For New Hectares, the CFC has now achieved 29% of its goal for 2008, 35% of the goal for Hectares of Natural Forest, 93% of the goal for Families Benefited and 40% of the goal for New Jobs Created. The CFC will begin implementing a plan for eliminating the target deficit by the end of the

year. MIDAS total project support reached \$1,297,000 out of a goal of \$1,591,000. Fifteen producer associations were also strengthened.

1.2.5. The Agribusiness Component

The ABC initiated a series of regional CÓMO VAMOS meetings with MIDAS, AID, GoC local authorities, grantees and beneficiaries to discuss the scope and accomplishments of ABC interventions as well as problems encountered that need to be addressed. In terms of quarter achievements, the component registered the planting of 9,229 New Hectares, 9,439 Families Benefited and the creation of 3,938 New Jobs (FTE)—equivalent to 61%, 63%, and 126% of the 2008 Work Plan targets for the quarter, respectively. Additional funding was committed in new projects during the quarter that will eventually add 3,677 New Hectares, 4,569 New Jobs (FTE), and benefit 2,475 families. There are also 2 projects in the approval phase that will contribute 1,100 additional New Hectares that will be committed next quarter. The component identified the need to address a potential shortfall of 4,400 New Hectares for 2008. It is already working on an internal adjustment of the portfolio and a potential reallocation of \$1.8 million in committed funds.

1.2.6. The Policy Component

During QR3 FY08, the MPC exceeded its quarterly goals for supporting the approval process of Decrees/resolutions/circulars (4 goal, 6 achieved) and Institutional Reforms (5 goal, 9 achieved). Accomplishment highlights include;

- A Base Proposal for the Design and Implementation of a National Program for Land and Property Restitution, that contains strategies and criteria to create in Colombia a Program for Property Restitution (PRB) oriented to displaced populations.
- 13 handbooks for the updated meat inspection system were delivered to INVIMA on June 30th 2008 after a long process of detailed technical work and harmonization which involved 10 SPS consultants.
- A new Decree was issued to regulate the Small-Amounts Saving Accounts to reduce costs associated with them and foster a savings approach for lower income groups.
- A new CONPES for a National Policy of Productivity and Competiveness was issued.
- A new Decree to regulate financial derivative instruments and enhance their contribution to the development of capital markets.
- A new Decree to help regulate the activities of securities intermediaries and brokers to enhance protection for the smaller, non-professional investor client.
- A new resolution was issued by the Ministry of Social Protection for the efficient expansion of labor inspections.
- A new CONPES for fruits and vegetables SPS policies was issued.

The MIDAS Microfinance program now has 378,024 active clients (65% women, 17% Afro Colombian) accessing average loans of \$970 and a total credit portfolio of \$47 million.

1.2.7. Private and Public Sector Funds Leveraged

Efforts were taken to make operational new activities financed under the new 2008 agreement with ACCIÓN SOCIAL to manage a first tranche of \$1.3 million in GoC funds. Under this agreement five new SMEC projects will be initiated as well as additional funds for seeds and productive infrastructure will complement activities funded under the recently signed MIDAS Agribusiness projects of Espeletia and Ocaña ACCIÓN SOCIAL also made known their intentions to amend this agreement and add an additional \$300,000 in GoC funding. Negotiations are currently underway with the Clinton Foundation for their contribution of approximately \$200,000 (to be managed by ARD) to a Cartagena Hotel Suppliers project.

The CFC component is presently contributing only 13% of the total project investment, ABC component 11% and SME component is contributing 46% of the total technical assistance and 11% of the total project investment. With an investment of \$94.2 million, USAID/MIDAS funds are leveraging more than \$703 million in private and public funds.

1.3. THE PIPELINE

As mentioned previously, CFC has fully committed their G&C funding. The SME will commit an additional \$900,000 and ABC \$600,000 and will be fully committed as well.

2. MIDAS PROGRAM

2.1. ACHIEVEMENTS

2.1.1. Key Indicators

The “internal families” indicator represented the highest achievement for this quarter, with 142,346 benefited families reported by the SME and Policy components. The families reported by the Policy Component were the ones benefited by the Microfinance Program. MIDAS has achieved the number of jobs proposed in the WP/08 for this quarter (98%). The new hectares indicator achieved 64% of the goal set for the quarter and the indicator of benefited families achieved 78%.

In the Table 2 are the performance indicators according to the 2008 Work Plan and LoP. In terms of LoP, the number of New Jobs created increased from 50% to 69% since last quarter. The number of New Hectares rose from 30% to 40% and the number of Natural Forest Hectares increased from 35% to 48% with the inclusion of the conservation areas reported by CONCOSTA and Chigorodó community councils. The number of direct Families Benefited increased from 89% to 121% - the first indicator to surpass the LoP goal.

“Benefited families” is the first indicator to reach the goal set for its LoP: 183,584 families have been benefited, which represents 121% of the fixed goal (151,437).

Table 2: Achievements April to June 2008

Performance Indicators	SO	Adj. LoP Goal	2008 (AWP target)	2006 + 2007 (actual)	Q3 FY'08 (actual)	Q3 (AWP Target)	% Q3/AWP Goal	Cum. 2008	2008 / AWP target %	2006-2008 Cum.	Cum. / LoP GOAL % (Cum./LoP Adj.%)
Number of Jobs Created	SO2, SO3	177,000	115,957	64,300	33,113	33,765	98%	57,660	50%	121,960	69%
New Hectares	SO2	170,696	72,806	43,676	17,231	26,839	64%	24,083	33%	67,759	40%
Hectares Supported (Attended)	-	N.A.	27,470	25,152	17,998	20,085	90%	22,701	83%	47,853	-
Managed Forest Hectares	SO4	107,268	60,122	30,646	13,659	19,000	72%	20,984	35%	51,630	48%
Number of Families Benefited	SO5	151,437	213,894	95,071	49,552	63,240	78%	88,513	41%	183,584	121%
Number of Families Benefited	Int.	340,677	269,439	49,610	142,346	60,796	234%	182,188	68%	231,798	68%
Number of Producer Associations/ Processors Strengthened	SO3	88	134	170	35	40	88%	56	42%	226	257%
Private Sector Firms Formed or Strengthened	SO2	10,505	1,124	8,394	396	554	71%	1,958	174%	10,352	99%

2.1.2. Performance indicators

Total commitments under MIDAS Grants & Subcontracts budget line during the third quarter reached COP\$ 162.955.329.107 equivalent to \$ 87.4 million at a 1,863 exchange rate. An additional \$ 17.9 million has been committed by the home office in US based contracts since the start of the program.

During the reporting period the MIDAS Contracts and Grants Department committed thirty-nine new contracts and grants. In addition sixty contracts and grants were modified and thirty were closed out. Through the end of the project, new commitments will continue to decrease as modifications and grant closeouts increase.

In addition to modifications, the Contracts Specialists for the Forestry, Policy, and Agri-business components processed fifty-eight administrative modifications or approvals for projects in implementation. Approvals include TBD positions, minor budget modifications and other modifications that don't require USAID approval.

2.1.3. Financial indicators

By FY08 Q3 MIDAS has spent 46.2% of the total budget of \$ 182 million for the life of the program (Table 4). During FY08 Q3 MIDAS expenditures totaled \$ 15.967.159, a 51.5% increase over the previous quarter. Expenditure achievements during the present quarter represent a 23.4% increase over the total expenditures achieved during the life of the program up to March 2008. By the end of June 2008, we have accomplished 81.91% of the latest LOP expenditure projections delivered on June 2008 and 94.13% of the WP expenditure projections for the second quarter of CY 2008.

Table 3: Total Cumulative Expenditures to June 30, 2008 by CLIN – MIDAS Program

	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 06/30/08	Remaining to 12/21/10	% Spent
Personnel								
Total Personnel	19,696,765	4,098,864	3,688,320	2,590,845	1,521,749	11,899,779	7,796,986	60.4%
Fringe Benefits	7,831,019	1,625,793	1,617,583	1,049,145	567,321	4,859,842	2,971,177	62.1%
Travel & Transportation	9,334,697	769,526	912,917	605,428	1,522,278	3,810,149	5,524,548	40.8%
Allowances	2,761,279	209,522	290,834	180,956	97,883	779,194	1,982,085	28.2%
Subcontracts	110,904,669	11,642,866	17,428,622	5,737,032	12,517,644	47,326,164	63,578,505	42.7%
Equipment	739,403	495,721	341,039	245,422	217,592	1,299,773	(560,370)	175.8%
Other Direct Costs	4,990,229	1,299,364	1,124,300	793,271	708,394	3,925,329	1,064,900	78.7%
Subtotal	156,258,061	20,141,656	25,403,615	11,202,098	17,152,860	73,900,230	82,357,831	47.3%
Indirect Costs								
Total Indirect Costs	18,616,236	2,135,573	2,238,169	1,458,121	1,045,647	6,877,510	11,738,726	36.9%

Fixed Fee	7,173,798	936,836	1,163,452	533,921	766,188	3,400,397	3,773,401	47.4%
Total Costs & Fixed Fee	182,048,095	23,214,064	28,805,235	13,194,141	18,964,696	84,178,137	97,869,958	46.2%
Percentages by CLIN		27.6%	34.2%	15.7%	22.5%	100.0%		

2.1.4. Burn Rate Analysis

From an initial Burn Rate projection of US\$ 16.963.696 for the second quarter of CY 2008, MIDAS achieved 94.13%. Actual burn rate for the quarter was US\$ 15.967.159.

By the end of the second quarter of 2008, MIDAS is US\$ 5.853.251 million behind the overall projection, although the second quarter expenditures reduced the gap from the first quarter. Underexpenditures for the C&G line item continue to the problem. There were delays in the startup of some projects generating a US\$ 4.0 deficit for the line item expenditure projection. ABC and MPC are the components with the greatest burn rate deficits.

An analysis of burn rate results show a low budget execution level continues under the MIDAS Policy Component. Main reasons as established on the previous QR are:

1. Important budgetary changes, particularly regarding the Agriculture / Forestry / Environmental Reform subcomponent, that was removed from the C&G line to be managed by ARD under the personnel line. This required a readjustment of TSG projections under the C&G line.
2. The cash flow assumes that there will be continuous execution starting from January 1st. However, the TOR for TSG that represents 80% of the C&G line was not approved until end of June affecting the initial projection. To compensate for this situation the component developed new projections where initial burn rate is recovered during the period from July to December.
3. Invoices for TSG are usually two months behind and this factor was not included in the projections.

The Policy component continues working hard with TSG to find a mechanism that will accelerate the flow of invoices to reduce the two month period.

ABC numbers continue to be below projections as a result of a delay with three projects: FEDECAFE, behind on disbursements although they have a 100% accomplishment on other indicators; COODESARROLLO, supposed to start in the first quarter but did not begin until April and will only report disbursements on the second quarter; and BSD, starting on July but had cash flow assigned since the first quarter. Other projects were also delayed because of credit problems that affected starting dates.

ABC reorganized its project management procedures to improve indicator accomplishments and also reviewed its portfolio project by project to determine how to increase the burn rate during the next two quarters. The component is processing Cost and No-Cost extensions to achieve their goals by the end of the year. CFC is accomplishing 75- 80% levels of their C&G budget line item burn rate projections. The execution of the four agreements with communities under their new "Improved Management" Natural Forest strategy is a strong contribution to their burn rate capacity. SME is achieving it goals on a 100% level on the second semester with an exceptional execution on June's voucher where they recovered the delay from May. The component has done a great effort to maintain its projected numbers.

2.2. NEXT QUARTER OBJECTIVES

The MIDAS portfolio is almost completely committed by this quarter and only a few additional approvals are pending for ABC and SME. SME will continue to approve additional projects until August 2008 in order to reach the maximum funding level approved in its C&G line on 2008 budget.

3. SMEC

3.1. ACHIEVEMENTS

3.1.1. Key Indicators

27,073 New Jobs were created during the quarter.

During FY 08 Q3 the SME Component (SMEC) achieved growth in key indicator accomplishments for New Jobs created, Families Benefited, and Firms Strengthened at a

faster pace than the previous quarter. Regarding geographical coverage, the SMEC is active in 523 municipalities in all 6 MIDAS corridors - 400 classified as rural (76%) and 123 as urban (24%). This is an increase of 21% compared to last quarter when the Component reached 434 municipalities - 325 classified as rural (75%) and 109 as urban (25%).

During the quarter the SMEC certified 27,073 New FTE jobs benefiting 38,289 Families. Adding this figure to the 63,629 cumulative FTE Jobs reported as of the end of Q2 FY 08, the SMEC has now certified a cumulative total of 90,702 New FTE Jobs. The cumulative total for Families Benefited is 152,692 Families and 10,283 Strengthened Firms. For New FTE Jobs created this represents an increase of 30% compared to the previous cumulative figure and an accomplishment of 107% of the 2008 Work Plan targets (Table 4).

Table 4: SMEC Achievements for the Quarter

Achievements				
Performance Indicators	LoP Goal @ 163.5 M Level	Q3 FY 08 (actual)	Q3 FY 08 (Q2 AWP Target)	%Q3 FY 08 / Q2 AWP Target
1. Number of Jobs Created	125,000	27,073	25,314	107%
2. New Hectares	11,079	2,754	3,361	82%
2.I. Hectares Supported (Attended)	47,216	21,788	20,085	108%
3. Number of Families Benefited	125,000	38,289	53,720	71%
3.I. Number of Families Benefited (Internal)*	418,000	39,697	77,716	51%
4. Private Sector Firms Formed or Strengthened	10,400	396	554	71%
5. Producer / Processor Associations Formed or Strengthened	8	20	10	200%
6. MIDAS Total Project Support (\$000)	\$21,842	\$4,506	\$4.354	103%

*Include direct families (Indicator 3)

Table 5: SMEC Achievements LoP

Performance Indicators	LoP Contractual Goals	LoP Goal @163.5 M Level	Cumul. 2006 and 2007	QR 2 FY '08 (Actual)	Cumul. 2006-2008	2008 (AWP Target)	% Cumul. 08 / AWP Target	% Total Cumul. / LoP Contract Goal	% Total Cumul. / LoP Goal @163.5 M Level
1. Number of Jobs Created	125,000	125,000	44,633	27,073	90,703	46,070	90,135	51%	73%
2. New Hectares	15,000	11,079	1,079	2,754	4,334	3,255	10,000	33%	39%
2.1 Hectares Supported (Attended)	25,000	47,216	20,565	21,788	46,848	26,283	26,651	99%	99%
3. Number of Families Benefited	125,000	125,000	83,308	38,289	152,692	69,384	191,276	36%	122%
3.1 Number of Families Benefited (Internal)*	418,000	418,000	132,918	39,697	209,738	76,820	276,715	28%	50%
4. Private Sector firms Formed or Strengthened	10,400	10,400	8,373	396	10,283	1,910	1,108	172%	99%
5. Producer/ Processor Associations formed or strengthened	8	8	63	20	91	28	20	140%	1138%
6. MIDAS Total Project Support (\$000)	\$ 26,000	\$ 21,842	\$ 4,482	\$ 4,506	\$ 11,290	\$ 6,808	\$ 14,307	48%	52%

*Include direct families (Indicator 3)

New and Supported Hectares

As of June, 2008 the Component committed funding into grant instruments that will result in the planting of 10,599 New Hectares of which 4,334 (41%) were certified as of FY08 Q3 and the rest are expected to be certified in the final quarter of FY08 and first quarter of FY09. During the quarter, the SMEC certified 21,788 of additional Supported Hectares. Adding this figure to the 25,060 cumulative Supported Hectares as of March 31, 2008, the SMEC has now certified a cumulative total of 46,849 Supported Hectares. This result represents an accomplishment of 99% of the 2008 Work Plan targets and is a strong indicator of the significant impact the component is having in rural areas.

Families benefited

During FY08 Q3, the SMEC support and technical assistance benefited 39,697 families through stable job creation, resulting in an increase in family income and quality of life. Of this total, 38,289 are families of individuals that were hired during the execution of the expansion programs, and 1,408 correspond to families of individuals that were already working in the businesses strengthened by the SMEC support.

Firms strengthened

As a result of SMEC technical assistance support, 396 firms were strengthened or created during this period. Adding this figure to 9,887 cumulative Firms strengthened as of March 31, 2008, the cumulative total is 10,283 (99% of LoP goal and 172% of WP 2008 goal). To date the SMEC has supported 91 producer associations, compared to an overall project goal of just 8.

MIDAS support

During FY08 Q3 the Component disbursed \$4,505,816 - 98% to consultants for services provided to business to expand their operations and 2% to project suppliers for packaging of approved projects – which represents a fulfillment of 103% of the 2008 Work Plan target. To date the component has disbursed resources for

\$11,642,867. The amount disbursed during this quarter represents 48% of the 2008 Work Plan goal and the cumulative figure 52% of the revised contract goal.

3.1.2. Other Achievements

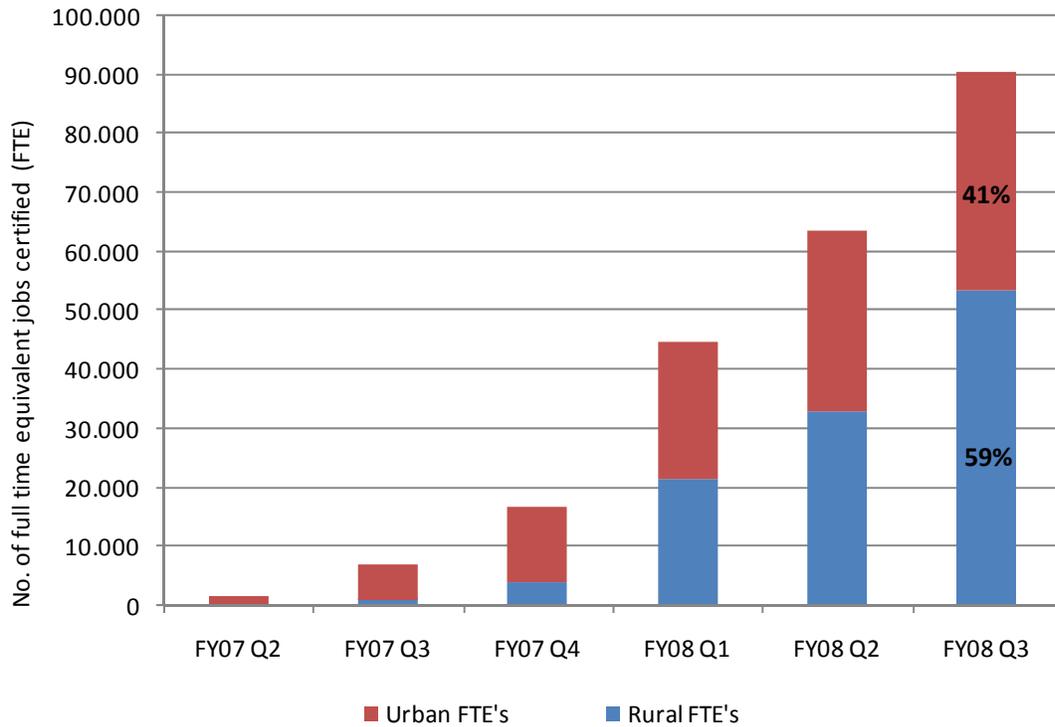
Building the Foundations for Sustainable Economies in Rural Areas

During FY08 Q3 the SMEC certified 23,097 New Rural Jobs in 315 rural municipalities of which 75 are new municipalities where the SMEC had not previously operated. Adding this figure to the 30,533 cumulative Rural FTE Jobs generated as of March 31, 2008, the SMEC has certified a cumulative total of 53,630 Rural FTE Jobs in 400 rural municipalities. This figure represents an increase of 76% versus the cumulative Rural New Jobs figure reported last quarter; 59% of the total New Jobs certified and 228% of fulfillment of the quarter goal.

The primary contributing factor to the scale of the New Rural Jobs certified and municipality coverage is the portfolio of 155 rural projects targeting small rural producer managerial and productive capacity strengthening. These projects have the following distribution of jobs generated per economic sector: specialty coffee (63%); fruits and vegetables (24%); *caña panelera*, cereals and oil seeds (7%); and others (6%). The goal of the SMEC technical assistance interventions is to install stronger administrative and productive capacities and market linkages that will allow these firms and organizations to continue generating stable and sustainable jobs after MIDAS expires.

During the quarter, the SMEC signed 26 new rural projects (87% of total projects committed), representing 4,475 (80%) committed jobs, and a total support from MIDAS of \$919,371 (80%). As can be seen in the following graph, the share of rural jobs committed continues to grow and is expected to remain steady for the rest of 2008.

Figure 1: Rural vs. Urban jobs certified



Access to Employment for Vulnerable Groups

7,285 New Jobs were created for Afro Colombians, Indigenous, women and displaced population.

During the quarter the SMEC certified 7,285 New Jobs benefiting vulnerable groups, i.e. Afro Colombians, Indigenous, female heads of households, displaced and demobilized population.

The leading projects in terms of vulnerable group New Job creation for the period were the FEDERACIÓN NACIONAL DE CAFETEROS and PROHACIENDO projects. The FEDERACIÓN NACIONAL DE CAFETEROS project certified 6,997 New Jobs of which 1,397 FTE Jobs directly benefit vulnerable populations, including 1,308 New Jobs female heads of household with 1,308 FTE Jobs. In addition, the project certified 82 FTE Jobs for indigenous population and 6 FTE Jobs for displaced population. The aim of this project is to support 25,000 coffee growers in the implementation of different quality certifications, in order to connect them to the global value chain of specialty

Coffees. Beneficiaries of this project are located in Antioquia, Caldas, Quindío, Risaralda, Norte de Santander, Santander, Boyacá, Magdalena, Cesar, Tolima and Guajira.

Of the New Jobs certified by PROHACIENDO, 1,302 directly benefited the indigenous. This project is providing technical assistance for the improved operations of irrigation systems utilized by different indigenous and peasant communities in the Natagaima municipality in Tolima. Likewise, the project is helping improve the production and management capacity of small farmers through training in different aspects of farming production and cattle ranching as well as basic business management and marketing training.

In terms of New Jobs for the indigenous, the CIT COMERCIAL E.U project created 622 new jobs directly benefiting the indigenous. The aim of this project is to design and implement a traceability system for organic

coffee production for 825 farms or productive units belonging to the ethnic group of Arhuacos from Sierra Nevada de Santa Marta in order to attain better productivity, guarantee quality and improve international sales.

Concerning jobs for female heads of household, from the 2,498 New Jobs certified during this quarter by the ACTUAR FAMIEMPRESAS project, 570 are FTE Jobs for female heads of household. In addition, the project certified 36 FTE Jobs for displaced population and 23 for Afro Colombians.

With regard to displaced populations, all the 396 FTE Jobs certified by the ASOCIACIÓN CLUB DE LEONES DURANIA LA TROJA ONG project benefit displaced populations. Likewise, the COMFAMILIARES Risaralda project certified 340 New FTE Jobs benefiting this group. The main objective of both projects is to provide training in basic managerial skills for displaced individuals in order to support the creation of small businesses in the regions they have been able to relocate.

The CIUDADELA UNICENTRO and FUNDEMERCA projects are oriented towards generating employment for Afro Colombian communities. The CIUDADELA UNICENTRO project certified 327 FTE jobs in FY08 Q3 benefiting Afro Colombians. This is an urban project generating New Jobs for infrastructure development and environmental designs for a shopping mall. The FUNDEMERCA project generated during the same period 223 New FTE Jobs and 103 benefited Afro Colombians. The project is located in North Cauca (heavily affected by the armed conflict) and supports an association of 29 peasant organizations, mainly comprised by Afro Colombian small farmers and producers. FUNDEMERCA is in charge of commercializing what's produced by the small producer associations into large retail markets, i.e. poultry, tomato, and yuca starch. The technical assistance provided with MIDAS support will help the consolidation of the organization, through improved marketing activities, enhanced productive processes, inclusion of new products, and increased volumes in response to client demand and requirements.

In addition, it is worth stressing the work performed jointly with ACCIÓN SOCIAL in 15 projects to support more than 3,311 internally displaced families from Santander, Boyacá, Huila and Antioquia as part of efforts to create new micro or small companies. The newly formed small companies will receive MIDAS technical assistance in basic business administration training and ACCIÓN SOCIAL transition support to integrate them into the economy and fixed assets in many cases (e.g. livestock, beauty salon materials, office location, etc.) to ensure sustainability.

From the funding commitment standpoint, during this Quarter the SMEC signed 26 projects involving vulnerable groups. These projects will generate 3,236 New Jobs and commit \$734,939 of MIDAS contribution, ensuring the vulnerable groups certification dynamics continues in the future.

Synergies with ACCIÓN SOCIAL

The SMEC is implementing 15 projects under the ACCIÓN SOCIAL – ARD 2007 Agreement. These projects will generate 3,175 New Jobs, benefit 3,246 Families (an important percentage are Familias Guardabosques - FGB), and commit \$520,000 in MIDAS funding.

Regarding the performance of these projects it is worth mentioning:

- All projects have been formalized (FOGs signed) and have signed start-up certifications.
- Each project has had an average of 4 follow up visits by SMEC project specialists.

In general terms, these projects have had a positive performance in terms of product delivery, number of certified jobs vs. FOG job projections, and the fund execution (legalization) processes (ACCIÓN SOCIAL and MIDAS contributions). The following table shows an overview of its general status:

Table 6: ACCIÓN SOCIAL Projects' Achievements

Average Basic Indicators (as of March 31, 2008)	
Physical Progress	
% Technical Assistance progress vs. FOG	107%
% Technical Assistance progress vs. total project	54%
Indicators Progress	
% jobs vs. FOG	129%
% jobs vs. total project	66%
Financial Progress	
% legalization of business supplies	17%
% legalization of Technical Assistance fees	37%
% disbursements MIDAS vs. FOG	20%
% disbursements MIDAS vs. total project	14%

During this quarter ARD finalized the 2008 agreement to manage additional ACCIÓN SOCIAL resources. Under this instrument, the SMEC formulated 5 rural projects in the following departments: Cesar, Antioquia and Santander. It is foreseen that these projects will generate 716 New Jobs (most of them from vulnerable groups), with MIDAS support totaling \$130,000.

- Project in Antioquia: The project will support the strengthening of 7 associations of cacao growers, established under the Program “Familias Guardabosques”, in Turbo and Necoclí municipalities.
- Project in Cesar: The project will support a capacity building process for ASOCOPAL II (producers' association of GRADESA, one of the ABC beneficiaries) and the optimization of the irrigation systems in El Copey, Cesar.
- Projects in Santander: The first project will support the social and business strengthening of the COOPERATIVA INTEGRAL DE FAMILIAS GUARDABOSQUES DE SANTANDER “COOPIFAGS”, in the Sucre and Bolívar municipalities. The second project will support the capacity building process, harvest improvements and business plan structuring for 66 growers pertaining to ASOPROLAN (growers' association of PROCAUCHO, ABC beneficiary), in Landázuri municipality. The third project will support the optimization of the productive process for the following associations: ASOCIACIONES PALMERAS DE SABANA DE TORRES, PALMERAS DE SAN ISIDRO and PALMERAS DE LA GÓMEZ (growers' associations of ASOCIACIÓN PALMARES DE SABANA DE TORRES, ABC beneficiary), in Sabana de Torres, Santander.

In addition, it is worth mentioning that the SMEC supported ACCIÓN SOCIAL actions in the region of Bajo Cauca which were seriously affected during February and March due to the eradication activities in the zone. The SMEC formulated a project aimed at strengthening the social and business process and implementing GAPs for 3 local growers associations ASOPAC, ACATA and ASCULTICAUCHO, in Tarazá, Cáceres and Cauca municipalities, Antioquia. The project will benefit displaced people, will generate 466 New Jobs and requires MIDAS support of \$100,000.

Action Plan for the Allocation of Remaining SMEC's support resources and Project Portfolio closing

During this quarter, the SMEC approved 31 projects, representing 6,425 New Jobs and totaling \$1,274,712 in MIDAS support.

Table 7: SMEC Approvals for the Quarter

Corridor	No. Projects	MIDAS Contribution \$	No. Jobs Approved
Antioquia / Córdoba / Chocó	13	562	2,965
Atlantic Coast	2	103	496
Eje Cafetero	6	93	478
Macizo / Putumayo	-	-	-
Magdalena Medio	5	255	1,224
Southwest	5	262	1,262
Total	31	1,275	6,425

In cumulative terms, the SMEC has approved 438 projects (FY08 Q3 included), representing 144,631 New Jobs and totaling \$22,351,774.

Table 8: SMEC Cumulative Approvals

Corridor	No, Projects	MIDAS Contribution \$	No, Jobs Approved
Antioquia / Córdoba / Chocó	55	4,026	20,995
Atlantic Coast	45	2,220	13,854
Eje Cafetero	85	1,787	9,541
Macizo / Putumayo	70	3,093	16,578
Magdalena Medio	79	5,359	47,734
Southwest	104	5,867	35,929
Total	438	22,352	144,631

During this quarter, the SMEC committed 30 projects, representing 5,607 New Jobs and totaling \$1,153,945 in MIDAS support.

