



USAID
DEL PUEBLO DE LOS ESTADOS
UNIDOS DE AMÉRICA

Programa MIDAS
Más Inversión para el Desarrollo Alternativo Sostenible

WORK PLAN 2009-2010

Contract No. 514-C-00-06-00301-00



JANUARY, 2009

This document is a draft and has been produced for review by the United States Agency for International Development. It was prepared by ARD.



Cover Photo: MIDAS Farmer Field School in action - promoting peer knowledge transfer and a culture of achievement.

Report Prepared for the
United States Agency for International Development

MÁS INVERSIÓN PARA EL DESARROLLO ALTERNATIVO SOSTENIBLE

Work Plan 2009-2010

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JANUARY 2009

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ACRONYMS

ABC	Agribusiness Component
ADAM	Áreas de Desarrollo Alternativo en los Municipios
ARD	Associates in Rural Development
C&G	Contracts and Grants
CAPP	Colombia Agribusiness Partnership Program
CFC	Commercial Forestry Component
CLIN	Cost Line
CONPES	Consejo Nacional de Política Económica y Social
ERS	Economical Research Service
FFS	Farmer Field Schools
FINAGRO	Fondo para el financiamiento del sector Agropecuario
FIP	Fondo de Inversión para la Paz
FOMIPYME	Fondo Colombiano de Modernización y Desarrollo Tecnológico de las Pequeñas y Medianas Empresas
FTA	Free Trade Agreement
FUPAD	Fundación Panamericana para el Desarrollo
GDA	Global Development Alliance
GEF	Global Environmental Fund
GoC	Government of Colombia
ICO	Organizational Competitiveness Index
IDP	Internally Displaced Populations
INVIAS	Instituto Nacional de Vías
INVIMA	Instituto Nacional de Vigilancia de Medicamentos y Alimentos
LoP	Life of Program
MIDAS	Mas Inversión para el Desarrollo Alternativo Sostenible
MPC	Midas Policy Component
OIM	Organización Internacional para las Migraciones
PC	Project/Proposal Coordinator
PILAS	Programa de Apoyo y Asistencia Humanitaria Integral a la Población Internamente Desplazada y Otros Grupos Vulnerables
PS	Project Suppliers
SME	Small and Medium Enterprises
SPS	Sanitary and Phyto-Sanitary Standards
TEP	Territorios Étnicos Productivos
ToT	Training of Trainers
USAID	United States Agency for International Development

Executive Summary

2008 Highlights - The year 2008 was very successful for MIDAS in achieving significant results from its \$96 million investment portfolio focused in ex-conflictive areas with continued unprecedented leveraging (\$10 leveraged for every \$1 of USAID funds). MIDAS achieved 60,770 new Hectares planted, 76,065 Natural Forests under improved management and 122,735 new jobs created. With a solid and steady rate of implementation established, MIDAS' expanded into qualitative themes of business sustainability, social capital formation, and making viable a significant institutional network of small and medium business service providers partners – all of which will remain dominant themes for 2009.

The ABC component negotiated with Rainforest Alliance for their first certification of African oil palm ever with the MIDAS grantee INDUPALMA. The ABC component also released the results of the competitiveness study which provides key data on crop competitiveness at the regional level. This data will allow for more useful comparisons between key licit and illicit crops. The CFC component advanced their new Better Management of Natural Forest strategy designed to conserve and recuperate community forests at the same improving family food security and livelihoods. The result was a dramatic increase in the number of hectares of natural forest under improved management. Moreover, the new natural forest strategy attracted complementary support for the Community Councils. For example, the CFC component negotiated support from the Acción Social food security program for the 4 communities receiving conservation payments. Acción Social has also asked for MIDAS assistance in adapting this strategy for an indigenous conservation effort in the Sierra Nevada de Santa Marta in 2009.

The SME component made important strides in getting different national and regional entities to adopt their business expansion and employment creation model. They also finalized a joint venture with the Clinton Foundation for a hotel supplier initiative in Cartagena. The SME component also achieved the first ever specialty coffee certification for a group of Familias Guardabosques. The Policy Component assembled a group of experts in Alternative Development to provide analysis and information for policy makers developing new strategies for the sector. The Policy Component also advanced its flagship digital territories initiative in response to demand from both the national and regional levels.

MIDAS had another successful year of managing Acción Social funding to the benefit of USAID and Acción Social and a major expansion of the Acción Social funding is expected in 2009. A fifth CLIN was added to the MIDAS contract to handle funding under the Afro Indigenous Earmark and a lengthy *concertación* process was carried out with local mayors and community councils to identify priority productive and employment generation projects for implementation in 2009.

2009 Highlights - This Work Plan is based upon a scaled-back Life of Contract budget scenario of \$170 million. In terms of target achievements and budget execution, 2009 is almost as large for MIDAS as 2008. By the end of 2009 MIDAS will phase out two of its four components (SME and Policy) at the same time collecting the largest ever returns to its investments reflected in achievements for New Hectares (53,438), New Jobs Created (50,384), and Families Benefited (30,102).

The primary tasks for 2009 are to ensure compliance by all components with indicator targets and burn rate projections. This task is complicated by the climate situation at the end of 2008 and the intense continuous efforts that are required to ensure that bank credit flows normally to MIDAS recipients. Colombia is still undergoing one of the worst rainy seasons in history and it is too early to determine what effect this is having on MIDAS projects. The project close out process is going to increase

exponentially during 2009 and MIDAS staff will need to become project close out “experts” at the same time working with grantees to take advantage of their experience under MIDAS to continue to provide support and services to their client base. Liquidating advances of projects under close out is a key priority and MIDAS has to achieve a 100% success rate in ensuring that all funding advances made were put to eligible project use. At the end of 2008 the CFC and ABC components had over \$2.1 million outstanding in such advances to grantees. While not much in terms of a percentage of the overall Grants under Contract program, in absolute terms it is a significant amount. Over 83% of these advances are liquidated within 60 days. Managing risks associated with credit delivery, exchange rate fluctuations, and possible grantee noncompliance with terms and conditions is the primary challenge for MIDAS in 2009.

During 2009 the initial phase of implementation of sustainability plans will begin. The primary focus for sustainability is to ensure that each individual MIDAS project or intervention is a success and can thrive and progress after USAID assistance expires. However, MIDAS has adopted a much broader definition of sustainability to include the concept of “scaling up”, whereby USAID assistance is a catalyst for changes in beneficiary access to technical assistance, markets, and resources that continue to generate jobs and promote private investment after USAID assistance terminates. The impact expected from each of the component’s sustainability plans will be a more dynamic and competitive agricultural sector in a post conflict context, as well as improved regional licit economies. There are also concrete actions being taken to encourage a vibrant SME sector with increased job creation and improved market incentives for environmental protection in Colombia.

For the SME component sustainability is focused on 3 goals. The first is that the demand driven business expansion model continues after MIDAS assistance. MIDAS has demonstrated that small and medium businesses are willing to cover 50% of the cost of high quality technical assistance for business expansion business. The second is the continuance of the project identification and service provider regional networks established under the program. Related to the above two objectives is the dissemination of Lessons Learned and guides for replicating the model.

For the policy component sustainability means meaningful and lasting changes in creating a better business climate in Colombia and its regions, more and better access to financial services, continued and sustainable technical assistance for farmers and SMEs, establishment of an effective and innovative Payment for Environmental Services scheme, and a Book of Lessons Learned of policy reforms associated with trade capacity building and alternative development along with recommended reforms for the future.

In case of the CFC component, sustainability means ensuring a permanent small producer presence in the timber value chain and participation in timber rights. The alliances between small producers and land owners and wood processors reached levels unimaginable 3 to 5 years ago and efforts over the next two years need to be taken to ensure that these alliances remain permanent, viable, and expanding. The Community Natural Forest model that emphasizes conservation payments, food security, and sustainable business development capacity development based upon the state of the forest. Finally, the CFC component is helping in the establishment of rubber plantations and processing in Santander. For this new industry in Santander the CFC component needs to ensure the continued support from local authorities after the MIDAS project expires.

In case of ABC the sustainability focus is similar to the CFC processes, but also looking to strengthen the small farmer organizations that MIDAS has been promoting, delivering technical assistance for the cacao and African oil palm sectors and supporting the adoption of an information system by the MAG that includes the implementation of competitiveness indicators.

2010 Highlights – Only the ABC and CFC components will have projects under implementation in 2010. These projects will be for long-term crops and continued assistance is required in order to ensure that beneficiaries are fully capable of managing and recuperating their investment. Efforts began in

2009 to promote the sustainability of the different MIDAS business models will take on a continued and stronger focus in 2010.

1. CONTEXT

MIDAS is a large, complex, innovative and successful project that addresses fundamental problems of great importance to Colombia, the United States, and the region. The contract goal is to provide assistance to businesses to create permanent economic and social alternatives to illicit crops/activities. The table below indicates the targets established in the More Investment for Sustainable Alternative Development (MIDAS) contract to measure progress toward the creation of these permanent alternatives, progress at the end of 2008, and projected achievements at the end of 2009 with a \$46.8 million CY2009 work plan level.

Table 1: MIDAS targets

Contract target	Life of Contract Goal	Commitments for 2008	Achievements for 2008	% WP 2008	Total Cumulative (2006-2008)	Projected Results for 2009	Projected Results for 2010	Projected Cumulative at the end of Program (2010)	% LoP
New Jobs	182,995	115,958	122,735	106%	187,035	50,384	7,008	244,427	134%
New Hectares	173,827	72,806	60,770	83%	104,447	53,438	11,986	169,870	98%
Natural Forest hectares	114,268	60,122	76,065	127%	106,711	19,058	0	125,769	110%
Families Benefited	156,425	213,893	149,520	70%	244,591	30,102	1,894	276,587	177%
Indirect Families Benefited*	340,677	269,439	230,477	86%	280,087	60,000	0	340,087	100%

*Internal Indicator
These figures include TEP goals.

After 3 years of implementation, major Lessons Learned are being generated from the More Investment for Sustainable Alternative Development (MIDAS) Program for the next phase of USG and GoC investments in Alternative Development. MIDAS has fully demonstrated that it is possible to transform Colombian rural, ex-conflictive areas through private-led productive investment and social capital formation. MIDAS has shown that it is possible to help develop or expand businesses on a sufficient enough scale to create hundreds of thousands jobs and legal sources of income and that economic growth and private investment can be accomplished in geographic areas susceptible to illicit crops. Confidence-creating examples of private investment, the scale and geographic focus of the program, and policy/institutional reform are having a substantial cumulative impact on Colombia's economic competitiveness, providing significant new sources of alternative income, and significantly reducing incentives for participation in illicit cultivation and/or trade.

MIDAS opened its doors for business in mid-2006 by inviting proposals from the private sector; 2007 was a year of transition where projects were being launched in the field and the first significant achievements were measured. 2008 was the year of implementation with actual achievements of 60,770 New Hectares planted (35% of LoP), 122,735 New Jobs created (67% of LoP) and 149,520 Families benefitted (96% of LoP). During 2009 the only new projects to be launched will be with funds from the Afro Indigenous Earmark.

MIDAS is achieving these goals through Agribusiness and Forestry components that assist undercapitalized *campesinos* engage in modern and productive activities with strong marketing linkages; a Small and Medium Enterprise component that assists businesses that create new jobs for strategic populations susceptible to illicit activities, and a Policy component that is helping transform Colombian institutions, making key sectors of the economy more competitive to the benefit of a much broader base of the population and complementing MIDAS projects by improving access to production factors and streamlining the enabling political environment. An additional CLIN for the Afro Indigenous Earmark will finance activities through all four of the abovementioned components.

Table 2: MIDAS Targets 2009 By Quarter

Contract targets	Life of Contract Goal	WP 2009 Goals				WP 2009 Total
		Q1	Q2	Q3	Q4	
Total New Jobs	182,995	20,166	14,374	8,034	9,266	51,840
Total New Hectares	173,827	7,796	16,055	14,620	15,658	54,128
Total Natural Forest hectares	114,268	3,500	5,741	6,197	3,621	19,058
Total Families Benefited	156,425	9,557	9,644	5,382	5,974	30,557
Indirect Families Benefited*	340,677	20,000	15,000	15,000	10,000	60,000

*Internal Indicator

2. STRATEGIC FOCUS

In order to provide alternative incomes for large numbers of beneficiaries in a sustainable fashion, MIDAS will continue to perform under the operating principles emphasized in the 2008 Work Plan.

The first and foremost was that MIDAS support is catalytic and a “tipping point” for getting private businesses and banks to invest in agribusiness and forestry projects in ex-conflictive areas with small farmer groups that they would not normally engage. MIDAS support also emphasizes for social capital formation by helping small farmers organize and provide technical assistance to small farmer human capital. It also directs significant resources to more focused geographic locations (clusters) aiming at promoting local economies, fostering competitive activities with secure markets and ensure long-term sustainability. Finally, by bringing together diverse public and private actors and resources, MIDAS has fostered a culture of trust among different actors that have not traditionally worked together in the past.

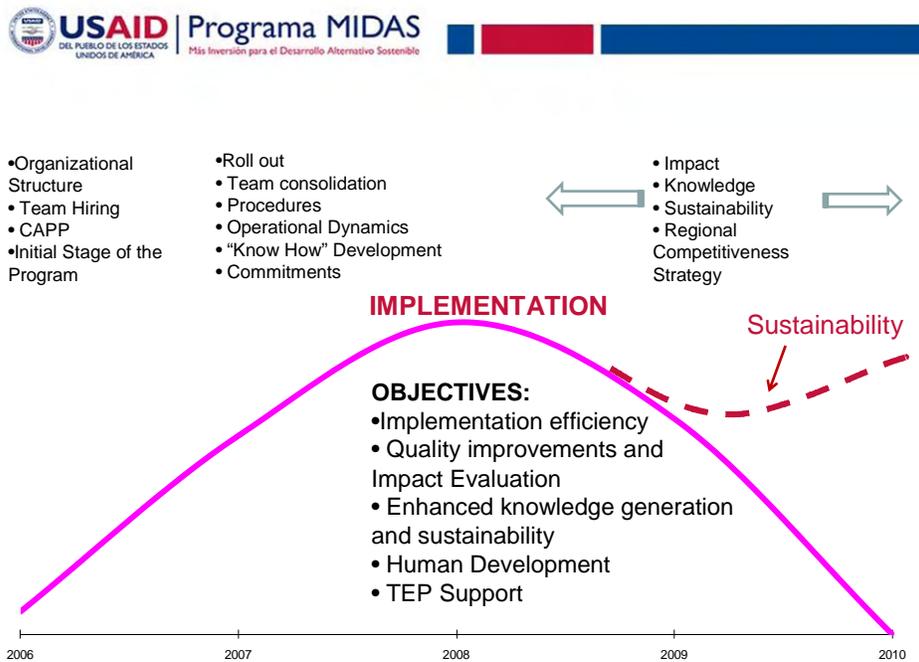
These operating principles are still valid and MIDAS is continually proving them correct. While 2009 is a very important year in terms of program implementation, given that more than 50,000 new hectares will be established in ABC and CFC projects, it also represents the close out of two MIDAS components (MPC and SMEC) and a transition to USAID’s future alternative development program.

Therefore the following additional operating principals will take on increased emphasis:

2.1. CHANGING THEMES AND DYNAMICS 2009-2010

2009 is a year that marks the transition of the USAID alternative development program out of MIDAS and into the next phase of the evolving program of United States - Colombia cooperation. 2009 represents a turning point for the Program, in which the MIDAS must balance project implementation with impact analysis, knowledge management, know how institutionalization and transfer. In addition, sustainability plans and exit strategies must be set into place according to project schedules and expected close out dates. This involves close coordination with grantees and a close follow up on all project activities. Program level activities during 2009 are the key to a successful final stage of MIDAS during 2010. The following graph describes the different stages of MIDAS implementation since inception:

Figure 1: 2009-2010 Challenges



In the MIDAS project cycle it is clear that even though the program is entering a close out phase in terms of components and projects, project sustainability must be secured through enhanced knowledge management, documentation of lessons learned, multiplication of best implementation experiences and practices as well as the transfer of knowledge and skills to regional institutions and appropriate public policies. To a large extent, MIDAS sustainability is implicit in the sense of ownership that is carried forward by our beneficiaries, partners, and communities, vis-à-vis the MIDAS model project design. MIDAS' ultimate impact and sustainability will be measured by the change in perceptions, attitudes, and behaviors amongst its beneficiary base. In terms of SMEs, a strong sense of ownership of MIDAS is being carried forward from the beneficiary level to the MIDAS signature Project Coordinator network and it is essential that this sense of ownership not be lost and be taken advantage of by future alternative development efforts.

MIDAS reaches the year 2009 with more than half a million benefitted families and a network of grantees and projects in over 545 municipalities of Colombia, which is why the knowledge acquired over these years must be organized and all of the actors involved must be empowered in order to replicate the lessons learned, secure sustainability, consolidate sectors and licit regional economies, as well as provide better opportunities for Colombian citizens.

Each strategic guideline has a specific set of challenges associated to it, in order to determine the objectives that are to be achieved in order to comply with contractual goals and future sustainability of projects benefitted by MIDAS. Although these guidelines include a series of activities that have already been implemented and are a top priority, new objectives were defined in order to support activities related to the implementation of the TEP Initiative (financed with funds under the Afro Indigenous Earmark to promote income generation and employment in Nariño, Cauca, and Buenaventura), Program Impact Evaluation and Grantee Satisfaction Surveys, among others. Basically, as stated above, MIDAS must achieve a healthy balance between ongoing activities and new activities that will secure MIDAS impact, sustainability and sector development.

2.2. IMPROVING THE QUALITY AND EFFICIENCY OF MIDAS IMPLEMENTATION

MIDAS has institutionalized an internal process of continually improving the productivity and efficiency of procedures, particularly through web enabled paperless procedures that take advantage of MIDAS' regional offices. There is also a constant effort on the part of MIDAS management to facilitate coordination and collaboration between the different offices and business components. A high priority is to improve the efficiency and timeliness of reporting on indicator and target achievements.

The primary focus of improving the quality of MIDAS implementation is with MIDAS grantees. MIDAS has undertaken consultations with grantees, including a satisfaction survey, to determine how to better support them. A key aspect of improving the quality of MIDAS implementation is the institutional strengthening of MIDAS grantees and to promote within them a culture of transparency and legality. Any future USAID program operator will be able to trust a potential grantee based upon their experience with MIDAS. Another important aspect of quality improvement is the degree of synergies and collaboration that MIDAS has achieved between offices and components.

2.3. MIDAS HUMAN RESOURCE DEVELOPMENT

In response to USAID directive to "Colombianize" operations, MIDAS has assembled the best cadre of Colombian Alternative Development experts ever. During 2008 MIDAS lost key high level staff to FEDECAFE, the Inter-American Development Bank, and the Clinton Foundation. The departure of this key staff has had the added benefit of strengthening the ties with key development institutions to the benefit of USAID and the program. There will be a much larger departure of staff during 2009 (hopefully to the new USAID alternative development operator(s)) and we want to ensure that staff move on to better employment and preferably stay working in the Alternative Development sector. Therefore it is important MIDAS maintain a high level of motivation of its Colombian staff.

2.4. MIDAS – PROMOTING A CULTURE OF ACHIEVEMENT

By bringing together diverse public and private actors and resources, MIDAS has fostered a culture of trust among different actors that have not traditionally worked together in the past. This action paves the road for future partnerships once the program ends. Also, by focusing on technical assistance, MIDAS resources have helped create a critical mass of skilled labor, as well as stronger firms and community organizations that will now be able to apply this new knowledge and capacity to future enterprises that will not depend on MIDAS support. MIDAS support is strengthening resilience and the ability to persevere amongst groups that have traditionally lacked these characteristics, changing the social circumstances for marginal groups such as Afro Colombians and the Indigenous.

2.5. AFRO INDIGENOUS EARMARK – TERRITORIOS ÉTNICOS PRODUCTIVOS (TEP)

Efforts in 2008 in establishing the foundation for a successful implementation of Afro Indigenous Projects should pay off in 2009. The \$15 million new initiative for Afro and Indigenous communities is being implemented jointly through a joint task force comprised of 4 different USAID operators: ADAM, MIDAS, FUPAD, and OIM. Part of this effort was the agreement and consensus process



Poster made by Demecia, Francisca and Clemencia, beneficiaries of the project “Women Saving Money” in Buenaventura.

carried out with local mayors and community councils. More solid projects were generated than available funding but it appears that Acción Social may be interested in financing some of these unfunded projects. Although the projects to be funded under this earmark are productive in nature, each project will include support for governance strengthening and food security. The projects were selected taking into account traditional cultural values and approved development plans, ethnic development plans, CONPES, and *planes de vida* (indigenous development plans). A total of 31 projects were identified of which 12 are MIDAS. These projects will create 12,000 new jobs and benefit 9,000 families.

2.6. MIDAS AND ALTERNATIVE DEVELOPMENT

During 2008 MIDAS carried out activities in 545 of Colombia’s 1,098 municipalities. No less than 45% of 545 of these municipalities had the presence of coca or bordered municipalities that had the presence of coca. 29% of these municipalities were strongly influenced by activities associated with illicit crops and another 19% were at risk of illicit activities. 52% of these municipalities received MIDAS assistance to consolidate regional competitive economies and strengthen marketing ties with the rest of the country. The MIDAS microfinance program has activities in 414 municipalities of which 32% have coca.

Over the past two years of MIDAS Program implementation, many lessons have been learned. The understanding of alternative development (AD) as an essential element of the general development strategy, the driving factors in each region, and relationships with key players in each project, as well as intervention impact analysis, provides fundamental tools to complement the definition of alternative development for Colombia, and particularly for the model proposed by MIDAS.

MIDAS field experience, permanent interaction with public and private stakeholders, particularly with beneficiary communities, the permanent dialogue and interaction with USAID and with Acción Social provide input for a definition of AD: “*A set of processes aimed towards driving and strengthening a regional and local licit economic base in areas with coca or susceptible to the illicit economy, focusing on the generation of economically sustainable conditions, and legal, productive employment opportunities, in compliance with appropriate use of environmental resources as well as the economic, political and social potential of each community*”. According to this perspective, the MIDAS concept goes beyond the substitution-prevention paradigm, focusing on the integration/expansion of economic activities integrated into value chains that create employment and income opportunities.

In this sense, the MIDAS concept of AD is characterized by:

- Activities aimed at creating sustainable employment and income opportunities.
- Competitiveness of the supported activities, ensuring proper integration in the value chain.
- Consolidation and sustainability of economic alternatives.

- Strengthening of community organizations and governability at all levels.
- Private sector involvement and integration with local and national governments.
- Support vulnerable groups and strengthen social fabric, including food-security.
- Promotion of a culture of legality that goes beyond the frontal rejection of illicit economic activities, seeking empowerment of the people in order to strengthen the idea of legitimacy and commitment to licit development.

In short, MIDAS promotes AD through technical assistance aimed at providing the producers with technology, high quality human resources, financing, and options to increase licit activities profitability. All this is accomplished by channeling private initiatives into the generation of sustainable employment and income opportunities, particularly in regions where there is pressure on the use of production factors.

The technical assistance provided by MIDAS to producers, associations, communities, and supplier networks allow the supported economic activities to be more productive, based on improving efficiency of production chains, reducing the exploitation of illicit economies. In turn, this support creates positive externalities associated with the integration of regional economies, higher investments on behalf of the private sector and greater governmental presence, as well as legitimacy. From a macro perspective, MIDAS works in cooperation with national and regional governments, in policy design that facilitates the availability and use of production factors in licit activities, leading to better conditions for permanent private investment.

2.7. EXPANDING ACTIVITIES WITH ACCIÓN SOCIAL

2.7.1. Achievements in the Agreement with Acción Social

Over the past 2 years joint efforts between ARD Colombia and Acción Social has expanded and a significant further expansion is expected in 2009. Acción Social funding allowed the expansion of coverage or additional activities under MIDAS projects.

On September 19th 2007, a joint effort agreement between Acción Social and ARD-MIDAS was signed. Acción Social assigned two thousand nine hundred and ninety two million Colombian pesos (COP\$ 2,992.000.000, about USD 1.42 million) for the agreement, and simultaneously, MIDAS – according to USAID’s provisions- was authorized to assign matching funds that should be at least 20% of the amount provided by Acción Social. The list of projects included in the 2007 agreement is:

Table 3: Convenio 712/07 between ARD and Acción Social

#	Project	Product	MIDAS Component	Acción Social Contribution USD\$
1	Coapigua	Beekeeping	SMEC	\$ 130,000
2	Ecolsierra	Beekeeping		\$ 141,000
3	Emsolmec	Tourism		\$ 29,964
4	Corprogreso	Beekeeping		\$ 38,000
5	Cooprococar	Beekeeping		\$ 90,000
6	Cooprococar	Livestock farming		\$ 40,000
7	Comité de Boyacá	Specialty Coffee		\$ 14,980
8	El Caney	Specialty Coffee		\$ 20,000
9	Ibirco	Specialty Coffee		\$ 36,800

10	Asogasam	Livestock Farming		\$ 24,990
11	Serankwa	Beekeeping		\$ 190,000
12	ASOCATI	Cacao	ABC	\$ 103,776
13	Cordeagropaz Cacao	Cacao		\$ 134,285
14	Asogpados – Estam	African Palm		\$ 133,624
15	Fundación Alto Magdalena	Cacao		\$ 49,274
16	Procaucho	Cacao		\$ 17,548
17	Cordeagropaz Palma	African Palm		\$ 64,575
18	El Pórtico	African Palm		\$ 43,924
19	Palmariguaní	African Palm		\$ 46,064
20	Fundescat	Cacao		\$ 74,406
TOTAL				\$ 1,423,207

On May 16th 2008, a second joint effort agreement (Convenio 640/08) between Acción Social and ARD-MIDAS was signed. Acción Social assigned an initial two thousand five hundred and eighty million Colombian pesos (COP\$ 2,580.000.000, about USD 1.3 million) for the agreement, and simultaneously, MIDAS – according to USAID’s provisions- was to assign matching funds that should at least match 100% of the amount provided by Acción Social. On October 16th, 2008 an agreement modification was signed, including an additional one thousand one hundred and thirty million Colombian pesos (COP\$ 1,130.000.000, about USD 565 thousand), once again requiring MIDAS to match this amount in project support.

Fifteen MIDAS projects have been approved and 14 have been signed. The list of projects currently included in the 2008 agreement is:

Table 4: Convenio 640/08 between ARD and Acción Social

#	Project	Product	MIDAS Component	Acción Social Contribution USD\$	Signed Projects
1	Coarcam	Cacao	SMEC	\$ 45,000	\$ 45,000
2	Gradesa	African Palm		\$ 20,000	\$ 20,000
3	Fundamvida (Corprogreso)	Beekeeping		\$ 35,500	\$ 35,500
4	Asopag	Rubber		\$ 235,000	\$ 235,000
5	Palmares Sabana de Torres	African Palm		\$ 15,000	\$ 15,000
6	Asocati	Cacao		\$ 95,000	\$ 95,000
7	Coprocasar Mieles	Beekeeping		\$ 7,500	\$ 7,500
8	Espeletia	Cacao		\$ 120,000	\$ 120,000
9	BSD	Artisan Fishery and diversified products		\$ 123,500	\$ 123,500
10	Ocaña	Cacao	ABC	\$ 245,000	\$ 245,000
11	Asocalima	Cacao		\$ 167,500	\$ 167,500
12	Cordeagropaz (Cacao)	Cacao		\$ 144,000	\$ 144,000
13	Cordeagropaz (Palma)	African Palm		\$ 315,000	\$ 315,000
14	Fundación Alto Magdalena	Cacao		\$ 16,978	\$ 16,978
15	Microfinance	N.A.	MPC	\$ 50,000	\$ -
TOTAL				\$ 1,634,978	\$ 1,584,978

MIDAS successfully completed the disbursement of Acción Social resources by the end of 2008. These joint agreements have allowed projects to secure additional leveraging by removing small portions of the debt incurred by most small producers, enabling them to focus more on project implementation, securing long term family sustenance. These agreements have also allowed a greater level of coordination of International Cooperation and GoC efforts towards improving the implementation of Alternative Development strategies.

The joint effort agreement is an instrument that strengthens ties between MIDAS and Acción Social, by supporting strategic programs and GoC initiatives such as Familias Guardabosques and other AD productive projects such as beekeeping projects. Additionally, this joint agreement has enabled coordinated efforts guided towards the elaboration of a new AD CONPES.

2.7.2. Zero Coca Policy Results

The results of the work developed in the framework of the “Zero Coca Protocol” between MIDAS and Acción Social are highly positive, as the following numbers demonstrate: visits to 27 projects in 14 departments and 379 municipalities that verified and certified more than 500 “*veredas*”.

Three cases of presence of coca crops were reported in municipal “*veredas*” where there are MIDAS beneficiaries (municipalities of Sardinata, department of Norte de Santander, San Alberto, department of Cesar and Samaná, department of Caldas). These cases were addressed and solved under the framework of MIDAS – Acción Social protocol.

In 2009 we will continue to implement this policy, following a timeline coordinated with UNODC. This will allow us to examine projects that have not been visited yet and to finish inspections to projects that were not completely visited in 2008 because of their location in different departments.

2.8. IMPACT EVALUATION AND KNOWLEDGE MANAGEMENT

MIDAS is conducting impact evaluations, a livelihoods assessment, and has an ambitious schedule of publications and seminars in 2009. Among the most events are the CFC rubber forum, the ABC cacao technical assistance workshop, the agricultural technical assistance seminar jointly carried out by the SME and Policy components, as well as the SME 18 “How To” papers and 24 videos. The Policy component will also issue a Book on Lessons Learned and recommendations for future policy reform efforts.

This livelihood assessment will assess the changes of MIDAS investments on its beneficiaries and their livelihoods by generating significant new sources of alternative income via an integrated, well coordinated and highly leveraged program of sustainable business development and economic policy and institutional reform activities.

The results of the evaluation will be use to determine how effective was MIDAS model to achieve alternative development strategic objectives, and to revise the impacts of the program in all type of stakeholders, including households, grantees and communities.

The results obtain from the evaluation, in a moment where projects have different time exposure to MIDAS, will give an account for the impact path and the sustainability of these impacts; by means of projects that have closed or are next to finish MIDAS grants, and comparing with those in earlier stages.

The evaluation will give the Program a database, statistically representative of the universe of MIDAS beneficiaries, including relevant socioeconomic variables, that will allow to have a snapshot of MIDAS beneficiaries profile, and could be use to compare these indicators with previous information collected by M&E such as the Poverty Assessment Tool. The data collected in the frame of the evaluation, could work as a baseline for future USAID programs.

The evaluation started by the end of January and will be address during 8 months, there will be interim reports, including a methodological by end of March, intermediate results by July, and the final by September.

Accordingly to the program objectives, the evaluation will measure the effectiveness of the strategy to “crowd out” illicit activities through:

- Creating significant new and alternative licit income sources to strengthen Colombia’s economy and shift private initiatives away from illicit activities;
- Helping to create an environment that will promote and enhance the overall level of political, economic and social development; and
- Strengthening the business environment by promoting entrepreneurial capabilities and competitiveness along value chains, and help business managers conform to international business and technical standards.

The evaluation will use treatment-control models, quantitative and qualitative information and statistical techniques that, with one-time data collection, will enable an assessment of the impact of MIDAS and the operational model, even with the absence of a baseline for the majority of indicators especially those related to livelihoods and social capital. The study will be conducted for eight months and the results will be available for August 2009.

2.9. SUSTAINABILITY ANALYSIS OF MIDAS PROJECTS

As a monitoring tool for MIDAS projects that are currently on implementation and will close during 2009 and 2010, the Quarterly Reports to USAID will include the status of those projects which performance are not adequate or may have difficulties, so therefore require special attention. The proposal is to classify those projects in two categories:

- Yellow: This category will correspond to those projects that have a low level of execution, basically showing a lag of achievements with regard to time. Also if there is a stand by payment because it has not fulfilled a report or an indicator, and there has not been an answer. Any of the above circumstances will imply to discuss the project in next REVA committee, if the project with an adjustment in the plan of sowings or a small budgetary adjustment can get to balance its advances, the project will remain in yellow.
- Red: This category will be a result of REVA committee conclusions. The projects classified in this category are those with structural problems and with not possibilities to achieved the commitments on main indicators or environmental fulfillments. These projects require a fast action plan to finish or find strategic partners that will commit with the project. The projects with illicit crop findings in the UNODC or MIDAS monitoring visits will be mark red as well, applying the corresponding protocol, and it will be summoned, when it is required, the “Comité de Veredas libres de Illicitos”. A project in this category always will be close monitored up to end.

3. APPROACH TO DEVELOPING THE PLAN

MIDAS reviewed and adjusted the projected labor, travel and ODC budget lines. In terms of human resource planning see Table 4. General adjustments per component are:

ABC

Following the closure of several ex-CAPP projects, ABC reviewed and adjusted its projected labor, travel and ODC budget lines in accordance to its 2009 and 2010 portfolio, involving fewer projects under implementation. This adjustment will ensure the component's compliance with the projected budget for years 4 and 5 of MIDAS program.

ABC team will be reduced by 7 people between 2009 and 2010; actual labor costs will be reduced to 1,712 million with 2,671 million in fringe benefits in 2009, with labor priority needs given to regional offices and staff, especially in those corridors where ABC support is mostly required. Travel expenses will be reduced accordingly, as fewer staff requires a reduced travel budget for the component. However, programmed technical support and organizational strengthening activities required to guarantee project sustainability calls for a minimum number of regional level workshops and follow-up activities, included in the 2009 and 2010 budget.

SMEC

During 2009 the SMEC will focus on successful project implementation and closeout, including the regular SME portfolio as well as the new TEP funded projects. Implementation of the sustainability strategy designed jointly with USAID during the last quarter of 2008 will also be a high priority.

Analyzing today's priorities and realities, the SMEC needs to modify some of the assumptions presented as part of the 2008 WP in terms of its organizational structure. The main assumption changing is the one envisioning that only 3 of the 6 regional offices were going to be operational in 2009.

SMEC will finish 2009 with 29 employees, which represents a reduction in personnel of 14 employees.

CFC

CFC will begin 2009 with a staffing of 20 people. It means that has reduced already 4 people; CFC will begin second semester of 2009 with a staffing of 8 people. It means that will reduce in half the personnel available; CFC will end its activities during year 2010 with a personal structure of 5 people, reducing by 5 people during the year 2010.

MPC

The Policy Component has been through significant changes as some themes acquired more importance during 2008. For example, the government of Colombia has required specialized support in issues related to land tenure, which emphasizes the need to have a leader in this area. The same happens with areas such as environmental reform and regional themes during 2009. The component will focus its efforts in 2010 on a regional initiative aimed at promoting, through the implementation of regional competitiveness strengthening projects and the incorporation of policies that contribute to the sustainability of alternative development (MIDAS).

Figure 2

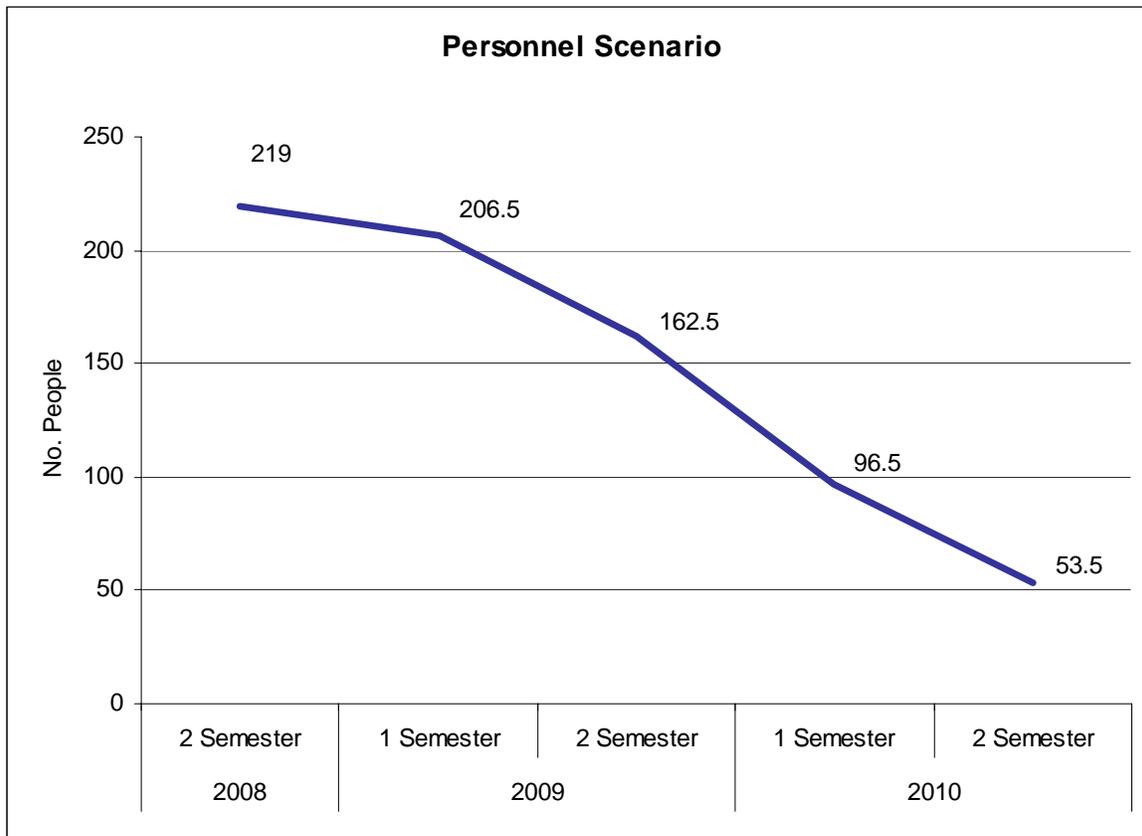


Table 5: Actual Budget Staffing Scenario MIDAS

	2008	2009		2010	
	2 Semester	1 Semester	2 Semester	1 Semester	2 Semester
1. SME					
Bogotá	12	12	8	7	0
Regional	31	31	21	0	0
Total	43	43	29	7	0
2. ABC					
Bogotá	18	18	15	8	5
Regional	9	8	3	1	1
Total	27	26	18	9	6
3. CFC					
Bogotá	10	10	4	2	0
Regional	10	10	4	3	0
Total	20	20	8	5	0
4. Policy					
Bogotá	5	5	5	0	0
5. COP					
Bogotá	1	1	1	1	1
6. DCOP					
Bogotá	4	4	4	0	0
7. C&G					
Bogotá	10.5	10.5	10.5	8.5	8.5
8. Outreach					
Bogotá	7	7	6	1	1
9. PPD					
Bogotá	16	16	13	8	3
Regional	5	4	4	1	0
Total	21	20	17	9	3
Support Areas Bogotá (COP + DCOP + C&G + OUT + PPD)	38.5	38.5	34.5	18.5	13.5
Support Areas Regional (PPD)	5	4	4	1	0
Bogotá Direct Labor (SMEC + ABC + CFC + MPC + COP + DCOP + C&G + OUT + PPD)	83.5	83.5	66.5	35.5	18.5
Regional Direct Labor (SMEC + ABC + CFC + MPC + PPD)	55	53	32	5	1
Total MIDAS Direct Labor	138.5	136.5	98.5	40.5	19.5
Expat	2	2	2	2	2
MIDAS + ADAM Shared Functions Bogotá	68.5	59	55	47	32
MIDAS + ADAM Shared Functions Regional	10	9	7	7	0
Total MIDAS + ADAM Shared Functions	78.5	68	62	54	32
Overall Total + Expat	219	206.5	162.5	96.5	53.5

Note: these numbers show how many people begin each semester.

Table 6: MIDAS Regional Summary

	2008	2009		2010	
	2 Semester	1 Semester	2 Semester	1 Semester	2 Semester
Cali	15	14	7	3	0
Medellín	9	9	6	1	0
Apartadó	2	2	2	1	0
Barranquilla	7	6	3	1	0
Bucaramanga	11	11	7	2	1
Pereira*	9	8	5	1	0
Neiva	12	12	9	3	0
Total	65	62	39	12	1

* The regional office in Pereira was closed in February 2009. The staff is still developing its activities in the offices of the government of the department.

* The other regional offices will close in January 2010, but some employees will continue their work from their homes.

4. COST AND ANTICIPATED IMPACT

Cash Flow Projections – For 2009 and 2010 the model created to allow the comparisons of different

Burn Rate figures for the four quarters and CLIN for both years are presented in the next tables. LoP funding scenarios permits the program to plan and establish long-term budget and cash flow projections. Financial planning for 2009 and 2010 is linked to remaining cash flow from 2008 and strongly linked to funding scenarios for the two following years.

Table 7: MIDAS 2009 draft burn rate by quarter

Category	Q1	Q2	Q3	Q4	Total
Personnel	1,349,179	1,296,372	1,394,440	1,311,328	5,351,318
Fringe Benefits	674,523	626,316	642,416	604,259	2,547,514
Travel, Transportation and Per Diem	441,645	437,883	491,315	414,048	1,784,892
Allowances	30,999	32,471	32,171	33,716	129,357
Grants & Subcontracts	6,753,287	8,381,834	7,940,380	6,464,566	29,540,067
Equipment	14,422	8,854	1,818	914	26,009
Other Direct Costs	412,290	407,617	445,237	412,873	1,678,017
Indirect Costs	951,345	911,395	928,777	854,678	3,646,196
Subtotal	10,627,690	12,102,742	11,876,555	10,096,382	44,703,369
Fixed Fee	383,025	375,506	403,913	403,650	1,566,093
Total	11,010,715	12,478,248	12,280,467	10,500,032	46,269,462

Table 8: MIDAS 2009 draft burn rate by CLIN

Category	CLIN 1 SME Development	CLIN 2 Agribusiness	CLIN 3 Commercial Forestry	CLIN 4 Policy and Institutional Reform	CLIN 5 TEP	MIDAS Total
Personnel	1,479,409	1,689,247	909,509	983,071	290,081	5,351,318
Fringe Benefits	806,488	913,413	382,627	296,451	148,535	2,547,514
Travel, Transportation and Per Diem	269,562	488,193	344,217	528,414	154,506	1,784,892
Allowances	34,683	51,382	21,838	21,454	0	129,357
Grants & Subcontracts	3,881,525	9,462,205	5,739,108	6,031,022	4,426,207	29,540,067
Equipment	4,171	12,430	2,626	6,781	0	26,009
Other Direct Costs	447,853	605,716	250,212	321,709	52,527	1,678,017
Indirect Costs	1,042,657	1,350,396	631,174	532,451	89,518	3,646,196
Subtotal	7,966,348	14,572,982	8,281,312	8,721,352	5,161,375	44,703,369
Fixed Fee	342,151	530,238	335,293	358,411	0	1,566,093
Total	8,308,499	15,103,220	8,616,605	9,079,763	5,161,375	46,269,462

Table 9: MIDAS 2010 draft burn rate by quarter

Category	Q1	Q2	Q3	Q4	Total
Personnel	751,546	615,029	405,922	344,583	2,117,080
Fringe Benefits	298,542	252,153	193,807	172,324	916,825
Travel, Transportation and Per Diem	236,576	181,271	78,128	74,249	570,224
Allowances	34,626	37,597	34,270	36,063	142,555
Grants & Subcontracts	3,555,805	2,515,061	130,774	88,417	6,290,056
Equipment	5,798	1,421	0	0	7,219
Other Direct Costs	149,616	141,565	179,763	169,087	640,032
Indirect Costs	458,350	387,704	265,466	238,073	1,349,595
Subtotal	5,490,858	4,131,800	1,288,130	1,122,796	12,033,584
Fixed Fee	325,536	246,251	169,104	168,993	909,884
Total	5,816,394	4,378,051	1,457,234	1,291,790	12,943,468

Numbers in process of adjustment by countable closing 2008

Table 10: MIDAS 2010 draft burn rate by CLIN

Category	CLIN 1 SME Development	CLIN 2 Agribusiness	CLIN 3 Commercial Forestry	CLIN 4 Policy and Institutional Reform	CLIN 5 TEP	MIDAS Total
Personnel	64,665	1,247,453	594,541	210,421	0	2,117,080
Fringe Benefits	36,212	647,649	195,054	37,909	0	916,825
Travel, Transportation and Per Diem	0	349,392	201,712	19,120	0	570,224
Allowances	0	99,789	42,767	0	0	142,555
Grants & Subcontracts	53,084	4,261,980	1,147,334	0	827,659	6,290,056
Equipment	0	5,053	2,166	0	0	7,219
Other Direct Costs	0	460,974	179,058	0	0	640,032
Indirect Costs	34,926	946,974	304,352	48,734	14,608	1,349,595
Subtotal	188,887	8,019,264	2,666,983	316,184	842,267	12,033,584
Fixed Fee	23,663	608,294	222,828	55,098	0	909,884
Total	212,551	8,627,558	2,889,811	371,282	842,267	12,943,468

On 2009 and 2010 the CLIN for TEP activities, was included as part of burn rate LoP projected information.

Table 11: Summary by CLIN LoP

CLIN	Item	Total Contract Budget Mod. # 14	Participation %	Total Target Budget	Participation %
01	SME Development	46,068,040	25.3%	41,206,069	24.1%
02	Agribusiness	61,617,201	33.8%	60,692,080	35.4%
03	Commercial Forestry	29,931,163	16.4%	28,464,797	16.6%
04	Policy and Institutional Reform	37,431,691	20.6%	34,840,885	20.4%
05	TEP	7,000,000	3.8%	6,003,642	3.5%
	TOTAL	182,048,095	100.0%	171,207,473	100.0%

The distribution of resources by CLIN is show above. This new distribution is the result of the realignment exercise that was approved on October 2008 in order to include TEP on the base period.

Anticipated Impact In 2009

SME - In 2009, the SMEC will continue to contribute to sustainable economical development by leveraging public and private investments, providing superior technical assistance (TA) for the strengthening of business level managerial and productive skills, community organizing abilities for small rural producers through greater integration into value chains, and turning the signature Project Provider network into a permanent and sustainable job creation presence. During the first quarter of the calendar year, projects that support the production of specialty coffee will remain as the main source of certified jobs for the component. This quarter will begin with 168 active projects and will close with 79 ones. As a consequence, in these three months there will be a huge effort oriented towards the successful closing of the technical assistance for a large number of projects.

Fruit & Vegetables will be the leading sector in job certification during the second quarter. The most important projects for this sector will be Frutas Potosí and Palenque Cinco. The first one works in synergy with a successful MIDAS ABC project; the second one is an Afro-Colombian initiative, seeking an enhancement of the *Finca Tradicional*, a traditional agricultural system. This experience, in conjunction with the Fundemerca project, have been very useful for the SMEC approach applied to several Territorios Étnicos Productivos TEP projects, particularly one project in the northern region of Cauca Department.

While the Fruit & Vegetables sector is expected to generate the most jobs, tourism and cocoa should generate significant jobs as well during this quarter. In regard to the jobs certified by projects that support small cocoa producers, it is important to note that these projects benefit either indigenous populations (Asocbarí) or in high risk zones for violence and/or the presence of illicit crops (Asopac – Tarazá, jointly with Acción Social). Approximately 28 projects will remain active during the third quarter of the year.

The final quarter of the calendar year does not present any special highlights as less than 10 projects will be active and the certification of performance indicators will be extremely low. However, the second semester of 2009 will register a higher operational activity associated with TEP projects.

ABC - In years 4 and 5 of MIDAS program, ABC will concentrate on effective hectare establishment to meet LoP goals and a number of organizational strengthening activities in its effort to ensure the implemented projects' long-term sustainability. ABC will also begin the implementation of 2 TEP projects focused on cacao consolidation in Tumaco. Between January and March ABC will focus on bringing into and boosting implementation of recently approved projects. Around 17% of the crop area planned for 2009 will be installed at the beginning of March. At this time the specialty coffee renewal program in the north of the country will be more dynamic, with the start of the rainy season and end of the collecting season. Definite closure of nearly 30 projects for which MIDAS support ended during 2008 will also be part of this quarter's agenda. Intensive hectare establishment, specially cacao, specialty coffee and oil palm tree, will be carried out between April and June, and the Organizational Competitiveness Index (ICO) diagnoses on all organizations supported by ABC MIDAS will be completed by the end of this quarter. Intensive establishment of new hectares will continue between July and December 2009, with the planting cacao, oil palm, specialty coffee and diversified crops.

Throughout 2009 ABC will carry out several forum about the different crops in its portfolio, gather information and crop indicators throughout its Economic Research Service (ERS) and will work on the publication of technical documents regarding methodologies, protocols and lessons learned during the development and implementation of ABC projects. Several “¿Cómo vamos?” meetings will also take place during the year and experiences from 36 ABC projects and their sustainability plans will be documented.

In 2010 ABC looks forward to the successful achievement of LoP physical goals as part of its contribution to MIDAS support for alternative development projects. During the first semester, ABC will have an active implementation portfolio of 26 projects. The component will concentrate on consolidating technical assistance sustainability plans and on the final closure of the projects that have concluded implementation in 2009. During the second semester, the component will focus on final closure to 26 projects foreseen to be supported by MIDAS ABC until the end of the first semester of 2010 and will also elaborate a final report, showing component achievements and overall performance.

CFC - The CFC component will continue with its investment portfolio of 16 forestry plantation projects that will produce 21,806 New Hectares planted in 2009 and result in a cumulative achievement of 83% of the contract LoP target. With TEP funding, CFC will also begin implementation of natural forest best management program in Cajambre and a commercial forestry activity in Talaga. The 4 ongoing projects with Better Management of Natural Forest will produce 12,058 additional hectares of natural forest under improved management in 2009 resulting in a cumulative achievement of 111% of the contract LoP target. Accompanying the 12,058 additional hectares of natural forest under improved management will be a series of food security productive projects in the 4 beneficiary communities that will compensate for the conservation efforts as well as silviculture activities designed to help recover degraded forest.

MPC -The MPC will support three laws, five CONPES documents and the Land Restitution Program, 10 decrees and 17 institutional reforms in 2009. Prominent among these objectives is the Forestry bill and the Financial bill; the Alternative Development CONPES and Vulnerable Groups Income generation CONPES; the land restitution program and implementing decrees; strengthening of new labor offices, and capital markets institutions with emphasis on those trading commodities. The 2009 work plan also includes an innovative approach to promoting regional competitiveness that will seek to improve regional business environments, strengthen departmental and municipal authorities capacity to promote business development by providing access to finance, technical assistance, market information, and protecting land property rights. This innovative program will be implemented in Nariño, Cesar, Guajira, and Santander. In Cauca the MPC will support ongoing efforts to title, register and protect small landholders. Also, the MPC Microfinance program will face considerable challenges as mobile banking is introduced on a pilot basis.

In 2009 the MPC will continue the implementation of several pilot programs in microfinance, sanitary and phytosanitary standards, agriculture transition, agriculture information systems, improving access to broadband and information technologies through Last Mile Initiative, job matching and labor intermediation programs with SENA. The MPC will also continue existing pilot programs in support of land reform and land restitution to IDPs and the implementation of policies aimed at promoting income opportunities for Afro-Colombians at the municipal level in the Pacific coast.

2009 will be the final year for the MIDAS Policy Component. The MPC will undertake 6 specific actions to ensure sustainability of progress being achieved in improving the business climate in Colombia, access to finance, technical assistance to small agriculture and urban producers, payment for environmental services, and the ambitious structural reform effort undertaken by the government with USAID/MPC support in the past years.

5. GRANTS AND CONTRACTS

5.1. 2008 RESULTS

Table 12: 2008 Results

BUSINESS COMPONENT	Blanket Purchase Agreement	Subcontracts	Fixed Obligation Grants	Indefinite Quantity Contracts	Standard Grants	Task Orders	Total
ABC		1			5		6
CFC		1			5		6
Crosscutting	1	12		2		8	23
POL		9		1		5	15
PYME	2	3	83				88
Total	3	26	83	3	10	13	138

Table 13: Project Results to Date

BUSINESS COMPONENT	Blanket Purchase Agreement	Subcontracts	Fixed Obligation Grants	Indefinite Quantity Contracts	Standard Grants	Task Orders	Total
ABC		5			29		34
CFC		6	2		21		29
Crosscutting	5	15		3		8	31
POL		17		4		23	44
PYME	102	4	397				503
Total	107	47	399	7	50	31	641

Project close outs to date: 151 cumulative; goal 2008: 118.

5.2. 2009 GOALS

The MIDAS C&G Office will focus on evaluating and awarding the remaining ABC, CFC, and SME and TEP Earmark projects, the majority of the new projects will come under the TEP 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 for external audits.

2009 will bring increased focus on successfully closing out grants and contracts as all the PYMES and Policy projects move into close out. The Forestry and Agribusiness components will begin to close out projects while others will continue into 2010. C&G will be working hard to streamline the close out process. C&G will begin to reduce staff at the end of the second quarter of 2009, with the remaining

staff assuming their responsibilities. However, the majority of the staff will remain in place until the final months of 2010 as C&G is responsible for activities and close out actions until the end of the project.

5.3. STRATEGIC OBJECTIVES

Through improving communication and teamwork with the technical components and with USAID, the quality and efficiency of the C&G Office has greatly improved since project inception. The Office will continue to place a high priority on submitting high quality documents on a timely basis to USAID.

The C&G Office is updating all its manuals and writing up lessons learned which should help future projects with start up, implementation and closeout of grants programs. Significant focus has been placed on training and preparing the Colombian staff on USAID rules and regulations and implementation and management of grants programs. The aim is to leave behind a cadre of highly trained professionals that will have the knowledge and experience to continue to work on future USAID programs and successfully manage USAID GUC activities.

The C&G Office will work closely with the TEP grantees to provide training and support in the start up and implementation of the new projects. Given the TEP grantees' needs for capacity building C&G is planning to spend considerable time working closely with the Grantees to ensure compliance with USAID rules and regulations, but also working with the grantees to strengthen their administrative and financial management capacities.

6. AGRIBUSINESS COMPONENT

6.1. BACKGROUND

The Agribusiness Component's (ABC) main objective is to contribute in the development of licit crop establishment projects, within a framework of alliances with private processor and marketing firms,

The Agribusiness Component contributes to the social and economic growth of rural alternative development areas through direct technical support for economically, socially and environmentally sustainable agricultural projects implemented by farmers in alliance with private agro-industrial firms, and through direct involvement with the financial system and regional and national level public institutions. In this process, transfer of technical knowledge and farmer organization strengthening are crucial in reducing internal conflict in rural areas, promoting social capital formation, entrepreneurial culture and social fabric recovery that contribute to the long-term achievement of peace.

leveraging large investments in projects that promote long-term, sustainable sources of income and job generation opportunities for small farmers. ABC support is oriented towards benefitting small farmers, strengthening their organizations, ensuring effective technical assistance to attain the highest possible crop productivity, and contributing to improving credit access as a mechanism for project financing.

Throughout the length of the project (LoP), ABC investment is

supporting the establishment of 96,590 new, mainly long-term, crop hectares, in formerly conflicted areas, with economic, social and environmental impacts, and expected to be broadened dramatically in 2009 and part of 2010 as specified below.

Positive impacts associated with the MIDAS/ABC strategy are:

- First and most importantly, the generation of conditions to facilitate licit employment opportunities and the establishment of long-term sustainable sources of income.
- Promote more profound vertical integration between primary production and goods markets in order to assure crop sale, promoting an entrepreneurial culture in small growers.
- An increase in state and private sector presence entails public and private service provision and improvements in basic infrastructure, as well as strong alliances with markets, integrating regions that were formerly isolated. This improves demand-supply interaction and contributes to the reactivation of regional economies.
- Reconstruction of social institutions, such as the generation of social capital through organizational strengthening and empowerment strategies.
- Improvement in the use of natural resources, by reconstructing ecosystems severely damaged by deforestation and unsustainable grazing practices. ABC contributes to the conservation and protection of the environment through Better Production Practices, environmental management plans in compliance with PERSUAP environmental requirements, and through

the substitution of mechanical activities with manual labor, in activities where mechanical intervention may harm the ecosystem.