Table 9: SMEC Commitments for the Quarter

Corridor	No. Projects	MIDAS Contribution \$	No. Jobs Approved
Antioquia / Córdoba / Chocó	12	396	2,200
Atlantic Coast	1	53	251
Eje Cafetero	5	81	429
Macizo / Putumayo	2	105	193
Magdalena Medio	6	276	1,370
Southwest	4	243	1,164
Total	30	1,154	5,607

In cumulative terms, the SMEC has committed 373 projects (FY08 Q3 included), representing 128,498 New Jobs and totaling \$19,174,333:

Table 10: SMEC Cumulative Commitments

Corridor	No. Projects	MIDAS Contribution \$	No. Jobs Approved
Antioquia / Córdoba / Chocó	42	3,272	16,738
Atlantic Coast	42	2,061	12,587
Eje Cafetero	69	1,379	7,430
Macizo / Putumayo	63	2,684	14,791
Magdalena Medio	66	4,515	43,286
Southwest	91	5,263	33,666
Total	373	19,174	128,498

It is important to mention that the SMEC will finalize the process of project proposal acceptance and review in July, with the last ordinary National Review Committee scheduled for August 1st, 2008. It is foreseen that for the July review committees, 35 projects will be presented. These projects represent 9,072 New Jobs and total \$2,240,000 of MIDAS support. Regarding last quarter pipeline behavior, 51 projects, out of 60 projects announced in the previous Quarterly Report, were presented. As mentioned, from this figure 31 projects were actually approved.

Project Providers' Network Dynamic

As stated in the 2008 Work Plan, the SMEC redefined its project providers' network. For this year the network is comprised of 44 institutions. Regarding the dynamic shown during this quarter, 13 organizations were active, meaning that presented projects that were actually approved.

Afro Colombian and Indigenous Earmark

Based on the criteria defined in the Afro-Colombians and Indigenous Task Force created by USAID, the MIDAS SME Component has identified in the Afro-Indigenous Earmark the opportunity to allocate significant support resources to vulnerable populations in some of the most sensible geographical areas for the alternative development strategy of the USAID and the GoC.

Consequently, through the SMEC Project Providers' network, 16 proposals have been identified and developed in consensus with Afro Colombian and Indigenous population. These projects will enhance the livelihood of these communities, strengthen its organizations, and enable fair access and linkages to the markets.

From the above mentioned portfolio the SME Component has defined two large fully developed initiatives that could be implemented shortly after the operational kickoff of the Earmark. The first one is focused on the enhancement and recovery of the value chain of the coconut in the Pacific Coast of Cauca and Nariño. The second is oriented to link local Afro Colombian communities to the building of the large Social Interest Housing projects in Buenaventura and eventually develop local suppliers for goods used by the construction sector. It is expected that the SMEC will assume a leading role in the implementation of the Afro-Indigenous Earmark in two zones: Buenaventura and the municipalities of the Pacific Coast of Cauca.

Through these two projects the Component expects to have an impact on more than 3,000 Afro Colombian families allocating approximately \$2,000,000. The remaining proposals in the portfolio could increase the resources of the Earmark allocated by the Component to more than \$3,000,000 and benefit more than 7,000 families.

Efforts to promote the SME Component model with FOMIPYME

The Policy Component is advising the Ministry of Trade, Industry and Tourism with the aim of evaluating the FOMIPYME (*Fondo Colombiano de la Modernización y Desarrollo Tecnológico de la Micro Pequeña y Mediana Empresa*), in order to optimize this support scheme and orient it towards a demand driven operation.

Considering the positive results that the operational model developed and implemented by the SMEC has shown in terms of efficiency and agility to identify projects and allocate resources and flexibility to respond to different strategic requirements (*ruralidad* and focus in vulnerable groups), the SMEC model has been proposed as a best practice to be adopted in the modernization process of FOMIPYME. Terms and conditions of the transference of the model and methodology are being discussed by MIDAS (SME and Policy Components) and the Ministry.

The SMEC joint work with the Clinton Foundation

The SMEC has been supporting the Clinton Foundation efforts for identifying projects. The SMEC accompanied officers of the Foundation to two visits to Cartagena, introduced them to key institutions (Chamber of Commerce and COTELCO) and presented 4 of the projects that the Component is currently implementing in the region. As a result, ARD, The Clinton Foundation, COTELCO and ACCIÓN SOCIAL signed an intention letter in order to carry out a project aimed at developing a network of local suppliers that would sell their products to hotels in Cartagena. The organizations of local suppliers include vulnerable groups among their members (Afro Colombians, mothers' head of household) or urban / rural poor in need of assistance. Currently, the parties involved are defining their contributions to the project.

3.1.3. Success Story

El Mortiño, A Project of hope

200 families in Huila build a culture of legality through alternative development

Joaquin Paladínez Rojas, a former coca “scraper” in Huila, Colombia, had a dream; he wanted to create an association of coffee producers with seven other farmers and start a new way of life. In 2002, the group became a reality and was called the Associate Group of El Mortiño.

However, five years later, things weren’t going as planned. Farming techniques were outdated and didn’t meet the requirements for obtaining a crop quality certification. On top of that, the company had liquidity problems; they faced many obstacles in marketing the coffee beans.

Due to a fortunate coincidence, as Paladinez would say, he found out about the USAID funded MIDAS program. Through its Small and Medium Enterprise Component, the program offers technical and financial aid to increase the competitiveness of small companies in Colombia. With the other associates, he formulated a grant proposal for coffee plantation technical assistance in hopes of obtaining CAFÉ and UTZ Kapeh certifications. MIDAS approved it and contributed US \$30,930; 50% of the total cost of the technical assistance.



“As God’s children, we need to work in harmony with the land He gave us” says José Paladinez, leader of Project El Mortiño.

One year later, the results are evident. To date the company has created one hundred and fifty five jobs on the farm (twenty more than the initial goal). They produce 5,000 tons of specialty coffee and sales have increased by 30%. Moreover, best agricultural practices and an integrated and environmentally friendly pest control system has been implemented in all the 834.05 hectares.

But the importance of the El Mortiño project lies beyond these indicators. The greatest impact is invisible to the eyes: coffee production has restored hope for more than two hundred people. Today, these people, who had been forcefully displaced from their lands due to coca, are employed and working closely with

the coffee production companies and this project.

Beneficiaries like Carmen Angucho, who moved to the region after her husband and children were killed by guerrillas, have found in El Mortiño an enhanced livelihood that they never dreamed was would be available to them. The El Mortiño project has been their inspiration and they have embraced the land they cultivate.

3.2. MAIN CHALLENGES

- The Business Development Area was not able to work on the design of a methodology to evaluate the contribution of MIDAS intervention in the institutional strengthening of the Project Suppliers. Therefore, this activity will be begun during next quarter.

- Design and implement a web-based directory with the information of all the SMEC Consultancy Services Providers, with the aim of providing the business community comprehensive information on business services providers, at the national and regional levels.
- Design a methodology to evaluate and define the topics that will be analyzed as part of the Knowledge Management Strategy the Component is implementing in 2008.
- The implementation area is focused on the implementation of its Action Plan in order to guarantee the effectiveness of monitoring procedures and proper closings of the Technical Assistance, including the liquidation procedures of FOGs and Standard Grants.
- Implement the new information tools designed by the IT department to facilitate information and knowledge management within the Component (SIMITS, CUBO).
- Design and approve the ToRs for procuring the services of a consultant to support the Knowledge Management strategy and hence support the Component in the implementation of beneficiaries' impact and service surveys.

3.3. NEXT QUARTER OBJECTIVES

Quantitative Objectives

Table 11

ACHIEVEMENTS				
Performance Indicators	2008 AWP target	Q2 + Q3 FY'08 (actual)	Q4 FY'08 (Q3 AWP target)	Q1 + Q2 + Q3 / 2008 AWP target
1. Number of Jobs Created	90,135	46,070	22,627	76%
2. New Hectares	10,000	3,255	1,323	46%
2.1 Hectares Supported (Attended)	26,651	26,283	0	99%
3. Number of Families Benefited	191,276	69,384	48,016	61%
3.1 Number of Families Benefited (Internal)	276,715	76,820	69,464	53%
4. Private Sector firms Formed or Strengthened	1,108	1,910	0	172%
5. Producer/ Processor Associations formed or strengthened	20	28	0	140%
6. MIDAS Total Project Support (\$000)	\$ 14,307	\$ 6,808	\$ 4,224	77%

Additional Qualitative objectives

- Fully commit all remaining uncommitted G&C funding. Begin the implementation of the Knowledge Management Strategy.

- Begin the implementation of the Knowledge Management Strategy.
- Reduce Component staff where needed, reinforcing the structure and procedures to support the full implementation stage.
- Present, based on the Afro-Indigenous Earmark requirements, the identified SME projects for the Afro-Indigenous Earmark.
- Begin the implementation of the Action Plan for the closing of the operations in three regional offices, ensuring the adequate follow-up of the closing process of the projects, communicating the impact of MIDAS at the national and regional levels, and supporting a successful retirement strategy for our human resource.
- Transfer the SMEC operational model and methodology to the FOMIPYME.

4. CFC

4.1. ACHIEVEMENTS

4.1.1. Indicators

During Q3 FY08, CFC completed all startup actions necessary to begin implementation of the AGRONAYA forestry plantation project. All the documentation was finalized for the committee approval of the TALAGA forestry plantation project as well. With the addition of these two projects CFC now has a final portfolio of 15 forestry plantation projects and constitutes the total portfolio of the component for establishing forestry plantations.

CFC also signed agreements with the 4 community organizations that will be implementing MIDAS's new "Better Management" of Natural Forests strategy referred as the PHASE II projects.

The projects for these community organizations are:

- PHASE II Project for the BAJO MIRA and FRONTERA Community Council
- PHASE II Project for the ALTO GUAPI Community Council
- PHASE II Project for the CONCOSTA Community Council
- PHASE II Project for the CHIGORODO Superior Council

Project implementation with each of them began in June 2008

Table 12: Component achievements for the quarter

Achievements				
Performance Indicators	LoP Goal @ 163.5 M Level	QR3 FY 08 (Actual)	QR3 FY 08 (Q2 AWP Target)	%QR3 FY 08 / Q2 AWP Target
1. Number of Jobs Created	18,764	2,101	2,217	95%
2. New Hectares	61,849	5,208	8,396	62%
2.1. Hectares Supported (Attended)	N.A.	N.A.	N.A.	N.A.
2.2. Natural Forest Hectares	107,268	13,659	19,000	72%
3. Number of Families Benefited	7,600	1,824	876	208%
3.1. Number of Families Benefited (Internal)	N.A.	N.A.	N.A.	N.A.
4. Private Sector Firms Formed or Strengthened	26	5	1	500%
5. Producer / Processor Associations Formed or Strengthened	35	15	0	150%
6. MIDAS Total Project Support (\$000)	16,586	1,297	1,591	81%

Jobs: 2,101 jobs were created, equivalent to 95% of the 2,217 set as the goal for the quarter.

New Hectares: 5,208 new hectares were planted, equivalent to 62% of the 8,396 set as the goal for the quarter.

Hectares of Natural Forest: 13,659 hectares of natural forest were placed under the new “Better Management” conservation scheme, equivalent to 72% of the 19,000 set as the goal for the quarter.

Number of Families Benefited: 1,824 families benefited, equivalent to 208% of the 876 set as the goal for the quarter.

MIDAS Project Disbursements: The value of disbursements MIDAS to the projects during the quarter was US \$ 1,296,000, equivalent to 81% of the US \$ 1,591,000, set as the goal for the quarter.

Table 13 shows the performance of the CFC against the program's goals:

Table 13: Component Achievements LoP

Performance Indicators	LoP Goal @163.5 M Level	Cumul. 2006 and 2007	QR 3 FY '08 (Actual)	Cumul. 2006-2008	Cumul. 2008	2008 (AWP Target)	% Cumul. 08 / AWP Target	% Total Cumul. / LoP Goal @163.5 M Level
1. Number of Jobs Created	18,764	3,986	2,101	6,905	2,923	7,389	40%	37%
2. New Hectares	61,849	13,811	5,208	20,163	6,353	21,951	29%	33%
2.1 Hectares Supported (Attended)	N.A.	592	N.A.	592	0	N.A.	N.A.	N.A.
2.2 Natural Forest Hectares	107,268	30,646	13,659	51,630	20,984	60,122	35%	48%
3. Number of Families Benefited	7,600	3,537	1,824	5,949	2,412	2,601	93%	78%
3.1 Number of Families Benefited (Internal)	N.A.	N.A.	N.A.	N.A.	N.A.	0	0	0
4. Private Sector firms Formed or Strengthened	26	20	5	25	5	6	83%	96%
5. Producer/ Processor Associations formed or strengthened	35	34	15	51	17	1	1700%	146%
6. MIDAS Total Project Support (\$000)	\$16,586	\$ 3,259	\$1,297	\$5,383	\$ 2,124	\$ 5,635	38%	32%

- New Jobs: A total of 2,923 jobs were created in 2008, equivalent to 40% of the 7,389 jobs set as the goal for that year. A total of 6,905 have been created up until now, equivalent to 37% of the 18,764 jobs set as the goal for the entire program.
- New Hectares: A total of 6,353 new hectares have been planted in 2008, equivalent to 29% of the 21,951 set as the goal for this year. A total of 20,163 hectares have been planted up until now, equivalent to 33% of the 61,849 set as the goal for the entire program.

It should be pointed out that the shortfall in terms of hectares planted in the year-to-date (2,987) is for the most part due to delays in three projects (PROCAUCHO, AGROSANTAFE and MADERAS DEL DARIEN). The CFC is prepared to reduce project financing for these projects and shift them to other higher performing projects. We estimate that at least 87% of the total yearly goal will be achieved.

- Hectares of Natural Forest: The total number of hectares under the heading of “Better Management” of Natural Forest is 20,984, equivalent to 35% of the 60,122 set as the yearly goal. The cumulative total is now 51,630 hectares, equivalent to 48% of the 107,268 set as the goal for the entire program.

The difference in the number of hectares under the heading of “Better Management” of Natural Forests that were not achieved during the quarter (5,351 hectares) was basically due to the extension requested by the

operator of the contract with UTP for formulating the new management plan for Santa Cecilia-CARDER as well as issues with the delineation of the conservation area by the Community Council of Bajo Mira and Frontera, all of which we hope to resolve during the next quarter. We estimate that the component is still on track for achieving 100% of this year's goal.

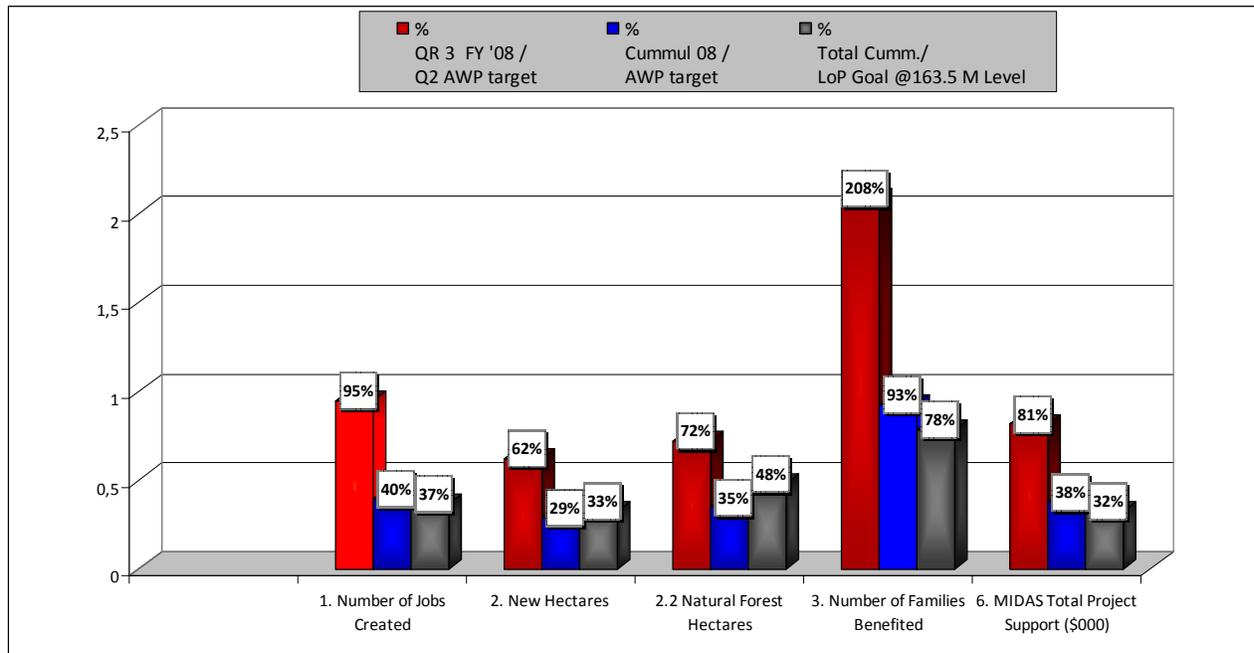
- **Number of Families Benefited:** The cumulative total of families benefited for 2008 is 2,412, equivalent to 93% of the yearly goal of 2,601. The cumulative total for the entire program of families benefited is 5,949, equivalent to 78% of the goal of 7,600.
- **Private Sector Companies Set Up or Strengthened:** The cumulative total for 2008 is 5, equivalent to 83% of the yearly goal of 6. The cumulative total for the entire project is 25, equivalent to 96% of the goal of 26.

Producer associations created or strengthened: The cumulative total for 2008 is 17, equivalent to 1,700% in that the yearly goal was just 1. The cumulative total for the entire project is 51, equivalent to 146% of the goal of 35.

- **MIDAS Project Funding Leveraging:** The cumulative total for 2008 is US \$ 2,124,000, equivalent to 38% of the yearly goal of US \$ 5,635,000. The cumulative total for the entire project is US \$5,383,000, equivalent to 32% of the goal of US \$ 16,586,000.

The following graph illustrates progress toward quarterly, 2008, and LOPS targets:

Figure 2



4.1.2. Other Achievements

Plantations

- An agreement for the project to establish forestry plantations was signed with AGRONAYA S.A. and implementation initiated.

Natural Forest

- Implementation was begun of the 4 Phase II projects classified as “Better Management” of Natural Forests with the following community organizations:
 - Community Council of BAJO MIRA and FRONTERA
 - Community Council of ALTO GUAPI
 - Community Council of CONCOSTA
 - Superior Council of CHIGORODO
- CFC discussed with ACCION SOCIAL the possibility of coordinating the “Familias Guardabosques” with the “Better Management” of Natural Forests PHASE II interventions being carried out with BAJO MIRA, ALTO GUAPI, CONCOSTA and CHIGORODO. An agreement is expected to be finalized with ACCION SOCIAL next quarter.
- CFC also discussed with ACCIÓN SOCIAL the possibility of developing a Phase II “Better Management” of Natural Forests for the RIOSUCIO area, which includes the territories of DOMINGODO, SALAQUI and CACARICA as a follow on to the new Forestry Management Plan. CFC continues work on the new Forestry Management Plan for the Santa Cecilia area in the jurisdiction of CARDER, the CAR (Regional Autonomous Corporation) of Risaralda, through the operator (UTP) UNIVERSIDAD TECNOLÓGICA (Technological University) OF PEREIRA.
- CFC continues work on the new Forestry Management Plan for the CAJAMBRE River basin in the jurisdiction of CVC, the CAR of the Department of El Valle, through FUNDACOFAM (*Fundación Para La Farmacia Natural*). This initiative will follow under the criteria designed by the afro-indigenous task force created by USAID.
- CFC invited 4 organizations (CONIF, NATURA, ENLACE and CEA) to submit proposals for a contract to monitor and verify conservation areas managed by each of the communities under the “Better Management” of Natural Forests activities.
- CFC trained beneficiaries on technical, environmental and socio-business aspects.
 - Trained during the quarter: 1,413
 - Trained during the year: 2,920
 - Trained on LoP: 4,609
 - Goal: 4,610
- CFC has begun a series of exchange tours among the projects to share experiences and spread Lessons Learned from previous projects.

4.1.3. Success Story

The joy of learning in Farmer Field Schools

Not the heat, the humidity nor the intensity of the nine hour day could discourage the attendees of the Farmer Field School training workshops in Tolima. Farmer Field Schools (FFS) offer a unique way of learning to those who are dedicated to farming activities.

Days earlier, Luis Alejandro Perez was bored just thinking about going to a training workshop. “I thought it was just one more lame training session, but the methodology turned out to be really effective. It’s all about sharing knowledge with one another and learning from others’ experiences”, he declares enthusiastically, convinced that the demonstrative and participative methodology for learning farming techniques is key.



Games and laughter are the fundamental elements of ECA methodology. This methodology strengthens the farmers’ decision making processes; teamwork plays a vital role in finding answers to their problems in the field.

the workshops who will be training farmers, commented “I found the teaching methodology very useful and easy to implement. I intend to share what I learned about pest control environmental guidelines with beneficiaries using these FFS techniques.” Like her, all the technicians are anxious to replicate the FFS experience among trainees.

The boring side of technical training seminars, monotonous lectures and sitting in a chair all day, looks to be a thing of the past thanks to FFS. Ideally farmers will apply the newly learned best agricultural practices to their timber plantations. This methodology, that encompasses games, laughter, and active participation, proves that you can enjoy yourself while learning.

The rural teaching methodology applied in the Farming Field Schools was originally designed by the United Nations Food and Agriculture Organization, FAO. Participants share skills that range from cultivating cacao to raising chickens. Knowledge is built through the contribution of all the participants. The facilitator is not the expert-on the contrary, he is charge of creating a learning atmosphere, leading discussions, developing the right kind of questions and clarifying answers to the participants.

The workshop in which Paez and other technicians participated in was possible to due to the effort of two MIDAS program grantees: Corcuena and Huila Forestry Company. The USAID funded program MIDAS (Más Inversión para el Desarrollo Alternativo Sostenible) delegated their expert technicians to assist the timber companies in FFS methodology.

Johanna Gonzalez, one of the technicians attending

4.2. MAIN CHALLENGES

Actions aimed at the economic, institutional and conceptual sustainability of the strategy for “better management” of natural forests constitute a top priority for CFC. It is indispensable that the model be created in such a way that it can be replicated. Contacts begun with organizations such as the Ministry of the Environment, the fund for biodiversity and protected areas, PATRIMONIO NATURAL and CATIE in COSTA RICA must continue and receive follow-up. Other actions with the same objectives coordinated with

the POLICY component of the MIDAS program have been addressed during discussions and meetings involving specific tasks to be fulfilled. Preparing “better management” projects to gain access to the REDD Market for avoided deforestation requires the strategy to be adopted by the country, in which case the Ministry of the Environment must specify the guidelines of the methodology accepted by the World Bank to measure the volume of CO₂ capture in conservation areas. The CFC must have access to private entities from the North American economic sector that could be interested in contributing funding to sustain the “better management” strategy and contacts have been initiated with experts suggested by the ARD Inc. home office. The POLICY component of the MIDAS program will create a team to present suggestions to the GoC for creating an entity exclusively dedicated to managing projects aimed at avoiding deforestation. It will also begin to prepare regulatory modifications of the conservation incentives (conservation CIF).

4.3. NEXT QUARTER OBJECTIVES

A primary objective for the CFC next quarter is to undertake actions to make up the target deficit for the year of 2,987 New Hectares of forestry plantations and 10,338 hectares of Natural Forest. For forestry plantations efforts will concentrate on 3 underperforming operators. Efforts on new a project for financing under the Afro Indigenous Earmark will also be initiated.

5. ABC

5.1. ACHIEVEMENTS

ABC was able to implement several key activities during Q3 FY08 that allowed it to go beyond the simple measurement of contract indicators and better determine the efficiency of operations and overall socioeconomic impact of interventions. The primary instrument utilized were regional CÓMO VAMOS meetings with MIDAS, AID, GoC local authorities, grantees and beneficiaries to discuss the scope and accomplishments of ABC interventions as well problems encountered that need to be addressed.

ABC continued its efforts toward achieving 2008 Work Plan goals. Efforts were taken to make adjustments in the implementation portfolio in order to enhance contributions toward contract target achievements. The component also approved 1 new project and also signed and began implementation of 3 new grants that were in the pipeline.

External factors did affect the pace of project implementation. The primary factor not under the direct control of MIDAS was credit approvals and loan disbursements. As a result only 72% of the projected New Hectares goal for QR 2 & 3 FY 08 was achieved. However, ABC was able to identify the specific problem areas and began a program to work with banks and grantees to seek viable solutions. ABC still expects to meet all of its 2008 Work Plan targets.

5.1.1. Key Indicators

In terms of actual quarter achievements, the component registered the planting of 9,229 New Hectares, 9,439 Families Benefited and the creation of 3,938 New permanent FTE Jobs - 61 %, 63%, and 126 % of the WP 2008 goals for the quarter, respectively (Table 14).

Table 14: Component achievements for the quarter

Achievements				
Performance Indicators	LoP Goal @ 163.5 M Level	QR3 FY 08 (Actual)	QR3 FY 08 (Q2 AWP Target)	%QR3 FY 08 / Q2 AWP Target
1. Number of Jobs Created	31,000	3,938	6,234	63%
2. New Hectares	97,768	9,229	15,082	61%
2.1. Hectares Supported (Attended)	4,814	-	0	N.A.
3. Number of Families Benefited	18,837	9,439	7,484	126%
3.1. Number of Families Benefited (Internal)	N.A.	N.A.	N.A.	N.A.
4. Private Sector Firms Formed or Strengthened	55	-	4	0%
5. Producer / Processor Associations Formed or Strengthened	30	1	20	5%
6. MIDAS Total Project Support (\$000)	34,803	2,912	2,678	109%

Table 15: Component Achievements LoP

Performance Indicators	LoP Contractual Goals	LoP Goal @163.5 M Level	Cumul. 2006-2007	Q3 FY08 (actual)	Cumul. 2006-2008	Cumul. 2008	2008 (AWP Target)	% Cumul. 08 / AWP Target	% Total Cumul. / LoP Goal @163.5 M Level
1. Number of Jobs Created	31,000	31,000	15,681	3,938	24,351	8,670	18,433	47%	79%
2. New Hectares	149,739	97,768	28,786	9,229	43,222	14,436	40,855	35%	44%
2.1 Hectares Supported (Attended)	N.A.	4,814	3,995	0	3,995	0	819	0%	83%
2.2 Natural Forest Hectares	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
3. Number of Families Benefited	18,837	18,837	8,226	9,439	24,943	16,717	16,883	99%	132%
3.1 Number of Families Benefited (Internal)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
4. Private Sector firms Formed or Strengthened	55	55	70	0	71	1	10	10%	129%
5. Producer/ Processor Associations formed or strengthened	30	30	73	1	93	20	83	24%	310%
6. MIDAS Total Project Support (\$000)	44,415	34,803	10,699	2,912	15,550	4,851	11,795	41%	45%

In cumulative terms, the component has now achieved the planting of 43,222 New Hectares (44 % of the LoP goal), 24,351 New Jobs (FTEs) (79 % of LoP goal), and 16,883 Families Benefited (89.6 % of LoP goal). Graph 1 shows quarter and cumulative achievements. Disbursements represented 72% of the quarter goals.