The component emphasizes the strategic alliance formation between the private and public sectors that will result in strategic investment for the strengthening and development of the production value chain, including processing and marketing activities. A significant part of this support involves private sector and financial sector participation, better regional perception of productive economic activities and a growing level of support toward licit activities, which in turn induces development and economic growth in depressed areas. Local economy reactivation improves institutional credibility and social base empowerment, reducing illicit crop activities and illegal armed groups, additionally contributing to the overall improvement of basic infrastructure. As a result, alternative development goals are successfully achieved and maintained.

USAID supports strategic alliance creation and effectiveness by strengthening project management services, technical assistance for crop establishment, some costs related to loan application procedures, producer organizational strengthening, purchase of planting material and environmental sustainability and management plans.

In addition to this, the ABC team has greatly concentrated on the achievement of LoP goals through the provision of socio-entrepreneurial support for grantees to improve their technical and financial management, strengthen producer associations and increase the projects' socio-economic impact. To accomplish this, activities have been mainly (although not exclusively) oriented towards:

- Supporting business plan structuring and project evaluation.
- Supervision, assessment and feed-back from the projects' technical and administrative teams in order to improve their on-the-field activity planning capabilities and ensure goal attainment.
- Supporting loan approval coordination.
- Direct support in finding additional financial resources.
- Planting material planning for farmers.
- Strengthening organizations to guarantee project sustainability after MIDAS.
- In-the-field technical formation through Farmer Field School (FFS) workshops.
- Workshop and forum realization, providing opportunities and scenarios for the exchange of experiences among key players (grantees, benefiteres and institutions) involved in ABC projects.
- Publication of instructional and informative material and the preparation of various component level presentations for different external events.
- Coordination of synergies and joint activities with other MIDAS components.

The aforementioned activities are performed by the component on a regular basis, allowing for integral project execution and ensuring the attainment of contractual goals.

6.2. 2008 RESULTS

During FY 2008, ABC focused on maximizing LoP goal attainment, strengthening producer/processor organizations and on preparing three projects to be financed by the Indigenous Afro earmark budget (TEP) for their approval. The component's efforts in these fronts led to achievements in physical indicators, an increase in committed areas, as a result of additions to ABC portfolio, and the successful development of strengthening and knowledge management activities, all of which will be detailed in the following sections.

6.2.1. Changes in ABC Portfolio

Year 2008 began with an ABC implementation portfolio of 43 active projects, including 20 exCAPP projects in implementation (5 exCAPP projects had already closed in 2007) and 23 ABC current portfolio projects. In the beginning of 2008, ABC also had 9 prioritized projects foreseen to be approved and with implementation initiated during the first quarter of that year.

ABC portfolio is very dynamic, responding to the different projects' achievement in new hectares, families benefitted, jobs generated and strengthened organizations, as well as to the needs and difficulties found in their implementation. As such, the component is aware of the fact that there will be projects that may fall back on indicator achievement, as there will be others that may exceed the goals set initially; ABC will be at the lookout of such events to guarantee the fulfillment of the overall goals set at the 163.5 M level.



The consensus building process for TEP projects were completed and the TEP portfolio revised by the designated TEP task force. All MIDAS components will be working in TEP areas. The ABC component will work in cacao crops and improving current cultural practices.

In particular, eight standard grants were approved during 2008, out of which six were signed, to complete the actual ABC portfolio. These are: Codesarrollo (sub-projects in Antioquia, Caldas, Risaralda, Quindío and Chocó) with diversified crops; Espeletia (Otanche - Boyacá) with cacao; Ocaña - Municipalities Association (Norte de Santander) with cacao; BSD (Choco) with artisanal fishing, werregue palm and other; Fedecacao (Alto Patía, south Nariño) with cacao; Ganacor (Córdoba) with a silvopasture system; Asocalima (Santa Rosa Sur de Bolívar) with cacao; and Centracafe (Huila) with cacao.

Grants signed during 2008 (Codesarrollo, Espeletia, Ocaña, BSD, Fedecacao Alto Patía and Ganacor) account for the committing of 12,262 hectares, to generate 9,787 FTE jobs and benefit 5,207 families and committing MIDAS

support of US\$3.237.3 million to be disbursed during the lengths of the projects (LoP). The three TEP approved at the end of year 2008 by the TEP committee, consisting of 2 projects for the installment of cacao crops and an African oil palm renovation project (Cordeagropaz Palma Tumaco) were not approved by USAID.

One Cost Extension (CE) and several No-Cost Extensions (NCEs) were also developed during the year, in order to improve new hectares, job generation and benefitted families indicators and the possibility of success and sustainability of ABC projects. These are summarized as follows:

- A Cost extension for the Indupalma project allowed an additional number of committed hectares, in recognition of the grantees' ability to successfully implement sustainable and cost-effective projects, capable of absorbing additional resources to expand its actions at a reasonable MIDAS cost per hectare. 2,352 of committed hectares were planted before the end of 2008.
- NCEs were initially approved for 9 exCAPP projects until September 2008, in order to guarantee technical assistance for growers that finished their established their number of hectares by December 2007. Fundación Alto Magdalena, Propalma and Compañía de Empaques de Medellín received additional NCEs until December 2008, to ensure the fulfillment of these projects' hectare establishment goals, and also, to ensure that these projects received training and technical assistance for as long as possible.

Unfortunately, and mainly due to financial and technical difficulties among others, 6 of the projects prioritized in AWP 2008 didn't reach the implementation phase, accounting for a default in target achievement 8,480 hectares, projected to receive MIDAS support of US\$2 million, in relation to what was initially projected. Further, an African oil palm project under implementation by the Compañía San Pablo de Bolívar was restructured, and its hectare commitment goal downscaled from 3,000 to 1,838 hectares and funding downscaled by approximately US\$705,000. The initial new hectares establishment goal for CEA, another project under implementation, was reduced, from 732 to 482 hectares. These account for a default in 9,892 new hectares in the WP08 document. Six thousand one hundred and fifty of the aforementioned hectare defaults were made up by portfolio strategic restructuring during 2008, with the commitments attained through the CE approved for Indupalma, accounting for a commitment of 1,000 additional hectares, the NCE approved for Fundescat, committing 600 additional hectares, and new commitments: Ganacor, Asocalima and Centracafe agreements (committing 2,250, 300 and 1,000 hectares respectively).

Table 14: Additions in ABC Current Portfolio Commitments (Approved agreements, CE, NCE)

Approved Agreements in 2008			Contract Goals			
MIDAS	Grantee	Crop	Hectares	FTE Jobs	Families	MIDAS contribution (US\$)
New	Ocaña	Cacao	1,400	2,367	400	\$ 480,143
New	BSD	Aromáticas y pesca artesanal	1,077	186	675	\$ 119,377
New	Espeletia	Cacao	1,200	1,860	400	\$ 348,058
New	Ganacor	Silvopastoril	2,250	780	1,500	\$ 249,401
New	Asocalima	Cacao	300	265	150	\$ 74,280
New	Centracafé	Cacao	1,000	943	500	\$ 274,611
CE	Indupalma	Palma	2,000	250	200	\$ 144,959
NCE	Fundescat	Cacao	600	70	120	\$ 0
NCE	Fundación Alto Magdalena	Cacao	0	0	0	\$ 0
NCE	Propalma	Palma	0	0	0	\$ 0
NCE	Cia. De Empaques	Fique	0	0	0	\$ 0
New	Ganacor	Silvopasture	2,250	780	1,500	\$ 249,400
Total MIDAS Commitments 2008			12,077	7,501	5,445	\$ 1,940,230

A large part of exCAPP projects were concluded during the year (13 of the 20 remaining), after receiving permanent follow-up activities throughout 2008, in order to guarantee technical assistance and trainer for growers that finished their establishment of new hectares, some by the end of 2007.

Currently, ABC has 36 projects under implementation and a total portfolio made up of 56 agribusiness projects (including closed projects and projects under implementation) in African oil palm, cacao, fruit plantations, specialty coffee, and other non-traditional – diversified crops such as artisanal fishing, hot pepper, blackberry, fique and silvo-pasture. This current portfolio does not include the TEP projects for financing under the USAID Afro Indigenous earmark budget.

6.2.2. Physical Goal Attainment and Burn Rate Indicators

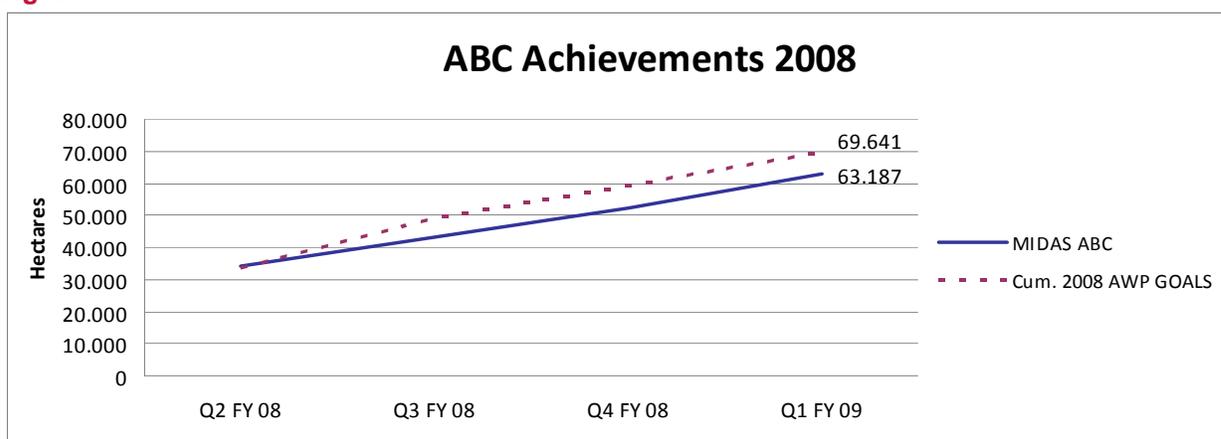
The component attained a steady crop hectare establishment rate throughout the year, achieving a total establishment of 34,401 new hectares, generating 19,087 new permanent FTE jobs and benefitting 30,516 families between January and December 2008 (see Table 15). In cumulative terms, the component has now achieved the planting of 63,187 New Hectares (65% of the LoP goal), 34,768 New Jobs (FTEs) (112% of LoP goal), and 38,742 Families Benefited (206% of LoP goal) (see Figure 3).

Table 15: ABC 2008 Achievements

Performance Indicators	Achievements						
	LoP Goal	WP 2008 Goal	2008	Total Cumulative 2006-2007	Total Cumulative 2008	% WP Goal	% LoP Goal
1. Number of Jobs Created	31,000	18,433	19,087	15,681	34,768	104%	112%
2. New Hectares	97,768	40,855	34,401	28,786	63,187	84%	65%
2.1 Hectares Supported (Attended)	4,814	819	4,980	3,995	8,975	608%	186%
Total Hectares Supported	102,582	41,674	39,379	32,781	72,160	94%	70%
3. Number of Families Benefited (ACI)	18,837	16,883	30,516	8,226	38,742	181%	206%
4. Natural Forest Hectares Supported	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
5. Producer Associations/Processor Strengthened	30	83	96	73	169	116%	563%
9. Private Sector Firms Formed or Strengthened	55	10	5	48	53	50%	96%
10. Total Value of Supported Projects (\$000)	\$ 383,607	\$ 120,000	\$ 41,107	\$ 334,192	\$ 375,299	34%	98%
11. MIDAS Total Project Support (\$000)	\$ 34,803	\$ 11,795	\$ 10,092	\$ 10,699	\$ 20,791	86%	60%

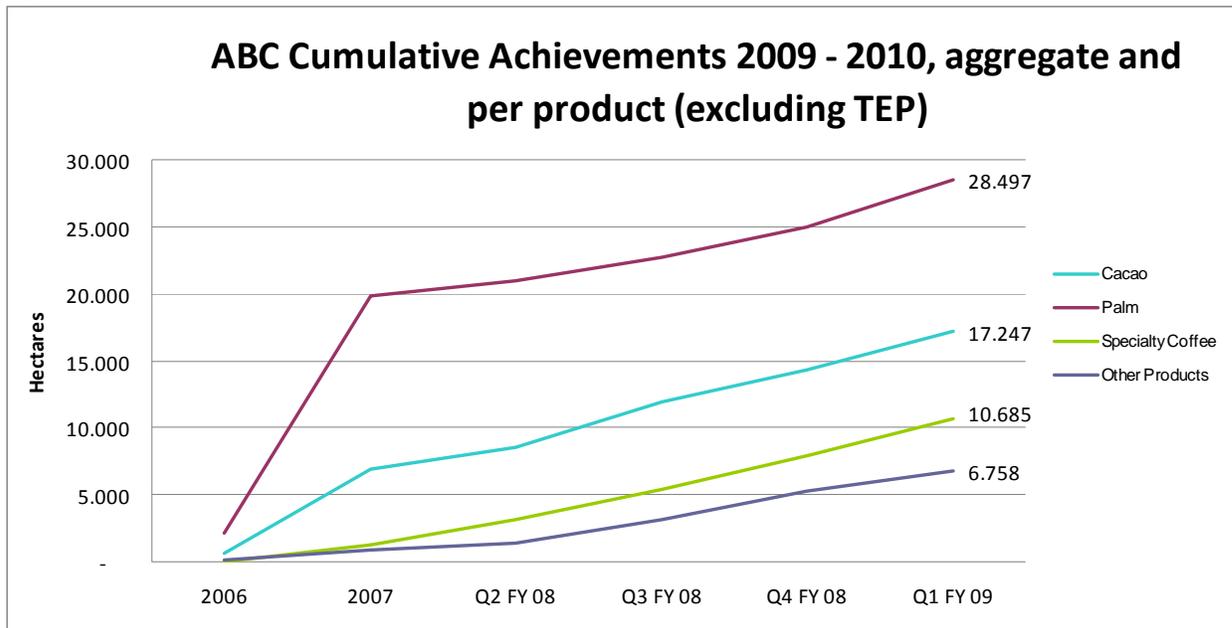
In cumulative terms, disbursements up until December 2008 have been of USD\$20.8 million, accounting for 59.8% of the LoP goal.

Figure 3



Crop breakdown by product shows that there was an important increase in African oil palm crop participation in ABC projects in 2008, moving from a share of 37% of total portfolio hectare count in 2007 to occupying an actual participation of 45% of total ABC-MIDAS crops, responding to the oil palm sector's favorable institutional and market conditions. Currently, 27% of installed hectares correspond to cacao, 17% to specialty coffee and 11% to Non-Traditional crops that include fibers, fruits, horticultures, aquaculture, artisan fishing activities and silvo-pasture activities (see Figure 4).

Figure 4



It must be remembered, however, that ABC projects faced various constraints exogenous to MIDAS support that challenged LoP goal achievement. The most significant constraints include difficulties in access to loans for small farmers, excessive delays in loan approval and disbursements by banks, drastic weather conditions in various regions, various regional difficulties due to weak basic infrastructure and insecurity, project performance issues, and scarce availability of planting material. These have caused delays in project performance, being responsible for an estimated deficit higher than 5,000 hectares and more than US\$ 1 million in burn rate during 2008.

6.2.3. Organizational Strengthening

In terms of organizational support, ABC, with special support from its own organization strengthening unit (UFO by its acronym in Spanish) and component PCs, has continued supporting the strengthening of rural communities associated with ABC projects through the implementation of field work methodologies and the development of two main strategies: i) Organization diagnostics using the ICO Index, a tool to measure improvements in institutional strengthening, to create and monitor real and pertinent organizational strengthening plans; and ii) farmer training through the Farmer Field School (FFS) methodology.

Indicators on these issues show that, during 2008, 42 ICO diagnoses for 36 producer associations and 6 cooperatives were performed for different projects in implementation (25 for cacao, 6 for oil palm, 7 for fruit crops and 6 for fique), benefitting over 1,646 producers involved in these organizations, helping UFO-team determine the most effective way to provide organizational strengthening support. Assessing different organizations' financial and managerial capabilities, their governance, the services they provide their members, ICO diagnoses allow MIDAS to individually identify each organization's mayor weaknesses and concentrate MIDAS support toward the area(s) in which it is mostly needed. ABC's staff and some of the projects' technical staff were trained in ICO index application methodologies, increasing efficiency of the diagnoses. Additionally, the component managed to update

and consolidate data on the ICO index from 225 producer organizations involved in ABC projects in implementation.

Eighteen Training of Trainer (ToT) activities were also performed during the year, emphasizing on FFS methodology for Nariño, Cesar, Antioquia, Boyacá, Caldas, Córdoba, Huila, Tolima and Santander departments, for oil palm, fruits, forestry and cacao projects, accomplishing the training of 768 trainers (also known as *Facilitadores*) in Colombia. With the ABC UFO, the component continued supporting and reinforcing the FFS methodology during the latter half of 2008, with Indupalma and with other grantees, especially Frutas Potosí, FundePalma and Fedecacao in Santander.

6.2.4. Knowledge Management

ABC has significantly advanced in programming and organizing follow-up events with grantees and beneficiaries to review and discuss advances in project implementation, lessons learned and to circulate success stories and experiences. Several publications have also been completed, in coordination with other instances and components of the program, ensuring the diffusion of lessons learned during project implementation.

Examples of such publications include the manual for cacao rehabilitation using the side grafting (or 'malayo') technique, published during the third quarter, and the policy results of the Competitiveness Study, published in coordination with MIDAS Forestry Component. The Ministry of Agriculture manifested its interest in receiving the methodology used in the competitiveness study, as well as its results and database, and applying this information in future monitoring of this sector's competitiveness levels nation-wide. A formal presentation of the study was organized addressed at academic, institutional, entrepreneurial and sector key players, distributing approximately 200 copies of the study among various institutions and key players from the government, agricultural sector organizations and agricultural enterprises.

Additionally, the FFS methodology implementation manual was delivered to the MIDAS Outreach office, to be printed and distributed among different institutions in the agricultural sector as well as to professionals and technicians responsible of producers' rural training processes.

Economical Research Service MIDAS Crops (ERS) prepared three reviews, of cacao, African palm and blackberry market behavior, and developed a broad database about the indicators of the crops financed by MIDAS Agribusiness component, and began evaluating the current situation of food security in supported palm projects. This database is available at MIDAS web page. The data and the analysis derived from this will be delivered to the Ministry of Agriculture, as part of the cooperation activities started between MIDAS ABC, MIDAS POLICY and MADR to put forth a competitiveness indicators module in the agricultural information system.

During the third quarter of 2008, ABC also completed the "¿Cómo vamos?" workshops, initiated during the previous quarter and actively participated in discussions promoted by the MIDAS Policy component, related to policy formulation for technical assistance, agricultural information, alternative development and to the Victims Reparation Law as well as the alternative analysis being developed at program level.

Sustainability plan preparation for MIDAS-ABC projects once USAID support is over was initiated and as part of this process, and in accordance to what was specified in the AWP 2008, cacao and oil palm tree sustainability forum were successfully carried out, discussing sustainability issues including finance, technology transfer, environmental sustainability, job generation and alliance creation in various panels among key players from the Government, sector associations, research divisions, financial institutions and project grantees beneficiaries. An estimated 120 and 125 participants attended the cacao and oil

palm tree forums respectively. Critical aspects of project sustainability and strategies towards it were carefully analyzed.

6.2.5. Other Achievements

Other achievements include the development of a pilot certification project for 3,500 hectares by Indupalma, in coordination with Fundacion Natura (The Rainforest Alliance Representative in Colombia), with the RAS (Red de Agricultura Sostenible) sustainable certification.

This foresees the implementation of the Sustainable Agriculture Norm for small oil palm producing farms, improving this sector's opportunities as it will position Colombian oil palm in international markets, within the group of countries that comply with international crop social, economic and environmental sustainability standards. Rain Forest Alliance certification also brings other benefits, such as: room for discussion and agreement among oil palm producers, socially, economically and environmentally sustainable production practices, a committed, competent and dedicated work force, international quality recognition, improved public perception, improved market access conditions, product differentiation and total quality.

6.3. 2010 PHYSICAL GOALS

In years 4 and 5 of MIDAS program, ABC will concentrate on effective hectare establishment to meet the LoP goals in terms of not only new established hectares, but also job generation, families benefitted and strengthened organizations. As part of the effort to ensure the implemented projects' long-term sustainability, the component will also undertake a number of organizational strengthening activities, including ToT workshops following FFS methodology, ICO index diagnoses, technical and organizational strengthening publications, the creation and implementation of sustainability plans and the compilation and systematization of knowledge derived from different projects' implementation.

During years 4 and 5, ABC will concentrate its efforts toward the accomplishment of two main purposes: first, completing the physical LoP new hectare establishment goals and successfully implementing TEP projects. Secondly, the component will strive to improve technical knowledge transference processes and socialize lessons learned among producer organizations and public institutions, assure organizational strengthening and design and set technical assistance sustainability plans into motion.

To fulfill ABC current portfolio LoP goals during 2009 and 2010, the component will install 29,044 new hectares in 2009 and 3,635 hectares in 2010. With this, ABC will complete the 95,616 hectares actually committed in the ABC current portfolio creating over 18 thousand jobs and benefitting over 11 thousand families between 2009 and 2010 (See Table 16).

To assure that committed indicators and program physical goals are met, ABC has a backup plan that includes the installment of additional hectares in strong, healthy projects such as Codesarrollo, Frupalma, Indupalma and Fedecafe. The component will turn to these projects in the event sensitive projects such as CEA, Hugo Restrepo and Fundescat appear to not be able to duly reach their goals. The component will also turn to these projects to ensure that it meets the 97,768 hectare goal established at the 163.5M level. The aforementioned circumstances will be evaluated and measures to cope with them will be taken by the ABC team during the first half of 2009.

Table 16: ABC Goals 2009

Main Indicator Achievements / Cash Flow	Program	ABC - Achievements				WP 2009 - Goals				WP 2009 Totals	% LoP	Y5	Total	% LoP
		LoP Goal	Total Cumul. 2006-2007	Total 2008	Total Cumul.	Q1	Q2	Q3	Q4					
1. Number of Jobs Created	MIDAS	31,000	15,681	19,087	34,767	2,393	5,765	2,769	3,865	14,793	48%	3,739	53,300	172%
	MIDAS-TEP*	2,883	0	0	0	0	0	150	150	300	10%	158	458	16%
2. New Hectares	MIDAS	97,768	28,786	34,401	63,187	4,717	8,652	8,227	7,449	29,044	30%	3,385	95,616	98%
	MIDAS-TEP*	550	0	0	0	0	0	150	150	300	55%	250	550	100%
2.1 Hectares Supported (Attended)	MIDAS	4,814	3,995	4,980	8,975	0	0	0	0	0	0%	0	8,975	186%
Total Hectares Supported	MIDAS	103,132	32,781	39,381	72,162	4,717	8,652	8,377	7,599	29,344	28%	3,635	105,141	102%
2.2. Natural Forest Hectares Supported	MIDAS	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	0	N.A.	N.A.	N.A.	N.A.
3. Number of Families Benefited (ACI)	MIDAS	18,837	8,226	30,516	38,742	1,322	2,769	3,291	2,641	10,023	53%	981	49,747	264%
	MIDAS-TEP*	1,088	0	0	0	0	0	150	100	250	23%	130	380	35%
5. Producer Associations / Processors Strengthened	MIDAS	30	73	96	169	0	10	10	5	25	83%	0	194	647%
	MIDAS-TEP*	21	0	0	0	0	0	1	2	3	14%	0	3	14%
6. Proposals Being Processed	MIDAS	70	48	6	54	2	0	0	2	4	4%	0	56	80%
7. Projects Signed	MIDAS	70	48	6	54	2	0	0	2	4	4%	0	56	80%
8. Alliances Developed	MIDAS	70	48	6	54	2	0	0	2	4	4%	0	56	80%
9. Private Sector Firms Formed or Strengthened	MIDAS	55	48	5	53	3	0	0	0	3	5%	0	56	102%
10. Number of Consensus Accords Signed	MIDAS-TEP*	8	0	0	0	0	3	0	0	3	38%	0	3	38%
11. Number of Productive Ethnic Territories Supported	MIDAS-TEP*	8	0	0	0	0	3	0	0	3	38%	0	3	38%

*TEP Projects, pending to confirm goals

Other activities that will be undertaken by the component in 2009 include:

- Given the difficulties that hampered the implementation of the three TEP projects structured in 2008, ABC will make a great effort in 2009 to structure, evaluate and put into implementation four TEP projects. These will cover cacao and maize crop installment, give support for Oil Palm and cacao project pre-investment or pre-implementation activities and contribute with a food security program.. TEP projects are further detailed in section 6.4.4.
- The component will gain from synergies with MIDAS-SME component, as it will coordinate the implementation of a common cacao project, implemented with Asocalima, and a project for the planting and production of 15,000 hectares of specialty coffee, benefitting more than 27,000 families.
- The component will work on a special application in SIM Project (Reports Module – Producer Organizations), in which ABC will be able to register, on a timely basis, any progress and new management issues relevant to strengthening rural organizations.
- Expansion of ERS with information about all the products included in ABC portfolio.
- Active participation in orienting MIDAS program impact evaluation.
- Closure of Acción Social and MIDAS projects, as well as the probable execution of funding from Acción Social.
- Continued support to loan application procedures, given that loan access difficulties for MIDAS beneficiaries still exist, basically due to high credit costs, regional elements, insufficient credit backup, loan size and project size, among others.

Another important challenge to be faced by ABC during 2009 is the proposal, planning and development of sustainability plans for several projects supported by MIDAS, to be carried out simultaneously with hectare establishment activities. Such activities will require organizational and institutional effort similar to that required to carry out hectare establishment in 2008, resulting in a larger work load for the component, essentially committed to accomplish the establishment of 30,644 new hectares during 2009. This, together with programmed cuts in technical and administrative personnel, will force ABC staff to work more intensively and under larger pressure in the upcoming year.

Performance by quarter

Most of MIDAS project implementation follows a cycle determined by rainy and planting seasons. In particular, MIDAS projects basically have two rainy seasons, and planting must be done once the raining season begins and up to 1.5 months afterwards. During dry seasons, only some regions and projects with irrigation systems can establish new hectares. These two factors determine quarterly project performance, as will be detailed below.

January – March 2009

During this quarter, ABC will concentrate on bringing into and boosting implementation of recently approved projects: Asocalima, Centracafe and Ganacor. The component will strive to assess and bring the four projects to be financed by the TEP Afro-earmark budget into approval phase.

This first quarter has been known historically for its dryness in most of the regions; therefore, hectare establishment during this period is projected to be around 17% of the total number of hectares projected to be installed in 2009. Furthermore, most of these crops are to be installed at the beginning of March, with the start of the rainy season. The end of the collecting season is also in March, with which the specialty coffee renewal program in the north of the country will be more dynamic, especially in the Atlantic Coast, as there will be more labor available in this area during this moment of the year.

ABC will make every effort to carry out one forum on the subject of the fruit market dynamics as well as technical aspects of these crops, together with the National Government, USAID, other USAID programs, sector producer associations, farmers and supporting institutions among others. Additionally, the component will continue working of gathering and analysis of project technical information for its consequent publication, and will support the realization of MIDAS projects' socioeconomic development impact evaluations, to be carried out by a firm external to MIDAS.

Definite closure of around 30 projects for which MIDAS support ended during 2008 will also be part of this quarter's agenda, as well as the technical publication of the results and lessons derived from oil palm and cacao forums conducted by ABC in November 2008.

April – June 2009

The rainy season is associated with this quarter in most regions. Accordingly, intensive hectare establishment, specially cacao, specialty coffee and oil palm tree, will be carried out during this quarter (approximately 8,652 hectares, 30% of projected hectare establishment for 2009). ABC team will work on bringing the formulated TEP projects of cacao establishment in Tumaco Alto Mira and Tumaco Bajo Mira into implementation.

Several “¿Cómo vamos?” meetings will also take place during this quarter, to evaluate project performance, in particular, focusing on the planned activities related to organizational strengthening and the future sustainability of technical assistance for farmers. Furthermore, ABC will continue working on the publication of technical documents regarding methodologies (FFSs and ICO index), protocols (oil palm and cacao).

ERS will have all available information regarding specialty coffees, aquaculture, and avocado and mango crops. Project development, lessons learned from project implementation and sustainability plans for 12 projects will be documented.

Regarding organizational strengthening, ICO diagnoses on organizations supported by ABC MIDAS will be completed by the end of this quarter. Additionally, a manual about FFSs and the Oil Palm Technical Assistance Protocol, prepared according to specific regional sanitary conditions and planted vegetable material types, will be published and distributed. The number of ICO indices as well as the total number of organizations it will be performed on will be defined during an ABC team planning meeting, in mid-February 2009.

Finally, the component will continue working in coordination with other MIDAS departments in the final closure of the projects that stopped receiving MIDAS support in December 2008 and the first quarter of 2009.

July – September 2009

Intensive establishment of new hectares will continue during this quarter (8,227 has, 28% of new hectares planned for 2009), with the planting cacao (1,770 hectares), oil palm (2,528 hectares), specialty coffee (2,137 hectares) and diversified crops (1,792 hectares), not including TEP. Technical Assistance protocols for cacao will be published, and the ERS is expected to have all available information for passion fruit (*maracuyá*). The component will make its best effort to have all available, up to date information from passion fruit, specialty coffees, artisanal fishing, avocado and mango crops and to elaborate market analyses for different fruit crops. Experiences from 12 ABC projects and their sustainability plans will be documented.

October - December 2009

Cacao and oil palm tree crops will be essentially installed during this quarter (3,080 ha. and 2,289 ha. respectively), and the coffee renewal goal will be completed (663 ha). Diversified crops will also be planted (1,216 hectares) for a total of 7,810 hectares to be planted during this quarter (25% of total hectares planned for 2009). Regional level “¿Cómo vamos?” workshops will be carried out and technical assistance protocols for plantain and passion fruit will be published. The component will make its best effort to bring into execution a forum in which lessons learned from ABC-MIDAS project will be presented, and that will be complemented with a technical publication with the forum’s most significant results.

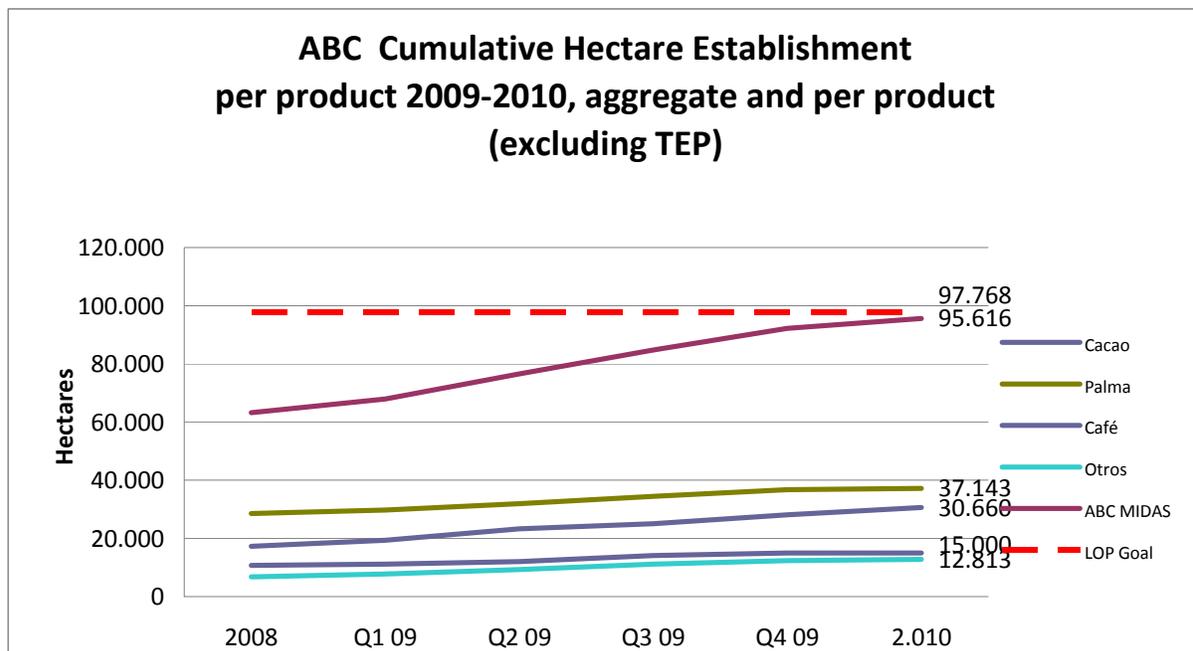
Finally, another 12 projects’ sustainability plans and experiences will be documented and ABC team will strive to edit and publish a compilation that will include the sustainability plans and information documented for 36 projects, documented in the course of 2009.

Year 2010

In 2010 ABC looks forward to the successful achievement of LoP physical goals as part of its contribution to MIDAS support for alternative development projects. During the first semester, ABC

will have an active implementation portfolio of 26 projects, giving priority to the establishment of at least 3,709 new cacao and oil palm hectares, out of which 3,385 will correspond to ABC current portfolio and 390 hectares to TEP projects in Tumaco. The component will also concentrate on consolidating technical assistance sustainability plans and on the final closure of the projects that will conclude implementation in 2009. During the second semester, the component will continue working on sustainability plan formulation and will give final closure to 26 projects foreseen to be supported by MIDAS ABC until the end of the first semester.

Figure 5: ABC Hectare Establishment per Product in 2009-2010



6.4. STRATEGIC OBJECTIVES

6.4.1. Effectiveness of Performance

The attainment of ABC's physical goals for 2009 (excluding TEP), namely, the installment of 29,044 new hectares, benefitting 10,023 families and 14,793 new jobs, calls the need for effective managerial processes. In this regard, ABC's effective management strategy will emphasize on the following aspects:

- Redistribution of PC work load, transferring personnel from Bogotá to Regional Offices (RO) and in-between regions. Each PC will have an equal work load in terms of number dimension, number of benefitted families and complexity, in projects under implementation.
- Close coordination with grantees, and a permanent follow-up on issues such as planting schedules, vegetable material availability, the timely availability of financial resources coming from different sources, especially conducting a follow-up on credit application and approval procedures, disbursements and reimbursements. Component management will also keep close track of MIDAS program disbursements, i.e. burn rate.
- Emphasis in organizational strengthening through ICO index methodology application that will result in deeper involvement and commitment in MIDAS program goal accomplishment.

As support is oriented towards involved rural organizations, their interest in protecting, looking after and preserving their crops will increase. Additionally, openly promoting associated producers' interest in their productive activity will in turn strengthen the communities' channels of communication: they will permanently seek and share crucial information for their decision-making processes.

In order to accomplish producer commitment, several organizations involved in ABC projects will be diagnosed with the ICO (Índice de Competitividad Organizacional) index to determine organizational performance levels and formulate strengthening plans in accordance with their specific needs (regarding technical, environmental, social, administrative, financial, commercial and communicational issues). The component will make an effort to execute proposed programs, advising and conducting follow-up activities to ensure projects' long-term sustainability.

MIDAS will also develop strengthening activities with grantee teams to reinforce their ABC project-oriented support capabilities. This will be defined in meetings and in training workshops to analyze, orient and, if necessary, readjust the strengthening procedures foreseen in already formulated ICO-based and training plans.

Finally, "¿Cómo vamos?" workshops will be held at a regional level to monitor and keep track of efficacy in implementation, as well as frequent follow-up meetings at project level, during the regular technical committees held between the grantees' technical team and Project Coordinators (PC).

6.4.2. Quality in Implementation

ABC Project quality in 2009 will be defined by aspects related to:

- Quality in technical assistance, which will guarantee future productivity of newly established crops and of crops in growth: At this point, quality in technical assistance will introduce managerial sustainability issues with producers. Local producers that will work together with project operators in technical assistance procedures will be identified, to ensure the availability of qualified human resources once MIDAS support is no longer present. Training delivered to farmers via FFS and ICO index application to farmer organizations constitute instruments that contribute in improving knowledge and the quality of technical assistance directed to each one of MIDAS - ABC projects.
- FFS results and effectiveness in knowledge transference, skill development and organizational strengthening will be assessed: FFS results have been assessed, based on trainer (responsible for producer training) performance and based on participant satisfaction. ABC team will work on accomplishing the execution of 5 training of trainers (ToT) workshops that it will also make an effort to monitor, based on specific follow-up indicators, that will measure immediate quantitative results and long-term impact. This will serve to know how much producers have learned about their crops, how much of their new knowledge they have applied to their crops and their gains in productivity and in community interactions.
- With ICO index, improvements in organizational strengthening can be measured periodically, therefore permitting adjustments in strengthening plans as needed. Adjustments to strengthening plans will be agreed between the project operator and the community, with support and consultancy from the corresponding MIDAS ABC Regional Office.
- An improved application of the ICO index to monitor progress in producer organization strengthening.

- Improving organizations' and farmers' entrepreneurial capacity, observed through the processes that organizations can undertake to promote their current businesses, the creation of new enterprises and the development of complimentary activities to improve their affiliates' quality of life.
- Assessing the quality of the training performed to technical teams by grantees: ABC requires grantees to make an effort in strengthening their installed capacity at a regional level. In 2009, ABC technical team will continue training of trainers' workshops, striving at ensuring better and better training of trainers and organizational strengthening processes.

In this regard ABC will make an effort to, together with project operators' technical teams, conduct two training of trainers reinforcement workshops every six months. ABC Regional Coordination teams will also do a series of follow-up meetings with grantee teams where special situations, challenging activity fulfillment will be analyzed.

6.4.3. Knowledge Management and Sustainability

Knowledge management involves two aspects, knowledge management and knowledge transfer. Knowledge management will mainly consider the following objectives:

- Identify, gather and organize existing knowledge on ABC projects: The component will work in coordination with information technology (IT) area to compile and organize aggregate information regarding progress in project implementation and support from involved organizations. With this, an aggregate unified database will be designed for information registry to obtain aggregate results and allow aggregate analysis.
- Employ all acquired knowledge in the final phase of project implementation, together with MIDAS impact evaluation to be carried out under Program Planning Department coordination.

The joint organization of small producers in the development and implementation of large-scale alternative development agricultural projects provides benefits at all value chain levels and improves rural sector competitiveness, seizing economies of scale opportunities for knowledge transfer, raw material acquisition and loan or credit resource consecution processes, among others. Private sector institutions involved in this kind of arrangements are more competitive and exercise Corporate Social Responsibility in an integral manner.

ABC understands sustainability as a set of actions that will guarantee the projects' future and long-term social, technical-economic and environmental development. The sustainability plan that will be developed in 2009 for the projects currently under execution is defined as the set of strategies, actions and resources that should be kept up in the future by project beneficiaries, grantees and public and private support institutions to fulfill ultimate

project goals up to firm formation (of farmers and organizations) that will temporarily receive USAID support.

These sustainability plans should contribute to strengthen MIDAS projects' social, economic, financial and environmental long-term achievements, after program conclusion. In this, the component recognizes, up to a certain extent, that the tasks required for the projects' ultimate development will be half-way, as these type of project only reach auto sustainability in a mid-term range (between 6 and 10 years), which is why future project support is required.

Social aspects include:

- Permanent improvement of project beneficiaries' living standards and of their environment, especially in terms of education, health, basic infrastructure, access to productive projects and markets, etc.
- Organization development, with active farmer participation, improvement of their services and promoting their contribution to a healthy environment within organization associates and between them and the community, etc.

Technical and economic aspects include:

- Reaching and maintaining the productivity and competitiveness goals set out for the projects, allowing sustained increases in licit sources of income for current project beneficiaries.
- Technical assistance and sustained FFS dynamism, as an important part of economic sustainability, crucial to accomplish crop expected productivity and competitiveness levels.
- Taking full advantage of synergies with MIDAS Policy Component, to implement a regional level and municipality level technical assistance model currently under design, in the aim of ABC MIDAS project being the first to have access to this kind of model. The component will also participate in the discussions held during the proposal and creation phases of the mentioned technical assistance model.
- Striving in achieving financially sustainable projects, especially for crop maintenance and renewal procedures, as well as commercial management and of value incorporation planned for some of the projects in the mid and long term. The scope of this sustainability goes beyond loan issues and evaluates the possibility of benefitting from other financial instruments and developing self-financing mechanisms such as rotary funds within organizations, maintained with production retention and reimbursement of donated funds, for example.
- The development and put into practice of an evaluation tool to measure project impact, allowing agribusiness project impact evaluation during implementation. This allows a learning process that will enrich current knowledge and will help propose adjustments to future projects.

Environmental issues include:

- Permanently developing benefiter's and their families' technical abilities to minimize project environmental impact and preserving and augmenting the environmental base of the regions those projects are being implemented in.

During 2009, with MIDAS support, ABC will work on reaching agreements around strategies, actions and resources that are expected to be maintained in the future by benefiter's, grantees and national

public and private support organizations to ensure Project sustainability. This requires broad diffusion of project information, their level of progress, their future support needs and project “sustainability plans” among all institutions that offer support to alternative development or to rural productive projects. For this, each ABC-MIDAS project will have to have its own “Sustainability Plan” by the end of 2009.

At a macro level, and as milestones to accomplish in terms of sustainability, the following will be expected:

- Integrate knowledge attained by ABC in the possible formulation of a new CONPES Document (Consejo Nacional de Política Económica y Social) for alternative development, that will contribute in guaranteeing agribusiness projects’ sustainability in technical assistance, support to entrepreneurial (organizational) strengthening, access to credit and productive projects’ environmental planning for countrywide alternative development strategies. Provide a territorial rural development approach, vital in the generation of an ideal environment for sustainable alternative development.
- Given that a large part of cacao crop establishments have been supported by the alternative development policy, the component expects to contribute with the commercial development strategy to be included in the cacao sector’s policy.
- Together with Fedepalma, the component will strive to spread the MIDAS-ABC “35/25 Vision” among a large part of its projects’ grantees, aiding in improving palm crop productivity. This vision promotes the attainment of an average productivity of 35 tons of fresh fruit per hectare and a 25% oil extraction rate.

Sustainability of ABC projects in cacao and oil palm sectors will be reflected by the continuity of the impacts associated to MIDAS support in terms of productivity, creation of licit sources of income, organizational strengthening, entrepreneurial development and farmers’ engagement in licit activities. It is foreseen that the cacao crop area currently supported by MIDAS will represent a large part of national cacao supply in the upcoming years, which is why extended program support for cacao farmers, until 2010, is crucial to guarantee the sustainability of cacao supply, as a legal source of income and the expected improvements in cacao farmers’ living standards.

On a mid-term basis, surpassing the achievement of the contract goals agreed upon with USAID in terms of new established hectares, supported families and job generation, MIDAS impact, regarding project support sustainability, can be summarized as follows:

- Producer organization strengthening will in turn strengthen the cacao sector in commercial and managerial terms, allowing farmers’ deeper involvement with the sectors’ value creation chain.
- FFS methodology will be extended in the country’s cacao sector, achieving effective technology transfer with an impact on the country’s cacao crops’ productivity and the reconstruction of social tissue in cacao zones previously affected by violence and illegal activities.
- Permanent follow-up and monitoring performed by ABC MIDAS is expected to induce a culture respecting goal achievement as well as social control and transparency in financial fund management, in farmers and in grantee technical teams.
- Access to loans and other sources of funding with support from MIDAS will help in the development of a culture that honors financial debt. This will result in extended trust from

banks towards cacao sector projects, as well as in a learning process that will bring more appropriate offer of financial resources for the crops' future maintenance.

MIDAS ABC also supports a large part of oil palm sector crops cultivated by small farmers in the country. This has resulted in the oil palm sector's recognition of what MIDAS program represents in terms of sector democratization and entrepreneurial social responsibility strengthening, with Fedepalma as a crucial ally in succeeding in the components' sustainability plans. Medium-term impacts expected from ABC MIDAS support in this sector, beyond those established within the physical goals agreed upon with USAID in terms of new established hectares, families and job generation can be summarized as follows:

- As oil palm crops and palm oil extraction are activities that largely depend on each other, alliances between farmers and palm oil extracting firms are expected to consolidate in the upcoming years. Product quality, supply quantities and palm fruit productivity are crucial factors in the oil palm business and the main reason why palm oil extractors are willing to offer farmers the utmost technical assistance for their progress.
- MIDAS ABC presented the FFS methodology in this sector, which should contribute in giving an innovative and effective solution to transfer of technology to small oil palm tree producers. Producer organizational strengthening should contribute to social tissue reconstruction in areas producing oil palm tree, strengthen the legality culture, improve farmers' entrepreneurial skills and abilities, strengthen sector associative capacity with small farmer participation and take collective measures and activities to improve farmers' living standards and, with better income, capitalize on aspects such as education, health, housing, etc.
- Access to loans and other sources of funding with support from MIDAS will help in the development of a culture that honors financial debt. This will result in extended trust from banks towards oil palm sector projects, as well as in a learning process that will bring more appropriate offer of financial resources for the crops' future maintenance.
- During MIDAS support, some producer associations will manage to be part of the palm oil extracting industry. The component expects that more organizations supported by MIDAS will also accomplish this in the future.
- The results to be obtained from the pilot project for the implementation of the sustainable agriculture norm and subsequent Rain Forest Alliance certification in a 3,500 hectare wide oil palm tree plantation will be very important for the sector's development country-wide. The results from this exercise will be top proof that oil palm tree production is sustainable economically, socially and environmentally, even for small farmers.

6.4.4. Support to Afro-Colombian and Indigenous Peoples

Following USAID guidelines and instructions, in 2009 ABC will work with new project operators in order to structure and comply with its commitment with TEP through two projects, namely, two cacao crop planting projects in Alto Mira and Bajo Mira.

Table 17: ABC-TEP Projects

	Project Name	Crop	Hectares	FTE Jobs	Families	MIDAS-TEP contribution (US\$)
ABC-TEP	Tumaco Alto Mira	Cacao	300	283	180	\$ 573,128
ABC-TEP	Tumaco Bajo Mira	Cacao	250	175	200	\$ 276,668
Total ABC-TEP portfolio			550	458	380	\$ 849,796

Note: pending goal confirmation.

Additionally, ABC will participate in any other activities called for by the TEP program, such as:

- Support in the process of reaching agreements with potential grantees.
- Taking full advantage of synergies with ADAM to coordinate cacao projects in Tumaco.

6.5. OTHER STRATEGIC ISSUES

Other strategic issues involve strategic alliances and a strong emphasis on technology and knowledge transfer. Some strategic issues to be undertaken in 2009 are:

- ABC will work intensively with project proponents in implementing 9 projects financed with resources from the 2008 agreement with Acción Social-FIP, which will be executed between October and December 2008. These projects are a complementary part of projects supported by MIDAS-ABC, found in its usual - current portfolio, including MIDAS/ABC TEP projects. ABC anticipates that during 2009 will manage more resources provide by Acción Social – FIP in order to support more MIDAS projects.
- The component will make an effort to share and transfer its informational tools and technology knowledge, such as the SIMproject application, with and to the grantees' technical teams, contributing to the projects' future development and sustainability.
- ABC will gather information on FFS development in different regions, from PC monthly reports. For this, ABC will do an effort to work with the MIDAS Systems department to develop an efficient data registry application.
- Results obtained in the Palm Certification pilot project will be published and shared to be used as reference by future similar certification programs or projects.
- ABC will actively participate in the development of pilot projects on land management together with MIDAS Policy component and will strive to respond to the needs and requests posed by public and private institutions that turn to MIDAS for support.
- ABC technical team will actively participate in forums and discussion groups dedicated to biofuels, rural development, alternative development, food security, environmental issues and other topics, organized both by public and by private institutions, related with the rural sector.
- Personnel restructuring will take place during 2009 and 2010. The component will strive in diminishing the adverse effects brought about by future layoffs through an outplacement strategy, which includes aiding outgoing personnel in their search for a new position, and by offering training in technical computer abilities to its current staff throughout 2009.

- The best way to promote the culture of legality is through the achievement of MIDAS ABC productivity, income, social development and environmental preservation project goals. Additionally, permanent illicit crop monitoring activities and social control against illicit crops performed by the component together with grantees and beneficiaries are also part of the strategy for the culture of legality so far applied by ABC. The component will continue using this strategy during the length of the projects to promote the legality culture.

6.6. COMMUNICATIONS AND OUTREACH

Effort in knowledge transfer will mainly focus on documenting each ABC project, discussion in each project's administrative committees and a large event at the end of 2009 in which experiences coming from all of ABC's projects will be shared.

Knowledge acquired in project execution and solutions to common difficulties will also be shared and discussed between project operators and beneficiaries in periodically held, regional "MIDAS ¿Cómo Vamos?" meetings.

ABC team will provide special support for the formulation of a communications strategy for each one of the organizations diagnosed with the ICO index. This strategy will, among other things, focus on helping producer organizations and project grantees make the most of local and regional communication resources, such as community radio stations, regional bulletins, etc., to share producers' and the community's progress in project management and project management skills with other producers and with the community.

The component will also continue motivating and promoting involved producers at a regional level and at MIDAS program level, publishing together with MIDAS Outreach, success stories found within ABC portfolio. The component will make an effort to provide at least one monthly success story per region, providing examples of licit alternative development in Colombia for the community.

To support these activities, MIDAS-ABC will make an effort to publish a series of documents regarding technical and managerial support, in particular:

- A document on the ICO Index- Technical Assistance Protocols for different crops.
- Five documents about cacao crop innovations, such as micro-sidegrafting, transitory and permanent shadow crops, etc., and 4 Technical Assistance Protocols in oil palm, cacao, plantain and passion fruit.
- Organizational development.
- At least two briefers on crop status and future prospective for crops such as palm, cacao, specialty coffee and fruits.

6.7. PERSONNEL STRUCTURE AND OTHER BUDGET LINES

Following the closure of several ex-CAPP projects, ABC reviewed and adjusted its projected labor, travel and ODC budget lines in accordance to its 2009 and 2010 portfolio, involving fewer projects under implementation. This adjustment will ensure the component's compliance with the projected budget for years 4 and 5 of MIDAS program.

ABC team will be reduced by 7 people between 2009 and 2010; actual labor costs will be reduced to 1,712 million with 2,671 million in fringe benefits in 2009, with labor priority needs given to regional

offices and staff, especially in those corridors where ABC support is mostly required. Travel expenses will be reduced accordingly, as fewer staff requires a reduced travel budget for the component. However, programmed technical support and organizational strengthening activities required to guarantee project sustainability calls for a minimum number of regional level workshops and follow-up activities, included in the 2009 and 2010 budget.

In 2009, ABC organizational structure will be as follows:

A). Management: The ABC Manager and deputy manager are responsible for the successful development and implementation of ABC projects and activities; and for achieving the contractual goals and objectives as well as those detailed in the approved work plan. They are also responsible for ABC staff and their activities as they determine project development, implementation and associated activities. They will be in alliance and coordinate with USAID staff and counterparts, GOC counterparts, the Colombian private sector, and related projects such as ADAM and others. They will coordinate and cooperate with other component managers to achieve MIDAS goals and objectives. Finally, they will be responsible for identifying and detailing ABC policies, position papers, and technical studies, as appropriate.

- Manager: Carlos F. Espinal
- Administrative Assistant: Sandra Giraldo
- Deputy Manager: Roberto Albornoz
- Technical Assistant: Margarita Quiros

B). Project Coordinators in Bogotá:

Senior Project Coordinators (SPC) and PC:

The main objective of this position is to assist MIDAS effort in sourcing new projects that lead to the achievement of program goals, objectives and meet indicator requirements. SPCs will leverage their knowledge about Colombia's agribusiness sector to identify additional/alternative resources to strengthen the viability and sustainability of ABC projects in their development and implementation, including reaching out to private and public alliances within the agribusiness community for these purposes.

- David Celis: Fedecacao Santander, Antioquia, Nariño, Córdoba. Support in ABC processes and procedures, and monitoring systems in coordination with ARD IT department.
- Pablo Lamprea and Hernán Montoya: Santander, Norte de Santander, Magdalena Medio and Boyacá departments.
- María del Pilar Ruiz and Sandra Sanabria: Specialty coffee renewal projects with Fedecafé and diversified products with Codesarrollo.
- Mónica Madrid: Nariño and TEP Project coordinator.

C). Regional Project Coordinators: Regional PC's will support the ABC team through technical and tactical support, and proposal management. This position's main objective is to assist ABC effort to successfully achieve MIDAS program goals and objectives as outlined in the approved work plan and support the Deputy ABC Manager and ABC Manager activities, specially in areas related to

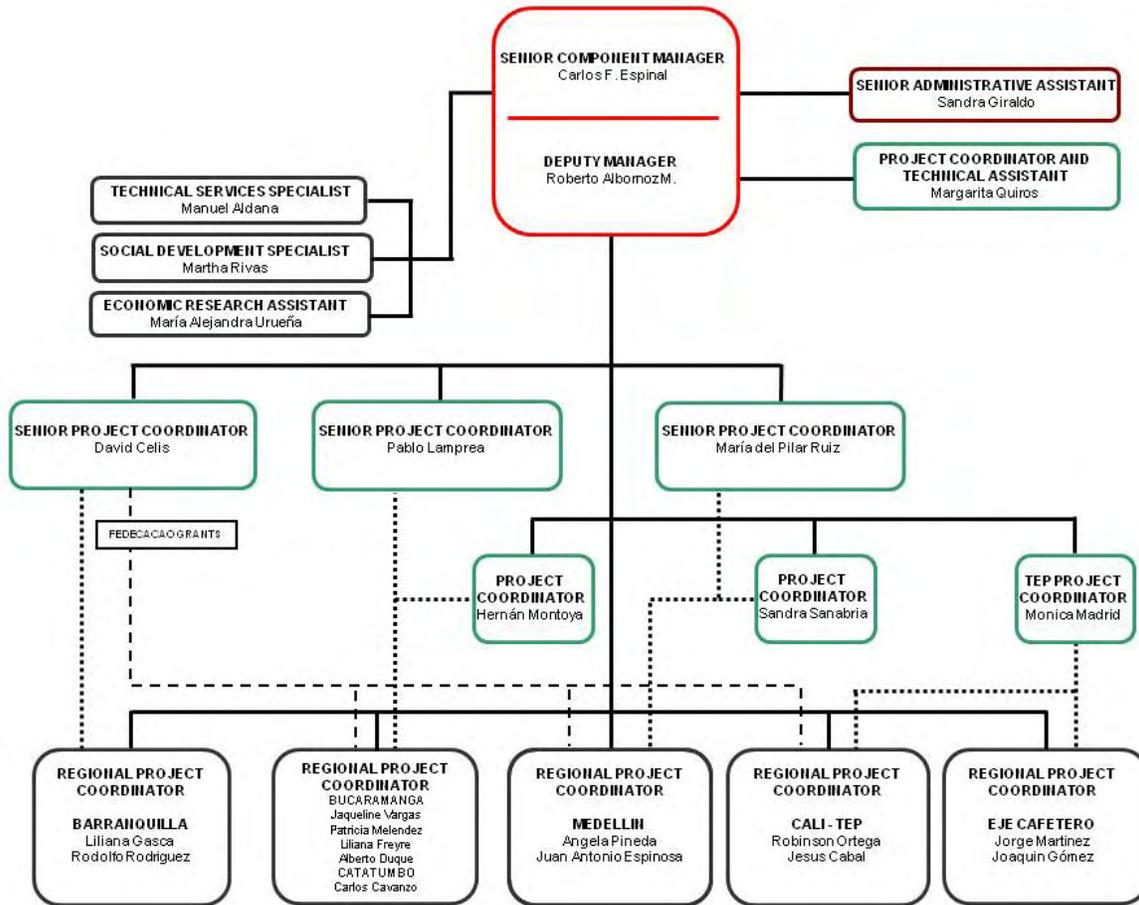
relationships with USAID, PCI / Acción Social, Ministry of Agriculture, financial institutions, public and private institutions and other potential MIDAS ABC clients and partners.

- Carlos Cavanzo (transferred from Bogotá): Catatumbo PC
- Jacqueline Vargas, Patricia Meléndez (transferred from Neiva), Liliana Freyre (transferred from Bogotá) and Alberto Duque (until June 2009), Santander, Norte de Santander, Magdalena Medio and Boyacá PC
- Robinson Ortega: TEP Project assistance (in Tumaco), Jesús Cabal (until April 2009), Valle Project assistance
- Ángela María Pineda, Juan Antonio Espinoza (until June 2009), Antioquia, Chocó y Córdoba Project assistance
- Liliana Gasca, Rodolfo Rodríguez (until June 2009), Atlantic Coast Project assistance
- Jorge Martínez, Joaquín Gómez (until June 2009), Caldas, Quindío and Risaralda Project assistance

D). Organizational Support Unit: Manuel Aldana, Martha Rivas, these positions are transversal in nature and, as such, will work in coordination with PCs in both central and regional offices, and will directly report to the ABC Manager. These positions' main objective is to support the Agribusiness team in the application of the methodologies used to strengthen farmer organization technology transfer processes and project beneficiary training, ensuring the effective development and implementation of a technology transfer strategy in MIDAS - ABC projects.