Figure 3: ABC Cumulative Achievements QR 3FY '08

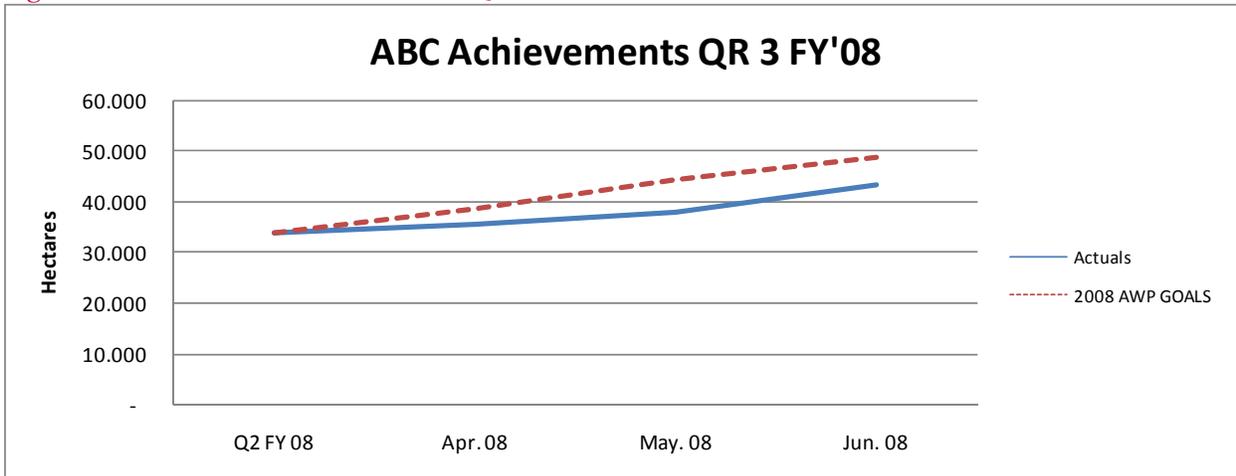
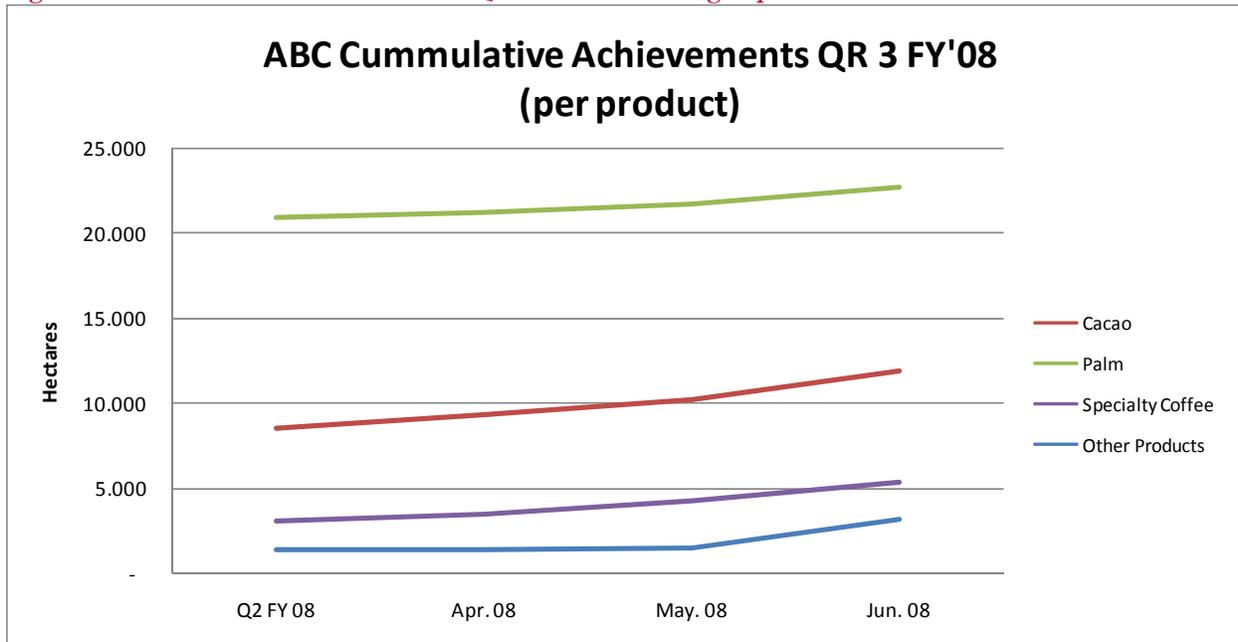


Figure 4: ABC Cumulative Achievements QR 3FY '08 according to product



5.1.2. Other Achievements

ABC committed funding for a total of 3,677 New Hectares, generating 4,569 new permanent FTE jobs, and benefiting 1,475 families. Additionally, ABC has 2 projects in the approval phase that will account for 1,100 new hectares that will be committed next quarter.

ABC efforts are focused on identifying actions that will allow the component to compensate for deficit in hectares that have not been established over the quarter. Indicator achievement and associated burn rate have been set back due to several factors which include weather, credit approval issues and loan disbursements. Problems with credit approval and loan disbursements alone accounted for an estimated deficit of 2,195 hectares and approximately \$500,000 in burn rate during the first semester of 2008. Additionally the FEDECAFÉ project had delays which impacted on both achievements and burn rate.

The new CÓMO VAMOS consultation activity launched during the quarter gave ABC important and critical feedback as to the dynamics of implementation at the regional level. The component is still in the process of incorporating the findings which helped gauge customer satisfaction as well as identify bottlenecks and issue that need to be addressed.

- Results varied according to region. In the case of the Atlantic Coast, most of the problems faced by projects are related to loan approval and disbursement on one side and weather, as well as irrigation needs on the other. Other regions such as the Southwest have similar difficulties accessing loans but in addition have problems with ensuring implementation in coca-free areas in compliance with GoC policies. In the Magdalena Medio region, difficulties are associated with changes in bank policies regarding and the security implications the zero-coca policy implies for small growers.
- Regions such as the Catatumbo area have fewer problems given the scale of AD intervention and are even able to generate positive externalities in terms of socioeconomic benefits for the local communities. However, current exCAPP extension projects are facing some delays associated with

loan issues early in 2008 because of contribution shifts for the purchase of seeds and supplies, establishment of nurseries, and planting schedules. Consequently, it is expected that approximately 800 ha will not be planted during this calendar year because of delays in nursery establishment. To compensate, proponents are trying to source planting materials elsewhere in order to comply with 2008 goals.

- The social capital development contributions of grantees are becoming more evident. Implementation of Good Agricultural Practices (GAP), environmental standards, and small farmer socioeconomic strengthening activities contribute to the sustainability of MIDAS projects going beyond simple hectare establishment and technology transfer. The grantee plays an active role in achieving grassroots organizational strengthening and in attracting private investment in order to boost the economic dynamics of these AD regions. ABC staff is working closely with grantees in most of these activities.
- Projects go beyond the generation of licit economic activities in the medium and long term. Even though some projects are focused on one specific crop, the grower dedicates a small portion of their land to other agricultural activities that provide short term sources of income and food security for the grower's family during the crop establishment phase of the project. This incentive is provided through the socio-entrepreneurial training, that changes then grower's perspective, teaching them not only to have business plans but also life plans that will enable them to have an enhanced livelihood. This also reduces the risk associated with dependence on a single crop. Some projects even have education programs and household programs that help the grower plan for their families, securing (and improving) homes and education for children.
- However, all regions face threats from illegally armed groups. Some projects are wrongfully accused of involvement in illegal activities. This "white noise" that is generated creates uneasiness and uncertainty among project beneficiaries. However external illegal crop verifications and awareness activities have been able to maintain transparency and demonstrate that these accusations have no fundament.
- Many grantees have found success stories to be useful. Most growers seem more willing to join the projects if they can see or hear about other growers that are benefiting from similar activities. This increases the level of trust between the grower and the grantee and also secures the commitment and dedication required to follow through and complete project goals.
- Proponents, grantees and growers are aware of the successes and failures associated with previous programs and can identify the type of support that is not needed. In most cases, what is most relevant is the fact that although the amount of support may make a difference in order to secure implementation goal achievement, what makes projects successful over time is the length and reliability of such support, in order to secure an appropriate level of technical assistance and training for growers. This permits the generation of economies of scale and a multiplier effect in terms of the generation of a legal activity culture.
- Almost 90% of the regions face significant problems with loan approval and disbursements. The financial system does not understand completely the requirements of the agricultural sector and still seems to consider it risky to provide individual and associative loans. This is fundamental for project implementation, and is a condition that is required in order to guarantee timely achievements.
- It is also important to point out the fact that MIDAS support usually represents $\approx 15\%$ of total project costs, a factor that contributes to substantially limit the level of control MIDAS has on projects that have a loan leveraging dependence of 50% or more of the total project cost.
- Based on the criteria created by the Afro-Indigenous Taskforce, ABC is preparing potential fast project for the region targeted. Particularly, project to support the economic reconversion of Tumaco

in Nariño. The ABC component has supported ACCIÓN SOCIAL and local government in the proposals for dealing with PC at oil palm plantations.

5.1.3. Success Story

Colombian widow taps new riches

“It’s important that we women learn to overcome fear and believe in ourselves to build a secure future. Oil palm has transformed the way I live my life.” says Yuris Rodriguez Rueda, a 36-year-old widowed mother and grandmother who cultivates oil palm in the banana zone of Colombia’s Atlantic coast. When her husband died, Yuris was forced to abandon her role as a housewife and take over his responsibilities of supporting the family. Not only did she have to raise her children, help them with their homework and maintain the home, but she also had to take over the family farm- a job traditionally handled by men.

Before her husband died, he decided to defy the rice farming tradition in the region and engage in oil palm production. A USAID program, MIDAS (*Más Inversión para el Desarrollo Alternativo Sostenible*) program, gave farmers in the department the option of participating in an oil palm productive activity. He established thirteen hectares on his plot of land.



“There are still people that think this crop is for the rich, and I’m living proof that it’s not; the more small landowners hear about it, they start to believe in oil palm production as profitable crop.”

Her new duties on the farm, entailed learning about farming techniques such as fertilizing and cutting plants, oil palm economics, and dealing with producers and distributors. Through her tenacity and desire Yuris became an important palm producer and earned the respect of her male peers. Now she is affectionately known among them as “The Widow”.

Yuris considers palm a profitable crop, that’s resistant to the weather and the insects, “She (palm) can take a lot, and that’s why my neighbors and my husband decided to say yes to palm. The international oil palm fruit distributor El Roble and other international

organizations offered us the option... organizations like MIDAS came along when previous efforts were fading. We had the crops, but we needed cash. They gave us resources, technical support and training.” MIDAS also guaranteed a buyer for their raw palm material for twelve years.

Today, the plantation does not only give Yuris’ children work, but also quality of life. The US\$155 she received every month turned into US\$2,000 accounting for sales of 30 tons to El Roble. This steady income has allowed her to have for the first time access to credit from banks. With this oil palm crop, she is able to provide higher education for her children. The choice to cultivate oil palm was indeed the best inheritance Yuris’ husband could have ever given her.

5.2. MAIN CHALLENGES

A significant amount of time and analysis was placed in individual project achievement. With the global findings during the CÓMO VAMOS activities and thanks to a series of review exercises on behalf of the entire component, ABC was able to determine a set of factors that accounted for target underachievement.

After carefully reviewing the projects that did not achieve their quarter goals, ABC was able to determine the following causes for delays:

- Delays in accessing loans
- Weather
- Delays in USAID approval after committee proposal approval
- Delays in reporting achievements
- Changes in hectare establishment schedules

By determining the frequency of these causes in the entire portfolio of delayed projects, and acknowledging that some projects have delays associated with more than one cause, ABC determined that over the past semester, approximately 33% of the delays can be associated with loan issues, 21% with weather, 19% to delays in USAID approval, 16% to projects that do not report on time, and 11% to changes in planting schedules.

In comparison to the rest of the MIDAS Components, ABC's project portfolio is very dynamic, due to the fact that project implementation depends largely on several exogenous factors that are beyond MIDAS' and the grantee's control. It is because of these variables, that achievement forecast is so hard to predict precisely and the reason why different contingency plans must be made in order to account for the different setbacks that may arise during implementation.

As mentioned above, some projects have experienced significant delays in successfully completing the MIDAS process; others have serious complications in obtaining institutional loans for small and medium sized growers in Alternative Development areas. This situation is worsened because areas prone to illicit crops are characterized by low levels of infrastructure, scarce governmental presence and consequentially a reduced probability of private bank involvement in projects in these regions. If by any chance the private financial sector participates, rules are volatile, disbursements are delayed and conditions for loan approval are excessive in order to reduce risk. Changes in weather, prolonged dry seasons or excessive rain, as well as provision and availability to vegetable material, among other variables are also factors that explain delays.

In some cases, delays are temporary, in other cases; such delays may have very negative effects on project implementation. Given that each project is different and unique, due to the location and particular characteristics, some proposals may never even pass into implementation, or once in implementation may require e-adjustments and de-obligation of goals and grant amount.

In recognition of 2008 Work Plan targets, ABC now must identify a strategy to make up for more than 4,400 hectares that will not be established for the following reasons:

- 3 proposals will not move on to the implementation stage: CEA Meta (a passion fruit project with a 668 ha goal), CORPOCAUCA (an asparagus project with a 200 ha goal), and A&T (a cacao project with a 500 ha goal). The CEA project was pre-approved during 2007 and detailed in the AWP 08, but later rejected in an ABC Review Committee, while CORPOCAUCA was assessed and rejected due to lack of technical feasibility. In the case of A&T, land needed to be purchased in order to implement the project and the potential beneficiaries failed to secure such land. This project also included the demobilized and depended on several exogenous factors that made it unfeasible in MIDAS standards.
- ABC had initially proposed 5,680 ha of rehabilitated cacao, but only 3,405 ha were approved.

- 2 projects currently in implementation require modifications to reduce goals and funding: A00106 San Pablo must be reduced from 3,000 ha to 1,838 ha and A02606 CEA from 732 ha to 482 ha.
- The budget adjustments required for all of these projects implies an estimated savings of \$1.8 million. This situation presents an opportunity for portfolio modification through cost extensions of projects that have demonstrated an excellent performance as well as the inclusion of new projects that are advanced in the pipeline, in order to secure new hectares at low cost for MIDAS.
- With these resources ABC could quickly prepare three Cost Extensions for 2 African palm projects and a cacao project that have been successful in implementation: A08206 INDUPALMA with an additional 2,000 ha, A00206 EL PÓRTICO with 1,000 ha more in the Magdalena Medio region and 123 FUNDESCAT with 800 more ha of cacao in Catatumbo. These tree projects would have a lower marginal cost for MIDAS given the economies of scale that can be achieved through the CEs in terms of technical assistance, training and project administration.
- Additionally, through the synergies with SMEC and ACCIÓN SOCIAL, two relatively inexpensive projects have been prioritized but had been excluded in QR1 FY08 given budget constraints. These savings could allow ABC to pass into implementation the following proposals: A28606 ASOCALIMA for 450 ha of cacao in the South of Bolívar and proposal A24506 GANACOR, a proposal that accounts for 2,250 equivalent new hectares in Córdoba.

These are the challenges ABC currently faces and the current scenario that seems feasible in order to make up for achievements during 2008 and in the LOP. However, given the dynamics project implementation over the following quarter, ABC may find that other adjustments will be required.

5.3. NEXT QUARTER OBJECTIVES

ABC will focus its efforts towards solving its major challenges in terms of project commitments over Q4 FY 08: In addition to this, the component must focus its efforts on the developing of proposals for the Afro Indigenous Earmark. Given the time constraints the program has in terms of MIDAS Program duration, it only seems feasible to complete project structuring over the following quarter in order to move on into implementation as soon as possible, otherwise it would not be advisable to implement these projects since they would require more time for technical assistance. Within the Afro Indigenous Task Force the ABC component will be leading projects in Tumaco area.

Additionally ABC must continue supervising projects in order to detect any significant setback and take actions immediately. This also includes the documentation of each project and its impact analysis on both a micro and macro level.

The component is also committed to enter in a knowledge development process aiming to produce publications and seminars during QR 4 FY 08. These activities have been under preparation and will be completed over the second semester of the 2008 calendar year.

6. MPC

6.1. ACHIEVEMENTS

The achievements of the MIDAS Policy Component (MPC) this quarter are defined according to three different classifications, as described below:

- **Key Indicators:** Key indicators represent those achievements of the MPC that were specifically defined in the MIDAS 2008 Work Plan (WP), in other words, all the support provided for preparation of laws, decrees/resolutions/circulars and institutional reforms that correspond with specific commitments made by the MPC in the Work Plan (WP) by subcomponent and project. It also includes the main indicators from the Microfinance Program and MPC pilot projects committed in the WP, in terms of families benefited and jobs created, are also presented in this section.
- **Complementary Policy Reforms:** These include legal, regulatory and institutional reforms which were not planned for in the 2008 Work Plan, but were supported by the MPC because they contribute to the overall and specific policy reform initiatives identified in the Work Plan.
- **Other Achievements:** Includes government initiatives that do not translate into laws, decrees, institutional reforms, etc. but which are important to fulfill the MPC 2008 objectives.

Based on the above, the MPC provided support to the Government of Colombia in the implementation of the following reforms during this quarter:

Table 16

Support to	Key Indicators			Complementary Policy Reforms	Total
	Goal	Results	%		
Laws Approved	0	0		0	0
Conpes Implemented	2	2	100%	0	2
Decrees, resolutions and circulars approved	4	6	150%	6	12
Institutional reforms	5	9	180%	18	27
# of new families benefited (microfinance)*	36,800	38,949	106%		38,949
# of families benefited (SPS)		108			108
Hectares Supported		70			70
Jobs Created (SPS)		6			6
Jobs Created (Microfinance)		0			0

*In the last QR and during 2007, the information concerning New Benefited Families wasn't informed:

- 2007: 67.762 new benefited families
- January – March 2008 34.227 new benefited families
- Total accumulate for June 2008 140.938 new benefited families

6.1.1. Key Indicators

Finance

- Decree 1796 of May 23rd and Circular 25 of June 25th, 2008, issued by the SFC (Colombian Superintendence of Finance) regulates derivatives operations and structured products. This reform improves trading in commodities. MIDAS specifically provided technical support in the adoption of regulation for hedging, credit derivatives, derivatives valuation, swaps, European options (call and put), options valuations and suggested best practices in accounting of derivatives. This reform is critical for the development of long-term finance alternatives for agribusinesses and forestry projects.
- Decree 1121 of April 11th, 2008, and Circular 19 of June 5th, 2008, by the SFC, regulates activities by securities intermediaries and brokers, and establishes the necessary instructions to conduct intermediation operations. The reform establishes a much more transparent and reliable environment. MIDAS provided technical assistance to adopt best practices for defining “professional investor” and “investor client” with the aim of improving consumer protection conditions to the latter.

Micro-credit

- To June 30th, 2008, MIDAS’ Microfinance Program counts with 378.024 active micro-credit clients, accomplishing our goal of 376.000 active clients in June 2008. From this, 48.686 corresponded to new clients, that benefited from disbursements worth \$84.260 million (USD\$47 Millions). This means that small businesses obtained loans of about \$1.730.700 (USD 970) on average. Disbursements to new clients exceeded the goal established for this quarter, 46.000 clients.
- 65% of all active clients are women (245.576). Thanks to the new loans, 38.949 families and about 195.000 individuals benefited, approximately 64.379 clients are afro-Colombians and 17.517 live in rural zones.
- During this quarter, entities receiving technical assistance expanded their coverage to 11 municipalities. BANCO DE BOGOTÁ (3), FINAMÉRICA (3) and GIROS Y FINANZAS (5); BANCO AGRARIO are now offering microloans in 184 offices and 204 satellite branches which provide coverage to 388 municipalities. During this quarter 204 new jobs were created by financial institutions, most of which are micro-credit advisors. From January to June, 591 jobs have been created, which exceeds the goal of 400 new jobs established for 2008 in the MIDAS Policy Work Plan.
- The number of CNBs opened almost doubled during this quarter. Between March and May 2008, financial entities opened 454 new CNBs, compared to 255 in the previous period. As a result, by end of May 2008 financial entities reached 541 municipalities. CNBs facilitated transactions worth \$103.342 million, almost twice the transactions made in February (\$60.409 million).

Labor Market Reform

- The labor component presented to the Ministry of Social Protection a revised version of the workload analysis of inspectors, together with estimations of additional inspectors needed and a detailed description of profiles needed for the implementation. The Ministry has used this material to work with the Department of FUNCIÓN PÚBLICA to implement the necessary institutional changes in

the labor inspections system. The two first accomplishments are necessary steps in the generation of an important institutional change, which will result in a more efficient and proactive labor inspection system. In this sense, the Resolution 2180 of June 16, 2008 was issued by the Ministry of Social Protection through which, from the analysis and MPC recommendations, the profiles, essential work functions and the requirements for the position as labor inspectors in Territorial Directors of the Ministry are modified.

- The labor component prepared a detailed proposal of changes in the labor inspection procedures. The proposal analyzes 33 procedures and suggested the elimination of 11 and the simplification of 15 of them. The Ministry of Social Protection accepted the proposal. Some of these changes require the introduction of a bill in Congress and the Ministry is working with the Department of *Función Pública* to have these changes included in a general law proposal being prepared for the second semester of 2008. The changes that do not require a new law, are being implemented through Ministry Resolutions such as numbers 427, 626, and 1016 already reported in the first quarterly report of 2008, and through internal notes (Deputy Ministry Directives).
- As part of the implementation of the new system, a large number of inspectors and other related personnel were trained on preventive inspections: 309 officials (inspectors, administrators and support personnel) were trained in the preventive inspection approach, 59 received training in personal skills necessary to work within the new model, and 131 received training in preventive inspections techniques.
- As a result of the MPC technical assistance, ten new Voluntary Compliance Agreements were signed between workers and employers, 7 of them in Valle del Cauca and two in Huila. Voluntary Compliance Agreements were signed in Valle del Cauca and Huila. Five of those agreements in Valle del Cauca were signed between Private Security companies and their workers, the other five included workers co-ops. In all seven cases the purpose was to improve knowledge and compliance with social security obligations (health and pensions). The agreements in Huila were signed by CARULLA with the purpose of eradicating child labor as packers in their stores, and by CAMACOL with the purpose of enforcing compliance with social security obligations with their members.
- The Policy Component elaborated a diagnosis about the operation of *Sistema Diamante*, which today automates the Inspection system for the Ministry of Social Protection. This diagnosis recommended a new software design for the handling of the latest system of labor inspection.

Fiscal Reform

- INVIAS passed Resolution 0030 adopting a performance evaluation system. This system employs the Annual Tactic Plan and specifically the Results Based Budget (RBB) indicators and goals as performance measurements that support director level evaluations. MIDAS team contributed directly, during last year and the first two quarters of this year, to develop the performance system and to get the appropriation of the system by the agency staff. This work ended with this resolution that institutionalized the RBB system in the agency.

Agriculture, Forestry and Environment Reform

Agricultural Transition Project

- According with the commitments acquired in Work Plan 2008, MPC contributed to the constitution of the new Regional Agriculture Transition Councils in the three pilot regions of the Project: south of Guajira, wheat zone of Boyacá and south of Nariño. The councils will plan investments, and allocate responsibilities among public and private agents. Also, MIDAS provided technical assistance to departmental and municipal authorities in the crafting of the departmental and municipal development plans, which now include proposals for a regional public policy to encourage transitions to more productive farming and more efficient allocation of resources in activities with comparative advantages.

Sanitary and Phytosanitary Standards

- CONPES document 3514 on fruit and vegetables SPS issues was approved April 21st 2008. This policy document establishes the main guidelines for improving of phytosanitary and food safety conditions of fruit and vegetable production. This policy is critical to ensuring that fruits and vegetables gain real access to foreign markets by adopting international standards. MIDAS SPS experts assisted the GoC in designing the document, establishing the main elements of the policy, and in allocating responsibilities among public and private institutions.
- National pesticide registry procedures for minor crops are now addressed through the Technical Unit created at ICA April 29th, 2008 for this purpose. This Unit operates as a public/private alliance with participation of all interested stakeholders. MIDAS SPS experts contributed with basic research on main topics for discussion, and together with DNP assisted in the coordination of the work of the technical unit during 2007. A group of MIDAS international experts contributed initially to setting the guidelines for this unit's main functions and activities.

Competitiveness

- Approval of CONPES 3257 of June 23, 2008, National Policy of Productivity and Competitiveness, that contains 5 pillars for the competitiveness policy: (1) development of world class sectors or clusters, (2) improve productivity and employment, (3) labor and business formalization, (4) strengthening of science, technology and innovation, and, (5) transversal strategies for promotion of competitiveness and investment. The MPC contributed in this formulation in two ways. In first place, by providing, at an initial phase, evidence, analysis and general policy recommendations included in a document discussed with DNP, the Competitiveness Advisor of the Office of the President, and the Competitiveness Private Council. MIDAS also provided support to several Ministries and GoC institutions, as well as regional governments in identifying key competitiveness initiatives. At the final phase of the formulation process, MIDAS also suggested specific policy recommendations and products which were included in the approved version of the policy document. MIDAS experts in coordination with members of the National Competitiveness System also supported both the design of the methodology and the discussion that led to an agreement on the contributions of the different governmental agencies.

6.1.2. Other Indicators: Complementary Policy Reforms

Financial Market Reform

Promoting Access to Financial Services – Opportunities Bank

- Circular 10 of April 4th, 2008, by the SFC, establishes the new definition of micro-credit. The new definition incorporates best international practices currently being applied on this matter. MIDAS provided assistance to increase the ceilings on the value of micro-credits. This reform is critical to extending the reach of micro-credit to small informal enterprises which have financing needs above US\$10,000.
- Decree 1119 of April 11th, 2008, which regulates the Small-Amounts Saving Accounts. The new norm further reduces the costs that stem from regulation and financial transactions taxes on savings from the poor. MIDAS technical support was oriented to the definition of the concept of low amounts saving accounts and assisted in drafting the norm.
- Circular 26 of June 26th, 2008, by the SFC, regulating the management of asset laundering prevention (SARLAFT) for Low-Amounts Saving Accounts, that increases the participation of low-income groups in the banking industry. MIDAS provided assistance to develop an innovative approach to managing risks associated with money laundering, while reducing the regulatory burden on small deposits.

Financial Reform

- Circular 16 of May 6th, 2008 issued by the SFC establishes new rules on liquidity risk management system (SARL). MIDAS assisted the SFC in adopting best practices in liquidity risk management and in adopting a system of early warnings.
- Resolution 908 of June 10th, and Resolution 923 of June 12th, 2008, by the SFC, which approves the operational guidelines for the Cámara de Riesgo Central de Contraparte de Colombia S.A. (Colombian Central Counterpart Risk Chamber). This innovation makes possible derivatives transactions in the securities market. The reform will allow economic agents, including those in agribusiness and forestry to hedge their risks and eventually improve their long-term finance alternatives. The MPC provided specific assistance in the design of the CRCC, and in adopting guidelines the mitigate risks associated with the operation of the CRCC.
- Participated in the process to review Form 398 by the Superintendence of Finance that collects all information required to track and monitor the results of the Opportunities Bank, in order to include new information, and adjust the definition of micro-credit.

Microfinance

MMP Entities:

- BANCO AGRARIO: Implementation of a new micro-credit product under the Community Banking Methodology. In May the first micro-credits in El Pozón in Cartagena and in Tumaco to “*Nucleos Solidarios*” (name given to this type of micro-credit in the bank), were disbursed. The total average of credits is \$300,000 (USD\$ 168) and in the first month 96 micro-credits were disbursed, under this

modality, to very poor afro Colombian population. MMP accomplished a greater goal persuading the bank to reduce amounts, terms and frequency of payments, and to modify procedures to offer this new product.

- FINANCIERA COMPARTIR-FC: The farming micro-credit pilot project, that granted micro-credits to coffee producers from ADAM's producers associations in Huila, at the end of 2007, has been a success. It was a difficult task to convince the Presidency and the Board of Directors of the FC, because of the inexperience of FINANCIERA COMPARTIR in farming micro-credit as they were precautionous in giving credit in this sector. Additionally, they didn't have presence in Huila. Nevertheless, the MMP finally convinced them to design a farming micro-credit product and validate it as a pilot project with the coffee producers. The pilot project demonstrated that with well designed micro-credit products, micro-credits to small producers can be given with excellent recovery rates. As a result, and taken in to account the opportunity of payments by small producers, FC did not only renewed their micro-credits to coffee producers, but authorized expansion of rural and farming micro-credit in Duitama's (Boyacá) and Ubaté's (Cundinamarca) offices. In this way, farming micro-credit expansion has begun in Colombia through a financial regulated entity.
- GIROS & FINANZAS: opened two new regional offices with micro-credit: Southwest, with coverage in Pasto and Ipiales, and Center with coverage in Medellín, Bello and Itagüí. As a result, as of June 30th, and with only 8 months of operation, G&F has 3 regional offices, where they offer service to 10 municipalities: Pereira and Dos Quebradas (Risaralda), Armenia (Quindío), Cartago (Valle), Santa Rosa de Cabal (Caldas), Pasto and Ipiales (Nariño), and Medellín, Bello and Itagüí (Antioquia).
- BANCO DE BOGOTÁ: opened a new microcredit office in Medellín, where it also serves the municipality of Bello and has expanded operations to Soacha. As a result, as of June 30th, Banco de Bogotá has with 7 branches, where it serves 12 municipalities: Neiva (Huila), Ibagué (Tolima); Bucaramanga, Barranca, Florida Blanca, Girón and Piedecuesta (Santander); Ocaña (N. de Santander), Medellín, Bello (Antioquia), Bogotá Sur, and Soacha (Cundinamarca). The first disbursements started in November 2007 and in only 8 months the Bank has 7 micro-financial branches and 3.573 active clients.
- FINAMÉRICA: hedging expanded to Moniquirá (Boyacá), La Calera (Cundinamarca) and Túquerres (Nariño), in the framework of the Opportunities Bank Program. In Túquerres, lending is focused on farming micro-credits in secondary markets. Additionally, the portfolio of micro-credit pilot branches in Cali and Buga, increased in 48% in relation to the first trimester, with the entailment of 300 new clients per month. This reflects the success in the application of the new micro-credit technology.
- COMULTRASAN: the microcredit operations tripled. During the second trimester, 1.792 new microcredits loans were given for approximately \$3.100 million, in comparison with the previous trimester where 467 loans were given for a total of \$718 million. Disbursements increased by 280% and the amount disbursed by 330%.
- UTRAHUILCA: microcredit operations were doubled. Credits loaned increased by 98%, from 752 in March to 1.493 in June; in the same way the amount disbursed increased by 92%, from \$763 million in March to \$1.466 in June. Additionally, during this trimester the first 100 microcredit renovations were completed.
- ONGs/Associations: The Executive Board of CONTACTAR in Pasto accepted the possibility to serve a potential market of *Familias Guardabosques* in the departments of Nariño and Putumayo, where the entity has presence in various municipalities. CONTACTAR will receive and evaluate requests,

under their criteria, from Forest Rangers Families with productive activity and that are eligible to receive a micro-credit loan.

- **BANCOLOMBIA:** 30 new advisors were incorporated to strengthen offices in Bogotá, Medellín, Cali, Barranquilla and Bucaramanga. Participation of MMP was very important in the personnel selection, zoning and in the development of a strategy for the incorporation of new advisors. Additionally, the selection, hiring and induction process for other 30 people in the Armenia, Manizales and Pereira's offices started.

Table 17: Goals Microfinance Pilot 2008

	INDICATOR	2007	APRIL	MAY	JUNE	TOTAL	GOAL	% FUL-
		EXECUTION	2008	2008	2008	QR II 08	QR II 08	FILLMENT GOAL QR II 08
1	Active Clients (#)	327,261	359,055	367,897	378,024	378,024	376,000	100.5%
2	Vulnerable Population	NA	251,339	257,528	264,617	264,617	94,000	281.5%
3	Afro-Colombians	NA	26,295	28,015	64,379	64,379	52,640	122.3%
4	Women	NA	233,921	240,538	245,576	245,576	131,600	186.6%
5	Rural Population	NA	14,671	16,085	17,567	17,567	75,000	23.4%
6	Community Banking	NA	13,830	9,474	8,833	8,833	15,000	58.9%
	Disbursed Loans (#)	175,157	37,963	37,272	37,318	112,553	126,000	89.3%
7	# New Credits	84,703	16,803	16,063	15,820	48,686	46,000	105.8%
	# Renewed Credits	90,454	21,160	21,209	21,498	63,867	80,000	79.8%
8	# Families Benefited	67,762	13,442	12,850	12,656	38,949	36,800	105.8%
	Amount of Disbursed Credits (COP\$)	238,216,616,489	68,723,987,655	69,274,178,237	70,663,580,530	208,661,746,422	260,000,000,000	80.3%
9	Amount of New Credits (COP\$)	238,216,616,489	27,291,917,230	27,721,214,369	29,246,762,581	84,259,894,180	120,000,000,000	70.2%
10	Amount of Renewed Credits (COP\$)		41,432,070,425	41,552,963,868	41,416,817,949	124,401,852,242	140,000,000,000	88.9%
11	Active Savings Accounts (#)	86,736	98,996	106,697	112,964	112,964	150,000	75.3%
12	ADAM Municip. w/ Financial Services (%)	74%	85%	85%	85%	85%	76%	111.8%
13	Jobs Created (#)	NA	95	54	97	246	70	351.4%
14	CNBs Opened (cumulative #)	3,502	4,017	4,211	4,211	4,211		
	<i>By MMP Entity</i>							
	Bancolombia	57	201	202	202	202		
	Banco Agrario	50	86	134	134	134		
	Banco de Bogotá	14	24	24	24	24		
	BCSC	9	7	8	8	8		
	HSBC	1	37	60	60	60		
	Banco de Occidente	6	4	4	4	4		
	<i>Subtotal Accumulated by MMP Entities</i>	137	359	432	432	432		
	<i>New CNBs per month</i>		45	73		118	70	168.6%
	<i>Other Entities</i>							
	Banco Popular	17	29	39	39	39		
	BBVA	18	25	25	25	25		
	AV Villas	40	54	52	52	52		
	Citibank	3,290	3,550	3,663	3,663	3,663		
	Leasing Bogotá CFC							
	<i>Subtotal Accumulated by Other Entities</i>	3,365	3,658	3,779	3,779	3,779	0	0
	<i>New CNBs per month</i>		64	121	0	185		
15	Bancolombia Mobile Branches	240	282	305	305	305		

1. Active Clients: clients with micro-credit
2. Vulnerable Population: Afro-Colombians, Indigenous, Displaced, Female heads of household, Strata 0 and 1
3. Afro-Colombians: clients with micro-credit in municipalities with population \geq 25% Afro-Colombian
4. Women: women with micro-credit
5. Rural Population: clients with micro-credit in municipalities with 50% or more of its population outside of the municipal center
6. Community Banking: clients with micro-credit under this methodology
7. Number of New Credits: clients with micro-credit for the first time
8. Number of New Families Benefited: families with micro-credit for the first time (80% of indicator 7)
9. Amount of New Credits (\$): Total amount of \$ disbursed in new credits
10. Number of Active Savings Accounts: clients with savings accounts opened in banks or cooperatives
11. CNBs opened by banks currently receiving technical assistance from the MMP
12. % of ADAM municipalities with financial services: ADAM municipalities with presence of micro-credit services
13. Jobs Created: number of micro-credit officials hired by entities receiving technical assistance from the MMP

Non-Bank Correspondents – CNBs

- During the period from March to May 2008, financial entities opened 454 new CNBs¹, and hedging got to 541 municipalities through 4.211 CNBs around the country. As a result, as of May 2.324 CNBs were established in 420 MIDAS municipalities.
- We recognize the contribution made by the MMP² Banks in the expansion of coverage in municipalities where no financial presence existed. As of May, 167 CNBs have been opened in 138 municipalities without coverage, from which 144 (86%) were opened by MMP banks and 23 by banks not attached to MMP³, even though these banks surpass the firsts in number of CNBs (Table). This reflects the impact of MMP technical assistance in the use of CNBs as a strategy for hedging extension and “bancarization”.

Table 18

NBCs	Banks PPM	Other Banks	Total
Total	432	3779	4,211
In municipalities that didn't have bank presence	144	23	167
% in municipalities without presence	33%	0.6%	4%

- Coverage of CNBs in MIDAS municipalities doubled during the trimester, going from 128 CNBs in 111 municipalities in February to 283 CNBs in 248 municipalities in May. BANCO AGRARIO and BANCOLOMBIA continue to lead the expansion. The first increased coverage in 72 municipalities and the second in 69 (Table 19).

Table 19

MIDAS	February		May		Variation	
	Municip.	CNBs	Municip.	CNBs	Municip.	CNBs
PMM with CNB Banks	111	128	248	283	123%	121%
Bancolombia	74	87	143	161	93%	85%
Banco Agrario	39	39	111	112	185%	187%
HSBC			5	8		
Banco de Bogotá	2	2	2	2	0%	0%

- Even more important, the CNBs increase in coverage is still focused in rural municipalities, afro Colombian and indigenous population. More than half of CNBs opened by banks attached to MMP, are located in municipalities where 50% of the population is rural (220), in 42 municipalities were more

¹ We still don't count with information from June 2008, because entities report information about CNBs to the Financial Superintendence of Colombia at the end of the month.

² BANCOLOMBIA, BANCO AGRARIO, BANCO DE BOGOTÁ, BCSC, HSBC and BANCO DE OCCIDENTE.

³ CITIBANK, AV VILLAS, BBVA and BANCO POPULAR

than 25% of the population is afro Colombian⁴ and in 20 municipalities were more than 25% of the population is indigenous.⁵

Table 20

MIDAS	Total	Total	%
Municipalities with CNB	111	420	278%
Municipalities ≥ 50% Rural Population	60	220	267%
Municipalities ≥ 25% Afro-Colombian Population	14	42	200%
Municipalities ≥ 50% Indigenous Population	9	20	122%

Strategic Alliances:

- Micro-insurances: fewer restrictions in activities and sectors excluded in home and small business insurances by SEGUROS MAPFRE and SEGUROS EQUIDAD. Also, a considerable reduction in the deductible amount of these micro-insurances was achieved.
- Additionally, we achieved synergies with the Agricultural Transition Program from the MIDAS Policy Component, due to COPABOY, the most important potatoes producers association of the Boyacá Department that chose SEGUROS EQUIDAD to offer micro-insurance products to their associates.
- Seeking resources for MMP attached entities: presentation to Bavaria of the first strategic alliance proposal with a micro-financial entity: FINANCIERA COMPARTIR. The proposal was elaborated between FC and MMP, in permanent coordination with Bavaria. The proposal presents a way to generate 30.000 jobs in 5 years, with the support of innovative small entrepreneurs, with a clear business vision and high potential to create jobs. It also indicates the best approach to manage the alliance. This proposal is actually in Bavaria for adjustment.

Sanitary and Phytosanitary Standards

- Thirteen handbooks that update the meat inspection system were delivered to INVIMA on June 30th 2008 after a long process of detailed technical work and harmonization with international standards.

Competitiveness

- MPC provided technical support for the preparation of the Decree 1520 of 2008, issued on May 9 that adopt best international practices in customs clearance at primary zones. The norm insures compliance with FTA obligations that require that imports and exports clear customs in less than 48 hours. The decree also requires that concessionaries of ports and airports facilitate the necessary infrastructure and equipments to execute simultaneous inspection procedures.

⁴ Arboletes, San Juan de Urabá and Vigía del Fuerte (Antioquia); Cartagena, Santa Rosa and Hatillo de Loba (Bolívar); Guapi and Patía (Cauca); Nuquí (Chocó); Tierra Alta and San Antero (Córdoba); Zona Bananera (Magdalena); Cali and Zarzal (Valle del Cauca).

⁵ Usiacurí (Atlántico); Caloto (Cauca); San Andrés de Sotavento y Chinú (Córdoba); Sibundoy and Santiago (Putumayo); Mistrató (Risaralda).

Fiscal

- ICBF and INVIAS began to employ the region to nation performance information management system findings of MIDAS team in their formal institutional information flows. Currently, ICBF is deciding which Regional Direction will be selected and MIDAS team is going to validate it and propose adjustments to the information system.
- The monitoring system for 2008 budget at ICBF and INVIAS was launched, based on indicators' register formats designed by MIDAS team and incorporated to institutional monitoring tools. INVIAS is actually applying the development monitoring system to its Territorial Units.
- The budget programming system for 2009 budget was defined by MIDAS team, based on the Results-Based-Budgeting (RBB) methodology. MIDAS team also worked on the articulation of RBB 2008 and 2009 and the Medium Term Expenditure Framework at ICBF and INVIAS.
- The team's MTEF expert designed a methodology to articulate the RBB and MTEF and discussed it with ICBF and INVIAS, making the RBB the methodological basis of the latter. This has generated greater efficiency in the budget procedure of entities.
- The team's indicator expert developed a sector classification proposal for Sector Indicators Bank (BIS) develop, following international standards. This sector indicators proposal is being applied to 320 BPIN (Investment Project Bank) projects.
- Thanks to the team work, three additional sectors (8 agencies) have replicated the RBB performance indicators methodology and strategy. Currently, thirteen sectors are adopting the methodology in order to revise their indicators at the BIS.
- Infrastructure and Social Development Units at DNP have adopted the revised RBB indicators and performance information in their ex-ante appraisal of investment projects.

6.1.3. Other Achievements

Financial Market Reform

Technical Assistance to BANCOLDEX for the Implementation of the Opportunities Bank

- Support in the definition of the terms of reference for the request of proposals to contract the audit process for the pilot programs involving the expansion of the NGO coverage, cooperatives and commercial financing companies, and in its awarding, on May 16th, to the company GYG INVERLINE LTDA., by the Opportunities Bank inter-sectorial commission.
- Support in the definition of the strategy to evaluate and develop terms of reference of the OB's policy, through the use of impact, executive and results-based measurements.
- Definition of the strategy for the promotion of micro-insurance products by the Opportunities Bank, and support in the summons to design the population for *Familias en Acción*.

- Support the preparation of the terms of reference to contract the banks that will pay the subsidies from *Familias en Acción*, through Small-Amounts Savings Accounts in coordination with ACCIÓN SOCIAL.
- Consolidation of the institutional nature of the Opportunities Bank, assisting in the definition of the processes and the follow-up of the summons and RFPs, and in the definition of the accounting and budget rules. Participation by the directive team at BANCOLDEX was promoted, in order for the lessons learned from this program to be internalized.
- Support to the OB in the study on cash management in CNBs located in rural areas, jointly with the CGAP, in order to understand their cash flows and to evaluate how they address their problems. Presentations were made in BANCOLOMBIA, BANCO AGRARIO, CITIBANK and BCSC.

Technical Assistance to the MHCP

- Development of the study to design Periodical Economic Benefits (BEPs - for its acronym in Spanish), which provides income protection to vulnerable groups. The study led to financing a new system that will pay the equivalent of a pension to the poorest in Colombia. The new system is part of Financial Reform bill currently being discussed by Congress.

Microfinance

- MPC trained 868 members of micro-credit entities. Throughout the whole year 1.746 members of micro-credit agencies have been trained by the MPC.

Labor

- Technical assistance in the implementation of the new labor inspection model in the Special Unit (Labor Inspection Direction) and in the Territorial Directions of Cundinamarca, Antioquia, Valle del Cauca, Atlántico, Santander, Cesar, and Magdalena was initiated. From the point of view of the labor market, these areas represent 64% of the workers and 86% of the firms in the country.

Agriculture, Forestry and Environmental Reform

AIS

- A Base Proposal including legal framework and strategies for the participation of private investment in the design, construction and administration of irrigation projects. The document was elaborated by MPC consultants in coordination with the Sustainable Rural Development Office (DNP). Through this document the need for taking part in at least one medium or big size irrigation project (pilot) was created, primarily for its privatization and efficient private management; following these guidelines, projects in Chicamocha and Recio were chosen.

Land

- A Base Proposal, elaborated by MPC experts, for the Design and Implementation of a National Program for Land and Property Restitution, that contains strategies and criteria to create in Colombia a Program for Property Restitution (PRB) oriented to Displaced Population. This proposal was supported by the National Commission for Reparation and Reconciliation (CNRR), the Attorney General Office, the Ministry of Interior and finally approved during a joint seminar between CNRR and the Specialized Technical Committee (CTE) carried out in April. Assigned by the CNRR, MIDAS put together an activity plan used by the CTE for the definition of their Work Plan in the PRB design. Because of the continued interest of the GoC in Property Restitution to Violence Victims, the Ministry of Interior requested the subscription of a Memorandum of Understanding between the USAID and this Ministry, where the parts commit themselves to collaborate in the design of the PRB, the formulation of legal regulation and necessary procedures to adopt and implement the Program mentioned before, the start up of the CTE and the Regional Commissions for Property Restitution and the strengthen of the Victims Reparation Fund. In the framework of this Agreement and the Accord with the CNRR President, MIDAS produced several documents and maintains work relations with CNRR, ACCIÓN SOCIAL, the Ministry of Interior and Justice, DNE, the Ministry of Agriculture and other entities.

Sanitary and Phytosanitary Standards

- Document with guidelines for consolidation of a pathogen base line was delivered to INVIMA, April 25th, 2008. The document was developed entirely by MIDAS SPS consultants.
- Revised version of the regulation that establishes official requirements and control of food imports and exports for human consumption, delivered to INVIMA, June 16th, 2008. Draft version was written by MIDAS SPS expert and discussed with INVIMA officials' prior delivering date.
- National Fishing and Aquaculture workshop took place in April 24-25, 2008 with active participation of SPS consultants who directed the event in order to accomplish results towards consolidation of updated policy guidelines for fisheries and fishing industry, focusing on ICA's new responsibility on fishery management plans. MIDAS also supported the participation of small fishermen from different regions and one of our consultants coordinated the entire workshop.
- Training program on food safety aimed at strengthening SPS groups of regional health authorities (ETS). During this quarter, 5 seminars in 4 locations with 115 certified participants were developed. MIDAS SPS consultants were in charge of all training sessions including logistics and printed materials, with some involvement of the Ministry of Health during regional events.
- SPS Leader, participated in the IAFP Latin America Symposium on Food Safety Campinas, SP, Brazil, May 26 – 28, 2008, with a presentation on the process of modernization of the SPS system in Colombia.
- SPS Consultant visited the state of Espirito Santo in Brazil, with a public official from ICA, to obtain information on the establishment and maintenance of the low pest prevalence area for papaya which has been operating exports to the US for 8 years. Results were presented by MIDAS consultant to private and public stakeholders at the pilot project in the north of Valle del Cauca and follow up will continue to obtain real access of papaya from that region.
- SPS expert on Environmental issues contributed in the development of the National Workshop on Sanitary and Environmental Technical Assistance for slaughter houses aimed at providing tools for

adequate compliance of the Decree 1500 of 2007. The consultant presented a lecture describing the environmental requirements for slaughterhouses.

- Work plan was prepared by SPS consultants and agreed with Ministry of Environment for MIDAS SPS support on specific issues within new SPS group at the Ministry and regional authorities, focused on strengthening capacity in environmental inspections and risk assessment.

Competitiveness

- Complementary to issuance of the decree 1520, and to facilitate its implementation, MIDAS prepared a diagnostic of ports and airports infrastructure that made recommendations to relevant actors and provided a detailed analyses on infrastructure and equipment mentioned in the decree.
- The GoC subscribed with the Port Societies of Buenaventura, Santa Marta and Barranquilla, on May 30th, the extension, for more than 20 years, of the concession contracts for ports in these cities. MIDAS contributed by providing technical assistance to the Ministry of Transport and to INCO, consisting of a legal design of contract drafts, and the preparation and agreement with relevant actors (specially with Regional Port Societies) of the design of a set of port performance indicators for strengthening operational efficiency and service delivery, included in the extended port concession contracts.
- A study on competition in the Colombian telecommunications sector was delivered to the Ministry of Communications. The study describes and analyses the telecommunications competitive structure and the general Colombian legal framework of the sector, and presents an evaluation of the current and future competitive strategies of the different actors and compared with the global and regional industry. It also includes indicative scenarios of the sector's tendencies for each service, looking forward years 2010 and 2014. The report provides a set of policy recommendations to foster greater competition, preserving the perfect incentives to promote investment (local and foreign) and improving technological modernization of the sector.
- The Ministry of Communications presented officially in Sincelejo on April 11, the pilots for digital territories accomplished in 2007, included those supported by MPC in Turbo, Tumaco, Buenaventura, Pereira, Manizales, Sincelejo and Medellin.
- United States Ambassador, William Brownfield, opened in Villavicencio the Last Mile Initiative (LMI).

6.1.4. Success Story

FOGASA'S Meat: Safe from the Gate to the Plate

Meat processing plant receives technical assistance to obtain exporting license

Challenge: Beef production is one of the most important industries for Colombian agriculture. Despite its potential and popularity in the country, many of the processing plants often fail to comply with government standards for food safety procedures. A pilot assessment performed in six meat processing plants (Frigosinu, Supercerdo Paisa, Camagüey, Procesan, Zenú and Fogasa) proved that structural changes in enforcing sanitary and phytosanitary regulations were needed.

Fogasa's Meat, one of the meat processing plants assessed in the municipality of Aguachica, where regional suppliers were looking to expand their market. Their facilities and processes were subpar and didn't comply with the necessary Sanitary and Phytosanitary measures. Many changes in the slaughterhouse and in the meat transformation processes needed to be made in order for them to meet the National Food and Drug Surveillance Institute requirements (INVIMA) to obtain a license to market their meat products.

Initiative: MIDAS Policy Component, through its Sanitary and Phytosanitary Subcomponent (SPS), provided FOGASA technical assistance in the design of the meat processing facility and in the creation of a food safety management system. The latter focused on implementing measures to avoid meat contamination during the process of transformation, encompassing the process from slaughter to the marketing and distribution of the product.



Currently, FOGASA meets more than 200 food safety requirements, and has a license from the INVIMA to market their products locally and export them to Venezuela and the Caribbean.

Additionally, the SPS subcomponent supported the Ministry of Social Protection in the modification of the decree regulating meat processing standards. As a result the Ministry issued Decree 1500 in May 2007 which demands the creation of official Inspections and a Surveillance and Control System for meat, meat products, and other edible products of animal origin. The decree also regulates sanitary and food safety requirements necessary during the first stage of production: deboning, processing, storage, transportation, marketing, packaging, importation, exportation.

Results: The company invested three thousand million pesos (approx US\$1.5 million) in remodeling and updating the slaughterhouse's facility's as suggested by MIDAS technicians in Sanitary and Phytosanitary Regulations. This included buying equipment to minimize the physical and chemical factors that cause meat contamination. Currently, the meat processing plant meets more than 200 food safety requirements and has a license from INVIMA to market their products locally and export them to Venezuela and the Caribbean.

The days in which Fogasa's Meat's options were limited to "informal" retail are over. Today, the company is one of the most productive in the department, transforming more than 2,500 animals into high quality meat products and benefiting more than sixty families through employment. A lot of effort lies ahead to obtain exporting licenses to other countries: but Fogasa's Meat today is certified now as safe- from the gate to the plate.

6.2. MAIN CHALLENGES

Financial Market Reform

Promoting Access to Financial Services - Opportunities Bank (Banca de las Oportunidades)

- The Central Bank's monetary policy has had a baleful effect on the efforts to achieve a greater financial depth and on the expansion of credits to low-income groups. As a result, micro-credits operations are growing at slower pace and nonperforming loans have increased outside of MPC assisted financial institutions. Furthermore, recently adopted reserve requirements policies further increase in costs for credit.

Agriculture Financial Reform

- Achieve the Ministry of Agriculture's support in the recommendations made about the National Farming Credit System and particularly about the suggestion made about widening access to financial services.
- Promote the implementation for an agricultural information system.

Microfinance

- Expand Rural Micro-credit. Even though important goals had been achieved, in terms of number of financial entities that offer this product, mass expansion of this product has not been reached yet. The main barrier to this objective is the cost of cash management in rural areas. This highlights the need to introduce mobile banking in rural areas. MPC will take a mission of bankers and mobile phone companies to learn from USAID's Philippines program, with the aim of launching the first mobile banking operation in Colombia in early 2009.
- Hiring of Advisors: Hiring processes of micro-credit advisors is slow in Banco Agrario and Banco de Bogotá. Also, personnel rotation in BANCO DE BOGOTÁ, GIROS Y FINANZAS and FINAMÉRICA is high. MPC is providing assistance to these institutions to improve their hiring processes.
- MPC is evaluating the exit of this entity from MMP due to the murder of its Manager, Miguel Daza, on February 15. The new Manager hasn't resumed the micro-credit activities with MMP and security conditions in the region are not adequate.

Labor Market Reform

- Although the Government presented to Congress bill 190 (implementing some MIDAS recommendations about collective bargaining and negotiation) in December 2007, this has not been processed as fast as it was originally expected.
- The Ministry of Finance hasn't yet appropriated the necessary funds for the restructuring of the Labor Inspection System and the appointment of new labor inspectors. This has slowed down the

preparation of the implementation of the preventive inspection system in the new regional offices planned for 2008.

Agriculture, Forestry and Environment Reform

- MPC faces an important challenge to provide timely assistance on Property Restitution to the National Reparations and Reconciliation Commission (CNRR). Although there is a strong interest from government and civil society in receiving MIDAS assistance for drafting the Property Restitution Program, there is still substantial differences in objectives and approaches between the different parties that take part in the CNRR.

Competitiveness

- Promote, especially at the regional level and, in coordination with the Presidential Advisory Office for Competitiveness, an appropriate implementation and assembly of a Monitoring and Evaluating System of the decisions adopted in the National Policy for Productivity and Competitiveness.
- Regarding the ports concession contracts, to get the commitment of all relevant actors in order to adequately implement the battery of performance indicators as a tool for improving the operation and level of service of the ports.
- Promote the implementation of the recommendations that MPC, according to Decree 1520 of 2008, suggested to local and national authorities about simultaneous inspection and customs clearance.
- Guarantee effective articulation of key actors of the National Competitiveness System with the strategies developed as part of the “Sectoral Competitiveness Reform” project. In addition, to ensure regional representative participation that legitimizes the strategies of the project.

6.3. NEXT QUARTER OBJECTIVES

Financial Market Reform

Promoting Access to Financial Services - Opportunities Bank (Banca de las Oportunidades)

- In order to share the different experiences from the CGAP, and to enrich the CNB model, a Workshop has been scheduled for September, with Vice-Presidents and Managers of the banks' CNB channel.
- Establishment of summons process to contract the impact evaluation of the Opportunities Bank, and drafting of the terms of reference for an executive evaluation, and to assess the results.
- Issue of Form 398 amended by the Superintendence of Finance.
- Establishment of an RFP process to contract the study of the demand for micro-insurance for beneficiaries of *Familias en Acción*.

- Conduction of a diagnostics process on the regulatory and business situation for Mobile Banking in Colombia.

Financial Reform

- Issue of new decrees on securities intermediation and their corresponding Circulars.
- Issue, by the MHCP, of the new structure of the SFC with the new Quality Management System, and by the SFC, of the new Circular regarding this structure.
- Certification of the Quality Control System.
- Issue of the norm by the MADR, regarding the Forestry Incentives Certificate - CIF for plantations.
- Recommendations on agricultural insurance.
- Development of an internship with the BNA (National Agricultural Exchange) in commodity exchanges in Brazil and Argentina.
- Recommendations about derivate financial products.

Microfinance

- Continue expanding coverage of MMP with all entities attached. 6 New branches will be opened and 8 new municipalities will be taken care of. To achieve this, training and support in field are very important.
- Continue to implement rural and farming micro-credits, principally in FINANCIERA COMPARTIR, FINAMÉRICA. Also promote Community Banking with BANCO AGRARIO in Buenaventura and Tumaco.
- Start with the micro-credit design for housing improvements in alliance with the CORONA ORGANIZATION.
- Continue with CNBs expansion. Special emphasis will be placed in BANCO AGRARIO'S objective of reaching 128 municipalities that have no financial institutions present.
- Begin the implementation of micro-insurance with BANCO AGRARIO.
- Start the implementation of a micro-credit pilot project for Forest Ranger Families with ACCIÓN SOCIAL.
- Provide recommendations to lower cash handling risks in rural areas of Colombia.

Labor Market Reform

- Continue executing the implementation of the new labor inspection system with the training of inspectors and Central Office (Unidad Especial) personnel in the preventive inspection techniques and development of compliance agreements.

- Implement Social Responsibility seminars en Bogotá, Medellín, Barranquilla, and Cali to promote certification of companies under Norm SA8000.
- Initiate implementation of the first part of the Corporative Intelligence Model for the prediction of training need in SENA.
- Initiate implementation of the Observatory of Oral adjudication system for labor law cases.

Fiscal Reform

- Validate region to nation performance information management system in a selected ICBF Regional Direction.
- Develop procedures and formats for regional management of RBB indicators
- Harmonize monitoring reports generated by ICBF and INVIAS with DNP's investment monitoring system (SPI).
- Achieve an official adoption of budget's technical documents based on the RBB 2009 results by INVIAS and ICBF.
- Develop a methodology for the regional RBB implementation.

Agriculture, Forestry and Environment Reform

Agricultural Transition Project

- Present a policy proposal to the GoC that supports a transition strategy oriented to the AIS program. In this way, the organizational base and the strategies generated by the project will allow a more suitable and productive channeling of AIS resources.

Information System

- MIDAS will present a National Plan for an Agricultural Information System.

Land

- A document which supports early drafts of the National Program on Land and Property Restitution will be presented to the CNRR and the GoC.

Sanitary and Phytosanitary Standards

- Assistance on a CONPES document for strengthening the analytical capacity of the National SPS System.

- Assistance on a Decree on Low Acid Canned Foods went through national and international public consultation and is ready for approval.
- Assistance on a General decree on food packaging and food contact materials went through national and international public consultation to be approved by Ministry of Social Protection no later than August 30th, 2008.
- Assistance on a General decree on authorized additives for meat products went through international public consultation.
- Training program for INVIMA's meat inspectors to cover 4 regions, 400 hours training and a total of 150 inspectors.
- 3 training courses in 3 regional locations will take place to complete the program for SPS groups of regional health authorities (ETS).
- Certification of GAP pilot projects in Boyacá – through third part firm BCS – and GHP pilot farms in the Atlantic Coast through ICA.
- Training program on Good Laboratory Practices aimed at public and private laboratory personnel within the SPS system.
- Technical studies for SPS group structure within environmental regional authorities.
- Workshop on environmental inspection focused on SPS issues aimed at national and regional authorities, developed by an expert from US EPA.