- Maria Alejandra Ureña. Midas ABC Economic Research Service.

Figure 6



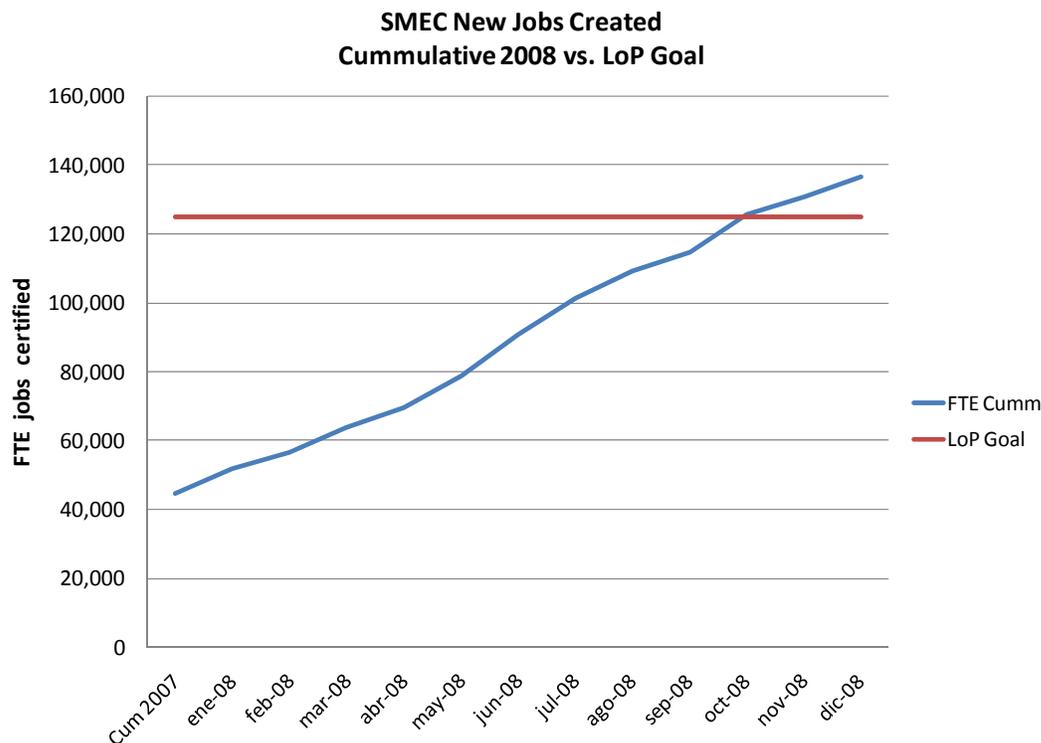
Labor and travel expenses derived from the implementation of TEP projects will be financed by the Indigenous Afro-earmark budget, specifically covering labor costs and travel expenses of 2 project coordinators, as well as some administrative costs that result from project execution.

7. SMALL AND MEDIUM ENTERPRISE COMPONENT

7.1. BACKGROUND

As forecasted in the 2008 SMEC Work Plan, the component deployed its full operational capacity during 2008, achieving its main LoP goals nearly two years in advance of original estimates. The following chart shows the results of the year's work.

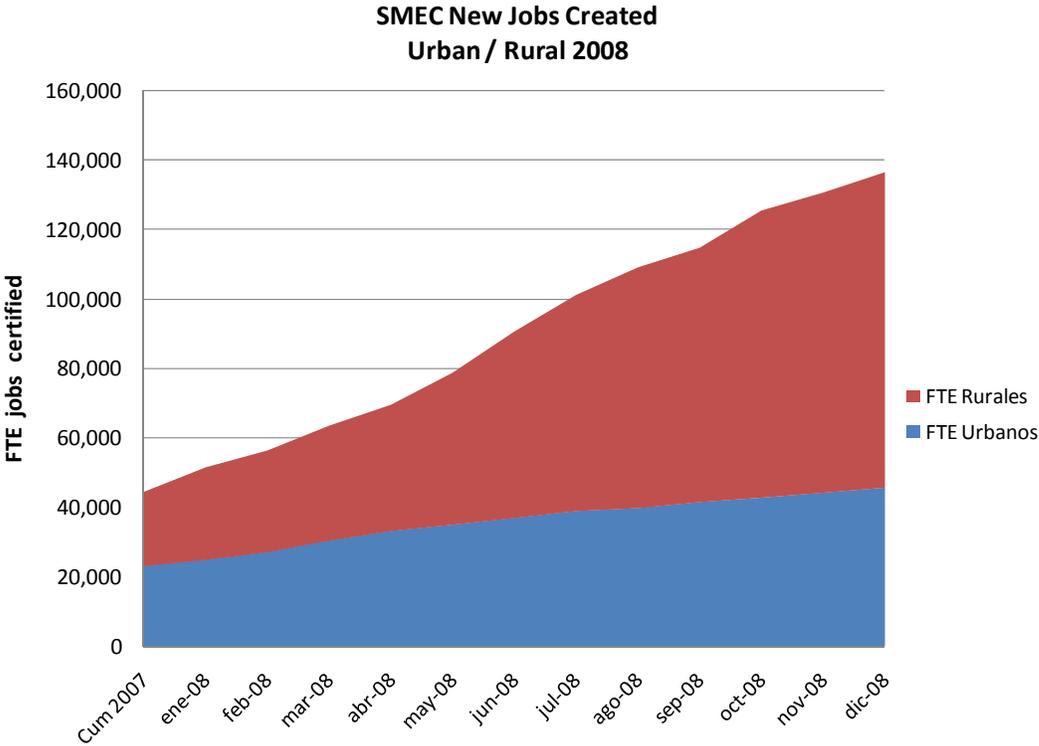
Figure 7



In 2009, the SMEC will focus its efforts on effective implementation and close out of its project portfolio at the same time generating Lessons Learned and promoting the sustainability of the USAID intervention at regional level. This latter undertaking will be accomplished through a knowledge management strategy, which is based on four strategic objectives: 1) documentation of the component's experience aimed mainly at the identification of Lessons Learned from the implementation of its projects; 2) define a sustainability path for the weakest SMEC projects that might need additional support; 3) an effective transfer of the SMEC operational model to several institutions, both at the national and regional level, and 4) an effective transfer of the SMEC operational model to several institutions, both at the national and regional level.

During 2007 the project suppliers' network and the component's project review/development process demonstrated a remarkable versatility to adapt to changing directions. Both the project identification and proposal evaluation processes were adjusted to comply with a USAID directive to focus upon small and medium enterprise strengthening and employment generation efforts to rural areas and with vulnerable populations. During 2008, the SMEC regional technical staff was able to process, approve, and document 400 projects. More than 66 percent of the jobs generated from this portfolio to date are classified as rural, well above the initial and very ambitious goal of 40 percent. In the same manner, over 27 percent of the jobs generated were classified as benefiting vulnerable people compared to an initial target of 15 percent.

Figure 8



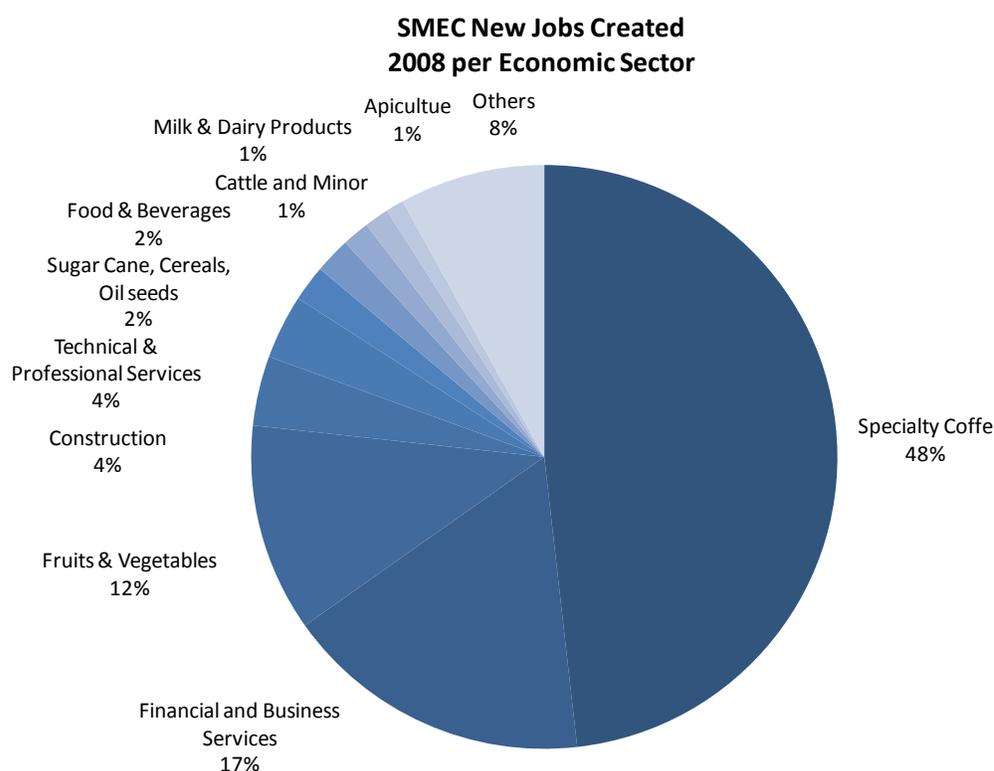
As of December, 2008, 400 projects certified new jobs in 554 municipalities. The distribution by economic sector is similar to that reported in the 2008 SMEC work plan with specialty coffee as the primary sector in job creation. Recently, in their annual meeting, the Federación Nacional de Cafeteros de Colombia recognized the role played by USAID in supporting this increasingly important part of the Colombia export and rural economy.

The Financial and Businesses Services sector certified more than 14,600 new jobs. The SMEC support had an impact in three highly relevant activities for the Colombian regions: First, 77 percent of the jobs in this category relate to projects supporting the creation or formalization of micro-enterprises. This effort has been a joint work with several Chambers of Commerce in different municipalities, foundations or NGOs, *cajas de compensación*, and other institutions that promote entrepreneurial initiatives. Second, 13 percent of the jobs are linked to projects associated with microcredit for SMEs. Finally, 10 percent are jobs benefiting internally displaced populations.

The Fruit and Vegetables sector certified 9,913 full time equivalent jobs –FTEs–, representing 12 percent of the jobs created during 2008. As mentioned in the 2008 WP, these projects target the strengthening of market linkages with increased small rural producer participation in value added activities.

It is important to note that two new economic sectors have become relevant in terms of job creation. First, the livestock sector certified close to 1,300 jobs in 2008. Second, beekeeping and honey production certified almost 900 jobs. Beekeeping activities were a joint effort with Acción Social in support of their Familias Guardabosques program.

Figure 9



7.2. 2008 RESULTS

Table 18: SMEC 2008 Results

Performance Indicators	SME Achievements						
	LoP Goal	Total Cumulative 2006-2007	WP 2008 Goal	Total 2008	Total Cumulative 2008	% WP	% LoP
1. Number of Jobs Created	125,000	44,633	90,135	97,748	142,381	108%	114%
2. New Hectares	11,079	1,079	10,000	10,504	11,583	105%	105%
2.1 Hectares Supported (Attended)	47,216	20,565	26,651	29,773	50,338	112%	107%
Total Hectares Supported	58,295	21,644	36,651	40,277	61,921	110%	106%
3. Number of Families Benefited (ACI)	125,000	83,308	191,276	113,180	196,488	59%	157%
3.1 Number of Families Benefited (INTERNAL)	156,143	49,610	85,440	8,077	57,687	9%	37%
4. Producer Associations/Processor Strengthened	8	63	20	110	173	550%	2,163%
5. Private Sector Firms Formed or Strengthened	10,400	8,373	1,108	2,182	10,555	197%	101%

As projected in the 2008 Work Plan, the SMEC fulfilled most of its LoP goals during 2008. The increased rural focus enabled the component to certify more than 11,500 new hectares of licit crops, and provide technical support for productivity enhancement efforts on an additional 50,000 existing hectares.

Support provided for the associative efforts of small producers has enabled the component to work with 173 associations and to strengthen 10,500 firms.¹ The component is confident that it will fully achieve its entire contract LoP goals, despite lower USAID funding than originally contemplated.

However, the internal goal of indirect families benefited will not be reached. The 2008 and contract LoP goals for this indicator were estimated upon an assumption of primarily urban projects with established firms. With these types of projects there is a significant group of indirect families that can be certified. However, as the component has made a major shift toward rural activities, this indicator became spurious. The actual figures will therefore be lower than the forecasted and the final accomplishment for this indicator will be projects where significantly less indirect families benefited can be certified; in this case, only 37 percent of the LoP goal is expected to be accomplished by the SME component. It is expected that the microfinance program supported by the Policy Component will be able to cover this gap of indirect families benefited.

7.3. 2009 GOALS

Table 19: SMEC Goals

Main Indicator Achievements / Cash Flow	Program	Achievements				WP 2009 Goals				WP 2009 Total	2010	Total	% LoP
		LoP Goal	Total Cumulative 2006-2007	Total 2008	Total Cumulative	Q1	Q2	Q3	Q4				
1. Number of Jobs Created	MIDAS	125,000	44,633	97,748	142,381	16,470	4,259	2,493	652	23,874	0	166,255	133%
	MIDAS-TEP	2,700	0	0	0	0	626	618	1,456	2,700	0	2,700	100%
2. New Hectares	MIDAS	11,079	1,079	10,505	11,584	321	64	12	0	397	0	11,981	108%
	MIDAS-TEP	715	0	0	0	0	0	25	690	715	0	715	100%
2.1 Hectares Supported (Attended)	MIDAS	47,216	20,565	29,773	50,338	460	0	0	0	460	0	50,798	108%
	MIDAS-TEP	1,546	0	0	0	0	1,546	0	0	1,546	0	1,546	100%
Total Hectares Supported	MIDAS-TEP	60,556	21,644	40,278	61,922	781	64	1,558	25	2,428	0	65,040	107%
3. Number of Families Benefited (ACI)	MIDAS	125,000	83,308	113,180	196,488	8,125	1,909	915	215	11,164	0	207,652	166%
	MIDAS-TEP	3,150	0	0	0	0	2,421	274	455	3,150	0	3,150	100%
3.1 Number of Families Benefited (Internal)	MIDAS-TEP	156,143	49,610	8,077	57,687	0	0	0	0	0	0	57,687	37%
5. Producer Associations/Processor Strengthened	MIDAS	8	63	110	173	0	0	0	0	0	0	173	2163%
	MIDAS-TEP	21	0	0	0	0	3	6	12	21	0	21	100%
6. Proposals Being Processed	MIDAS	8,300	471	88	559	0	0	0	0	0	0	559	7%
7. Projects Signed	MIDAS	3,897	337	63	400	0	0	0	0	0	0	400	10%
8. Alliances Developed	MIDAS	257	72	34	106	0	0	0	0	0	0	106	41%
9. Private Sector Firms Formed or Strengthened	MIDAS	10,400	8,373	2,182	10,555	0	0	0	0	0	0	10,555	101%
10. Number of Consensus Accords signed	MIDAS-TEP	50	0	31	31	0	12	7	0	19	0	50	100%
11. Number of Productive Ethnic Territories supported	MIDAS-TEP	20	0	0	0	0	7	7	6	20	0	20	100%

As mentioned before, in 2009 the SMEC will focus its efforts in two primary objectives: a) effective implementation and project close out and, b) to generate knowledge of project accomplishments and promote the sustainability of the USAID and SMEC's effort of these years.

¹ Of this total, 5,207 (49%) correspond to firms strengthen through the Actuar Project.

Activities for attaining the goals of the first purpose include the successful implementation of the projects, certification of all the contract performance indicators and the closing and final liquidation of the grants, all done maintaining the highest quality of implementation and satisfaction of stakeholders. With regards to the second purpose, activities include the transfer of the operational model to a number of national and regional agencies, establish a sustainability path for the weakest SMEC projects; strengthening local and regional service provider (consultants) markets and, generating specialized knowledge of the SMEC's experience and the presentation of recommendations and Lessons Learned white papers for use in the formulation of public policies, use by other entrepreneurs and institutions as well as the general public.

7.3.1. Goals for the First Broad Purpose: Portfolio Implementation and Close-Out

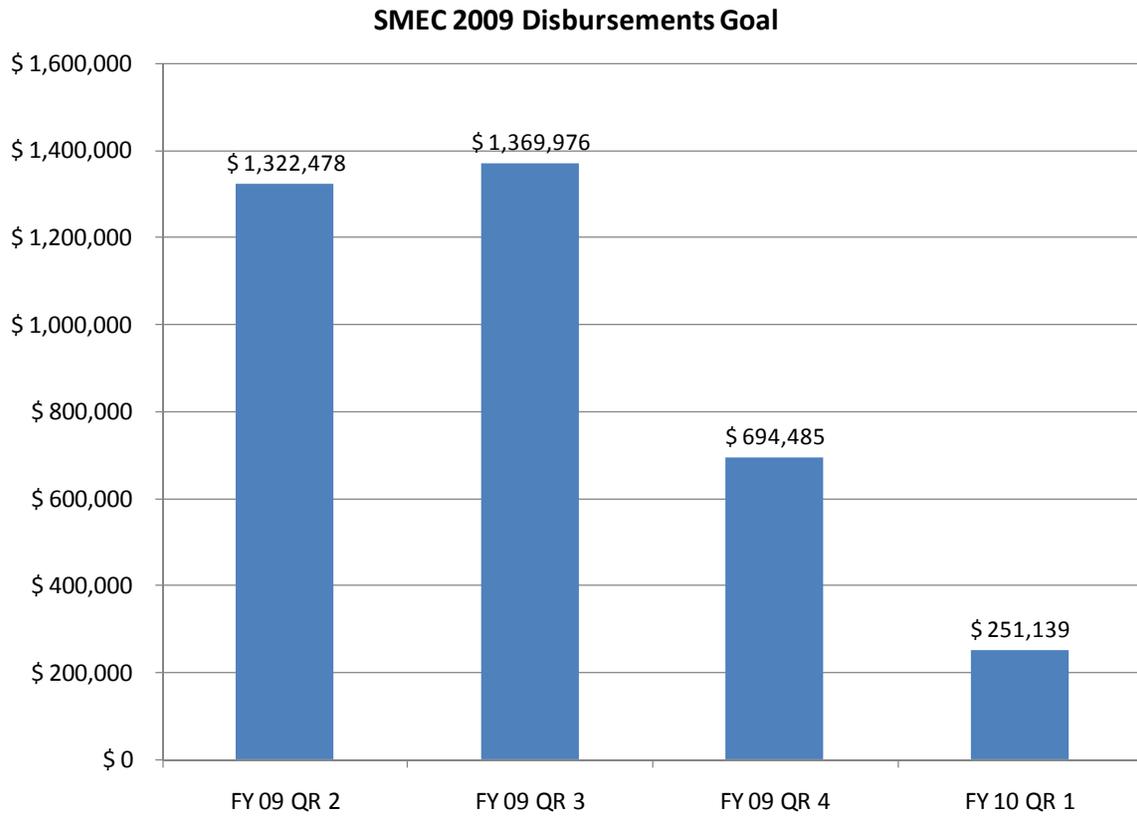
The level of the quarterly performance indicators in 2009 will gradually diminish during each of the 2009 quarters. This reduction will occur as sub-project grants will be progressively closing and the operational effort will shift to the liquidation and final documentation of projects. The following table shows the goal for new jobs to be certified, per quarter and by economic sector, taking into account that 15.505 FTEs are still to be certified during 2009, representing 12 percent of the LoP expected result.

Table 20: Jobs by quarter and crop

Economic Sector	FY 09 QR 2	FY 09 QR 3	FY 09 QR 4	FY 10 QR 1	TOTAL 2009	Share
Specialty Coffee	11,394	226	16	0	11,636	49%
Fruits & Vegetables	1,566	1,460	716	70	3,812	16%
Financial & Business Services	910	732	508	0	2,150	9%
Food & beverages	397	457	211	134	1,199	5%
Cocoa	209	177	282	344	1,012	4%
Tourism	520	61	56	48	685	3%
Cattle	267	75	227	0	569	2%
Cotton, Textiles	182	145	100	50	477	2%
Handcraft	214	116	85	0	414	2%
Aquiculture	174	148	74	0	395	2%
Commerce	70	165	108	0	343	1%
Sugar Cane, Cereals, Oil seeds	259	0	0	0	259	1%
Metal-mechanics	183	15	52	0	250	1%
Apiculture	60	97	0	0	157	1%
Other sectors	66	386	58	6	516	2%
Total general	16,470	4,259	2,493	652	23,874	100%

On the other hand, the SME burn rate for the two first quarters of 2009 will continue at the accelerated 2008 rate, but will decrease in the following two quarters as more sub-projects are closed. The goals by quarter can be seen in the following graph:

Figure 10



During the first quarter of the calendar year, projects that support the production of specialty coffee will remain as the principal source of certified jobs for the SME component. This quarter will begin with 168 active projects and will close with 79 active projects. As a consequence, during the first quarter, there will be a major effort oriented towards the successful closing of the technical assistance for a large number of projects.

Fruit & Vegetables will be the leading sector in job certification during the second quarter. The most important projects in this sector will be Frutas Potosí and Palenque Cinco. The first project works in conjunction with a successful MIDAS ABC project; the second one is an Afro-Colombian initiative and seeks to enhance the Finca Tradicional, a traditional agricultural system. This experience, in conjunction with the Fundemerca project, has been very successfully combined with the SMEC approach to several Territorios Étnicos Productivos (TEP) projects, particularly one in the northern region of the Cauca Department.

Even if the Fruit & Vegetables sector remains as the primary generator of certified jobs, it is also important to single out the key role of other economic sectors, such as tourism and cocoa, during this same quarter. In terms of jobs certified by projects that support small cocoa producers, it may be highlighted that these projects are either developed for indigenous populations (Asocbarí) or in high risk zones for violence and/or the presence of illicit crops (Asopac – Tarazá, jointly with Acción Social). Approximately 28 projects will remain active during the third quarter of the year.

The final quarter of the calendar year does not present any significant highlights as less than 10 projects will be active and the volume of certification of performance indicators will be extremely low.

However, the second semester of 2009 will register a spike in operational activity due to the TEP projects being implemented by SMEC.

Despite the above mentioned decline in the operational activity of the component, it is important to note that a group of 10 projects might require continued technical assistance in early 2010. This group includes all six projects of the TEP portfolio, the Cotelco project currently being implemented with the Clinton Foundation and three projects that are still pending for USAID environmental approval. It is also expected that a couple of projects with Acción Social may be formalized in early 2009.

All activities included in the present Work Plan are oriented to avoid the risk of a possible need of an extended operation. However, if any extension is finally required, the component is deeply committed to ensure that such extension will be implemented at minimum costs, excluding as much as possible any direct costs and, wherever possible, those functions would be consolidated in order to keep the number of extra employees at a minimum.

7.3.2. Goals for the Second Broad Purpose: Knowledge Management and Sustainability



During 2008, the SMEC component made important strides in getting different national and regional entities to adopt their business expansion and employment creation model. By the end of 2009 FOMIPYME will have appropriated and adapted the model to its needs and adapt it so that it will work to move by demand and will have implemented at least four pilot projects in a four departments.

The SMEC has undertaken a broad range of technical assistance projects across a number of industries and in a broad spectrum of organizations throughout the Colombian geography, both urban and rural. Even though there has been a high level of complexity resulting from this diversity, the component has exceeded all expected results and generated positive and sustainable impacts not only among the component's grantees and direct beneficiaries but also in the strengthening of local institutions and capabilities, and in accruing social and human capital in each region.

Because of that, the concept behind this broad approach is fourfold. The first one attempts to guarantee that the operational model that has led to these positive efforts and verifiable impacts, confirmed by SMEC's high level of performance, are preserved and even extended to a larger geographic area, even though USAID

resources come to an end. To achieve this, the SMEC will focus on the complete and integral transfer of the SMEC operating model to national institutions, departments or municipalities as well as the strengthening of local and regional consultancy markets, being the latter the second objective. A third topic refers to the need for defining a sustainability path for the weakest SME projects, that is, those that may eventually be in need of additional support once present support is over. The fourth seeks to document and communicate in an effective manner results, impacts, and lessons learned from the SMEC experience of the past several years. Also, SMEC seeks to document recommendations derived from lessons learned that will be presented through conceptual papers that could be used either as

conceptual and/or practical experiences in the formulation of public policies, both at the national and the local levels of government.

It is important to note that in order to achieve adequate results for the third topic, the SMEC will define sustainability categories according to its understanding of sustainability based upon its experience and implementation model, and will classify its entire portfolio in these terms. This classification will help identify which projects have its sustainability assured and which ones are still too weak and might need additional support. With this in mind, SMEC will focus its efforts in promoting the sustainability of these last projects.

The main goals and milestones for these four sustainability objectives can be summarized as follows:

Table 21: Sustainability Strategic Initiatives

Sustainability Strategic Initiatives	2009 Goals	Q1	Q2	Q3	Q4
1. To record and analyze previous years experience and, contribute to the design and formulation of public policies at both the national and the local levels.					
1. Write brief success stories of all the portfolio and make videos of the most demonstrative projects.	12 videos	0 videos	4 videos	4 videos	4 videos
2. Impact and Results Survey	2,000 Surveys		Instrument ready for collecting data	Data gathering and analysis	Presentation of results
3. Write "How to..." Papers	6 How To Papers – (1 per Regional Office)	2 How to papers	3 How to papers	1 How to papers	
4. Write "Case Studies"	6 case studies			3 case studies	3 case studies
5. Series of documents that record the SMEC experience and make public policy recommendations in specific matters and issues	3 papers	Definition of topics		1 documents	2 documents
2. To define the sustainability path for each of SMEC projects					
6. Define sustainability plans for weak SMEC projects	Promote sustainability for SMEC weak projects	Define methodology to characterize SMEC projects	Portfolio sustainability analysis and identification of matrix and groups	Definition and implementation of sustainability tasks and efforts	
3. To strengthen local and regional consulting markets to create a permanent offer and demand for such services at competitive market prices.					
7. Develop an online or Internet based technical assistance marketplace.	Online Market Place		Service providers database	Online directory	Grantees publication tool
4. To improve the capacity of channeling resources towards economic development, or to strengthen those institutions where such capacities already at both the national and local levels and thereby facilitate the transfer and adaptation of the SMEC operational model.					
8. Evaluation of the factors of performance of a Project suppliers' network.	Analysis of the Institutional Strengthening for the PS Network	Third party contract	First report and preliminary data	Field work and final report	
9. Consolidate the institutional strengthening process developed with the SMEC's project supplier's network.	6 regional events for closing the component's PPs network and launching the new regional network		2 events	4 events	
10. To develop and transfer a technological solution for project management, decision making and online information of impacts and results	Standard technological solution	Definition of requirements and adaptation possibilities	Technical solution development	Technical solution transfer	

Sustainability Strategic Initiatives	2009 Goals	Q1	Q2	Q3	Q4
11. Transfer of the operative model to FOMIPYME	Transfer of Operational Model to FOMIPYME	Adaptation of SMEC procedures and formats	PPs network training	4 pilot projects in course	Final report and recommendations
12. Design a scheme, based on the SMEC experience, for the development of a public policy that aims to strengthening Technical Assistance services for small producers countrywide.	Design an integral new technical assistance scheme for small rural farmers and producers	Identify and characterize the actual TA model as well as its ability to support small rural producers	Operational model designed and approved, with formats and procedures	2 regional pilot projects in course	Evaluation on initial results and feedback to the model
13. Transfer of the operative model to, at least, one department in five of the six corridors	SMEC model transferred to at least three departments	Identification of partners and signing of MOUs	At least 2 pilot projects in course in each of the three regions	Adaptation of formats and tools to all departments and PPs network training	Evaluation of initial results

7.4. STRATEGIC OBJECTIVES

7.4.1. Effectiveness of Performance

Effectiveness of performance means the fulfillment of project goals. As of the end of 2008, approximately 60 percent of the SMEC portfolio is still in the implementation phase. To date, only 10 percent of the projects have been formally closed. In 2009, SMEC will focus on successful project portfolio implementation and close-out.

- During 2009 SMEC staff will closely supervise the progress of technical assistance to projects still under execution in order to ensure that the milestones are properly delivered within the established schedule. If this task is properly undertaken, the external assistance will achieve superior performance and build capacity inside the businesses and productive units supported by the projects. Proper project implementation will guarantee job creation objectives and sales goals.
- As of the end of 2008, approximately 40 percent of SMEC project portfolio completed its technical assistance activity. During 2009 SMEC will formalize the closure of 100 percent of its portfolio. This means that in 2009 SMEC will collect and register in SIMPROJECT those remaining project indicators of the monitoring plan, and will review the consistency of all those already registered. Finally, documents generated during the life of each project will be digitalized and stored.
- It is worth noting that effectiveness of performance represents various challenges including, most importantly, data, information management, and analysis. Therefore, the successful administration of the project management system is essential for governing SMEC performance and secure quality project closure.

7.4.2. Quality in Implementation

Quality in project implementation and closeout means: 1) assuring complete compliance of the project agreement; and, 2) fulfillment of grantee and beneficiaries expectations and technical assistance service provider aspirations.

- In 2009, SMEC will continue with its Compliance Strategy aimed at identifying weaknesses in resources execution and guaranteeing the transparency of payment processes, grantees' resources management and contractual relations with consulting services providers.
- In order to satisfy key stakeholders, SMEC will continue to fully execute the processes and procedures required during the implementation phase. To confirm adherence to this process in 2009, SMEC will develop a satisfaction and impact survey with all grantees and technical assistance consultants. The satisfaction and impact survey will be carried out in a coordinated effort with the Monitoring and Evaluation (M&E) office of MIDAS, as a part of the implementation of the 2009 Poverty Assessment Tool (PAT) and MIDAS' impact evaluation process.

7.4.3. Knowledge Management and Sustainability

Four strategic objectives have been established by the SMEC for 2009 in order to accomplish its Knowledge Management and Sustainability Strategy. The main purposes of the strategy are, first, to guarantee that the operational model that has resulted in these high-quality achievements and impacts will endure over time and be extended to other geographic areas and to additional beneficiaries; second, to define the sustainability path for the weakest SMEC projects that might need additional support; and third, that SMEC can further strengthen local and regional consultancy markets in order to create a permanent offer and demand for such services at competitive market prices.

Additionally, and as a fourth objective, the documentation and analysis of the experience, the generation of specialized knowledge derived from this analysis and, finally, the formulation of recommendations derived from the SMEC experience can be used as conceptual and practical support for the formulation of public policies, both at the national and the local levels. The motive behind this objective is to give sustainability to the program by widely publishing its successful results and the model used to achieve such results. This will be achieved by documenting success stories, developing case studies and "how to..." papers that can then benefit other entrepreneurs, national agencies, local governments and non government organizations throughout the country. This documentation will also facilitate the formulation of public policy on business development at both the national and regional level.

Each one of the four strategic objectives will lead to a series of strategic initiatives, as follows:

1. Prepare brief success histories of the entirety of the SMEC portfolio and record videos of appropriate projects.
2. Carry out impact and results survey.
3. Write "How to..." papers on the methodologies and practices employed by SMEC.
4. Prepare "Case Studies" of important project and unique challenges. Document experience in selected topics and, based on evidence and theory, make recommendations for national and local public policies that address regional and economic competitiveness.
5. Document experience in selected topics and, based on evidence and theory, make recommendations for national and local public policies that address regional and economic competitiveness.
6. Characterize and promote sustainability conditions for weak project that might need additional support to ensure their sustainability after MIDAS.

7. Strengthen local and regional consulting markets to create a permanent offer and demand of such services under competitive market prices.
8. Evaluation of the crucial factors required for an effective Project Suppliers' network.
9. Consolidate the institutional strengthening process developed with the SMEC's project supplier's network.
10. To develop and transfer a technological solution for project management, decision making and online information of impacts and results
11. To successfully transfer the SMEC's operational model to FOMIPYME and to help establish four pilot projects in a similar number of departments.
12. Support on-going efforts oriented to the development of a more effective public policy aimed to strengthen Technical Assistance services provided to small rural producers countrywide.
13. To successfully transfer the SMEC's operational model to at least three regional governments.

7.4.4. Participation of the SMEC in the TEP Initiative

The SMEC has identified and is presently structuring a portfolio of six projects in the amount of USD3 million to be financed as part of the Initiative of Ethnic Productive Territories (TEP). The following table presents a brief summary of the TEP portfolio.

Table 22: TEP Projects

Grantee	Municipalities	Product/Crop	TEP Support USD\$
Coagro-Timbiquí	Tumaco, El Charco, La Tola, Mosquera, Iscuandé, Guapi, Timbiquí, López	Coconut	\$ 912
Amunorca	7 Municipalities Northern Cauca	Traditional Farm	\$ 833
Comfandi (Bajamar)	Buenaventura	Training – Labor Skills	\$ 423
IICA (Mujeres Ahorradoras)	Buenaventura	Associative Initiatives – Saving Culture	\$ 369
Frutos del Pacífico	Buenaventura	Chontaduro	\$ 228
Cabildo de Totoró	13 Municipalities in Cauca	Quinoa and Guandul	\$ 176
TOTAL			\$3,038

With this portfolio, SMEC has been able to provide projects in all of the regions defined in the TEP work plan. These six projects will impact 30 municipalities and more than 4,000 families of Afro and indigenous descent. Additionally, the supported products and the productive technologies involved are consistent with and respectful of the ethnic and cultural traditions of the indigenous and Afro Colombian communities.

The SME component will lead, through its TEP projects with COMFANDI and the IICA, activities of mainly urban character in Buenaventura, which will make possible the generation of income and welfare for the Afro Colombian population, assuring food safety and facilitating the associative and organizational strengthening of these communities within a framework of public consultation and respectful of specific traditions and cultural concerns.

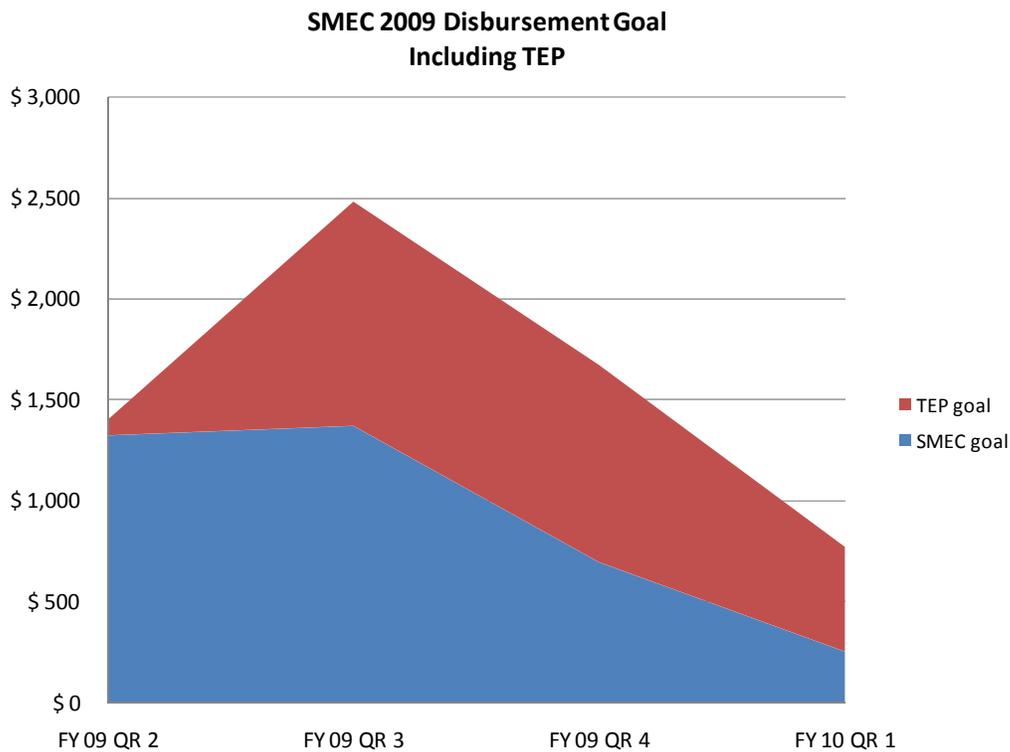
In the design of these projects the SMEC has relied on the support of Base Associations and of Consejos Comunitarios in Cauca and in Nariño. This has been achieved through a joint effort involving

national, departmental and local government entities and, local associations and producers' cooperatives.

The multiple market linkages established in every project and the deep commitment of key stakeholders to these projects allow SMEC to predict suitable conditions for sustainability after 2009 the end of USAID support. It is expected that the continued involvement of departmental and municipality governments in one hand, and the successful business ventures of the beneficiaries on the other, will lead to the economic sustainability of the projects after the end of the formal USAID/TEP support. Nevertheless and given the high complexity of the projects, it is appropriate to state that some sustainability risks will exist that are beyond SMEC control. This is particularly the case for certain activities and disbursements that are scheduled for the year 2010.

The following graph shows the operational demand upon SMEC resulting from the TEP portfolio compared to demands derived from ordinary SMEC projects (in terms of monetary resources to be disbursed).

Figure 11



In order to ensure that such complex and challenging projects are successfully implemented and on a timely manner, the component has decided to reinforce the regional team responsible of implementing this portfolio. As a result, during 2009 a Sectorial Senior specialist, previously supporting the Portfolio Management area in implementing rural projects, will now assume new responsibilities. He will be both coordinating, supporting and advising the implementation of these projects and will also be assisting the Knowledge Management area in the sustainability initiative that supports on-going efforts to the development of a more effective public policy aimed at strengthening Technical Assistance services provided to small rural producers countrywide support.

7.4.5. Other Strategic Issues

Synergies with the Clinton Foundation

The SME component is in the process of finalizing the first agreement of cooperation between the Clinton Foundation and a program financed by USAID in Colombia. Thanks to this agreement, there will be a joint support for a project led by COTELCO (Hotel Association of Colombia) that will allow small enterprises, owned by poor and vulnerable population, to be strengthened and serve as suppliers of goods and services to several major hotels in the city of Cartagena. It is expected that these suppliers can subsequently enter into similar arrangements with other hotels in the region that are not participating in the agreement from the beginning.

Synergies with Acción Social

A third agreement is to be signed between Acción Social and ARD Inc. in the first months of 2009. All financial resources will proceed from Acción Social which implies that the SME Component, on behalf of MIDAS, will just be in charge of the operative aspects, that is, applying its model of operation and backing the projects with its staff.

A portion of the agreement, for USD300,000, embodies an integral and joint strategy between the Colombian government and USAID aimed at consolidating the production and commercialization of honey made from bees as well as improving beekeeping skills of a large number of Familias Guardabosques. The project is to be carried out in seven different territorial nucleuses in a similar number of departments. Five of these projects are already under way from a previous agreement while two more, one from Bolívar and another from Putumayo, are by now in the formulation process.

The other portion refers to a project, costing close to USD120,000, called Familias Guardagolfo (Gulf-keeping families). This initiative seeks to better living conditions of a large number of families in La Guajira coastal area by strengthening their organizational aspects and helping them design productive projects based on ecotourism, handicrafts and rational and environmentally sound fishery for both local consumption and commercial activities, which together may have a positive impact on those families' welfare at the time that preventing their engagement in non licit activities. This is a project that fits perfectly into the SMEC's sustainability strategy as the SMEC model will be transferred to this department and the project may well be the pilot for its assumption.

7.5. COMMUNICATIONS AND OUTREACH

The process towards the fulfillment of the whole knowledge management and sustainability strategy starts by compiling information from more than 400 projects. It will be necessary, however to structure a methodology that will consistently and efficiently allow the SMEC to collect data on different aspects of the program such as Best Practices, Success Stories and Lessons Learned in terms of the individual projects as well as SMEC's overall operational procedures. These papers must be carefully analyzed and tested before publishing any results or recommendations.

For the transfer of the model initiative, there will be a number of events that will require the utilization of resources in order to insure the participation of those who wish to become educated in the advantages of the operational model. This includes workshops for people involved in the adoption of

the model in different regions and agencies as well as a number of related events such as the presentation in 2009 of the evaluation analyzing, the performance of the project suppliers' network.

As for communications items, these are key elements of the overall 2009 strategy for both knowledge management as well as sustainability. They go hand in hand. One reinforces the other, the sixteen videos of success stories and the numerous written success stories, the eighteen "How to..." papers, the six Case studies, and a series of six issue documents. As noted previously, the written items will be published and the videos copied and widely distributed during the year as they become available.

The knowledge management strategy will be responsible for the effective communication of the information developed in these videos and papers of different kinds. In close coordination with the MIDAS Outreach department, the component will define and select the different media and information outlets to be used, including a definition of most appropriate instruments.

Finally, field visits will certainly be necessary to support all of these knowledge management efforts and communication events to present and share the Component experiences.

7.6. PERSONNEL STRUCTURE

During 2009 the SMEC will focus on successful project implementation and closeout, including the regular SME portfolio as well as the new TEP-funded projects. Implementation of the sustainability strategy designed jointly with USAID during the last quarter of 2008 will also be a high priority.

Analyzing today's priorities and realities, SMEC needs to modify some of the assumptions presented as part of the 2008 WP in terms of its organizational structure. The main assumption changing is the one envisioning that only 3 of the 6 regional offices would be operational in 2009, however, these assumptions and the staff plan supporting them were thoroughly discussed with USAID a few months ago.

To date no regional office has finished implementing its project portfolio and all of the administrative processes related with project closeouts are still incomplete. Additionally, in order to successfully implement the component's sustainability strategy, it is important to focus at least 5 of the 6 regional offices on the strategic initiatives described previously. Many of these initiatives take into account pilot projects and accounts for at least thirteen pilot efforts in the different corridors where SMEC has a presence.

As a consequence, the component will maintain its 6 regional offices during 2009 and will not close them until January 2010. At that time the component will have finished the implementation and closing out of its entire project portfolio, including TEP projects, and implemented at the regional level the strategic initiatives that form a part of the sustainability strategy described previously. It's important to mention that this modification implies only a 4 percent increase in the component's personnel budget line versus the figure presented in 2008 WP.

A redistribution of personnel will also be made. The Bogotá office will be reinforced with regional personnel with specific coordination and regional support responsibilities, even though they will be assigned to their respective corridors. In the same manner, the number of people included in the 2008 WP was redistributed between the six corridors and, as a consequence, the six regional offices in 2009 will have a reduced operational structure: a maximum of six people per regional office, some of whom will be financed by external sources such as TEP or the MIDAS Policy Component.

The Project Portfolio Management Coordination Area

Responsibilities: supervision of project implementation, gathering and validation of SMEC indicators and project portfolio close out, coordination of the production of some of the documents included in the sustainability strategy and coordination of the initiative that aims to strengthen local and regional consulting markets to create a permanent web-based market for such services under competitive market prices.

Personnel: a) one Coordinator; b) two Project Specialists; c) one Information Management Assistant; and, d) Sectoral and TEP Specialist (joint position with the Knowledge Management Coordination Area).

The Knowledge Management Coordination Area

Responsibilities: definition of conceptual framework for implementing the sustainability strategic initiatives and coordination and support of the regional offices implementing these initiatives at the field level.

Personnel: a) one Coordinator; b) three Knowledge Management Specialists coordinating, i) the transfer of SMEC's operational model to a number of regions, ii) the series of documents that propose public policy recommendations based on the SMEC experience and, iii) the design of a scheme oriented towards strengthening the delivery of technical assistance services to small rural producers (This position is shared with the Project Portfolio Management Coordination Area).

The Institutional Strengthening Coordination Area

Responsibilities: Consolidate the institutional strengthening process developed within SMEC's project supplier's network and coordinate the evaluation of the performance factors of the Project Suppliers' network in order to facilitate the successful transfer of the SMEC's operational model at the regional level.

Personnel: a) one Coordinator; b) one Institutional Strengthening Specialist.

Additional Personnel Changes

a) Each regional office will have either a Regional Director or Technical Coordinator responsible for coordinating all the regional office activities; b) the regional technical team will be composed of project specialists and assistants, and the total number of employees in each region will depend on the number of projects in execution during 2009 and the activities associated with the implementation of the sustainability strategic initiatives; c) the number of Sustainability strategy coordinators in each regions will depend upon the number of sustainability initiatives being implemented in the respective region.

Figure 12

SMEC Organizational Structure Bogotá Office 2009

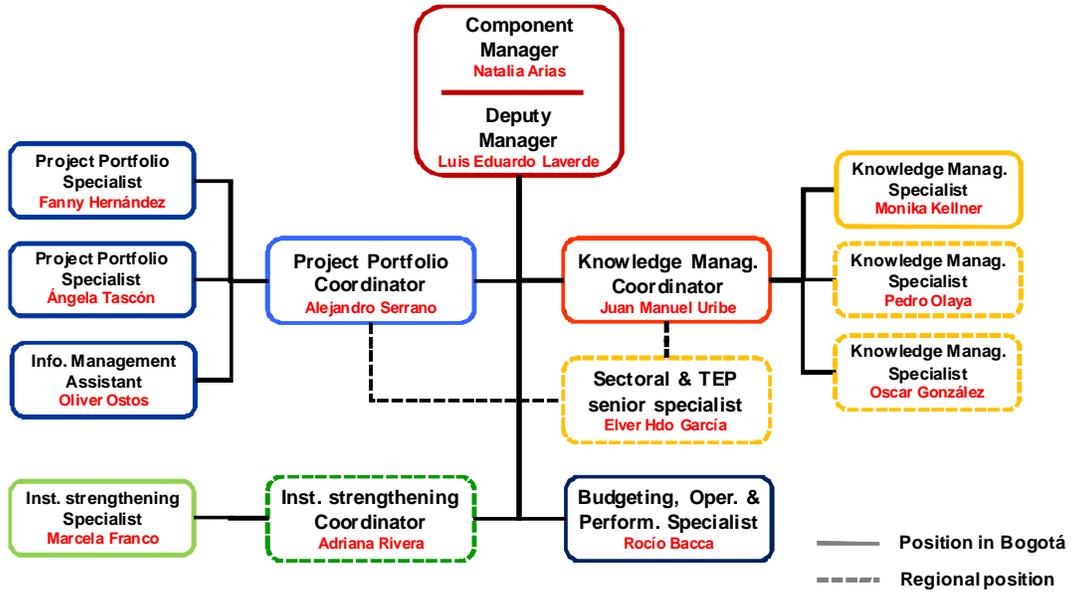


Figure 13

SMEC Organizational Structure Regional Office 2009

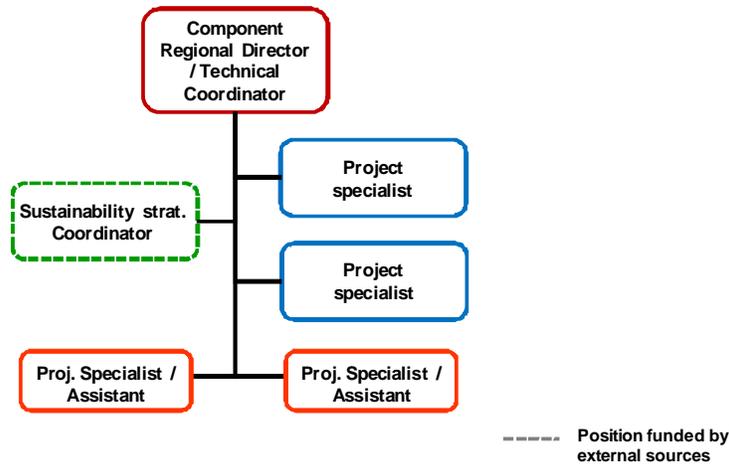


Figure 14

SMEC Organizational Structure Cali Office

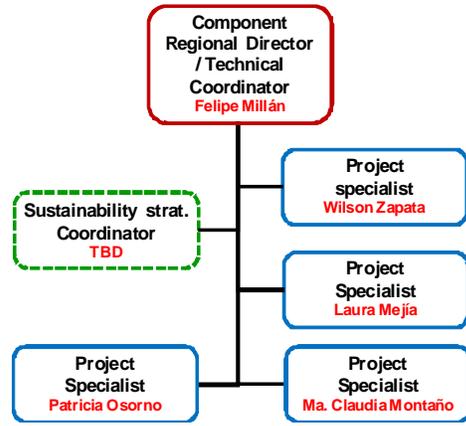


Figure 15

SMEC Organizational Structure Medellín Office

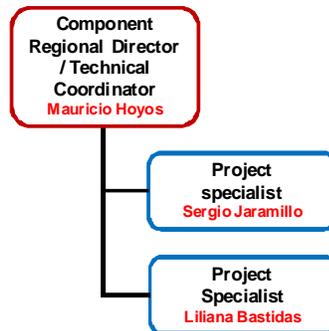


Figure 16

SMEC Organizational Structure Bucaramanga Office



Figure 17

SMEC Organizational Structure Barranquilla Office

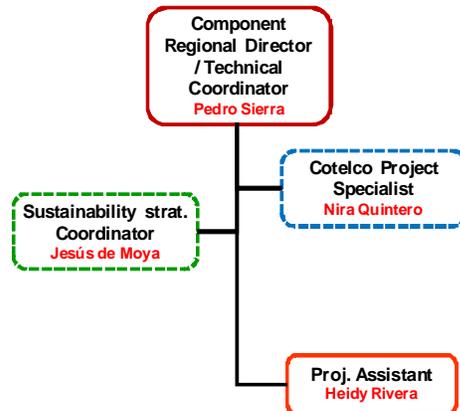


Figure 18

SMEC Organizational Structure Pereira team working in a local government office

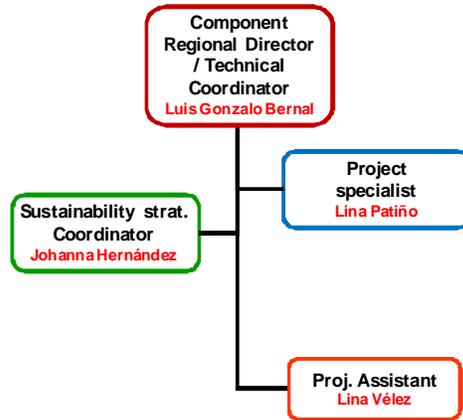
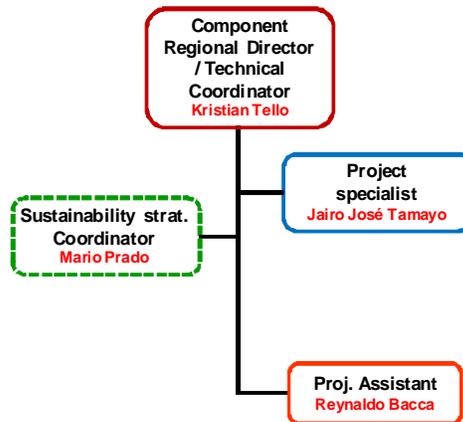


Figure 19

SMEC Organizational Structure Neiva Office



8. COMMERCIAL FORESTRY COMPONENT

8.1. BACKGROUND

The MIDAS Commercial Forestry Component –CFC- promotes alternative development through investments in forestry plantation establishment and improved natural forest management that create new jobs and enhanced income opportunities. MIDAS support is strategic in providing such unique economic alternatives in extremely remote and ex-conflictive areas of Colombia, where alternatives for enterprise creation are lacking. The CFC component works in a two-fold strategy: Forestry Plantations subdivided in wood trees and rubber trees and Natural Forest Management:

Forest Plantations

Wood Trees

The CFC goal is to promote the establishment of more than 50,000 hectares of new forestry plantations of wood trees. This scale is very significant since it represents approximately a 32% increase of the country's total growing forestry plantation area (about 150,000 ha.) to date. The MIDAS CFC approach to date has resulted in the establishment of 13 strategic alliances between private sector companies (that provide vegetative material, technology and market linkages), and small land-owners or



Building upon the foundation laid in 2008 to combating global warming, CFC will begin marketing activities with "OPTIM carbon finance" to begin a voluntary carbon market and also develop a sustainability plan for the model of the natural forest conservation payments as an environmental service.

associated landless forestry-sector workers. The contractual LoP goal of new hectares that was finally decided for CFC after the 2007 MIDAS' budget realignment is 61,849. Out of that amount, 57,049 ha will be wood trees and 4,800 ha will be rubber trees. Due to revaluation of Colombian pesos during most part of year 2008, CFC was forced to reduce its commitments. Then, tables show that only, 96% of the LoP goal will be achieved at the end of the program. However some new commitments will be intended during 2009 because revaluation seems to be going in the other direction. For that purpose, conversations have been held with Monterrey Forestal and Madeflex so far.

Model of strategic alliances between private sector companies and small land owners will assure technical assistance to them because private companies are interested in their quality production.

The areas where the plantations are being established cover the 6 MIDAS corridors in a relatively equal distribution.

Rubber

The goal of the CFC is promoting the establishment of 4,800 has of new rubber plantations to develop a nucleus in Santander and other departments which production will be transformed into a processing plant near the plantations. There will be producing R20 rubber type (rubber granules and highly specified) to meet the needs that the country has in that area and obtain export surplus to the tire industry.

This means a growth of approximately 15% of the total number of hectares that the country has set on that specie (about 32,000 ha). The CFC-MIDAS model is the result of three projects that establish strategic alliances between private sector companies (which provide technical assistance, plant material and commercial chain) and associations of owners of small farms that are linked to the activity and participate in the ownership and results of the processing plant. CFC has signed three projects for the establishment of 4,800 ha of rubber plantations.

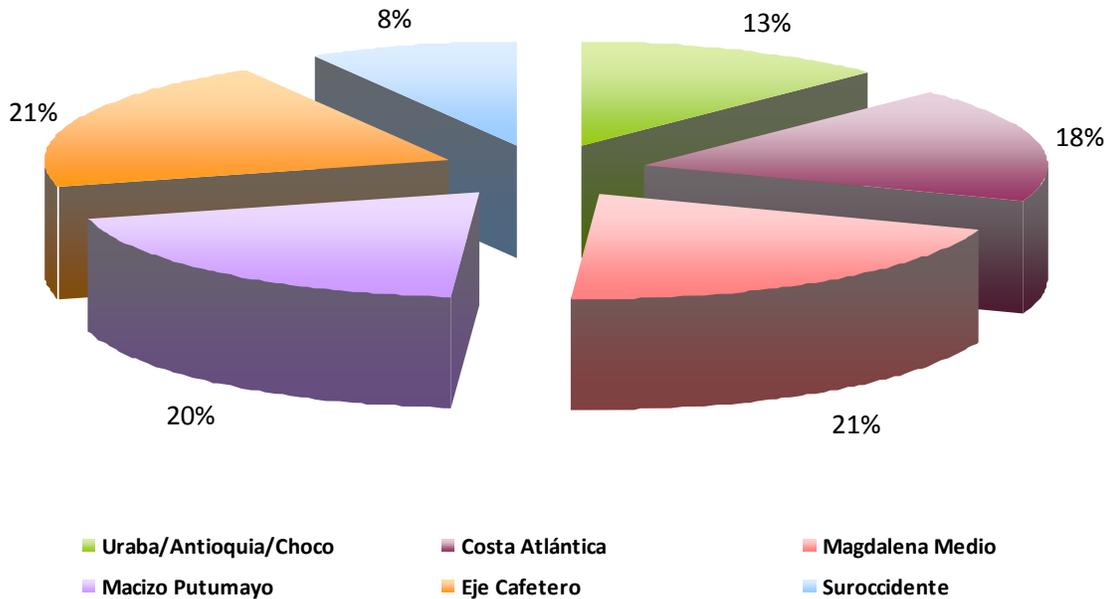
PROCAUCHO S.A. main private sector company of Santander will provide technical assistance alter MIDAS' life.