Competitiveness

- Provide a document to the Ministry of Communications and DNP that will assist these institutions in issuing the National Policy to Create Digital Territories in Colombia.
- Deliver to the DNP the final version of the transport's sectoral regulatory framework proposal.
- Conclude the National Logistics Survey that will serve as input for the CONPES document that supports the National Logistics Plan.
- Support the launching of the sectoral strategies for the productive reconversion and global class development of software and call-center/BPO sectors.
- Gain approval from the Ministry of Communications of the Digital Territory project for the Guajira Department.
- Continue support to the Competitiveness Plans of the Departments of Guajira, Nariño and Santander and start the process with other departments.
- Start support to the Ministry of Environment, Housing and Territorial Development (MAVDI) housing Macroprojects in Quibdó and Tumaco.
- Support the issuance of a decree that establishes the National Quality Subsystem.
- Support the issuance of a decree by which the National Accreditation Organization –ONAC will begin accredit quality and technical standard certification agencies.

7. DCOP

7.1. ACHIEVEMENTS

A Deputy Chief of Party was hired during Q3 FY08. He was given the priority of developing new synergies within MIDAS and other strategic actors such as ADAM and ACCIÓN SOCIAL. He was also tasked with incorporating information and Lessons Learned from the USAID external assessment of its Alternative Development program. Finally, the DCOP was tasked with managing a task force for the \$15 million USAID Afro Indigenous Earmark comprised of ADAM, MIDAS, OIM, and PADF members.

Actions were taken to make operational the new 2008 \$1.3 million agreement with ACCIÓN SOCIAL. Under this agreement five new SMEC projects will be initiated as well as additional funds for seeds and productive infrastructure will complement activities funded under the recently signed MIDAS Agribusiness projects of Espeletia and Ocaña. The agreement also provides for the MIDAS Policy component to replicate, in an additional new municipality, increased financial services access activities to benefit ACCIÓN SOCIAL *Familias Guardabosques*.

Agreements was brokered by the DCOP office between MIDAS components and key GoC programs, including an agreement between the National Food Security Program (RESA) and the CFC, support by the MPC and ACCIÓN SOCIAL on land tenure and restitution efforts, and strategic MIDAS support for key government agencies such as the Ministry of Agriculture, Ministry of Social Protection, and with Governor of the Department of Cesar.

The new DCOP carried out a program to visit each MIDAS Regional Office to generate and incorporate feedback regarding local corridor specific political, economical and social dynamics as well as the regional component performance. Each DCOP visit included field visits to at least two or three projects⁶ and a final meeting with the regional MIDAS teams for morale building purposes and to identify concerns and suggestions.

The Zero Coca Protocol agreed to last year was invoked for the first time as the result of a report by the UNODC regarding the presence of coca in a specific *vereda* in the Catatumbo region. The Illicit Free *Veredas* Committee (composed of USAID, MIDAS, and ACCIÓN SOCIAL) met and decided that the MIDAS project operator should be required to use all available tools to persuade the owners of the illicit crop to become part of the project. Application of the Committee's recommendation is being monitored to determine the usefulness of the current Protocol as a means to bring to bear social pressure against illicit activities.

The DCOP was able to engineer a significant shift in the way the GoC *Consejos Consultivos* are organized. MIDAS is now taking a more proactive role in setting the agenda for the discussion to include such themes as now to get the National Planning Department to evaluate and adopt the MIDAS SMEC model and network as part of national entrepreneurship development program.

At the request of USAID, three regional Alternative Development Consultative meetings were held with regional and national representatives from different NGO's. The need for a follow up constructive dialogue was identified on critical issues such as food security, environmental regulations compliance, and land tenure.

⁶ Projects visited included: FUNDAMERCA (Cauca), KFW- FEDECAFE Forestry Project, Frutas Potosí, Obleas Floridablanca, Actuar, Compañía de Empaques.

One of the activities that demanded substantial efforts from the DCOP office is the leading and task force conformation for the Afro-Colombian and Indigenous earmark. The team is already working including ADAM, PADF, IOM and MIDAS key staff. A concept paper including the project criteria and the possible quick start-up projects has already been exposed to USAID and the GOC.

Primarily as a result of issues raised by the USAID external evaluation of its Alternative Development, an internal MIDAS discussion was initiated to determine how MIDAS contributes to Alternative Development objectives and how to enhance such contributions. As a result of these discussions a document is being developed to identify the strengths and weaknesses of the different MIDAS' intervention from an Alternative development standpoint.

The Information Technology division helped redesign project implementation and payment procedures to improve their efficiency. These efforts have already produced significant results; such as the new web based CUBO tool that allows the certification of SME New Jobs created in as little as two hours, rather than the week that this process previously used to take. In addition, improvements in SIMProject, SIMITS, and the MIDAS internal website are promoting access and utility by the components, support offices, and shared functions departments.

The Productivity Committee chaired by the DCOP will continue to identify changes that improve the performance of each component and increase program efficiency through streamlining of procedures.

7.2. MAIN CHALLENGES

For the next quarter, the efforts of the DCOP office will be focused on the launching and implementation of quick start-up projects under the new Afro Indigenous earmark initiative. USAID has asked that special emphasis be placed on the consultative process with local governments and afro indigenous communities. As a result of the consultative process project selection criteria will be finalized and a list of interventions agreed to with local communities, *consejos comunitarios* and *resguardos indígenas*.

Q4 FY 08 will also be a crucial time period for the implementation of the projects co-financed by ACCIÓN SOCIAL through the new agreement, specially those projects regarding the buying of seeds and productive infrastructure. The timeframe for complying with the budget regulations of the GOC is critical. An addition of the funds committed into the agreement is being worked and expected to be finalized next quarter.

The DCOP office is working to develop an internal agenda to identify actions to promote implementation efficiency, quality improvements, enhanced knowledge management, impact evaluation, and human resource development. An event will take place in July to finalize the agenda within MIDAS and develop an action plan to achieve critical results during the rest of 2008.

The Culture of Legality message and the proper diffusion for MIDAS staff and operators of the commitments regarding zero coca policy will keep on being reinforced by the DCOP in his regional visits, as well as in other events where the program is present including the MIDAS *¿Cómo vamos?* meetings. During the next quarter a communications campaign implemented by the Outreach department will be launched. As part of the comprehensive strategy didactic publications including the zero coca commitments, the social network and support to the culture of legality, and the diffusion of the mechanisms to repair licit crops affected by fumigation will be ready by mid august.

The exchange rate implications for the program will be analyzed and strategies deployed in order to mitigate adverse results from this macroeconomic effect. Directly monitored by the DCOP, each component and Program Planning Department are implementing a methodology for dealing to the extent possible with this fundamental variable.

8. PPD

8.1. ACHIEVEMENTS

PPD has begun to validate job certifications of the SME component through a software tool named “CUBO”. This tool provides agility in the validation of new reports, ensuring reliability and a better statistical management of information.

In May, for the first time, new job reports were validated through “CUBO”. The use of this tool has given M&E more time to prioritize follow-up visits to SME projects.

The first drafts of the program’s impact evaluations – one of them using the sustainable livelihoods framework and the other, requested by USAID, to assess the effects of MIDAS projects in the Catatumbo region – have been devised and presented to USAID.

8.1.1. Monitoring and Evaluation Coordination

In May, for the first time, new job reports were validated through “CUBO”. The use of this tool has given M&E more time to prioritize follow-up visits to SME projects.

M&E supported a survey to query grantees on the present condition of GIS tools and the progresses made in the geo-referencing processes of our beneficiaries’ properties. As a result of this diagnosis, a training program for GPS and other useful tools will be designed and implemented, facilitating the process and allowing a higher percentage of MIDAS beneficiaries’ lands to be geo-referenced by the end of the year.

By USAID’s request, UNIVERSIDAD NACIONAL developed a research study to assess MIDAS’ indicators and our data collection process in the framework of a series of evaluations named “Data Quality Assessment”. M&E completed all forms requested by the university.

M&E, together with UNODC and ACCIÓN SOCIAL (PCI), coordinated verification visits for illicit crops (in the framework of the “zero illicit” program) to projects located in the MIDAS Corridors of the Atlantic Coast, Southwest and Magdalena Medio. The verified projects were: MADEFLEX, Cía Palmera Sur de Bolívar, ECOCACAO, FUNDEPALMA and CORDEAGROPAZ.

We responded to every information request from the program Consulting Councils for Alternative Development and Competitiveness.

PPD also carried out a survey in one ABC-SMEC project in order to validate the implementation of USAID’s land protocol.

The results of the constant work of the area were the following:

- Initial Verification Visits: 17
- Follow-up visits: 101
- Monitoring Plans: 30

8.1.2. Environmental Coordination

During this quarter a significant part of the effort was employed helping proponents obtain environmental approval for their projects and carrying out follow-up activities to verify compliance of environmental commitments acquired by beneficiaries.

Some basic figures that describe the environmental related achievements of the quarter:

- Five Environmental Reviews, involving 5 projects, were submitted to USAID and 3 Reviews, some previously submitted, received approval.
- Environmental Reviews took an average of 32 days to be approved by the USAID, up from 25 days in the previous quarter.
- Forty-two requests for Categorical Exclusions were submitted to USAID and 39 received approval.
- The average time elapsed to receive approval after the request was 2.84 days, up from 1.47 days on average in the previous quarter.
- The average time elapsed to prepare an ER increased from 112 days in the previous quarter to 214 days in this quarter, due to the fact that these late projects tend to have more obstacles to overcome.
- Twenty field verification visits were carried out in order to supervise the implementation of the Environmental Reviews. In those visits, no major problems were found regarding environmental compliance.
- In 9 sessions 9 grantees and/or proponents were trained in the use of the SIGA system and environmental requirements. Members of the regional offices also received environmental training.

Also, a draft version of the Terms of Reference to assess MIDAS environmental performance was prepared; this version was sent to USAID for approval.

The new PERSUAP received partial approval. This means that still some work needs to be done in order to have a final approved PERSUAP.

8.1.3. Financial Coordination

CY 2008 second quarter was demanding on budget realignment proposal that was submitted to USAID on May. Although the program is only planning to expend \$ 163.5 million, the contract is going to remain at \$ 182.0 million. The difference of \$ 18.7 is being kept as budget to be committed for the future with resources on each budgetary line to operate additional money. This is the case of Afro – Indigenous Ear Mark resources for \$ 12.000.000 that are going to be allocated to MIDAS and ADAM.

Budget and Burn Rate projections were recalculated to incorporate changes in home office Overhead and MHO rates as well unanticipated changes in the peso to dollar exchange rate. The components helped identify causes for delays in project expenditures and an action plan was developed to address such issues.

Financial Coordination, Controllers and IT continued working on activities to guarantee the uploading and transfer of expenditures information on Great Plains to SIM. Work from the GP engineer on the inter phase that is needed for information on both systems to be attached, helped an improvement on the relationship

between both systems but work is still needed. This activity is fundamental to assure that all the information on expenditures is part of SIM, permit better tracking of individual areas and components budget execution, modifications on Budget Availability Certificates, management reports that allow specific follow up by project, corridor, PC, etc, and the creation of additional project information under SIM.

8.2. MAIN CHALLENGES

8.2.1. Monitoring and Evaluation Coordination

One of our main challenges will be to lead the conduction of the program's impact evaluations (Sustainable Livelihoods Framework Evaluation and Impact Evaluation for the Catatumbo region). In order to achieve this result, it will be necessary to consolidate the Terms of Reference approved by USAID, invite the more efficient consultancy firms to participate in the selection process, support the selection process of the firm and oversee the implementation of the evaluations. In the second semester of 2008 we must also accompany MIDAS in the implementation of a knowledge management program and follow up with the results of the land protocol survey in the project "Frutas Potos".

8.2.2. Environmental Coordination

The main challenge facing the area will be to follow-up the environmental performance of projects that went into implementation. This task is of crucial importance to ensure that all the commitments made through the Environmental Reviews are being honored and that projects have the best possible performance from an environmental point of view.

8.3. NEXT QUARTER OBJECTIVES

8.3.1. Monitoring and Evaluation Coordination

Supported by the IT area, M&E will design and implement a module for the management of families, a tool which will allow us to cross-check information about benefited families of all projects and components. It will also allow MIDAS to cross-check data related to families benefited by the ADAM Program.

M&E will respond to information requests by ACCIÓN SOCIAL related to our program's beneficiaries to cross-check the information with governmental programs beneficiaries, such as *Familias en Acción*, *Población Desplazada* and *Familias Guardabosques*.

Another objective is to reach a greater level of progress in the georeferencing process of beneficiary's properties reported by projects under implementation.

The M&E team will supervise the impact evaluations and support the development of the "Ethnic Productive Territories" strategic framework for the Afro Indigenous Earmark.

Coordinated with C&G, M&E will support the process of closing CAPP projects.

8.3.2. Environmental Coordination

- Obtain USAID's approval for the Environmental Assessment prepared for the Oil Processing Plant.
- Obtain USAID's final approval for the new PERSUAP.
- Reach an agreement with CAMPO LIMPIO (ANDI) to offer MIDAS' proponents alternatives to handle pesticide related waste.
- Receive USAID's approval for the Terms of Reference to assess MIDAS environmental performance.
- Prepare and submit the Work Plan to implement the Afro Indigenous Ear-mark Budget.

A primary goal of MIDAS is to improve the livelihood of 440,000 families through the creation of 177,000 sustainable New Jobs. Certifying the New Jobs created is a key MIDAS internal function involving SME and Monitoring and Evaluation staff. The first part of the certification process is the issuance of New Jobs Created Report by MIDAS SME grantees. Grantees are not paid for their services until the New Jobs that they report are certified. The SMEC now has 374 active FOGs Grantees and in June 2008 had to review no less than 130 New Job Created Reports in order to certify a total of 27,073 New Jobs Created. It used to take more than a month to process this constantly increasing number of New Job Created Reports which delayed disbursements and accreditation of New Jobs created. To meet this ever increasing data processing demand, the SMEC and the MIDAS IT unit developed a new web based OLAP (On-Line Analytical Processing) tool called CUBO. Using CUBO, the SMEC has been able to reduce certification errors to 0, certify in 2 hours what used to take at least a week, and all MIDAS staff can now access New Jobs certified data and generate a wide range of analytical reports. CUBO represents MIDAS' commitment to work with and provide reliable, up-to-date data as a basis for understanding the impact of MIDAS interventions.

9. CONTRACTS AND GRANTS

9.1. ACHIEVEMENTS

During the reporting period, the MIDAS Contracts and Grants office focused on the implementation, modification and closure of existing projects. The C&G Offices of ADAM and MIDAS were officially merged during the quarter to form one unit. As part of the merger process, ARD is implementing a comprehensive training program for C&G CCN staff as well as streamlining processes and procedures for both projects.

Cumulative total commitments under the MIDAS Grants & Subcontracts budget line during Q3 FY08 quarter were COP\$ 162.955.329.107, which at a COP \$ 1.863/USD rate represents \$ 87.4 million plus \$17.9 million in US based contracts since the program start date.

During the reporting period thirty-nine new contracts and grants were committed. In addition sixty contracts and grants were modified and thirty were closed. Through the end of the project, new commitments will continue to decrease as modifications and grant closeouts increase.

In addition to modifications, the Contracts Specialists for the Forestry, Policy, and Agribusiness components processed fifty-eight administrative modifications or approvals for projects in implementation. Approvals include TBD positions, minor budget modifications and other modifications which don't require USAID approval.

The number of grantee site visits performed during the period increased greatly with a heavy focus on the Agribusiness component projects, with a special emphasis on ex-CAPP projects. A total of fourteen projects received pre-audit visits which are designed to resolve any possible audit findings before the external auditors perform the formal audits. The Compliance officers in conjunction with the auditors from the Controllers office worked closely with the grantees to prepare for the external audits which will be begin in July. The C&G office awarded IQC subcontracts to two firms to carry out external audits for subaward instruments that received and expended \$300,000 or more during 2007. Audit Task Orders will begin to be issued early next quarter.

As part of the merger of the MIDAS and ADAM C&G offices, a new Deputy Office Director hired. The management of the two C&G Offices is now under a Director and Deputy Director whose salaries and costs are split 50/50 between ADAM and MIDAS. An additional Deputy Manager for Compliance and Training will be hired in the next quarter. The merger went smoothly and both projects have benefited from streamlined procedures as well as a significant cost savings. An external consultant was brought in to perform a week long intensive USAID Contracts and Grants training designed to strengthen the knowledge of the C&G team as well as representatives from the technical components on the management and implementation of USAID awards. The next step will be for each Contracts Specialist and Compliance Officer to develop along with C&G Management, personal training plans to help focus additional training to ensure that all C&G staff increase their proficiency in USAID Contracting rules and regulations.

9.2. NEXT QUARTER OBJECTIVES

During Q4 FY08, the MIDAS C&G Division will focus on evaluating and awarding the remaining ABC, CFC, and SME projects. However, the majority of the new projects will come under the Afro and Indigenous Earmark.

The unit will also be closing out grants and contracts which have been completed and continue to train staff and new grantees on grant procedures and processes. In addition, the Compliance team will be spending much of their time in the field working with grantees to resolve compliance issues and to prepare them for the external audits. Emphasis will be placed on hiring the Deputy for Compliance and consolidating compliance and organizational strengthening and support activities under the new Deputy with the aim of providing better support and guidance to the grantees.

10. COMMUNICATIONS AND OUTREACH

During the second quarter of 2008, C&O efforts have been focused on transmitting the social and economic impact of the program to both internal and external audiences. Designing, producing, and delivering material to implement the USAID message-based regional campaign and addressing the communication needs of the four MIDAS components have been the team's priority.

As of June 30, 86% of annual goals have been met (see Table 21).

10.1. ACHIEVEMENTS

Table 21: Work Plan Indicators

2008 CY Indicators	CY Q1	CY Q2	Annual Goal
Number of communication strategies developed for farmers associations	1	10	6
Number of activities that support USAID /ACCIÓN SOCIAL Branding & Marking Guidelines	9	10	30
Percentage of people who evaluate workshops positively	100%	95%	85%
Percentage of grantees/beneficiaries attending a meeting/workshop/event compared to percentage invited	100%	N.A.	60%
Number of advertising instruments utilized	4	10	10
Number of technical fieldtrips	2	12	20
Number of success stories collected, edited, produced	15	11	60
Number of joint activities developed with ACCIÓN SOCIAL	2	6	15
Number of events/activities coordinated with ADAM team	1	8	6
Number of technical materials developed to support projects	2	10	25
Number of promotional materials created to support specific activities	9	5	10
Number of campaigns developed (i.e. African Oil Palm, cocoa)	1	1	4
Percentage of population impacted by media campaign	N.A.		25%
Number of internal publications produced	5	10	20
Number of articles/ news items including Success Stories appearing in media	22	22	80

10.1.1. Regional Outreach Campaign

One of the major goals for CY'08 is to launch a crosscutting regional television/radio/print media campaign to promote USAID and ACCIÓN SOCIAL's joint efforts in Colombia through 5 television commercials and 5 radios spots. The department has completed preproduction and is in the process of identifying where and when to advertise among the private, institutional, and regional television and radio stations in order to best reach our target audience. A regional baseline survey with a sample of 1800 in 18 municipalities has been created to assist in making these decisions. Filming took place in distinct regions of Colombia representing the different faces and activities of USAID/MIDAS beneficiaries in the following municipalities: Tumaco, Santa

Marta, Pueblo Bello, Fundacion, and Barrancabermeja. USAID's Communications Specialist and MIDAS' CTO have been throughout the process.

10.1.2. MIDAS in the Media

The department's efforts to maintain the presence of the USAID/MIDAS Program in the national and local media proved fruitful with 20 published articles and 2 television reports.

- Six success stories on SME projects were published in the national daily newspaper LA REPUBLICA.
- Two columns on MIDAS Cacao projects, including a feature article on Projects in the department of Cesar appeared in Land and Cattle section of the most nation's most prominent newspaper EL TIEMPO.
- A program wide ad on MIDAS' achievements through Alternative Development appeared in the national newspaper PORTAFOLIO.
- Articles were published in the important regional newspapers such as EL FRENTE, LA TARDE, LA NACIÓN VANGUARDIA LIBERAL, DIARIO DEL SUR, and LA PATRIA.
- An article on MIDAS and ADAM alternative development programs and a separate MIDAS program wide ad appeared in PODER magazine.
- The Association of Timber Producer's PROCUENCA and the National Industrial Association ANDI published in their bulletins articles on MIDAS CFC and SME projects.
- The regional television channel in Santander reported on the CÓMO VAMOS event, held in the month on April.
- The regional television channel in Nariño broadcasted an interview of MIDAS COP.
- The regional television channel TELECARIBE broadcasted an interview of MIDAS CTO.

10.1.3. Addressing the Communication Needs of MIDAS Components

The major highlight of the quarter was the coordination with ABC, CFC, and SME to design the national Communication Strategy for nine projects implemented with the National Federation of Coffee Producers (FNC) affecting 43,000 beneficiaries. The process of designing budgets, establishing alliances, organizing events, ended in the current quarter, and the department looks forward to launching the campaign in August. The team is developing two other major strategies for palm and cacao associations that implement projects in several MIDAS corridors.

Twenty-four (24) component and program level activities/materials to support projects were creatively designed and collaboratively executed during the quarter.

- Program wide Alternative Development multimedia-flash presentation
www.midas.org.co/BancoMedios/Archivos/PresentacionMIDAS/main.html

- TIWUN organic coffee Flash presentation
www.midas.org.co/BancoMedios/Archivos/sierranevada.html
- Productive Ethnic Territories Initiative –Afro Earmark project- Power Point presentation in English and Spanish,
- Participation in CEELAT’s (Center for Latin American Strategic Studies) Biofuel summit; production of brochure, stand, poster, banners promoting MIDAS palm projects,
- Design and final editing coordination of USAID study: Agricultural and Forestry Competitiveness in Colombia” with ABC and CFC,
- Continual updating of www.midas.org.co.

USAID /ACCIÓN SOCIAL Branding and Marking Guideline compliance:

- Protocol workshop for Bogotá MIDAS staff held on June 12th
- Protocol teleconference for MIDAS regional staff held on June 19th
- Handled 10 inquiries for assessment, guidance, and approval of logo usage for producer associations and grantees (i.e. diplomas issued to implementers, banners and advertising material).

10.1.4. Internal Communications

- The May-June INFOMIDAS issue “La Guajira territorio lleno de riquezas”.
- New MIDAS event calendar created in SIM, the internal MIDAS information system.
- New institutional folder, map, and fact sheet created.

10.2. VIP EVENTS, FIELD TRIPS AND VISITS

- USAID/ ACCIÓN SOCIAL visit to SME, ABC, MPC MIDAS projects in Cesar and La Guajira. The visit was held from May 14 to May 16 and included an introduction to political, social and economic context of the department.
- USAID / Clinton Foundation delegation’s visit to SME projects in Cartagena. The visit was held on May 8th and explored potential projects in the region.
- USAID delegation visit to SME projects in Cucuta (IMAS and LA MEJOR Pasteurizing Plant). The visit was held on June 10th.
- Logistical coordination and planning for 3 USAID Alternative Development Consultations with NGOs held in Cartagena (June 17th), Pasto (June 27th and 28th) and Bogotá (June 20th and June 21st).
- DCOP Farming Field School event with local press June 24th in Bucaramanga.

10.3. NEXT QUARTER OBJECTIVES

- Determine media plan and launch regional outreach campaign.
- Implement the FNC, palm, and cacao communication strategies.
- Implement the legality culture campaign.
- Formulate new internal communication strategy as an annex to the existing document.
- Create communication products for the Culture of Legality strategy.
- Develop pamphlets on grafted crops for ABC component.
- Launch event and distribution of the ABC and CFC Competitive Study.
- Editing and dissemination of the ABC's ECA video, training of trainers DVD series.
- Publish July-August InfoMIDAS edition.
- Publish two editions of MIDAS EN CIFRAS and MIDAS EN CONTACTO bulletins.
- Create audiovisual presentation on the MIDAS Communications and Outreach functions, responsibilities, priorities and achievements for USAID.
- Organize MIDAS' quarterly CÓMO VAMOS event.

11. SHARED SERVICES

11.1. ACHIEVEMENTS

11.1.1. Administration

- The General Services unit was dismantled and its functions redistributed among other administrative units in order to reduce costs while maintaining efficiency.
- Administrative manuals were re-launched and training events held to increase employee's knowledge of the company's policies and procedures.
- Regional offices were trained in the Invoice Tracking System (ITS) to improve management of correspondence.
- The fixed assets purchase orders database was updated to include information related to warranty periods in order to ensure any necessary claims are made within stipulated time frames.
- Administration worked with C&G to incorporate their official closed files within ARD Colombia's central filing system.
- A bar code reader acquired and procedure implemented to control the entrance and exit of assets in and out of the Bogota office.
- Computer file administration plan implemented for the MIDAS Agribusiness Component.
- ARD Colombia Intranet Corporate site launched to support ADAM & MIDAS.
- Help desk support services adapted to be managed over the Intranet.
- Software developed to manage travel requests and approvals via the Intranet.
- New laptop backup policy implemented to provide greater control and security.
- Training conducted to guarantee minimum standards regarding communications, networks, security, and software at the regional offices.
- A new employee performance evaluation format was developed focusing on goal achievements.
- Detailed local compensation manual submitted to USAID.

The human resources indicators for the quarter are presented below:

Table 22

Activity	Shared Functions	ADAM	MIDAS	Apprentices	Total
Employees hired during this quarter	5	15	8	2	30
Transferred	0	0	0	0	0
Lay offs	10	10	11	7	38

Total employees as of June	58	138	151	11	358
New Consultant Contracts	0	8	7	0	15
Total Consultancies as of June	1	25	27	0	53

- 76% of trips (air travel) within the country this quarter were made by MIDAS, 20% by ADAM, and 4% by Shared Functions.
- Air travel increased by 51% relative to the previous quarter.
- The number of overnight stays increased by 50% relative to the previous quarter.
- International travel increased by 93% relative to the previous quarter. There were official trips to Bolivia, Costa Rica, Brazil, and the US.
- The number of events increased by 34% relative to the previous quarter. These were mostly forums and courses held for project beneficiaries and grant recipients.
- \$74,336,000 COP was saved on airline tickets purchased from AVIANCA taking advantage of the incentive program.
- \$3,561,170 COP was saved on events and \$1,978,754 on lodging through use of ESTELAR Hotel coupons.
- 20 new agreements were established with three star hotels.

Table 23

Events and Logistics				
Activity	Shared Functions	ADAM	MIDAS	Total
Domestic Air Trips	42	227	849	1,118
Hotel Reservations (Nights)	53	491	1,288	1,832
International Trips	5	11	15	31
Events	4	15	32	51
Charter	0	2	2	4
Ground Transportation	0	3	5	8

11.1.2. Comptroller

- Eight MIDAS grantees were trained in the management of financial information. This training ensures they report accurate financial information to ARD, resulting in less time reviewing and disbursing funds to grantees.
- The accounting software, Microsoft Dynamics Great Plains was integrated with the MIDAS information software, allowing USAID members and technicians to consult financial information for each subcontractor and grantee through SIM.
- During the quarter ADAM and MIDAS increased their local expenditures by 163% compared with the same period in 2007. The internal procedures implemented and the training within the comptroller team has enabled the team to keep up with program operations.

11.2. NEXT QUARTER OBJECTIVES

11.2.1. Administration

- Develop an improved system for assigning, billing, and monitoring company cell phone use.
- Develop improved software to handle purchase requests.
- Finish implementing the payroll interface software and integration with GP.
- Conduct an evacuation drill at the central offices.
- Review and modify as necessary the human resources and procurement procedures.
- Train employees to use new travel request platform via the intranet.
- Publication and distribution of the new employee orientation brochure.

11.2.2. Comptroller

- Complete the integration between the accounting software and the payroll software.
- Reorganize the accounting staff to optimize service provided by the department mainly in the area of financial reports to ADAM and MIDAS and training to grantees and technicians of ADAM.
- Socialize the new process of reviewing the financial information provided by subcontractors and grantees in the regional offices of Midas. This will help to accelerate the review and disbursement process and have a positive impact on the burn rate.
- Produce financial reports regarding the grantees and subs that receive funds from ACCIÓN SOCIAL through Midas. This will help USAID and ARD evaluate the counterpart provided by the Colombian Government and provide ARD necessary controls for the management of these funds.
- Start the implementation of an automatic Invoice Tracking System in ADAM. This will help USAID and technicians to more precisely monitor financial execution of each grant and subcontract.
- Coordinate with ADAM and the Events and Logistics department to determine ways to reduce the of cash advances that are currently being made for ADAM regional events and thereby decrease the risk of miss use or loss of funds.

ANNEXES

Annex 1: MIDAS Portfolio
See Attached CD.