CFC plans to hold by mid year a Workshop on different aspects related to rubber plantations. It will include participants from the three rubber nucleus of Colombia (Caquetá, Meta y Santander).

Total hectares supported goal (63,715 hectares) is the result of adding Wood trees goal (57,049 hectares), Rubber trees goal (4,800 hectares) and TEP reforestation goal (1,886 hectares).

Figure 20

Plantation By Corridor



Reaching the poor and the most vulnerable - All of the alliances supported by USAID through MIDAS involve the active participation of poor and disenfranchised communities in revenues through ownership of timber rights (*vuelo forestal*) and latex production, due to a new and innovative model of business participation promoted by MIDAS.

Natural Forests

Protecting Colombia’s Natural Endowments.- Colombian law provides Afro Colombian and Indigenous communities with the stewardship over large expanses of natural forests. The previous USAID Colombia Forestry Project began the long and arduous process of helping selected

Main results so far of the implementation of payments for conservation are the strengthening of community organizations, governability of its territories and significant reduction of outsiders to plant illicit crops.

communities take advantage of their rights and comply with their responsibilities under the law with regards these natural forest endowments. MIDAS is engaged with these communities in helping them improve the management over a total of 107,268 hectares of natural forest over the life of the contract. The 107,268 hectares is a reduction in the original contract goal of 150,000. USAID and MIDAS agreed to this reduction to allow for more intensive investment with 4 communities to apply actions identified under approved Forestry Management Plans to voluntary

conservation of 30,198 ha.

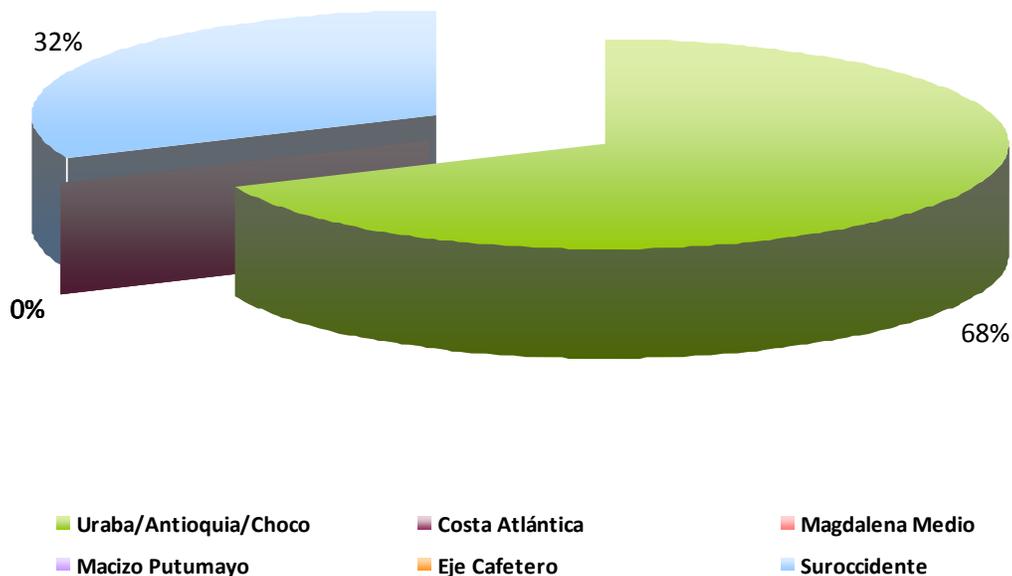
MIDAS is also helping additional communities undertake the first step of developing Forestry Management Plans for an additional 77,070 hectares. All communities assisted by MIDAS will

eventually have “improved management” tools to both protect and increase the value of the natural forest assets under their stewardship. These activities include: sound forestry planning, sustainable reduced harvesting, development of non-timber economic alternatives, exercising effective governance over their land areas, adoption of best rehabilitation practices, and the developing of Payment for Environmental Services (PSE) frameworks that should result in compensation to the communities for their stewardship actions that provide tangible benefits to society.

MIDAS-CFC supported design of a new FMP (Forestry Management Plan) for RIOSUCIO, SANTA CECILIA and CAJAMBRE territories. CAJAMBRE will have a phase II natural forest Best Management under earmark resources-TEP. Other areas RIOSUCIO and SANTA CECILIA will move into phases II in the future by benefiting from actions and results of BAJO MIRA, CONCOSTA, CHIGORODO and CAJAMBRE phase II.

Figure 21

Natural Forest By Corridor



CFC plans for the year 2009 include liaison with NGOs (WWF, CI, TNC, NATURA) and GOC institutions like MAVDT (Environmental Ministry) and potential donors like European Embassies, about environmental services. A REED table will be formed with them to help GOC to prepare the R-Plan required by the Carbon Partnership of World Bank.

Also, MIDAS-CFC will continue actions with OPTIM, private firm that will represent some of the communities at the voluntary carbon market.

Targeting Vulnerable Groups.- A lot of the projects related to the establishment of forest plantations for timber and rubber associations include groups or individuals, vulnerable by their poverty and

exclusion in the sector developments. They are owners of small farms or simply workers that without the support of MIDAS could not be linked to the productive chain.

On the other hand, communities that are beneficiaries of the strategy of improved management or voluntary conservation payment for 31,800 hectares, are indigenous or Afro-descendants.

Additionally, MIDAS has supported the development of three new plans for sustainable management of forests for 75,468 hectares, owned by communities of Afro descent and indigenous reservations (*resguardos*).

MIDAS-CFC will participate in the afro-indigenous earmark with three TEP projects (Ethnic productive territories) defined for some areas of the Colombian Pacific coast.

8.2. 2008 RESULTS

Table 23: CFC 2008 Results

Performance Indicators	Achievements						
	LoP Goal	WP 2008 Goal	2008*	Total Cumulative 2006-2007	Total Cumulative 2008	% WP Goal	% LoP Goal
1. Number of Jobs Created	21,000	7,389	5,901	3,986	9,888	80%	47%
2. New Hectares	61,849	21,951	15,822	13,811	29,633	72%	48%
2.2 Hectares Supported (Attended)	0	0	0	592	592	0%	100%
Total Hectares Supported	61,849	21,951	15,822	14,403	30,225	72%	49%
3. Number of Families Benefited (ACI)	7,600	5,735	5,824	3,537	9,361	102%	123%
4. Natural Forest Hectares Supported	107,268	60,122	76,065	30,646	106,711	127%	99%
5. Producer Associations/Processor Strengthened	35	31	21	34	55	68%	157%
9. Private Sector Firms Formed or Strengthened	40	0	6	20	26	100%	65%
10. Total Value of Supported Projects (\$000)	97,565				0	0%	0%
11. MIDAS Total Project Support (\$000)	18,100	5,635	4,152	3,259	7,411	74%	41%

8.2.1. Plantations

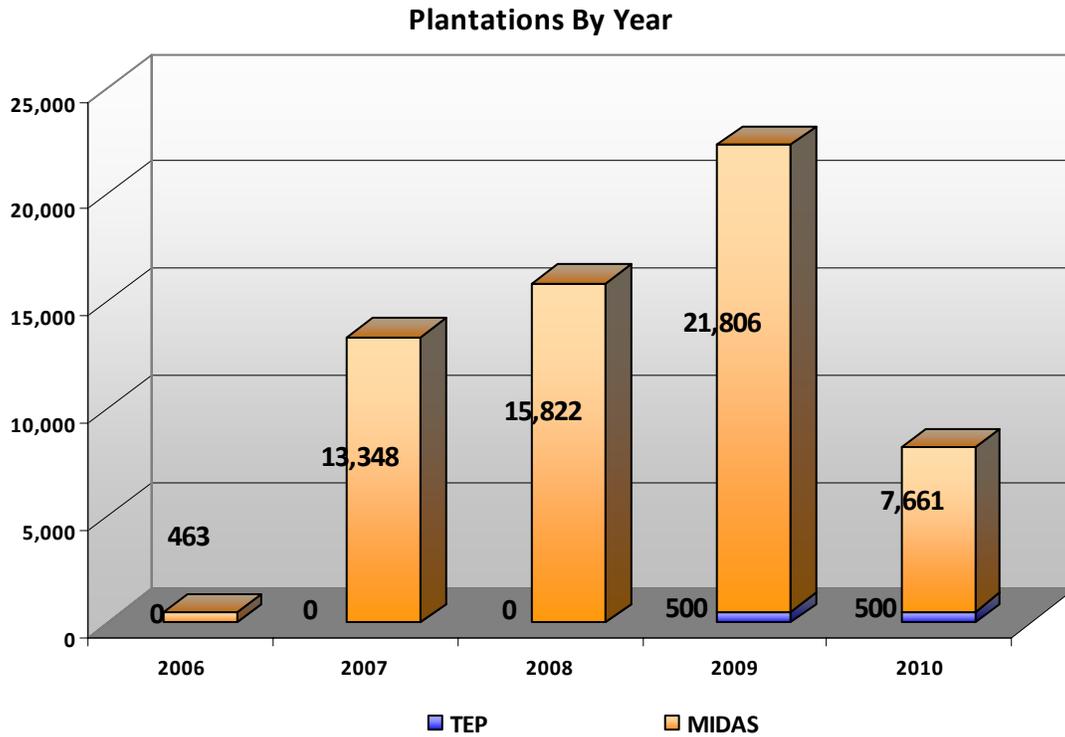
During year 2008 by implementing 15 projects, 15,822 ha were reforested, 1,446 hectares of them accounted for rubber plantations. With regard to the WP goal in 2008, the level of compliance was 72%. The accumulated planted area to December 2008 reached 29,633 hectares, accounting 48% of the LoP.

Actually new hectares started to be planted only until the beginning of year 2007. That is one year and half years back. Still there is another year and half of LoP ahead and target is achieved almost by 50%.

During this period 2008, CFC generated 5,901 jobs and benefited 5,824 families.

The partnership with Maderas del Darién was established to develop plantations in lands under “Ley 70” (communal lands owed by Afro-Colombian community councils” This type of partnership has no precedent in Colombia. 521 Ha have been planted son far.

Figure 22



8.2.2. Natural Forests

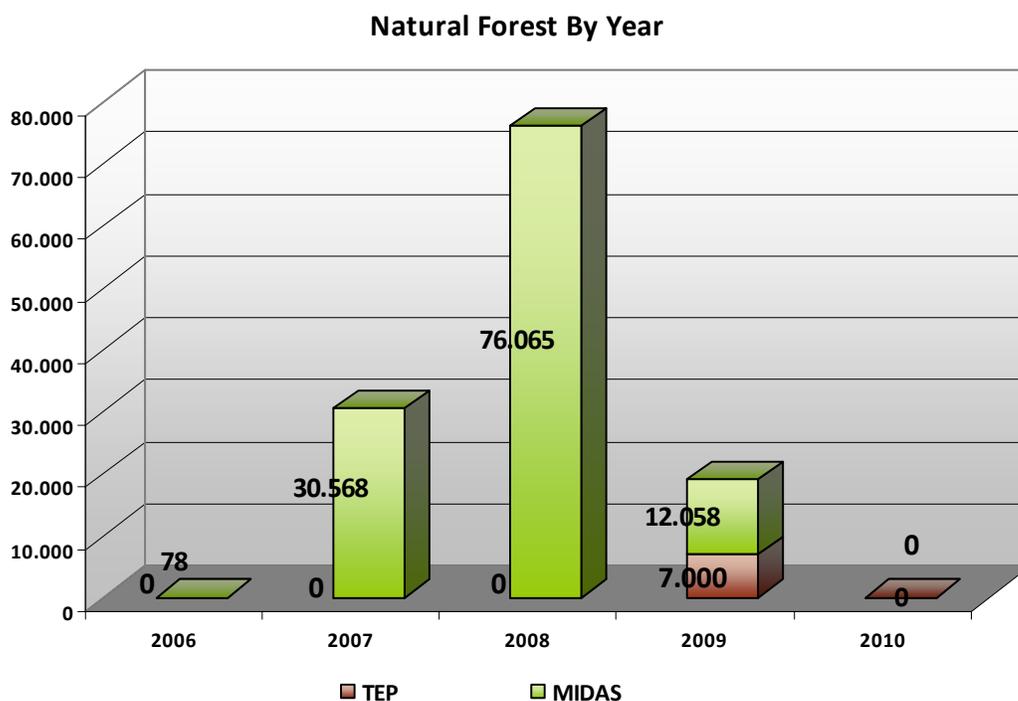
In natural forest, the CFC began with the implementation of the strategy for improved forest management, showing a new way for sustainable management of forests in Colombia and achieving positive results.

In year 2008 CFC reported 69,368 hectares of natural forest under “best management” which is equivalent to 115% of 61,122 hectares target of the year.

Cumulative up to December 2008 is 106,711 hectares representing approximately 99% of the total goal of the project.

The planned event on best management of natural forest for year 2008 will take place by second semester of 2009. Change is due to wait for more information about successful implementations.

Figure 23



During this period 2008, the subcomponent of natural forest generated 241 jobs and benefited 369 families.

8.3. 2009 GOALS

Table 24: CFC 2009 Goals

Main Indicator Achievements / Cash Flow	Program	Achievements			WP 2009 Goals				WP 2009 Goals	% LoP	Y5	Total	% LoP
		LoP Goal	Total Cumul. 2006-2007	Total 2008	QR1	QR2	QR3	QR4					
1. Number of Jobs Created	MIDAS	21.000	3.986	5.901	1.302	3.387	2.004	2.805	9.498	92%	1.654	21.040	100%
	MIDAS-TEP	675	0	0	0	337	0	338	675	100%	0	675	100%
2. New Hectares	MIDAS	61.849	13.811	15.822	2.758	7.259	5.353	6.437	21.806	83%	7.661	59.099	96%
	MIDAS-TEP	1.866	0	0	0	80	853	933	1.866	100%	0	1.866	100%
2.1 Hectares Supported (Attended)	MIDAS	0	592	0	0	0	0	0	0	100%	0	592	100%
Total Hectares Supported	MIDAS	63.715	14.403	15.822	2.758	7.339	6.206	7.370	23.672	85%	7.661	61.557	97%
2.2 Natural Forest Hectares Supported	MIDAS	107.268	30.646	76.065	0	3.991	5.147	2.921	12.058	111%	0	118.769	111%
	MIDAS-TEP	7.000	0	0	3.500	1.750	1.050	700	7.000	100%	0	7.000	100%
3. Number of Families Benefited (ACI)	MIDAS	7.600	3.537	5.824	110	247	178	266	801	134%	328	10.490	138%
	MIDAS-TEP	5.169	0	0	0	2.298	574	2.297	5.169	100%	0	5.169	100%
5. Producer Associations/Processor Strengthened	MIDAS	35	34	21	2	7	3	3	15	200%	0	70	200%
	MIDAS-TEP	13	0	0	3	4	4	2	13	100%	0	13	100%
6. Proposals Being Processed	MIDAS	200	132	2	0	0	0	0	0	67%	0	134	67%
7. Projects Signed	MIDAS	40	22	6	1	0	0	0	1	73%	0	29	73%
8. Alliances Developed	MIDAS	50	14	0	0	0	0	0	0	28%	0	14	28%
9. Private Sector Firms Formed or Strengthened	MIDAS	40	20	6	1	0	0	0	1	68%	0	27	68%
10. Number of Consensus Accords Signed	MIDAS-TEP	11	0	0	5	4	2	0	11	100%	0	11	100%
11. Number of Productive Ethnic Territories Supported	MIDAS-TEP	13	0	0	0	5	5	3	13	100%	0	13	100%

8.3.1. Plantations

For the year 2009, the projections in the plantation projects are:

- Establishment area (hectares): 21,806
- Benefited Families: 801
- Generated jobs: 9,498
- Strengthened Associations: 15

Note: Does not include TEP Goals.

The indicator of plantations at the end of 2009 will be 53,897 hectares which corresponds to 85% from 63,715 hectares, LoP goal. In these numbers the TEP projects have been included and the LoP target has been incremented in 1,866 new hectares.

With regards to other indicators, at the end of 2009 would be 92% compliance in jobs and 134% in beneficiary families.

By the end of 2009 results will show that MIDAS program has helped increase the total reforested area in the country by 30%.

The following table illustrates the projects that will be still planting during the first semester of year 2010 without the TEP reforestation projects. The new hectares left for year 2010 are caused by delays in actual projects and new commitments to replace changes due to revaluation of the Colombian pesos during year 2008 or low performance projects. To monitor those activities CFC will use the same structure originally proposed for year 2010.

Recently MIDAS has been studying the possibility of giving support to the ADAM project- FORESTAL CAUCA-to provide silvicultural management to 866 hectares, which will become an additional project of CFC. Designing and details will be developed during the first quarter of 2009.

Table 25: Forestry Plantations 2006-2010

	N°	Project Code	Project Name	2006	2007	2008	2009	2010	Total
MIDAS	1	F-0007-06-G-032	MONTERREY	0	1,674	0	400	0	2,074
	2	F-0008-06-C-002	LA GIRONDA	303	340	142	0	0	785
	3	F-0009-06-C-003	EL INDIO	160	280	200	50	0	690
	4	F-0015-06-G-433	AGROFORESTAL	0	1,201	524	775	0	2,500
	5	F-0037-06-G-599	AGRONAYA	0	0	137	600	263	1,000
	6	F-0041-06-G-532	ALDEA GLOBAL	0	0	592	857	51	1,500
	7	F-0050-06-G-135	MADEFLEX	0	1,237	1,244	1,450	1,069	5,000
	8	F-0086-06-G-321	MADERA Y CAFÉ	0	721	665	2,564	50	4,000
	9	F-0121-06-G-311	AGROSANTAFE	0	151	382	567	0	1,100
	10	F-0148-06-G-224	MADERAS DEL DARIEN	0	27	551	900	522	2,000
	11	F-0157-06-G-234	FEDECAFE	0	5,987	8,026	8,200	4,651	26,864
	12	F-0161-06-G-377	CORCUENCAS	0	700	493	1,114	393	2,700
	13	F-0337-06-G-378	EFH	0	512	515	600	162	1,788
	14	F-0341-06-G-432	REFOCOL	0	0	1,499	1,601	500	3,600
	15	F-0346-06-G-310	PROCAUCHO MAG	0	520	852	2,128	0	3,500
TOTAL MIDAS				463	13,350	15,822	21,806	7,660	59,101
	16	T-0448-08-639	TALAGA	0	0	0	1000	0	866
	17		FORESTAL CAUCA	0	0	0	866	0	1,000
TOTAL TEP				0	0	0	1,866	0	1,866
TOTAL HECTARES FORESTRY PLANTATIONS				463	13,350	15,822	23,672	7,660	60,967

Table 26: Project Watch List

No.	Project Number	Name
1	F-0007-06-G-032	MONTERREY
2	F-0008-06-C-002	LA GIRONDA
3	F-0009-06-C-003	EL INDIO
4	F-0037-06-G-599	AGRONAYA
5	F-0086-06-G-321	MADERA Y CAFÉ
5	F-0148-06-G-224	MADERAS DEL DARIEN

8.3.2. Natural Forests

As it relates to the natural forest, the 2009 is basically aimed at achieving the sustainability of the strategy for improved management of natural forests. In 2009 will be reported 12,058 ha in conservation by communities currently supported by CFC, reaching a total of 118,769 ha in the life of the project, with a performance of approximately 111%.

There is a high possibility that implementation of phase II in the community of ALTO GUAPI, will not be carried out due to the lack of commitment from the community to eradicate illicit crops founded there, although food security actions are being developed now. Instead, under the earmark-TEP implementation of a phase II natural forest best Management intervention in CAJAMABRE will start in February 2009. The project will include the conservation of 7,000 ha of natural forest.

CFC plans for the year 2009 include liaison with NGOs (WWF, CI, TNC, NATURA) and GOC institutions like MAVDT (Environmental Ministry), CARs and potential donors like European Embassies in order to transfer natural forest improved management model and to develop local ownership for sustainability and follow up.

In synergy with MIDAS Policy Component (PC) actions are carried out for the creation of a legal frame for environmental services and development of a CONPES document including conservation of natural forest as an environmental service.

Performance by Quarter

January to March

Plantation Agreements signed with “Reforestadora El Indio, Reforestadora La Girona and Monterrey Forestal” will be closed. During this first quarter, efforts will focus primarily on preparing the ground for new hectares to plant, since in most regions, the rains are just starting in late March.

During this period, efforts also will move into the activities of maintenance the established plantations during the years 2007 - 2008 and made follow-up visits for verification of compliance with environmental measurements.

PCs for the various projects will be responsible for making information on the costs of establishing and maintaining plantations, in order to make an update of the cost of the various species used in the projects of the MIDAS program. They also will start discussion with grantees and beneficiaries on sustainability of project benefits.

During first quarter donation agreement with Consejo Comunitario de la ACIA will be signed. MIDAS will support extraction, process and commercialization of two non timber products of the natural forest. (Palma mil pesos to obtain fine oil and Jagua fruit for vegetal tinctures).

CFC will continue actions to socialize best management strategy and the implementation of its projects related to it.

Activities related to food safety programs with participation of Acción Social’s ReSa program will be completed. It will benefit approximately 1,400 families of the community councils.

Recruitment phase of the responsible company for the verification of the conservation areas will be concluded. Hand in hand with these activities, the CFC will continue the construction of the sustainability plan for the model of the natural forest conservation payments as an environmental service.

April to June

During this quarter CFC will focus primarily in the largest percentage of planting area of the year 2009 (7.259 ha). The activities of the PCs will have priority to verify planted areas, assess quality of plantings, monitoring implementation of environmental measures and support grantees to report indicators.

A workshop with grantees to assess the impact of the MIDAS program national reforestation activity will take place.

On natural forest it is expected during this quarter to get the first images and the first written report of the conservation areas where CFC is working to implement “best management” strategy”.

Communities will start to measure and report the rest of their conservation areas. They will continue to start their productive projects and social investment financed by the conservation payments done by MIDAS.

Challenge of the quarter will be the first draft of the REDD document of forest conservation. REDD document will be the mechanisms and actions to support GOC for the design of the R-PLAN to be

presented as a requirement by the Forest Carbon partnership of the World Fund to finance avoided deforestation.

July to September

Target for the quarter will be the establishment of 5,353 new hectares and maintenance of the existing ones. Also processing information related to species and cost to update the technological packages of them.

CFC will obtain the latest reports on conservation areas of the second verification.

It is planned to continue design of an organization which will aim to represent the communities in the internal or external market for environmental services. USAID thru CFC will use EGAT consulting services to develop that organization. It will administrate funds obtained by communities for natural forest conservation services, provide technical assistance and represent them at public and private organizations.

October to December

Target for the quarter will be the establishment of 6,437 new hectares and maintenance of the existing ones. PCs will continue their activities related to verification of planted areas, fulfillment of environmental commitments and supporting grantees to report indicators. Target by the end of the year will be the accumulated establishment of 21,806 hectares.

CFC will intend to have an updated document related to cost and technical packages of species. CFC will also intend to measure the impact of the investments done in communities. The phase of closing projects in natural forest will begin.

8.4. STRATEGIC OBJECTIVES

8.4.1. Effectiveness of Performance

With regard to the effective implementation it is necessary to emphasize on the careful selection of operators / grantees of the various projects and frequent monitoring of the development of all operations. Establishment and maintenance of the plantations have resulted in the formation of a very good quality planted forest. Selection of species and silvicultural techniques for each site or region selected. There will be a very good timber production ahead, in quality and quantity.

Participation of owners of small farms and vulnerable people in reforestation projects is another success. The total investment in forest plantations supported by MIDAS is \$104.9 million. Out of that amount, \$13.7 million (13.02%) have been provided by MIDAS. Small landowners have provided \$72.9 million (69%) represented on the opportunity cost of land and the capitalization of part of its workforce.

Actions to obtain the effectiveness in implementation are:

- CFC will train its Coordinators and grantees in order to get the best quality of plantations and achieve closing of projects.

- CFC will maintain close collaboration with C&G and E&M areas of MIDAS in order to track the performance of projects and delivery of the indicators. For this purpose CFC also will continue to develop and review the "weekly report" that allows to monitor the performance of the projects, review the results of the REVA committee and all measurement instruments.
- CFC activities will have a communications plan to be implemented in coordination with the Communications area of MIDAS. Purpose of this plan is to obtain the component socialization messages referring to the CFC objectives of the sustainability plan.

8.4.2. Quality in Implementation

CFC has achieved a very good integration and coordination between the technical staff assigned by the MIDAS Program (PCs) and the technical staff of the operator /grantee. Despite the difficulties over the past six months caused by excess of rain, work has not been affected and planting targets planted have not decreased much.

The actions aimed to achieve better quality in implementation are:

- Permanent communication with COP and DCOP to support actions and strategies.
- To measure satisfactory impact in beneficiaries, several actions will be carried out by MIDAS such as surveys by an external consultant. CFC will collaborate with the consultant, participating in the design and choice of beneficiaries.
- Transmission to grantees and beneficiaries of the culture of quality crops, maintenance and environmental care. Quality of plantations must be reflected as well as to plant as to maintain. Technical assistance of PCs works on that but also listens to the experience of the operators.
- Fill in all the trainings and socio-entrepreneurial plans about the culture of legality.
- Synergy with MIDAS POLICY component to obtain recognition of the Natural Forest Conservation as an environmental service. This forestry policy will be consigned in a CONPES document to which MPC will participate.
- During year 2009 CFC will analyze all projects permanently to recommend at the end of MIDAS LoP which projects will require further support.

8.4.3. Knowledge Management and Sustainability

During the year 2008, the CFC has focused much of staff time in developing a strategy and action plan to ensure the sustainability of projects once the MIDAS program ends, and to transfer technological and socio-economic development generated in the projects related to forestry activities.

In the aspect of sustainability, the actions are aimed to develop the three main objectives of CFC:

- Contribute to the reforestation process in Colombia by consolidating alliances and securing small producers in the value chain. By the implementation of this model, MIDAS-CFC is promoting the establishment of more than 54,000 hectares of new forestry plantations of wood trees. This scale is very significant since it represents approximately a 37% increase of the country's total growing forestry plantation area (about 150,000 hectares.) to date.

- Improve the consolidation of the rubber sector in Santander. Promote new rubber tree plantations and a transforming plant to develop a nucleus of latex production to be able to supply national needs and exports to the tire industry. Actually Colombia has only about 9.000 hectares of rubber trees to produce just about 1000 ton a year. With the creation of the Santander nucleus of at least 4.800 hectares, production will be able fill those needs.
- Ensure the CFC forest management model is successful and replicable for Colombia. Promote and make operational and permanent over time the model in which natural forest can provide to its community proprietors enough income from other activities but timbering.
- Promote and make operational and permanent over time the model of partnership between small and large farmers, thus both sides benefit of forestry activities. By the implementation of this model, MIDAS-CFC is promoting the establishment of more than 54,000 hectares of new forestry plantations of wood trees. This scale is very significant since it represents approximately a 37% increase of the country's total growing forestry plantation area (about 150,000 hectares.) to date.
- Promote and make operational and permanent over time the model in which natural forest can provide to its community proprietors enough income from other activities but timbering.

Diffusion of the MIDAS legacy or knowledge transferring activities shall be made to make public the progress in the technical, socio-entrepreneurial environmental and operational aspects. A sustainability matrix has been developed. Actors, objectives and actions to develop it are considered with an estimated date of implementation. It is an attachment of the WP-09.

In that sense, the actions will be directed to:

- Contribute to the methodology of impact assessment
- Define the community of learning
- Define the methods of outreach
- Identify the institutions for the continuation of the impacts

Equally important are the actions related to human development. In this regard CFC will work on:

- A motivation in the implementation
- Redefinition of roles depending on individual abilities
- Transition of staff to other activities

8.4.4. Support to Afro-Colombian and Indigenous Peoples

The CFC will participate in the activities of PET with two specific projects:

- Establishment of 1,000 hectares of timber pine in the Indigenous Guards of Talaga, Ricaurte and Cohetando, municipalities of Paez and Belalcázar, department of Cauca. The contribution of MIDAS will benefit 500 indigenous families and create 376 equivalent jobs.

- Implementation of the Natural Forest best management strategy in the collective territory of the Cajambre River basin, municipality of Buenaventura, Valle del Cauca. The contribution of MIDAS will benefit 250 afro descendent families, generate 245 equivalent jobs and conserve 7,000 hectares of natural forests.
- Continued coordination with the ReSA – Acción Social’s Food Security program.
- Interaction with other USAID program operators (ADAM, FUPAD, OIM.).