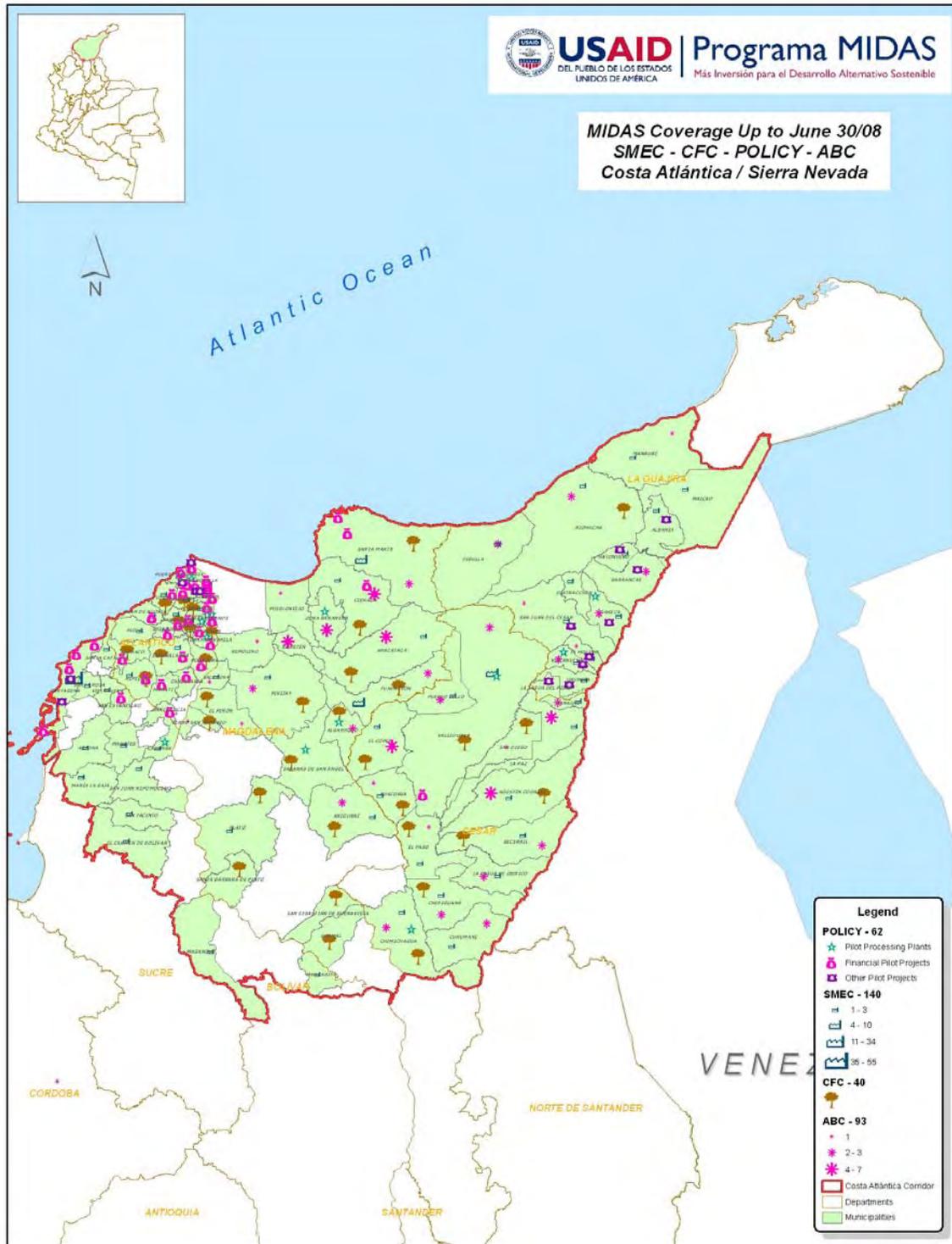
Annex 2: Maps MIDAS National Coverage

Figure 1



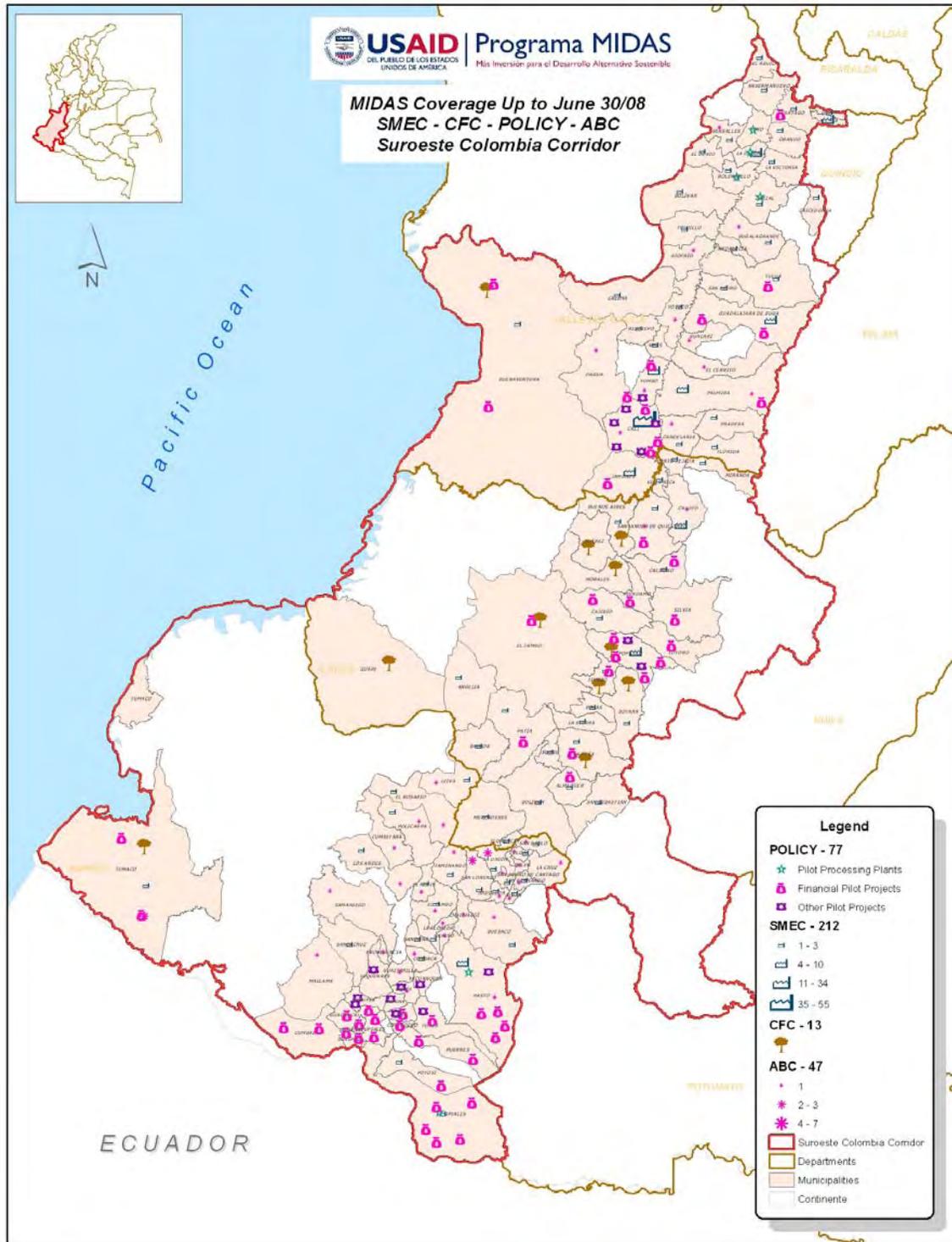
Atlantic Coast-Sierra Nevada Corridor

Figure 2



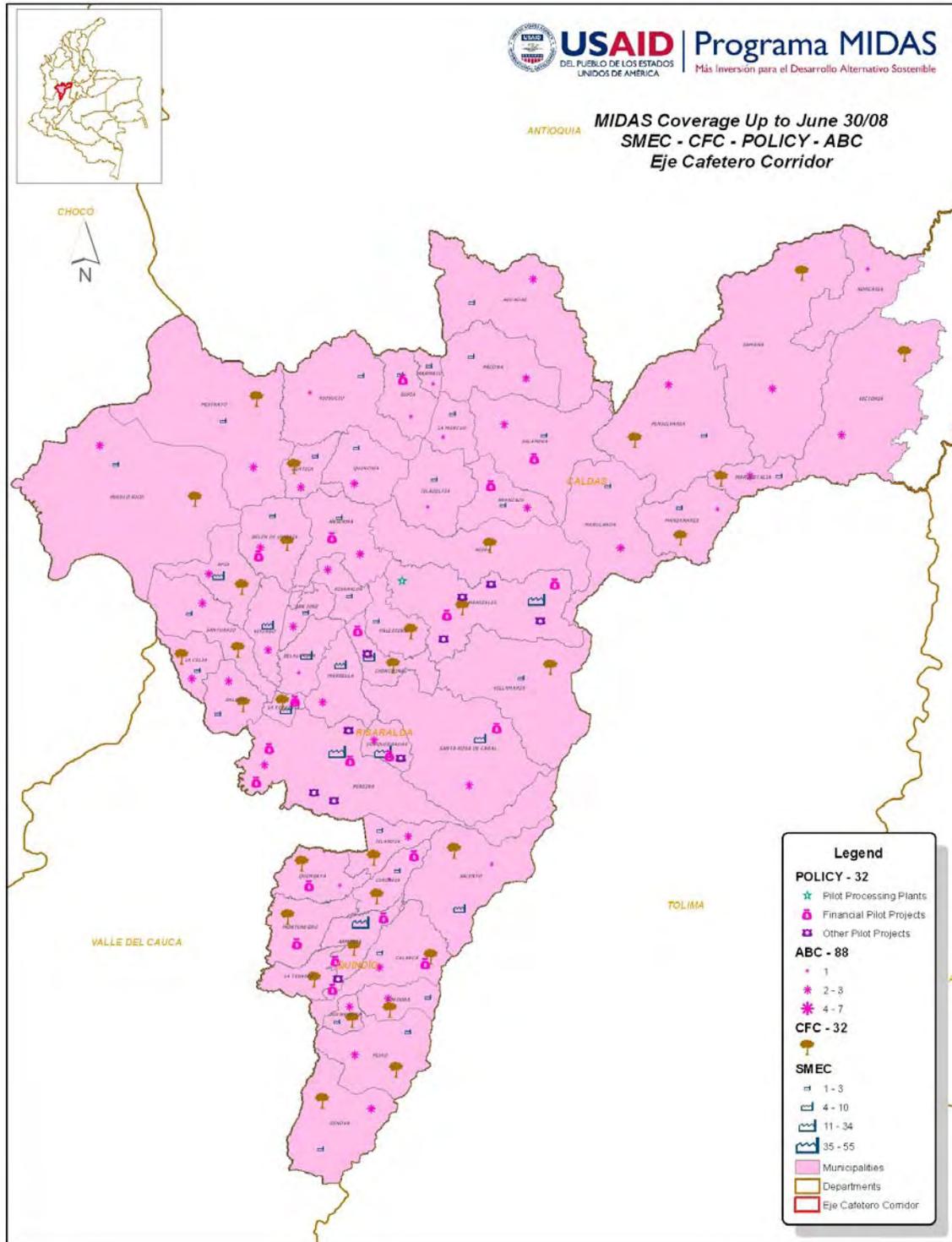
South West Corridor

Figure 3



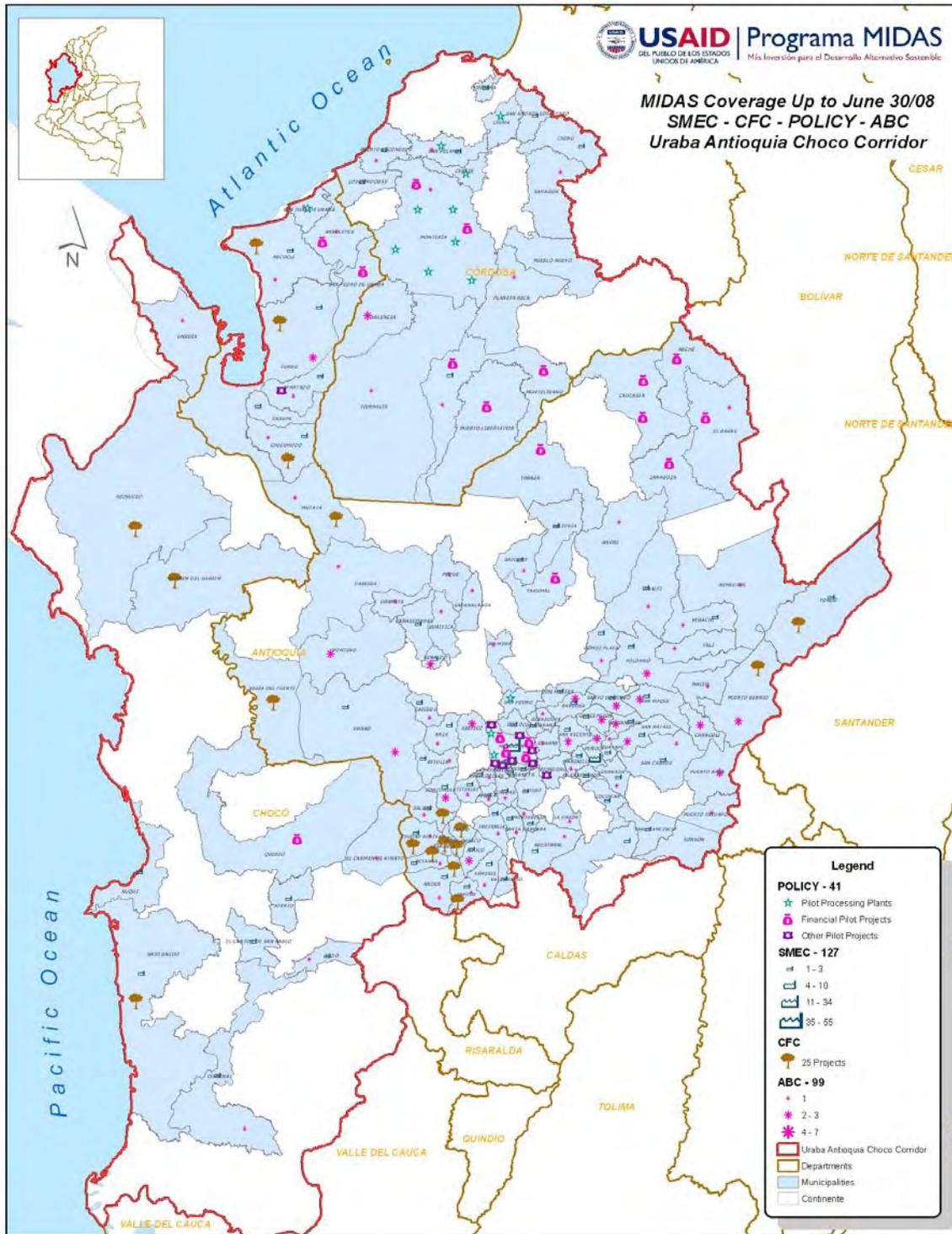
Eje Cafetero Corridor

Figure 4



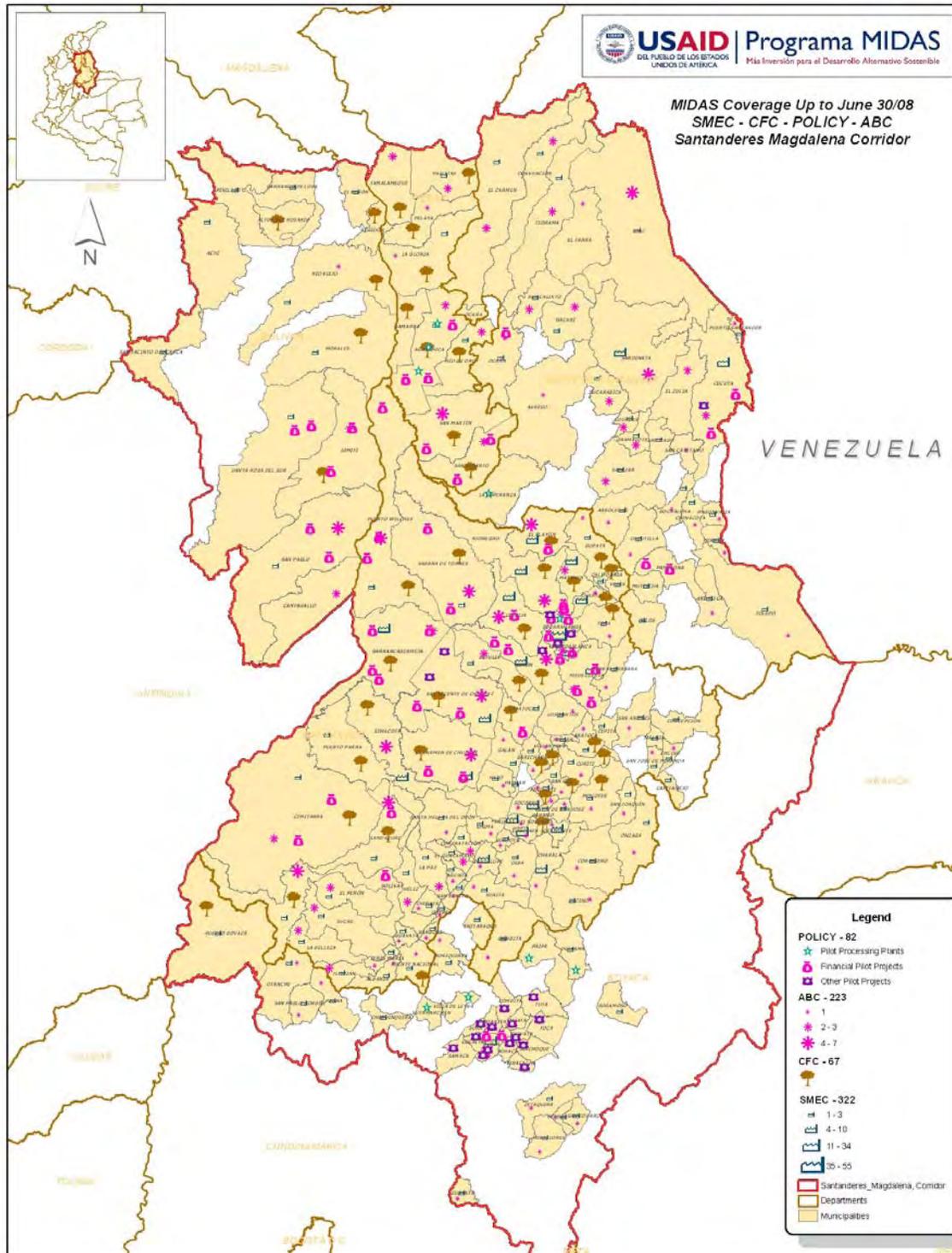
Antioquia-Urabá-Chocó Corridor

Figure 5



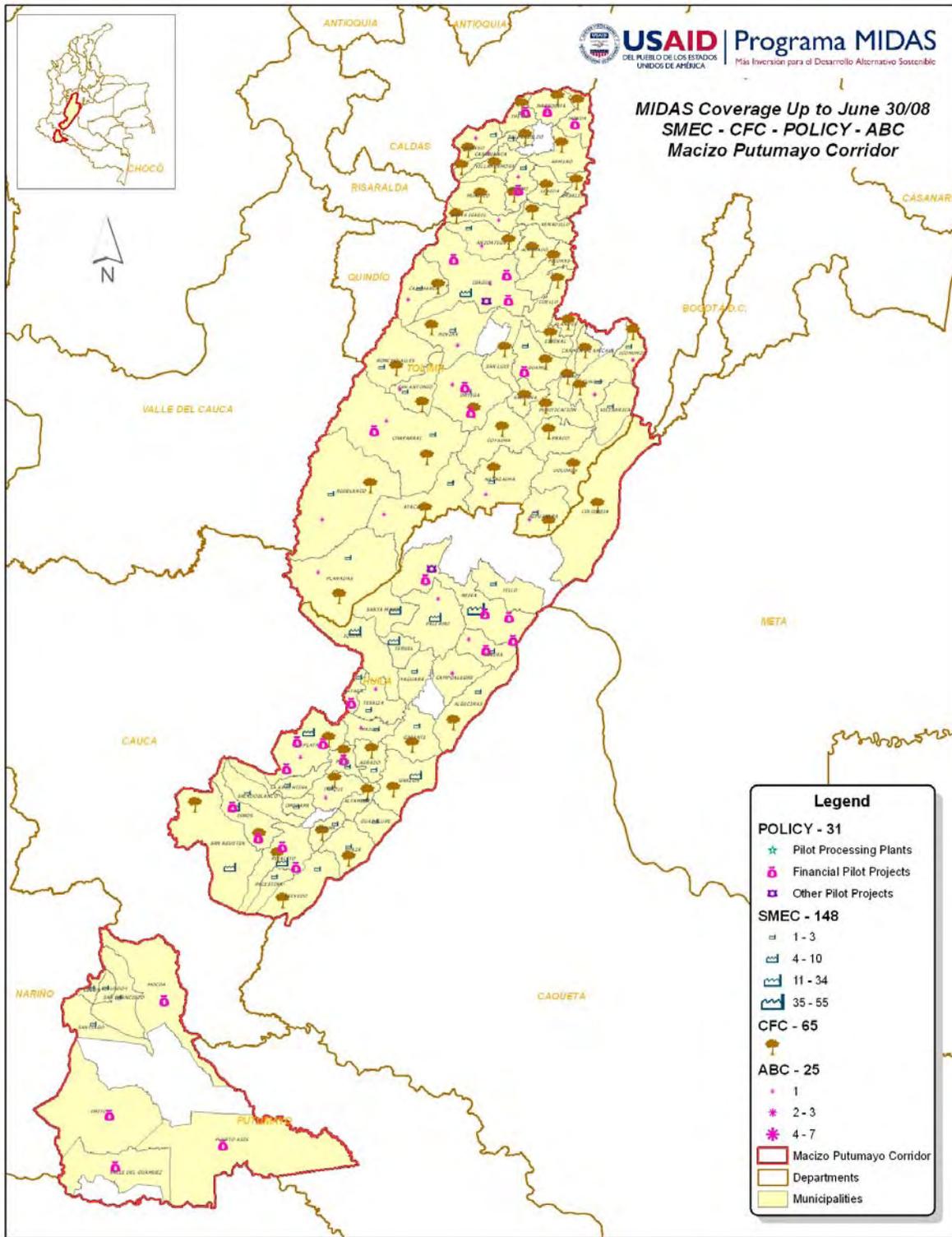
Magdalena Medio-Santanderes-Boyacá Corridor

Figure 6



Macizo Putumayo Corridor

Figure 7



DESARROLLO ALTERNATIVO Y MIDAS



Presentación MIDAS para Eventos Consultivos de Desarrollo Alternativo. Puede consultarla en www.midas.org.co



USAID
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Programa MIDAS

Más Inversión para el Desarrollo Alternativo Sostenible



MIDAS es un conjunto de procesos para **dinamizar y consolidar una base económica lícita en el ámbito regional y local** a través de la generación de oportunidades de empleos productivos y sostenibles de acuerdo con las potencialidades económicas de cada localidad.



Componente **Agronegocios**

El componente **Agronegocios de MIDAS**, promueve y apoya proyectos agrícolas y/o agroindustriales que involucren a familias campesinas y/o grupos vulnerables desde la producción primaria, procesamiento y comercialización de los productos.



“Aquí en el Magdalena, antes nadie creía en la producción de cacao. Ahora sí creemos, gracias a que MIDAS va hasta las parcelas a capacitarnos y nos muestran que con esta fruta hay un futuro real”.

Germán Martínez, proyecto Ecobio, municipio de Ciénega, Magdalena.

Logros del componente Agronegocios a 31 de mayo de 2008

Familias beneficiadas:	19.974
Empleos creados:	22.835
Hectáreas apoyadas:	37.792

Componente **Forestal Comercial**

El componente **Forestal Comercial de MIDAS**, promueve y apoya proyectos forestales comerciales que establezcan plantaciones forestales o agroforestales y aprovechen sosteniblemente el bosque natural. Involucra la producción primaria, el procesamiento y la comercialización de los productos.



“No sabemos cómo manejar el bosque y con el apoyo de MIDAS entendimos que la naturaleza nos da mucho y nuestro trabajo es saber aprovecharlo mejor”.

Grupo de beneficiarios, proyecto Bajo Mira y Frontera, municipio de Tumaco, Chocó.

Logros del componente Forestal Comercial a 31 de mayo de 2008

Familias beneficiadas:	4.902
Empleos creados:	6.098
Hectáreas plantaciones forestales apoyadas:	18.079
Hectáreas bosques naturales apoyadas:	37.971

Componente **Política**

El componente **Política de MIDAS**, responde a las iniciativas del gobierno nacional para promover reformas a la política económica del país y fortalece sus instituciones con el fin de aumentar la competitividad y el crecimiento económico, mediante asistencia técnica acordada con el gobierno colombiano.



“La posibilidad de acceder a microcréditos individuales es una ayuda muy grande porque se da empleo, no rechaza a personas humildes y evita el prestamista tradicional. En el barrio ha sido positivo porque existe mayor integración”.

Martiza Rodríguez Moncada, beneficiaria proyecto Microfinanzas, municipio de Barrancabermeja, Santander.

Logros del componente Política a 31 de mayo de 2008

No. de Leyes apoyadas:	9
No. de Decretos y Resoluciones aprobadas:	99
No. de CONPES aprobados:	9
No. de Reformas institucionales:	55

Componente **PYME**

El componente **PYME de MIDAS**, promueve y apoya a empresas individuales, grupos asociativos, cooperativas e iniciativas rurales del sector privado, que estén dispuestas a mejorar sus procesos, incrementar ventas, generar empleos sostenibles y aprovechar las oportunidades del mercado.



“Soy feliz de hacer parte de la cooperativa Puro Campo. Nunca había tenido un trabajo que me permitiera tener seguridad social, ni jornadas laborales decentes de 8 horas”.

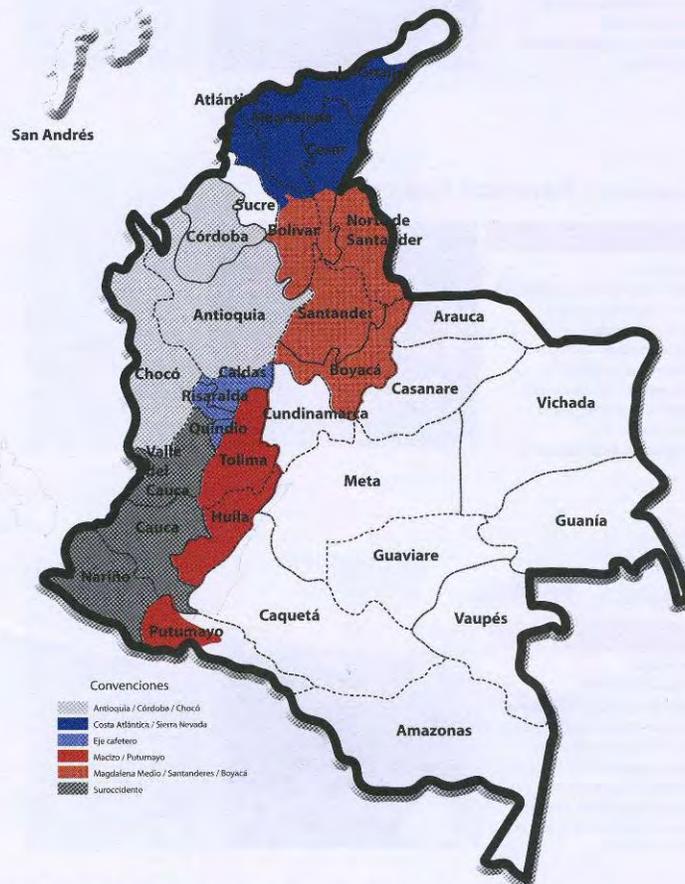
María del Carmen de León Tapias, beneficiaria proyecto Puro Campo, municipio de Medellín, Antioquia.

Logros del componente PYME a 31 de mayo de 2008

Familias beneficiadas:	151.103
Empleos creados:	78.871
PYMES fortalecidas:	10.079

Corredores programa MIDAS de USAID

Los proyectos que apoya el programa MIDAS de USAID están ubicados en alguno de los siguientes corredores gráficos:



Gracias al apoyo del programa MIDAS de USAID...

- Los proyectos de palma de aceite representan el 16% de la siembra total en el país, lo cual le ha devuelto la seguridad y la confianza a los pequeños agricultores.
- El apoyo a la instalación de 35.000 nuevas hectáreas de clones seleccionados de cacao, que equivale a 35% del área actual del país, mejorarán la productividad y la producción nacional en cerca de 2.5 veces. Dicho esfuerzo, aunado a la implementación de mejores técnicas de manejo, le permitirá a Colombia, en forma sostenida, aprovechar las oportunidades que brinda el mercado internacional.
- Establecimiento de 62.000 nuevas hectáreas de plantaciones forestales con fines comerciales que representan un incremento del 32% con relación al área plantada en el país.

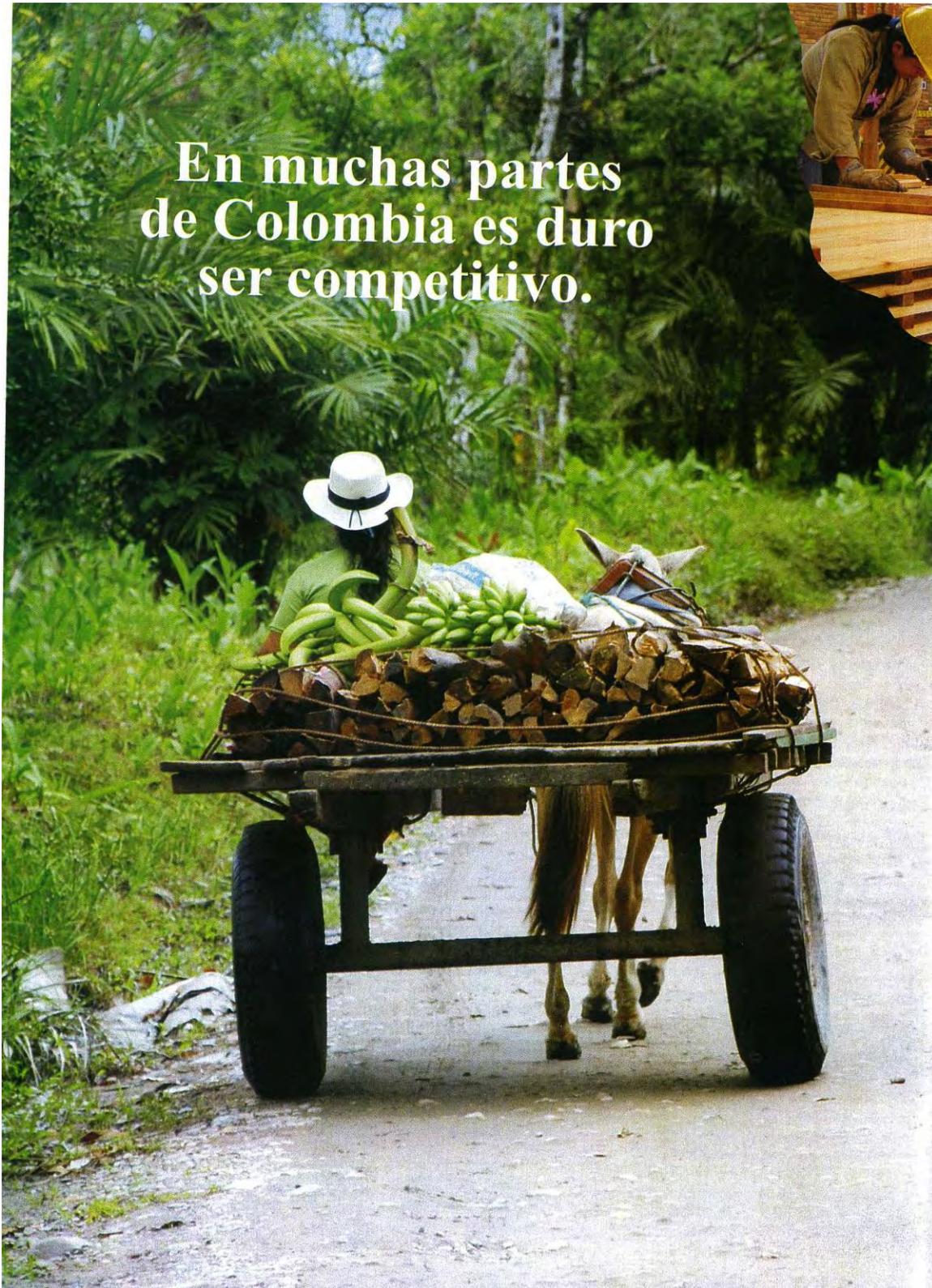


Programa MIDAS
MÁS Inversión para el Desarrollo Alternativo Sostenible



Acción Social
Agencia Nacional para la Acción Social y la Cooperación Internacional

En muchas partes
de Colombia es duro
ser competitivo.





Los programas de *Desarrollo Alternativo* ayudan a miles de colombianos a construir un futuro más seguro, productivo y lícito.



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Acción Social
Agencia Presidencial para la Acción Social
y la Cooperación Internacional



USAID | **COLOMBIA**
DEL PUEBLO DE LOS ESTADOS
UNIDOS DE AMÉRICA

Una Perspectiva de la Competitividad Agrícola de Colombia





USAID | **COLOMBIA**
DEL PUEBLO DE LOS ESTADOS
UNIDOS DE AMÉRICA

Una Perspectiva de la Competitividad Forestal de Colombia



Figure 2

Territorios étnicos productivos

Programa
ADAM Área de Desarrollo Alternativo Productivo
MIDAS Plan Estratégico para el Desarrollo Alternativo Sustentable

FUPAD Fundación Universitaria del Puerto Rico

USAID DEL PUEBLO DE LOS ESTADOS UNIDOS DE AMÉRICA

Acción Social



Información

Las personas interesadas en ampliar la información de AGROFORESTAL se pueden comunicar a través de la línea telefónica 8744632 ó 874 4144 extensión 114 e-mail agroforestal@procuencia.com o dirigirse a las oficinas de la Asociación ubicadas en el Kilómetro 3 Vía al Magdalena en Expoferias.

Se avanza en la capacitación ambiental del convenio USAID-MIDAS con AGROFORESTAL

AGROFORESTAL desde el área ambiental con el convenio USAID-MIDAS ha logrado grandes avances en el 2008. Se han desarrollado 15 eventos de capacitación en temas relacionados con el manejo de microcuencas, manejo de residuos sólidos y uso adecuado de agroquímicos. Hemos llegado a núcleos forestales de los municipios de Manizales, Villamaría, Neira y Chinchiná generando compromisos con el medio ambiente y con la propia comunidad. Se ha logrado sensibilizar a 417 adultos (hombres y mujeres) para que su actividad agropecuaria sea amigable con el medio ambiente y se llegue a un manejo sostenible de los recursos naturales en la cuenca del Río Chinchiná. Paralelamente se ha involucrado a toda la comunidad escolar, con el convencimiento de que es la generación futura la que realmente va a percibir el cambio de nuestras acciones de hoy. Este proceso ha despertado gran interés sobre la importancia del reciclaje y separación de residuos sólidos para ayudar a limpiar el planeta. Agroforestal logró un acuer-

do interinstitucional con la Dirección Territorial de Salud de Caldas (Consejo Seccional de Plaguicidas), el Comité de Cafeteros, Cenicafé y el programa Campo Limpio para desarrollar una campaña de manejo, recolección y eliminación correcta de envases de agroquímicos, la cual está liderando como asociación de productores agroforestales, preocupada por la capacitación de sus asociados. Las anteriores acciones han sido enmarcadas en el ámbito social, buscando el aumento del sentido de pertenencia, organización y participación comunitaria, para que fortaleciendo la capacidad de autogestión, los habitantes de las veredas puedan asumir el reto de buscar la solución a sus problemas comunes. Las veredas de La Guayana, Rioclaro y Pueblorico son modelos a seguir por la voluntad de las personas para trabajar por sus comunidades a pesar de las limitaciones, proyectándose a futuro mediante el trabajo participativo en torno a la producción forestal.



Hectáreas plantadas acumuladas a Mayo de 2008	5087
Número de jornales pagados a Mayo de 2008	643.600
Empleos equivalentes anuales	2682



Km. 3 Vía al Magdalena Tel. +57 (6) 8744144 - procuencia@une.net.co - www.procuencia.com

ANÁLISIS

MIDAS

Gerencia del conocimiento: tarea fundamental y retadora

Alejandro Serrano Roa
Coordinador Nacional de Consultoría
Bogotá

En un mundo dinámico y de organizaciones complejas, la gerencia del conocimiento es imprescindible. Permite a una organización aprender. Es decir: crear, adquirir, transferir conocimiento y modificar su comportamiento. En el propósito de construir una organización que aprende, es preciso que los miembros de la misma compartan su conocimiento. Pero esto no es tarea fácil. El líder, la estructura, las herramientas disponibles y la cultura organizacional determinan que tan rápido se difunde el aprendizaje individual. Y la calidad del recurso humano condiciona qué tan utilizable puede ser ese nuevo conocimiento para la estrategia de la organización.

Este artículo tiene por objeto definir de manera resumida los elementos de un

modelo de gerencia de conocimiento.

De acuerdo con la teoría vigente, una gerencia efectiva de conocimiento se presenta cuando se surte el proceso que se ilustra a continuación:

- 1.Registro de datos. En una organización que aprende, un miembro de la organización comparte su conocimiento con otros compañeros de manera formal; es decir, documentando el aprendizaje y socializándolo mediante conductos institucionales. Por ejemplo, cuando un empleado experimenta un accidente de trabajo, lo registra en los formatos diseñados para este fin y lo entrega a la instancia designada.

- 2.Consolidación de datos y producción de información. En una organización que aprende, el personal de seguridad industrial revisa los datos del accidente, los consolida con datos de otras contingencias y produce un informe estadístico de accidentalidad: cantidad de percances, días de incapa-

cidad, equipos con mayores accidentes, etc. Definición de soluciones preventivas y/o correctivas. En una organización que aprende, los análisis estadísticos son un insumo para identificar lo que generó el accidente y determinar los correctivos necesarios para evitar su recurrencia. Estos podrían ser revisiones a procedimientos, mantenimiento de maquinaria, necesidades de capacitación, etc.

- 3.Difusión e Interiorización. En una organización que aprende, el conocimiento creado a partir de un evento pasado debe comunicarse de manera formal, se debe asegurar su apropiación mediante la aplicación de incentivos y se debe asegurar su disponibilidad de acceso.

En este proceso, es preciso resaltar lo siguiente: los datos y los hechos son los que inician el proceso. No las suposiciones. Son claves las herramientas simples de estadística: histogramas, diagramas de Pareto, diagramas de causa

efecto, etc. Lo anterior permite identificar con precisión el problema o la oportunidad. La definición de soluciones debe soportarse en métodos científicos. No en adivinanzas. Y en este propósito la generación y prueba de hipótesis son importantes. Pero sobre todo, la definición de soluciones debe soportarse en herramientas sociales tales como: lluvia de ideas, entrevistas, visitas de campo, encuestas, etc. En el propósito de lograr la interiorización del conocimiento, es fundamental posibilitar el acceso a la documentación respectiva de manera oportuna y ágil. Y para ello, un sistema de información es indispensable.

Lo anterior exige desarrollar una organización con los procedimientos y las competencias para tal fin, lo cual se logra con liderazgo gerencial. Liderazgo para definir un área responsable, unos objetivos y metas claras y un presupuesto acorde.

Emprendimiento y competitividad, de la mano para el desarrollo de Santander

En los últimos tres años ha surgido en Bucaramanga una corriente de pequeños empresarios y ciudadanos que buscan crear sus propios negocios o mejorar los que tienen, generando empleo y bienestar para la región.

Para lograr sus metas estos emprendedores y emprendedoras han contado con el apoyo de la Cámara de Comercio de Bucaramanga, la cual por intermedio del programa "Asistencia Técnica para el Fortalecimiento de Nuevas Microempresas", conocido como Emprendedores, les

ofrece las herramientas necesarias para echar a andar sus negocios.

En el programa han sido beneficiadas 8.819 personas, quienes han recibido capacitación básica de 48 horas en promedio, en temas de formación gerencial como: Habilidades personales para el emprendimiento, Inversión, manejo del efectivo y mejoramiento de la competitividad; además de 30 horas de asistencia técnica personalizada.

Apoyo efectivo

Este programa cuenta con

el apoyo de MIDAS "Más Inversión para el Desarrollo Alternativo Sostenible", financiado con recursos del Gobierno de Estados Unidos, a través de su Agencia para el Desarrollo Internacional, USAID.

Según una encuesta de seguimiento efectuada entre los beneficiarios durante 2007, 99% de las empresas encuestadas están formalizadas en la Cámara de Comercio de Bucaramanga, después del 2 de abril de 2007.

La formalización de las nuevas empresas y el trabajo de asistencia técnica efectua-



Omimed Ltda., servicios de salud

Siempre habrá emprendedores dispuestos a generar buenas ideas que se conviertan en empresas exitosas. Este es el caso de Miriam Aurora González Camacho, médica anestesióloga, quien junto a su hermano, Pedro Antonio, médico ortopedista, vieron la necesidad de conformar un centro clínico especializado en ortopedia.

"En el año 2006 nos aventuramos a crear una Institución Prestadora de Servicios de Salud especializada en la atención integral del paciente de Ortopedia y Traumatología, con el beneficio de manejar al paciente bajo el mismo techo durante todo el proceso", dice la especialista.

Esta emprendedora tuvo claro que para iniciar un negocio lo primero que hay que hacer es inscribirlo en la Cámara de

Comercio de Bucaramanga. "Un día en el Centro de Documentación me comentaron del programa Emprendedores. Avenigüé y entré al grupo", indicó la médica.

Así, detalle a detalle, comenzaron a trabajar en la construcción de Omimed Ltda. y tras extenuantes jornadas, lograron culminar la primera etapa.



Convocatoria abierta

Este año el proyecto beneficiará a nuevas empresas lideradas por mujeres, que se encuentren formalizadas en la Cámara de Comercio de Bucaramanga.

Una vez se cumpla este requisito las empresarias interesadas en hacer parte del proyecto deben asistir a la conferencia gratuita "Cómo ser una empresaria exitosa y no fracasar en el intento".

El lanzamiento del programa es el miércoles 16 de abril de 2008, de 6:00 a 8 p. m., en el Auditorio Gustavo Liévano de la Cámara de Comercio de Bucaramanga.

Usted puede confirmar su asistencia en el teléfono: 6527000 Ext. 232, 230.

Correo: e-javier.gutierrez@camaradirecta.com



Punto Caliente, una exitosa oportunidad

Wilson Guevara Rodríguez era auditor de una prestigiosa empresa de confecciones en Bucaramanga. Un día se quedó sin trabajo y decidió que tendría su propia empresa.

"Conoció a una persona que hacía pan de bono valluno, me enseñó el proceso e iniciamos a trabajar. Comenzamos al frente de la Unab, con un hornito. Luego vi que el producto gustó, entonces me fui a Cali y aprendí fórmulas de otros, como pandeyucas, buñuelos y así nació Punto Caliente", recuerda con satisfacción Wilson.

Wilson y su esposa Doris García vieron cómo el negocio fue creciendo y hoy en día tienen siete puntos de atención en

Bucaramanga, donde generan empleo para 12 personas.

"El año pasado recibimos la invitación para el programa "Emprendedores" de la Cámara de Comercio de Bucaramanga. Ingresamos y comenzamos a recibir todo el acompañamiento en la parte teórico-práctica y fue una experiencia muy positiva para dar impulso a nuestro negocio", afirma. "Actualmente tenemos un plan de mercadeo ambicioso, antes pensábamos que este tema era exclusivo para empresas grandes y eso no es así, lo tenemos plasmado y la expectativa es llevarlo a cabo", puntualiza este emprendedor.

8.819

las personas beneficiadas por el programa en el Área Metropolitana de Bucaramanga y los municipios de Málaga, Barbosa, Socorro y San Gil desde el 2004.

7.865

el número de personas sensibilizadas en emprendimiento (Diálogo de Gestiones).

954

las capacitaciones en fortalecimiento empresarial: 36% hombres y 64% mujeres.

150

los planes de negocios elaborados bajo orientación técnica personalizada.

20

los estudios de mercados sectoriales.

70

las asistencias técnicas, orientando al empresario en sus nuevas unidades productivas.

Nace primera empresa maquiladora de ropa infantil en Santander

¿Sabía usted que...

las exportaciones de confecciones desde Santander crecieron en un 62,7% entre 2006 y 2007?

La voz de un experto

Saber manejar la asociatividad

MARÍA GISELA TRUJILLO
Directora regional de Acopi

"Esta es una iniciativa muy importante para el sector y de hecho fue por eso que desde el momento que Cajasan planteó la idea, Acopi inició un proceso de acompañamiento para lograr concretar la Asociación, otorgando cifras del comportamiento del sector que permitieran fundamentar mejor las hipótesis y crear bases más sólidas para el desarrollo del mismo", aseguró María Gisela Trujillo.

La ejecutiva señaló que los empresarios deben saber aprovechar muy bien el esquema de asociatividad que se les está otorgando, trabajando unidos por un solo mercado, buscando abrir puertas en la consolidación de los trabajos locales entre los productores extranjeros y nacionales.

"Los empresarios deben aprender que no se puede trabajar como un ente solo, comenzando en el mercado la asociatividad que les permite manejar mayor producción, calidad y competitividad", concluyó.

SONIA ISABEL ROJAS DÍAZ
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Un grupo de 33 empresarios de las confecciones en la ciudad se unieron para hacer realidad la Asociación Colombiana Diseñando y Cosiendo, una iniciativa que busca atender la demanda de maquilas en el sector de confección, no sólo de la región, sino del territorio nacional e internacional.

La iniciativa fue creada por Cajasan, que se encargó de convocar y diseñar el modelo de asociatividad de acuerdo a las necesidades expresadas por los representantes del sector.

César Guevara, director de Cajasan, explicó que lo que se busca con la iniciativa es que se aproveche la mano de obra y la maquinaria que tienen las empresas para conquistar mercados más grandes que sin el apoyo no sería posible.

El ejecutivo señaló que lo más importante es que

los empresarios sepan aprovechar esta oportunidad para el mejoramiento de sus procesos y la captación de nuevos mercados que le generen un crecimiento en el sector.

La iniciativa cuenta con el respaldo de Acopi, la USAID a través de su programa Midas, la Alcaldía y la Gobernación de Santander.

La ejecución y estructuración del proyecto duró 9 meses y la inversión fue cercana a los \$190 millones.

Dominga Valdivieso

883

empresas hacen parte del sector de confecciones en Santander.

500

de estas empresas, se dedican a la confección de ropa infantil.

Naranjo, presidenta de la Asociación, explicó que la idea nació al ver que el sector estaba muy desunido y que las empresas estaban rechazando contratos muy importantes con empresas grandes, sólo porque no tenían la capacidad suficiente de producción.

La empresaria señaló que con la nueva asociación, estarán en capacidad de producir entre 52 mil y 65 mil unidades mensuales, con un valor cercano a los \$127 millones.

La presidenta de la Asociación Colombianos Diseñando y Cosiendo agregó que la especialidad



César Flores Lobo/VANGUARDIA LIBERAL

EN LA ALCALDÍA de Bucaramanga fue presentado el nuevo proyecto de asociatividad empresarial.

será la confección de ropa infantil.

Por su parte, el alcalde de Bucaramanga, Fernando Vargas anunció que facilitará el lote donde se ubiquen las cerca de 200 máquinas que atenderán la

producción.

"Está es una semilla de iniciativas maquiladoras que se tiene que empezar a gestar en la región como parte del fortalecimiento de nuestra economía", señaló Vargas.

DOMINGO
ABR 20 2008
BUCARARAMANGA

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¿Cómo vamos con el Midas en Santander?

SONIA ISABEL ROJAS DÍAZ
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¿Sabía usted que en territorio santandereño se adelantan 12 proyectos de agroponecos por el orden de los \$212 mil millones (US\$106 millones), de los cuales alrededor de \$19 mil millones son aportados por el programa MIDAS de la embajada Norteamericana en Colombia?

Así es. Proyectos de cultivo de cacao, palma y productos no tradicionales como las frutas, se vienen desarrollando en nuestro territorio desde 2006 y se ejecutarán hasta 2010, según lo contempla el programa MIDAS.

Justo en el 50% del plazo para la ejecución y cumplimiento de estos proyectos y metas, representantes de la Embajada Norteamericana y el Programa Midas, se reunieron en Bucaramanga para presentar un balance de los avances que se han tenido en cada una de las iniciativas.

Carlos Federico Espinal, gerente del componente de agroponecos del programa USAID - MIDAS, explicó que en Santander, que incluye la zona del Magdalena Medio, existen 12 proyectos apoyados con presupuesto internacional, de los cuales seis son de palma, cinco de cacao y uno de frutas.

Los proyectos de palma involucran un área nueva de 11.115 hectáreas, beneficiando a 1.170 familias de la región, y generando cerca de 3.400 empleos.

"Nosotros trabajamos de la mano de Acción Social que es nuestra contraparte nacional, y con ella apoyamos la mayoría de los proyectos que estamos ejecutando".

Espinal dijo que la inversión total en los proyectos de palma es de US\$36 millones, y Midas aporta el 12% del valor total del proyecto, lo que significa un subsidio de US\$4,8 millones.

A adicionalmente, existen cinco proyectos de cacao, que involucran un área nueva de cultivos de 18.300 hectáreas, con lo que se beneficiarán cerca de 6.000 familias y se generan 21.500 empleos.



El objetivo mantendrá la importancia de que las familias que hoy se encuentran vinculadas en estas iniciativas, continúen con los procesos que actualmente se están desarrollando con el fin de generar un crecimiento sostenible en la región, y lograr un fortalecimiento estratégico de las organizaciones de microempresarios agrícolas que permita cada vez más el posicionamiento de sus productos en los mercados nacionales.

El gerente explicó que las donaciones hechas por el programa Midas, van dirigidas a cuatro aspectos importantes para el mejoramiento de los procesos de producción de cualquiera de los cultivos.

Lo que nosotros ofrecemos es la posibilidad de acceder a asistencia técnica, el cubrimiento de algunos gastos de acceso a crédito, ya que la mayoría de esos proyectos tienen créditos que van destinados a la compra de material vegetal".

Un aspecto importante de este proceso, es que el programa Midas promueve entre la población campesina la conformación de alianzas.

"En nuestro caso cada proyecto tiene su operador, con lo que estamos resolviendo un problema muy común en la agricultura y es que no hay quien compre. En este caso el operador es el comprador de la producción, lo que garantiza un aliado permanente", dijo Espinal.

Finalmente, el gerente del componente de agroponecos, hizo una invitación a los gobiernos locales para que se vinculen a los proyectos que se adelantan en la región, con el fin de evitar que "en el momento en que se vaya el apoyo internacional se acaban los proyectos que han sido resultado de un esfuerzo muy grande por parte de las organizaciones y de los mismos campesinos".

Los avances en cifras

Según el último informe sobre los avances del programa Midas en Santander, únicamente el proyecto de cultivo de cacao de Poneduco, se encuentra en el 100% de su ejecución y en ese momento está en su etapa de sostenimiento.

Otros como el cultivo de palma liderado por Indiapalma que contempla la siembra de 1.500 hectáreas, está en un 83% de su ejecución, siendo uno de los más adelantados.

Los demás proyectos, a pesar de que se encuentran en niveles de ejecución inferiores al 50%, han tenido un desarrollo satisfactorio frente al inicio de las nuevas establecidas inicialmente.

Es así como los proyectos de Fedeacaca (38% y 17%), El Poneduco (24%), Frutas Poneduco (44%), Ecocaca (44%) y Fundeapalma (30%), han sido bastante significativos para el desarrollo de los procesos de la región.

Uno de los operadores de los proyectos destacó que uno de los principales inconvenientes para el cumplimiento de los compromisos de ejecución del proyecto, es coordinar los horarios de capacitación para los integrantes de las asociaciones, sin embargo se ha logrado establecer jornadas, básicamente mensuales, con las que se ha podido avanzar en la adquisición de conocimientos importantes para garantizar el éxito y sostenimiento de los proyectos a futuro.

Proyectos con apoyo Midas en Santander

Operador	Cultivo	Meta total			Monto
		Área	Familias	Empleos	
Fedeacaca	Cacao	4.262	1.627	2.819	\$4.033.150
Fundeapalma	Palma	1.500	170	762	\$5.988.425
Indiapalma	Palma	1.500	75	442	\$4.466.781
Frutas Poneduco	Frutas	1.500	141	1.369	\$4.156.000
Ecocaca	Cacao	1.355	188	1.652	\$4.837.064
El Poneduco	Cacao	2.115	259	314	\$7.781.833

"Un aspecto muy importante es que estamos trabajando con cerca de 43 organizaciones de pequeños empresarios con mucha experiencia en la región", señaló el gerente de Agroponecos.

Buenos resultados

Frente a los avances que han tenido los diferentes proyectos en la región, Espinal aseguró que todos avanzan sobre el nivel del 50%, que era exactamente lo que se debía tener para esta etapa del programa.



MEDIO Y SECCION La Tarde

FECHA 28 de Abril / 08

Curso con el Profesor Yarumo



Dentro del marco de una serie de capacitaciones realizadas por la Federación Nacional de Cafeteros de Colombia, un grupo de técnicos del convenio adelantado por el Comité Departamental de Cafeteros de Risaralda y el Programa Midas, asistió al Curso de Extensión Rural dictado por Carlos Armando Uribe Fandiño "Profesor Yarumo" y el ingeniero Néstor Serrano Capacho. El objetivo de estas capacitaciones es adoptar los diferentes métodos de extensión que la institución cafetera lleva realizando a través de sus 80 años. Esta actividad se realizó en la Subestación experimental La Catalina, en la vereda El Retiro de Pereira.

MEDIO Y SECCION La Republica

FECHA 9 de Mayo de 2008

ANÁLISIS

ANÁLISIS - PROGRAMA MIDAS - USAID

Medición de impacto en programas de desarrollo



Pedro Sierra
Coordinador Técnico Costa Atlántica
Bogotá

"LA MEDICIÓN DEBE DETERMINAR LA RELACIÓN ENTRE CAUSALIDAD, DESARROLLO E INTERVENCIÓN"

Es más que conocida la importancia de las micro, pequeñas y medianas empresas – mipyme, como instrumento catalizador de los procesos de desarrollo económico y social.

Según el censo económico 2005-2006, de un total de 1.683.070 unidades productivas, 1.609.015 de ellas se consideran microempresas; 62.274 pequeñas y 10.098 medianas. Así mismo, la Asociación Colombiana de Pequeñas y Medianas Empresas – Acopi, afirma que estas aportan 57 por ciento del empleo industrial y 70 por ciento del empleo total.

De otra parte, las pequeñas y medianas empresas contribuyen al desarrollo del país en temas cruciales como la mitigación del conflicto, contrarrestan actividades ilícitas y apoyan la redistribución del ingreso económico.

Estos elementos hacen que sea cada vez más común la destinación de recursos provenientes del sector público y de organismos de cooperación internacional, al desarrollo de las pyme. Valdría entonces preguntarse ¿Qué tanto se logra con estos apoyos brindados al sector?

Sin embargo, la pregunta no resulta fácil de responder. La dificultad radica en que los objetivos de los programas tienden a ser demasiado ambiguos y cuantificar el impacto que generan, resulta costoso. De hecho, a esa medición se la clasifica en la categoría de gastos generales.

De otra parte, la utilización de algunos indicadores de medición de efectividad en

los programas, tales como el efecto multiplicador (lo que debe maximizarse) y los gastos generales (lo que debe minimizarse) producen incentivos negativos y desvían la atención de la tarea principal, que es alcanzar los objetivos del proyecto.

Entonces, el reto que surge es ¿Qué medir? y ¿Cómo medirlo?

Contestar esos interrogantes es tal vez la decisión más importante que se deba tomar, porque de manera implícita define las prioridades en las que se trabajará. Ejemplo: ¿Mitigación de pobreza o desarrollo económico?

Por lo tanto, desde el mismo diseño de los programas se debe determinar muy claramente el concepto y enfoque de la medición. Así, al irse implementando el proyecto, se evaluará su avance de cara al impacto a lograr. Lo anterior nos conlleva al otro interrogante ¿Cómo medirlo? Al no existir un método perfecto

para la medición, se recomienda utilizar una combinación de métodos, que trasciendan los niveles básicos. Esto es, que vayan más allá de los aspectos relacionados con la operación, satisfacción y opiniones sobre el impacto, y en cambio si establezca las relaciones de causalidad entre la intervención y la mejora del desempeño.

Esta clase de peritaje permite medir el desempeño al interior de los programas y de los actores que intervienen en su ejecución. Igualmente brinda información convincente para presentar a los donantes y de ese modo, incentivar ayudas que son de gran utilidad para la comunidad empresarial. Por último, ofrece un entorno favorable de cara al aprovechamiento de los apoyos por parte de los beneficiarios, dado que muchas veces su poca receptividad desestimula la puesta en marcha de este tipo de iniciativas.

EMPREDIMIENTO. Centroamérica importa confitería colombiana

Pasan del negocio casero a la venta de franquicias

Andrea Mancera
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Los productos colombianos de confitería se destacan en el ámbito internacional, debido a su innovación y a que existen colonias en países como Costa Rica, en el que residen más de 50.000 colombianos, que adquieren franquicias o forman su propia pyme con el fin de llevar a cabo un plan de negocio productivo.

Es así como en Centroamérica y el Caribe, se demuestra que las actividades agroindustriales colombianas tienen aceptación en un mercado significativo, sobre todo durante los últimos 10 años.

Para el director de la Cámara Colombo Centroamericana, Camilo Acevedo, resulta importante mantener las relaciones comerciales con esos países, pues son fuente de desarrollo cuando los mercados con otros países se puedan ver afectados.

Es por esto, que las pequeñas y medianas empresas en Colombia tienen la oportunidad de ingresar a estos mercados con productos típicos que son éxito en otros lugares.

Es el caso de Obleas y Dulces de Floridablanca, una empresa que comenzó trabajando de manera artesanal y hoy en día vende su franquicia a Canadá, Estados Unidos, Costa Rica y Puerto Rico.

Para Acevedo, un producto como las obleas es aceptado además en países como Guatemala y Panamá, en donde el ingreso no es fácil y se hace necesaria una sensibilización sobre un alimento agradable, pero nuevo en el mercado.

"La oblea es un artículo agradable que puede abrir caminos, siempre y cuando mantenga estándares de calidad, los países de climas cálidos aceptan con beneplácito nuestros productos que también se originan en regiones tropicales", dijo.

Ni en el mejor de sus sueños Concepción Díaz pudo imaginar lo que sucedería 60 años después, con su receta de familia. Sin saberlo, con su diario quehacer cultivó la dulce semilla



Obleas y Dulces de Floridablanca incrementa su capacidad de producción en 30 por ciento y se presta a aumentar las ventas en 15 por ciento. ARCHIVO

Obleas de Santander en Puerto Rico y Canadá

De los 20 puestos de trabajo directos y 25 temporales que hoy genera esta empresa santandereana, así como los 50 proveedores, 95 por ciento, son mujeres. "Para servir al cliente, las mujeres son más amables. Además, sus manos son más suaves para esparcir el arequipe, la mermelada y el queso. No parten la oblea", dijo la administradora. Tiene certificación ISO 9000, incre-

que se convertiría en una próspera y robusta industria familiar.

Concha, llamada así con cariño por los suyos, maduró la idea. Fabricar y vender las galletas de trigo, muy delgadas, que untadas con manjar de leche, que ella también hacía, se irían a convertir en la delicia de todos quienes las probaran.

Los muchachos del colegio Tecnológico de Floridablanca, departamento de Santander, en Colombia, fueron sus primeros clientes. Entonces la buena fama de su producto se regó. Cruzó las fronteras del municipio, del departamento y del país.

Hoy, la empresa familiar se alista para

menta su capacidad de producción 30 por ciento, se presta a aumentar las ventas 15 por ciento y mediante la venta de franquicias, tendrá presencia en Canadá, Estados Unidos, Costa Rica y Puerto Rico. La dueña de Obleas y Dulces de Floridablanca, sólo tuvo como herramientas de trabajo cuatro cosas: un platón de aluminio, una receta de familia, ganas y amor al trabajo.

vender su franquicia de obleas en el exterior. Pero tuvieron que pasar varios años y mucho esfuerzo para llegar hasta aquí.

La gerente de la industria Obleas y Dulces de Floridablanca, Vilma Valdez, se apoyó para hacer realidad esta idea, en la Agencia de Estados Unidos para el Desarrollo Internacional (Usaid).

"Se había llegado a un punto en el cual el negocio necesitaba fijar metas y ver para dónde íbamos. Queríamos abrir nuevos puntos, tener sede en el exterior... ¡Crecer!... pero para eso necesitábamos plata..." comenta.

*Apoyo Programa Midas-Usaid

MEDIO Y SECCION Diario del Sur
FECHA 19 de Mayo de 2008

Beneficiarán a 200 familias

Promueven el manejo adecuado de bosques

Con el fin de buscar estrategias para optimizar el manejo de los bosques naturales de la región, la Agencia Internacional para el Desarrollo de los Estados Unidos, Usaid, firmó un convenio con el Consejo Comunitario del Bajo Mira de Tumaco.

Lidoro Hurtado Quiñónez, presidente del Consejo Comunitario del Bajo Mira; Brian Robert, representante del programa Más Inversión para el Desarrollo Alternativo Sostenible (Midas) y Jaime Ospina, director del Componente Forestal, firmaron el convenio para apoyar a las pequeñas y medianas empresas que adelantará el programa internacional Midas en la Costa Pacífica nariñense.

Según las informaciones, el convenio consiste en implementar una estrategia que mejore el manejo forestal de 5.198 hectáreas de bosque natural y de servicultura de 60 hectáreas.

El proyecto generará un total de 56 empleos directos que beneficiarán a 200 familias. La inversión del Gobierno de los Estados Unidos será mayor a los \$750 millones y tendrá una duración de 2 años.

Brian Robert, representante del programa Más Inversión para el Desarrollo Alternativo Sostenible (Midas), en diálogo con DIARIO DEL SUR manifestó que estos consejos comunitarios tienen la responsabilidad de manejar áreas de bosques naturales. Sin embargo, aseguró que desgraciadamente la mayoría de estos bosques han sido explotados porque la gente ha sacado demasiada madera.

Según el representante, a través de sus consejos comunitarios estas comunidades deben cuidar lo que tienen, ya que no solamente ellos se benefician, sino Colombia y el resto del mundo.

"Estamos tratando de lograr aportes de afuera, para que la comunidad del Bajo Mira frontera conserve los bosques naturales, patrimonio natural de la humanidad".

¿Cómo ayudar a la reinserción?

Mauricio Hoyos

Corredor Antioquia/Córdoba/Chocó

La Consejería de la Presidencia de la República, desarrolla dos estrategias para facilitar la labor de reinserción de más de 40 mil personas provenientes de grupos guerrilleros y paramilitares.

La primera es denominada Banco de Tiempo y es presencial. Consiste en ofrecer tiempo mediante la participación en jornadas y/o brigadas de servicio social. Se complementa con una modalidad realizada desde el exterior, vía On - Line, que promueve planes de negocios para los desmovilizados. Así, desde el exterior, expertos en el tema transfieren conocimiento a los reinsertados y logran mejorar la ejecución de sus proyectos.

La segunda estrategia es corporativa y cualquier organización puede participar. Consiste en aportar dineros privados al Fondo para la Inversión Social, que se encarga de filtrar los proyectos de inversión.

No se trata de donaciones, por lo cual las propuestas deben ser rentables y con alto contenido social. Las compañías crean oportunidades y focos de desarrollo con reglas claras de juego en el mercado. En la actualidad se pueden realizar aportes a proyectos de artesanías, carpintería, manufactura y agroindustriales. Lo importante es que sean sostenibles. Así, la empresa privada hace dinero y comparte ganancias con poblaciones afectadas por el conflicto armado.

Las exigencias de los consumidores en países desarrollados se traducen en la imposición de

medidas fitosanitarias en los mercados agrícolas internacionales.

Así, los países en desarrollo con vocación agrícola, se ven en la obligación de integrar en los procesos productivos, altos estándares de calidad.

Muchos productores no pueden ajustarse a esas exigencias y quedan por fuera

INVESTIGACIONES demuestran la correlación entre buenas prácticas y rentabilidad empresarial.

del mercado. Sin embargo, los pequeños productores que lo logran, obtienen impactos positivos tales como: Estar preparados para exportar a mercados exigentes. Obtener un producto diferenciado por calidad e inocuidad, lo que implica un mayor sobreprecio. Controlar el proceso productivo para la obtención de información de su propia producción. Reducir riesgos en la toma de decisiones debido a una mejor gestión de la finca. Aumentar la competitividad por reducción de costos. Acrecentar la calidad de vida de los trabajadores, gracias a la educación recibida en el manejo de pesticidas y plagas, reduciendo así, riesgos de intoxicaciones y mejorando la higiene del predio.

El uso de protocolos para las BPA, se convierten en una ventaja competitiva al abrir nuevos mercados (o permanecer en ellos) por ser una estrategia de diferenciación en la comercialización nacional e internacional

de los productos.

Para que la actividad empresarial sea ambientalmente sostenible, se debe cumplir con las regulaciones ambientales ampliamente documentadas en decretos, leyes y disposiciones. El correcto acatamiento de ellas, brinda la seguridad de estar desarrollando acciones encaminadas a lograr productos y servicios ambientalmente amigables.

De ese modo, se incorpora a la filosofía y al plan estratégico de la compañía, el concepto de sostenibilidad ambiental. Y esto, más que una moda, es una necesidad apremiante si lo que se busca es la perdurabilidad de la actividad empresarial. Especialmente, entre clientes de alto nivel económico y con arraigado precepto de protección del medio ambiente.

Ahora bien, esto es solo el primer paso. Lo realmente importante del proceso, es que permite ofrecer a generaciones futuras, productos y servicios ambientalmente sostenibles con gran sentido de responsabilidad empresarial.

La RSE busca mejorar las relaciones de la empresa, con los grupos con los que se relaciona. Para ello tiene en cuenta sus expectativas y los impactos económicos, sociales y ambientales que su actividad empresarial tiene sobre los mismos.

Cuando se menciona RSE en la pyme, es porque el empresario adopta esta iniciativa de manera voluntaria y como un compromiso de mejora continua. Se le convierte en eje de competitividad, sostenibilidad, desarrollo y es un imperativo de su gestión empresarial. Nunca una moda pasajera.

MEDIO Y SECCION El Frente

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Fedecacao inaugura hoy moderna sede en San Vicente de Chucurí



Hoy, la Federación Nacional de Cacaoteros -Fedecacao-, pondrá al servicio de los productores de cacao de la región sus modernas instalaciones construidas en San Vicente de Chucurí.

En este acto se contará con la presencia del gobernador de Santander, Horacio Serpa Uribe; la alcaldesa de San Vicente de Chucurí, Emilse Suárez de Camargo; la Junta Directiva de la Federación y el presidente ejecutivo de Fedecacao, José Omar Pinzón Useche, entre otras personalidades.

La edificación cuenta con especificaciones modernas, amplias y confortables que incluyen áreas de oficinas donde los cultivadores de cacao podrán consultar a los técnicos y agrónomos al servicio de la Federación.

Además, en el primer piso del edificio funcionará una amplia bodega con capacidad para almacenar hasta 400 toneladas de cacao, lo que permitirá estabilizar los precios de este producto en la región, cuando éstos afecten al productor.

Esta moderna sede estará al servicio de los productores de cacao del departamento de Santander y especialmente de San Vicente.

Santander es el primer departamento productor de cacao del país, con aproximadamente 35 mil hectáreas cultivadas y una producción de 16.723 toneladas anuales del volumen ofertado, lo que representa el 49% de la producción del país.

San Vicente de Chucurí encabeza las estadísticas en cuanto a municipios productores, con cerca de 11 mil toneladas anuales.

La Federación Nacional de Cacaoteros adelanta proyectos de modernización de la cacao cultura colombiana mediante convenios con MIDAS, lo que permitirá establecer 10 mil nuevas hectáreas de cacao en Santander. De esta manera, Fedecacao redobla esfuerzos para mantener a este departamento como el primer productor de cacao en el país.

El fique fabrica sueños en el Oriente de Caldas

El programa, de Acción Social, fue presentado el pasado fin de semana en Marquetalia y Pensilvania. Hubo muestra de máquinas. Empuje.



Los fiqueros pudieron conocer muy de cerca el funcionamiento de las máquinas.

MANIZALES
Ana Delia Quintero, de la vereda San Daniel, de Pensilvania, no ocultó su emoción al ver las primeras hojas de fique desfilbradas.

"Este es un sueño hecho realidad. Hace tres años, cuando empezamos a sembrar, no nos imaginábamos que iba a llegar el día de ver el producto de nuestros esfuerzos. Hoy se demuestra que una sola golondrina no hace verano, pues todas las entidades después de tanto tiempo han vuelto a crecer en nosotros y han venido desde tan lejos a reafirmar la confianza que nos tienen", manifestó esta mujer, que hace parte del Núcleo de Desarrollo Comunitario de Villaraz y a la vez es vocal de la Asociación de Fiqueros y Artesanos de la Cabuya de su municipio.

Ella conformó el grupo de fiqueros del oriente de Caldas que el pasado fin de semana dieron un paso más en el desarrollo de este cultivo. Entre sábado y domingo representantes de la Compañía de Empaques S.A. visitaron algunos de estos municipios para explicarles los beneficios que les ofrecerá Acción Social de la Presidencia para desarrollar estos cultivos.

Apoyo
Según Francisco Antonio Serna Restrepo, Interventor Zona I de la Compañía, el Programa ha logrado conformar en municipios del departamento como Aguadas, Aranzazu, Marquetalia, Manzanares, Pácora, Pensilvania, Salamina, Samaná y Victoria, 28 Núcleos de Desarrollo Comunitarios como estrategia de productividad y competitividad.
"Estos Núcleos se definen como grupos de 20 o 25 familias fiqueras vecinas que tienen entre sí 50 mil plantas y que se han organizado no sólo para sembrar el fique y para realizar el beneficio de la cabuya, sino para ser gestores de su propio

desarrollo", dijo.
Indicó que ante la necesidad de obtener la maquinaria y equipos para beneficiar las primeras 350 mil plantas que inician su etapa de beneficio a partir del próximo semestre, se presentó el pasado fin de semana en esa zona de Caldas el programa *Dotación de Maquinaria y Equipos para los Centros de Beneficio Comunitario*.

En Marquetalia y Pensilvania hubo muestra tecnológica de fique de esa zona.

"Acción Social se compromete con el 50% del valor de los equipos, como un incentivo no reembolsable. La comunidad fiquera beneficiada respon-

Apoyos

En este proyecto participan además de la Compañía de Empaques y Acción Social, Midas y aliados estratégicos como las Asociaciones de Fiqueros de Caldas, la Gobernación de Caldas, las Administraciones Municipales, Isagén, Corpoacaldas, Sena, Cámara de Comercio de Manizales, Incofer y las universidades de Caldas, Nacional y de Manizales.

derá por el 50% restante, a través de un crédito asociativo con el Banco Agrario, avalado por la Compañía de Empaques S.A., como entidad integradora. Tiene Incentivo de Capitalización Rural (ICR) y las personas lo irán cancelando con la producción de cabuya", manifestó.

Dotación

El proyecto permitirá dotar 14 Unidades Productivas o Centros de Beneficios Móviles de Fique, conformados cada uno por una máquina desfilbradora de alimentación continua, un motor diesel, 10 tanques plásticos de mil litros, una báscula, un medidor de humedad, tres carretillas móviles, dos juegos de herramientas de trabajo de campo, dos carretas y cuatro guadañas.

La dotación de maquinaria de cada uno de los centros de benefi-



Máquinas como estas se exhibieron y la podrán adquirir los fiqueros con un apoyo del 50% de Acción Social.

cio tiene un valor que oscila entre los 25 millones y los 30 millones de pesos.

El Alcalde de Marquetalia, Hug Hernán González Medina, dijo: "damos un paso importante, estamos conociendo las máquinas. Durante este tiempo hemos tenido promoción, tecnología, acompañamiento técnico, semilla y capacitación de Sena. Hoy tenemos quién nos dé tecnología, asesoría, nos compre, no financia e impulse".

Bernardo José Jiménez, de Acción Social, señaló: "apostemos a las cadenas productivas. Da alegría ver cómo se cristalizan y concretan iniciativas como esta del fique, con las cuales no habíamos soñado hace unos años los agricultores del oriente. Le estamos apostando a la paz a trabajar juiciosos, a sacar a esta región adelante".

Al final de la jornada, Ana Delia expresó: "la unión hace la fuerza" en nuestras manos está el responder a este programa que ha llegado a buena hora, pues además de la plática del café, en las épocas de verano vamos a tener billete por la venta de la cabuya".

La noticia

La Asociación de Productores y Artesanos de la Cabuya de Pensilvania salió favorecida en la convocatoria del programa Oportunidades Rurales, del Ministerio de Agricultura. Se busca fortalecer a los socios y crear una empresa de materiales fibroreforzados. Su presidente es Freddy Mauricio Aguirre López.

Consultorio de Midas - Usaid



Mauricio Hoyos
Coordinador Técnico
Usaid - Midas

¿Cómo la empresa puede ayudar a la reinserción social?

La Consejería de la Presidencia de la República, desarrolla dos estrategias para facilitar la labor de reinserción de más de 40 mil personas provenientes de grupos guerrilleros y paramilitares. La primera es denominada Banco de Tiempo y es presencial. Consiste en ofrecer tiempo mediante la participación en jornadas o brigadas de servicio social. Se complementa con una modalidad realizada desde el exterior, vía

On - Line, que promueve planes de negocios para los desmovilizados. Así, desde el exterior, expertos en el tema transfieren conocimiento a los reinseridos y logran mejorar la ejecución de sus proyectos. La segunda estrategia es corporativa y cualquier organización puede participar. Consiste en aportar dineros privados al Fondo para la Inversión Social, que se encarga de filtrar los proyectos de inversión.

¿El Fondo de Inversión Privada es permanente?

No se trata de donaciones, por lo cual las propuestas deben ser rentables y con alto contenido social. Las compañías crean oportunidades y focos de desarrollo con reglas claras de juego en el mercado. En la actualidad se pueden realizar

aportes a proyectos de artesanías, carpintería, manufactura y agroindustriales. Lo importante es que sean sostenibles. Así, la empresa privada hace dinero y comparte ganancias con poblaciones afectadas por el conflicto armado.

¿Las Buenas Prácticas Agrícolas fomentan la competitividad?

Las exigencias de los consumidores en países desarrollados se traducen en la imposición de medidas fitosanitarias en los mercados agrícolas internacionales. Así, los países en desarrollo con vocación agrícola, se ven en la obligación de integrar en los procesos productivos, altos estándares de calidad. Muchos productores no pueden ajustarse a esas exigencias y quedan por fuera del mercado, sin embargo, los pequeños productores que lo logran, obtienen impactos positivos

tales como: estar preparados para exportar a mercados exigentes, tienen un producto diferenciado por calidad e inocuidad, lo que implica un mayor sobreprecio, controlan el proceso productivo para la obtención de información de su propia producción, reducen los riesgos en la toma de decisiones debido a una mejor gestión de la finca, aumentan la competitividad por reducción de costos y acrecientan la calidad de vida de los trabajadores.

¿Qué hacer para que el negocio sea sostenible?

Para que la actividad empresarial sea ambientalmente sostenible, se debe cumplir con las regulaciones ambientales ampliamente documentadas en decretos, leyes y disposiciones. El correcto acatamiento de ellas, brinda la seguridad de estar desarrollando acciones encaminadas a lograr productos y servicios ambientalmente amigables. De ese modo,

se incorpora a la filosofía y al plan estratégico de la compañía, el concepto de sostenibilidad ambiental. Esto más que una moda, es una necesidad apremiante si lo que se busca es la perdurabilidad de la actividad empresarial, especialmente entre clientes de alto nivel económico y con arraigado precepto de protección del medio ambiente.

¿Cuáles son los beneficios de la producción limpia?

Lo realmente importante del proceso, es que permite ofrecer a generaciones futuras, productos y servicios ambientalmente sostenibles con gran sentido de responsabilidad empresarial. La Responsabilidad Social Empresarial (RSE) busca mejorar las relaciones de la empresa, con los grupos con los que se relaciona. Para ello tiene en cuenta sus expectativas y los impactos

económicos, sociales y ambientales que su actividad empresarial tiene sobre los mismos. Cuando se menciona RSE en la pyme, es porque el empresario adopta esta iniciativa de manera voluntaria y como un compromiso de mejora continua. Se le convierte en eje de competitividad, sostenibilidad, desarrollo y es un imperativo de su gestión empresarial. Nunca una moda pasajera.

¿La inversión en BPA es rentable para las compañías?

Investigaciones demuestran la correlación existente entre las prácticas de RSE y la rentabilidad empresarial. Por ello, la Comisión de las Comunidades Europeas declaró que la RSE debe considerarse como una inversión y no un gasto. Los mismos estudios demuestran que una empresa responsable frente a la sociedad, genera beneficios estratégicos, tales como: Mejoramiento de su imagen pública y reputación. Acceso más fácil a mercados más fieles. Mayor entendimiento

con los entes reguladores, en cuanto a requerimientos legales. Menor presión de los entes fiscalizadores frente al aspecto legal. Retención de talentos y reclutamiento fácil de personal de primer nivel. Mejor clima laboral. Incremento de la confianza de los accionistas. Mejoramiento de la calificación de riesgo. Acceso fácil al financiamiento por parte de la banca. De esa manera, el impacto positivo de cada una de estas variables, incide directamente en el incremento de la rentabilidad de la empresa.

La innovación, más que un mito, un pilar de competitividad



Mira Quintero

Especialista de Proyectos
CPYME Costa Atlántica
Programa Midas de Usaid

INNOVAR REQUIERE INVESTIGAR Y CREAR PROTOTIPOS QUE PODEMOS ADAPTAR A NUESTRA CAUSA.

La palabra “innovación”, ampliamente utilizada en nuestro vocablo, es de total relevancia para el sector productivo. Y, pese a que muchos aseguran hoy día que “ya todo está inventado”, las industrias a diario nos sorprenden con productos, elementos y artículos que, lejos de suplir nuestras necesidades, nos asombran con “exóticos” diseños, accesorios y plus que jamás habríamos imaginado.

En los textos enciclopédicos la palabra innovación es definida, la mayoría de las veces, como la aplicación

de nuevas ideas, conceptos, productos, servicios y prácticas efectuadas por las empresas, con la intención de ser útiles para el incremento de la productividad.

Sin embargo, a la luz de la actual realidad mundial, el proceso de innovación no sólo consiste en ello; se refiere también a utilizar instrumentos, elementos o productos ya creados y encontrarles otra funcionalidad o aplicación.

Igualmente, grandes corporaciones mantienen un elitista y exigente departamento de Investigación y desarrollo (I+D) concebido para que quienes lo conforman, sólo se dediquen a “pensar”. No obstante, los teóricos dicen que el proceso de I+D debe ser liderado por la alta dirección empresarial y lo que menos conviene hacer, es fijar un cronograma de reuniones para pensar. Es más, recomiendan disponer de otros mecanismos para incentivar, en sus distintos

niveles, a todos los miembros de la organización, para que desarrollen ideas frescas.

Así mismo, el concepto de I+D ha evolucionado y en la actualidad el tema no se limita al sabio del laboratorio. Las organizaciones se predisponen en todos sus niveles a buscarla, como lo hizo Colgate, con su nuevo empaque y otros nombrados casos, como el del velcro y los endulzantes light, entre otros. En ellos no se requirió un horario especial para inquirir, sino más bien la sencillez de expresar claramente lo que se deseaba del producto.

Si bien es cierto que innovar, en la mayoría de los casos, requiere de cuantiosas sumas de dinero para investigar, probar, ensayar y crear prototipos, también es verdad que tomando la experiencia, hallazgos y resultados de “otros”, podemos adaptarlos a nuestra causa.

Es el caso de muchas compañías colombianas que, sin

contar con el generoso presupuesto anual que las grandes multinacionales destinan a estos procesos, logran a pulso, alcanzar resultados sorprendentes, dignos de ser resaltados.

Empero, no se trata de aprovechar el conocimiento de otros, capturarlo atrevidamente y traerlo a nuestras empresas. Lo que se busca es aprovechar lo que el mercado pone a nuestra disposición para sacarle el máximo de beneficio.

En otras palabras, quien tenga recursos suficientes para realizar un completo proceso innovador, está en la obligación empresarial de hacerlo, por el bien de su organización. Quien no, deberá entonces tratar de llegar a su máximo referente, hasta que su perseverancia y resultados le permitan, por sus propias fuentes, desarrollar un proceso completo.

1-19 TIERRAS & GANADOS

>Brasil importará eucaliptos transgénicos (OGM) para impulsar su proyecto de reforestación comercial.

CON LA ASISTENCIA TÉCNICA Y FINANCIERA DEL GOBIERNO ESTADOUNIDENSE, A TRAVÉS DE PROYECTO MIDAS

Megaproyecto de cacao en el Cesar

Con sistemas de riego, en viveros totalmente tecnificados, se espera que Colombia pase de ser importador a exportador de grano de alta calidad, apetecido por la agroindustria de la chocolatería fina. En el mundo, los precios van al alza.

LA JAGUA DE IBIRICO
Con la meta de tener en producción un total de 500 hectáreas de cacao, 180 familias de este municipio cesarense están trabajando en las últimas fases de tres viveros, antes de llevar 117.000 plantas a su sitio definitivo.

Se espera que dentro de 30 meses este cultivo comience a producir, en una zona donde la vocación por la minería del carbón ha sido la constante desde hace más de 25 años, en detrimento de la producción agrícola.

Sin duda este será uno de los cultivos de cacao más grandes del país, pues estará en un solo lote, mientras que el resto de la cacaocultura colombiana la hacen pequeños y medianos productores con áreas, en promedio, no mayores a diez hectáreas.

Para esto, Agrotropical Colombia, una empresa que desarrolla proyectos agroindustriales, le dio la oportunidad a 80 familias de tener un empleo estable e ingresos permanentes.

Estas, después de 20 meses de recibir asistencia, comenzaron a ejecutar el proyecto y están ayudando a consolidar la empresa como la única con mayor extensión de siembra de cacao tecnificado en el país.

La idea, según los gestores del proyecto, es aportar para que surjan iniciativas simila-



José Gregorio Caro, uno de los beneficiados con este proyecto, muestra satisfecho uno de los viveros donde crecen 176.000 plántulas de cacao que pronto comenzarán a trasladarse a su sitio definitivo.

res en otras zonas cacoteras y Colombia pueda pasar de ser importador a exportador del grano, muy preciado por la agroindustria de la chocolatería fina.

Como los cultivos de cacao, al igual que el café, requieren sombrero para un mejor desarrollo, se decidió por el plátano dentro del mismo lote, cuya producción actualmente genera recursos por 70 millones de pesos mensuales, constituyéndose en otra fuente de trabajo e ingresos para las familias beneficiadas.

La puesta en marcha de este proyecto hace parte de la estrategia de la Agencia de Estados Unidos para el Desarrollo Internacional (Usaid), que ha dispuesto recursos para financiar las iniciativas de su programa Más Inversión para el Desarrollo Alternativo Sostenible (Midas).

Durante el 2007, la producción de cacao en Colombia fue de 53.800 toneladas y para este año se estima que llegue a las 59.250 toneladas.

Hay más proyectos con el grano

Además del anterior, junto con la Federación Nacional de Cacaoteros (Fedecacao), el proyecto Midas espera, para finales del 2010, que 27.000 nuevas hectáreas de cacao estén en plena producción, beneficiando a 7.300 familias de diferentes municipios del país.

Así, actualmente están en ejecución cinco proyectos más.

El primero, que arrancó en octubre del 2007, tiene como meta la siembra de 3.334 hectáreas. Este beneficiará a 1.062 familias y generará 1.700 empleos en 14 municipios del departamento de Santander.

DE MEJOR PRODUCCIÓN

Una de las ventajas comparativas es que se siembran clones de mejor calidad para mejorar así los cacaos colombianos".

Jose Pinzón, presidente de Fedecacao, el gremio cacaotero.

33.482

toneladas de cacao se produjeron en el país durante el 2007. Para este año se espera que se incremente a 40.000 toneladas.

Cacao

Cultivo en Colombia

Año	Hectáreas		Producción Toneladas	Rendimiento kilos/ha
	Cultivadas	Cosechadas		
2000	83.525	82.392	36.731	446
2001	84.443	83.706	36.070	431
2002	86.708	83.406	34.002	408
2003	91.208	86.784	41.704	481
2004	97.208	90.443	36.356	402
2005	99.000	92.000	37.099	403
2006	104.000	96.000	30.356	316
2007	116.777	86.970	33.482	300

Fuente: Federación Nacional de Cacaoteros (Fedecacao).

Diario CEEI

En la misma fecha también se inició la siembra de 9.500 hectáreas nuevas de cacao clonado y el sostenimiento de 500 hectáreas, sembradas con especies tradicionales en San Vicente, El Carmen y Landazuri, en el mismo departamento.

En este se beneficiarán 3.334 familias y se generarán 5.000 empleos.

En el departamento de Córdoba, otro de los proyectos que se inició a finales del año pasado espera sembrar 1.107 hectáreas de cacao clonado en las áreas rurales de los municipios de Valencia y Tierralta, que beneficiarán a 369 familias y generarán 596 empleos directos.

En Antioquia se está apoyando la instalación de 2.339 hectáreas, junto con sistemas agroforestales, proyecto en el cual participan 718 familias campesinas, localizadas en seis núcleos productivos de Apartado, Anorí, Yalí, El Bagre, Puerto Triunfo y Turbo.

Por último, con el apoyo de Midas, la Federación Nacional de Cacaoteros atenderá un nuevo núcleo, ubicado en el Alto Patía (Nariño), que comprende la siembra de 1.200 hectáreas, que beneficiará a 400 familias y generará 600 empleos. El proyecto se inició el pasado 14 de mayo.

Note: Usually Mission address is listed below. This is the generic USAID address.

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