8.5. OTHER STRATEGIC ISSUES

Environmental Services for natural forest Conservation

The CFC has created and implemented a model of forest conservation payments within collective territories. It is the first step to achieve recognition of conservation of natural forest as an environmental service in the regulatory frame and in the national forestry policy.

It is based in the concept that the importance of natural forest goes beyond of its wood supply capacity. Other aspects related to environmental services are also very important and are able to provide income to its proprietors.

During year 2009, CFC is planning to raise funds from international participation in the conserved areas as an environmental service, with particular emphasis on reducing CO2 emissions from decline in deforestation.

An initiative to create a second level organization responsible for representing the communities in the market will be explored. This kind of organization should be able to manage a revolving fund to support conservation activities of communal territories.

MIDAS-CFC will do Technical Assistance to ACCIÓN SOCIAL to design a FGB conservation project for indigenous communities in the Sierra Nevada de Santa Marta.

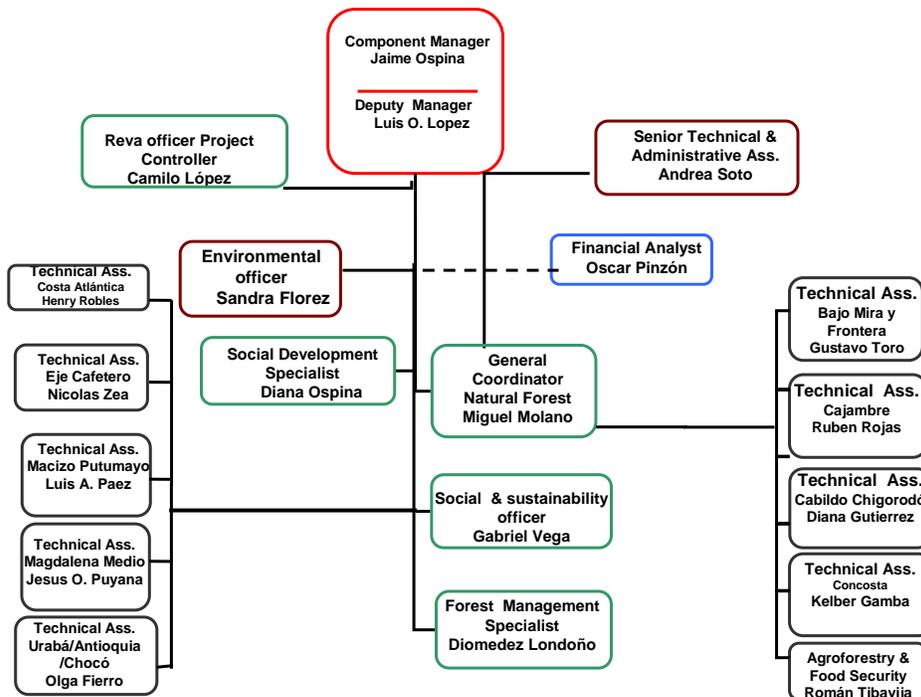
8.6. COMMUNICATIONS AND OUTREACH

For launching and development of all the activities referred to the knowledge transferring and sustainability of projects, the CFC would require the support of the MIDAS Communications office. It has drawn up a list of services that CFC requires in this department (Appendix).

8.7. PERSONNEL STRUCTURE

- CFC will begin year 2009 with a personal structure of 20 people, having reduced already 4 persons the structure of year 2008.
- CFC will end year 2009 with a personal structure of 10 people, reducing by 10 persons during the year 2009.
- CFC will end its activities during year 2010 with a personal structure of 5 people, reducing by 5 people during the year 2010.

Figure 24



8.8. 2010 ACTIVITIES

Without the two TEP projects, CFC activities during 2010 will be:

- Establishment of at least 7,661 hectares in 9 projects, which are the remaining commitments. If any delays in plantings happen due to climate issues in 2009, it will be established in 2010.
- Conservation of 30.800 hectares of Natural Forest: It has been committed with four communities the conservation of 30,800 ha of the natural forest existing in their territories. Projects started in July 2008 and will go thru July 2010. Conservation for MIDAS refers to the forest coverage and areas free of illicit crops.
- Strengthening of producer associations and private firms involved in the 16 remaining projects: Most of projects involve associations of small producers or associations of sector workers. They will be strengthened through technical and administrative training of their people
- Evaluation and environmental activities of the 16 remaining projects.
- Maintenance and technical assistance of 18,900 ha of plantations: Most of the planting projects require maintenance of plantations, especially during the first two years. This number of ha refers to the cumulative amount of ha planted up to 2008 excluding the ones of The Federación Nacional de Cafeteros projects which will be maintained thru other means.
- Closing and auditing of the remaining 16 projects.
- Disbursement of remaining commitments.
- Creation of 1,210 new jobs and benefiting 328 families.

9. POLICY COMPONENT

9.1. BACKGROUND

Over the past three years the MIDAS Policy Component (MPC) has assisted the Government of Colombia's structural reform efforts aimed at promoting the overall competitiveness of the Colombian economy and sustained high economic growth. Colombia has undertaken critical economic policies and overcome institutional rigidities to improve its business climate and generate investor confidence. Many of these reforms will allow Colombia to take full advantage of international trade/investment opportunities associated with the Free Trade Agreement (FTA), as well as realize the Colombian economy's dynamic potential for income growth, job creation, and poverty alleviation.

However, Colombia still faces important challenges associated with protection of land property rights and efficient use of land resources, lack of compliance with labor rights, limited access to finance, scarce technical assistance and market information to small urban and rural producers, inadequate infrastructure, and absence of incentives for protection and adequate use of natural resources. Also, coordination between national and sub-national governments remains insufficient, which limits the productive potential of regions.

The challenges laid out above prevent small producers from taking advantage of improved market opportunities and hinder Colombia's alternative development and poverty alleviation efforts under Plan Colombia. In 2009 MPC will work with the Colombian national and regional/local governments to address existing limitations to productivity and competitiveness of SMEs, agricultural, and forestry businesses to ensure they are positioned to take advantage of the opportunities that emerge from integration with the international economy, and generate sustainable livelihoods for farmers and small producers, directly contributing to GoC and USAID alternative development objectives.

9.2. 2008 RESULTS

The MIDAS Policy Component (MPC) successfully completed its activities established in the 2008 Work Plan, offering the Government of Colombia critical assistance in support of land restitution, protection of land property rights, finance reform, improvement of the country's investment climate, improved legislation that is compliant with labor rights, strengthening of Sanitary and Phytosanitary institutions, telecommunications reform, transport and logistics reform, more efficient economic instruments that will allow for sustainable management of natural resources, agriculture transition to more competitive crops in regions with high levels of poverty, and overall competitiveness. These measures will make large contributions towards sustained income generation for vulnerable groups and small producers and contribute to support livelihoods of Colombians. The MPC's principal achievements in terms of the indicators set for 2008 were:

Table 27

2008 Results						
Performance Indicators	Policy Achievements					
	LoP Goal	WP 2008 Goal	2008 Results	Total Cumulative 2008	% 2008 WP Goal	% LoP Goal
Laws Approved	15	6	3	12	50%	80%
Conpes Implemented	20	10	4	13	40%	65%
Decrees, Resolutions and circulars approved	62	21	30	106	143%	171%
Institutional reforms	42	21	25	78	119%	186%
Internal Families (Benefited by micro-credits)	184.534	184.000	220.786	222,400	121%	121%

Policy Component Objectives and Achievements in 2009 and Life of Project

The Congress of Colombia approved three laws supported by the MPC during 2009. Two of these laws significantly improve Colombia's compliance with labor rights, including a law that gives authority to judges to determine the legality of labor strikes, and another law that precludes the use of cooperatives to avoid paying employees their labor benefits. The MPC also supported 10 additional bills which were presented by the GoC to Congress during 2008 and which are expected to be approved in 2009. These bills include all 2008 objectives such as the Financial Reform that allows pension funds to invest in a wider variety of instruments such as forestry and funds and long gestation crops, and further deregulates interest rates, and strengthens consumer protection; the information technology law that creates an independent spectrum agency and lays the ground for open and competitive telecommunications market where different technologies can converge to provide similar services; the new Antitrust Law that simplifies the current institutional dispersion and strengthens the antitrust regime; the Arbitration Law that strengthens protection of investor rights; and a new Forestry Law that promotes commercial forestry. In addition to 2008 objectives, the MPC supported 5 other strategic bills which were critical to the overall MIDAS objectives. Prominent among these bills is the Victims Law which addresses many of the MPC main recommendations to ensure prompt land restitution to victims of displacement and violent land seizure. Also important were the Postal Reform, The Trademark Law Treaty, and the ratification of the Budapest Treaty, which are part of the FTA implementation reforms.

The MPC assisted four CONPES documents which were approved in 2008, including the fruits and vegetables CONPES, the competitiveness CONPES, and the intellectual property and the logistics CONPES. Although, the four approved CONPES documents represent 40% of the objectives set for 2008 in terms of this indicator, the MPC supported seven CONPES documents expected to be approved in 2009 by providing detailed recommendations and other inputs. These include the CONPES document strengthening laboratories and measurement certification agencies, the Alternative Development CONPES, the income generation CONPES, the Payment for Environmental Services CONPES, and a VENTURE Capital CONPES. Also, the MPC provided detailed recommendations to strengthen rural finance and enhance the existing agriculture information system.

During 2008, the MPC supported 30 decrees and resolutions, including critical finance reforms to enhance supervision of derivatives, improve Colombia's labor inspections processes; adopt tradable carbons emission caps and water use fees, adopt a new accreditation agency and enhance quality standards, and reform budgeting and capital expenditure procedures among others.

The MPC also supported 25 institutional reforms. These institutional reforms will enhance supervision procedures in the Finance Superintendence; improve 6 new regional labor inspections offices and create an oral labor justice observatory. These reforms created three regional rural transition councils in

Nariño, Boyacá, and Guajira; supported the environmental regional authorities of Medellin, Cordoba and San Andres; strengthened key sanitary and phytosanitary institutions such as INVIMA, Ministry of Environment and Housing, and ICA in addition to the introducing an effective process to support the competitiveness of leading industries and limit rent-seeking activities. Also, these reforms strengthened



The Policy component will strengthen existing agriculture information systems and encourage more active use by farmers of information currently being produced by national and sub-national governments and the private sector by introducing information access technologies such as WiFi and mobile phones.

INVIAS and Bienestar Familiar's budget procedures and the capital spending process in the National Planning Department. Several institutional strengthening reforms were not completed in 2008, including support to the Ministry of Agriculture information unit, and strengthening of land titling and registry procedures which will carry on in 2009.

In addition to these achievements, the Policy Component supported 1 law, 2 CONPES document, 24 additional decrees and resolutions and 48 institutional reforms that were complimentary to the main objectives set out in the 2008 Work Plan. Prominent among these reforms was Law 1231 which establishes the legal framework for factoring and alternative sources of finance for SMEs. In addition, the MPC supported a number of decrees that further deregulate branching and the costs

of opening small savings accounts, and liberalized capital inflows and investment in securities and capital markets. Also, as a consequence of Ponzi schemes in areas with significant presence of illicit crops, the Government of Colombia with MPC support introduced emergency decrees that further deregulate opening and management of savings accounts and establish the legal foundations for electronic bank accounts and the use of mobile phone transactions.

The MPC Microfinance program also surpassed most of its 2008 objectives. The financial institutions assisted by the MPC Microfinance program reached 426.529 active clients. These clients were benefited with \$439.7 million in loans.² Also, the financial institutions assisted by the MPC Microfinance program now have 4755 non-bank correspondents, and there is financial presence in all MIDAS and ADAM municipalities.

Moreover, it is worth mentioning MIDAS support for devising a productive development and income generation policy aimed at traditional Afro Colombian communities. This study will provide important material to the formulation of a policy proposal to improve the conditions of Afro Colombian human capital, raise the value of their assets, support the development of policies to improve the access of this population to credit and strengthen the institutions of the regions and Afro Colombian communities, among other benefits.

² The value of loans disbursed was Colombian Pesos \$879,589,718,714.00.

9.3. 2009 GOALS

The MPC will support two laws, four CONPES documents and the Land Restitution Program, 10 decrees and 17 institutional reforms in 2009, in addition to the 2008 AWP goals that were not materialized and need to be defined during 2009.

Table 28

Main Indicator Achievements	WP 2009 Total
Laws Approved	2
Conpes Implemented	4
Decrees, resolutions and circulars approved	10
Institutional reforms	17
Internal Families (Benefited by Micro-credits)	60,000

The laws that will be developed include the Victims Law, which is awaiting a final debate in the House floor and a new law that reforms the Administrative Judicial Adjudication Code. First drafts of this bill were supported by the MPC in 2008 and a final draft is expected to be presented in March-June of 2009 for approval of Congress. This bill will contribute to strengthening protection of human rights and investor rights.

The laws that were expected to be developed during 2008 include the Forestry bill, the Financial bill, the new Antitrust Regime, the Arbitration reform, and the Information Technology reform. All these bills are an advanced stage of approval in Congress, but may require additional support for public debate.

In terms of the CONPES goal, the MPC will also continue to support the Alternative Development CONPES and Vulnerable Groups Income generation CONPES, the CONPES for Capital Markets, the Labor Demand Prediction CONPES and the Housing CONPES.

In addition, the MPC will continue to support the draft CONPES documents that were planned for 2008 such as the Laboratories CONPES and the Payment of Environmental Services CONPES, the Private Equity CONPES, and the Rural Finance CONPES.

Also the MPC will support the land restitution program, a decree improving regulation of land registration and another decree on use of Afro-Colombian community land (implementing decree of Law 70/1993). In Financial reform, three decrees and resolutions that regulate mobile banking, agriculture insurance markets, and credit bureaus, labor reform, two decrees regulating the new labor inspections system and compliance with labor rights. Also, the MPC will support three decrees and regulatory resolutions in SPS. One of these resolutions will regulate a transition plan for small milk producers. A second resolution will establish a certification scheme in good fisheries practices in ICA. A third resolution will certify the low prevalence of papaya production from North of Valle.

In terms of Institutional Reforms, the MCP will support: four land formalization pilots programs, six institutional reforms that will improve procedures in labor inspections offices and the use of IT systems and risk-based auditing guidelines, an institutional reform to adopt the Competitiveness Study and methodology to produce information and analysis of production costs and crops yields in the Ministry of Agriculture, two regional environmental authorities strengthened to ensure compliance with environmental regulation, and four sanitary regulations: the regulation for food import and export, the regulation for food contact materials and the new list of food additives and cleaning and disinfection substances.

The 2009 work plan also includes an innovative approach to promoting regional competitiveness that will seek to improve regional business environments, strengthen departmental and municipal authorities capacity to promote business development by providing access to finance, technical assistance, market information, and protecting land property rights. This innovative program will be implemented in Nariño, Cesar, Guajira, and Santander. In Cauca the MPC will support ongoing efforts to title, register and protect small landholders. Also, the MPC Microfinance program will face considerable challenges as mobile banking is introduced on a pilot basis.

In 2009 the MPC will continue the implementation of several pilot programs as a mechanism to promote the implementation of policy reforms being supported and provide evidence of the effectiveness of the reforms being pursued by the GoC with USAID support. The MPC will continue to support pilot programs in microfinance, sanitary and phytosanitary standards, agriculture transition, agriculture information systems, improving access to broadband and information technologies through Last Mile Initiative, job-matching and labor intermediation programs with SENA. The MPC will also continue existing pilot programs in support of land reform and land restitution to IDPs and the implementation of policies aimed at promoting income opportunities for Afro-Colombians at the municipal level in the Pacific coast.

2009 will be the final year for the MIDAS Policy Component. The MPC will undertake 6 specific actions to ensure sustainability of progress being achieved in improving the business climate in Colombia, access to finance, technical assistance to small agriculture and urban producers, payment for environmental services, and the ambitious structural reform effort undertaken by the government with USAID/MPC support in the past years.

9.3.1. Land Markets

During 2008, the MPC assisted the Victims Law which incorporates new legislation aimed at effectively restituting land property rights of displaced populations and those who suffered violent seizure of their properties by illegal armed groups and their associates. The new law is fully consistent with international principles on land restitution and incorporates lessons learned in other parts of the world where there was mass violent expropriation of land property. Also, the MPC supported the establishment of a set of initial guidelines aimed at developing a land restitution program to be adopted by the Comisión Nacional de Reparación and the Government of Colombia. As part of this effort, the MPC also supported the development of a historic memoir of the violent expropriation of land property in Colombia by illegal armed groups, which is to be adopted by the Attorney General's Office.

The MPC also supported the adoption of three land property formalization pilot programs in Guajira, Boyacá, and Cauca aimed at ensuring that small land plot holders, title and register their properties. The pilots are aimed at identifying actions, policy and regulatory measures that may reduce the cost of formalizing land property and simplifying and streamlining the process of land transfer, registration and titling.

Also, the MPC provided support towards the design of a financial and operational scheme that would allow displaced populations to make productive use of lands seized by narco-traffickers, guerrillas and paramilitaries. For that purpose, the MPC is in the process of designing a trust fund scheme that would allow the government to lease land through long-term contracts to agribusiness investors. Displaced populations would have equity in the productive projects and would also have the opportunity to contribute their work skills.

In 2009, the MPC will support the implementation of the Victims Law, including legal support in the drafting of related decrees and executive measures. Also, the MPC will continue to support the drafting of the land restitution program, and the implementation of at least one land restitution pilot program.

Additionally, the MPC will continue the existing land formalization pilot programs and will provide support to further streamline land titling, registration and transfer procedures and reduce transactions costs (see box for details).

The MPC will continue to support the Government of Colombia and departmental governors in the design of schemes that will allow them to make productive use of land seized by illegal armed groups and narco-traffickers and generate sustainable sources of income for displaced populations.

The MPC will support the following land reforms:

- A land restitution program which establishes the policy, budget and operational procedures to effectively implement the Victims Law.
- A decree improving regulation of land registration and another decree on use of Afro-Colombian community land (implementing decree of Law 70/1993).
- At least four land formalization pilot programs.

Land Formalization Pilot Programs

The MPC land property formalization pilot programs in Guajira, Boyacá, Nariño, and Cauca solve coordination problems and reduce lengthy administrative and judicial procedures that discourage small landholders from titling and registering their properties. Currently, over 75% of landholders are informal tenants. This situation inhibits peasants from accessing finance, and discourages long-term investments in land improvement and other productive actions that limit the productivity and the generation of sustainable income sources of small agriculture producers. The land formalization pilot programs begin with an in-depth survey of land formalization barriers in the area that leads to a detailed action plan for formalizing land property. The action plan allocates responsibilities among departmental and municipal authorities, IGAC, INCODER, environmental authorities, and judicial offices. Land tenants also contribute to the formalization of their land holdings by taking on some of the legal expenses. In some cases the private sector such as the Coffee Federation and other producer associations also contribute by taking on some of the costs of land formalization.

MPC assistance provides detailed surveys and action plans designed to overcome coordination problems, institutional rigidities, streamline procedures, and reduce transactions costs. Also, the MPC coordinates the implementation of the land titling process and assists municipal authorities in designing property taxes in a way that promotes land formalization and more efficient use of land.

Partners

- Ministerio de Agricultura
- Ministerio de Hacienda
- Departamento Nacional de Planeación
- Superintendencia de Notariado y Registro
- Acción Social
- Ministerio del Interior y de Justicia

- Comisión Nacional de Restitución y Reparación
- Instituto Geográfico Agustín Codazzi
- Dirección de Estupefacientes
- Incoder
- Departamentos de Nariño, Cauca, Guajira y Boyacá

9.3.2. New MIDAS Policy Land Reform Work Plan

Background

During 2008, the MPC provided assistance to the GoC and Congress in the development of a Land Chapter under the Victims Law. The bill, currently in Congress, incorporates new legislation aimed at removing legal barriers that make land restitution a cumbersome and it shifts the burden of proof from victims to land holders. The new law is fully consistent with international principles on land restitution and incorporates lessons learned in other parts of the world where there was mass violent expropriation of land property. Also, the MPC supported the establishment of a set of initial guidelines aimed at developing a land restitution program to be adopted by the Comisión Nacional de Reparación and the Government of Colombia. As part of this effort, the MPC also supported the development of a historic memoir of the violent expropriation of land property in Colombia by illegal armed groups, which is to be adopted by the Attorney General's Office. The MPC also supported the adoption of three land property formalization pilot programs in Guajira, Boyacá, and Cauca aimed at ensuring that small land plot holders, title and register their properties. The pilots are aimed at identifying actions, policy and regulatory measures that may reduce the cost of formalizing land property and simplifying and streamlining the process of land transfer, registration and titling. Also, the MPC provided support towards the design of a financial and operational scheme that would allow displaced populations to make productive use of lands seized by narco-traffickers, guerrillas and paramilitaries. For that purpose, the MPC is in the process of designing a trust fund scheme that would allow the government to lease land through long-term contracts to agribusiness investors. Displaced populations would have equity in the productive projects and would also have the opportunity to contribute their work skills.

In 2009, there is an important window of opportunity to bring about significant reforms to improve land markets and expand access to land by small farmers. In 2009, the GoC will be adopting a new Rural Development Framework that replaces Law 1152 declared unconstitutional by the Constitutional Court. In addition, the Constitutional Court Auto 008 states that the displaced population continues to lack adequate protection of their land property, and efforts to reconstitute and relocate victims of violent land seizure have been limited and insufficient. The Court demands the reformulation of a coherent and integral policy that gives displaced population access to land and gives the Ministry of Interior, the Ministry of Agriculture, Acción Social and the national Planning Department and reinforces the need for an aggressive and ambitious land restitution program. In response to this request, the GoC is considering issuing a Land CONPES document and the adoption of other policy initiatives.

USAID/MIDAS will expand its current 2009 Work Plan to assist the government in its urgent comprehensive reform needs, and it will strengthen other areas of the program where additional technical assistance is required. Among the new activities, MIDAS intends to provide a significant contribution to the design and implementation of a more ambitious land reform initiative that can effectively reduce rural poverty and illicit crops, enhance the protection of property rights, and promote an efficient and sustainable use of land. For this purpose, the MIDAS Policy Component (MPC) will

support the GoC in issuing a new Land CONPES document that tackles all aspects of land policy reform, and will assist the government in answering to the requirements of the Constitutional Court Auto 008. The MPC will also undertake a new effort to assist directly and in the field the implementation of land restitution initiatives by the Comisión Nacional de Reparación y Reconciliación and its regional branches as well as Acción Social, the Procuraduría General de la República and the Defensoría del Pueblo. Also, the MPC will begin to assist a reform effort to reduce the legal and administrative barriers that discourage land formalization. This effort will be done in coordination with the Ministry of Agriculture, the Consejo Superior de la Judicatura, the Superintendencia de Notariado y Registro, Incoder and regional governments. Until now, most of the assistance has been done through land formalization pilot programs implemented at the regional level to solve coordination problems among agencies and bring about land formalization within the current legal framework and administrative procedures. However, the pilot programs have been informative of key reforms that would provide strong incentives to formalize land holdings and reduce transaction costs. Under an expanded Land Reform Work Plan, the MPC would assist key agencies in the implementation of reforms that would remove legal hurdles and administrative procedures that discourage the formalization of land property rights. This initiative together with the adoption of land titling initiatives implemented in key regions of Colombia is expected to strengthen property rights in Colombia in a significant form. In addition, the MPC will support the implementation of concrete land restitution initiatives in support of victims in key areas of Colombia where violent land seizure practices were frequent. Currently, the MPC provides training to these institutions and regional authorities in the implementation of land restitution initiatives, but it is not engaged directly in the implementation of these initiatives.

The MPC will also continue to support the adoption of land restitution legislation and implementing decrees under the Victims Law and the adoption of a comprehensive land restitution program by the GoC. However, under an expanded Land Reform Work Plan, the MPC would strengthen its assistance in the formulation of a Land restitution Program by also assisting the CNRR and the GoC in the design of a land restitution information system.

Under an expanded Land Reform Work Plan, the MPC will also assist the GoC in formulating a policy and legislation to determine the use of land in natural reserves and natural parks and surrounding areas, the criteria for formalizing the property of land holders located in these areas or for relocating these communities. Finally, across these different initiatives, the MPC will work directly with communities and their representatives to empower them and enhance their ability to exercise their land property rights.

The MPC will also have the capacity to rapidly assess land property rights, land related conflict and constraints to land tenure in different regions of Colombia as required by USAID and the GOC.

In summary, the expanded Land Reform program will cover the following policy issues:

- I. Reformulation of Colombia's Land Policy in light of recent decisions adopted by the Constitutional Court.
- II. Implementation of land property restitution initiatives at the regional level
- III. Reform of laws, regulations and administrative procedures that discourage land formalization.
- IV. A policy to determine land use in natural reserves, parks and surrounding areas, formalize property in these areas and relocate communities when required by environmental standards and the need to conserve and protect natural resources.
- V. A capacity to undertake rapid assessments of land conflict in regions of Colombia

I. Reformulation of Colombia's Land Policy

The MPC will assist the GoC in reformulating the existing land Policy. The new land policy will cover all aspects of land reform including strengthening land markets and securing land property rights, improving access to land by small farmers and displaced population, encouraging efficient and sustainable use of lands, including the transition of lands used for extensive cattle ranching to more productive uses. The MPC will also work with the GoC to establish the criteria for relocation of population to more productive lands and managing seized lands.

Goals

1. An international seminar on policy alternatives and best practices to promote access to land and improve the use of land. The seminar will promote an open discussion with the GoC and civil society on the key guidelines of land reform in Colombia.
2. A document with a detail analysis of land reform and policy guidelines that answers to the requirements of the Constitutional Court and that serves as a discussion focal point for the new Conpes document.
3. A CONPES document that has comprehensive coverage of land Policy in Colombia. The MPC would provide support in (i) defining the key aspects of land Policy reform, (ii) the design of the new policy and the design of instruments and means to implement the new Policy, (iii) an implementation time line and a strategy to monitor the new policy implementation and evaluate its impact.
4. Support the design and drafting of the legal instruments and administrative procedures required for the implementation of the new land policy; this need to be ready by August 2009 as required by the Constitutional Court.

II. Land Property Restitution

The MPC will continue its current efforts to assist the GOC in strengthening the legal framework to expedite land restitution claims in Colombia. In the event the Victims bill is not approved by Congress, the MPC will work with the Ministry of Interior, Ministry of Agriculture, and Acción Social in developing a legal framework that builds on the contributions provided by MIDAS/USAID in the Victims bill. The MPC will also continue its support to the Comisión Nacional de Reparación y Reconciliación (CNRR) in the drafting and public discussions of a comprehensive land restitution program.

In parallel to the legal and regulatory activities to expedite land restitution, under and expanded Land Reform Work Plan, the MPC will undertake a new effort to support the CNRR and its regional branches in implementing land restitution initiatives in several regions of Colombia to be determined by the GoC and USAID. These initiatives will begin its implementation under the current legal regime that requires proof of victimization and of violent expropriation and will continue under a new legal regime in the event the Victims bill is approved by Congress. These initiatives will combine a series of activities, including support to victims in the process of presenting land restitution claims, support to judges and administrative authorities in evaluating claims and evidence presented by victims, strengthening of local institutions such as the regional CNRRs, the Procuraduría General de la Nación and the Defensoría del Pueblo, as well as regional governments to improve their ability to support victims in their land restitution claims. In addition, the MPC will develop together with the CNRR

informative guidelines and “bill of rights” that in a simple and effective way allow victims to exercise their land and property rights.

Under an expanded Land Reform Work Plan the MPC will also assist the GoC in designing and formulating a land restitution information system, which is not covered under the current work plan.

Goals

1. A document that provides a detail analysis of the current legal and administrative framework and the different forms of unjust and violent land expropriation in Colombia. The document will also map the institutions responsible for supporting land restitution claims, including those institutions that have relevant information in support of land restitution claims. The document will also identify the procedures and administrative actions in each institution, and will provide detail recommendations for improvement.
2. A proposal to develop a detail and comprehensive information system that brings together information about victims, land property and registries, displacement information, legal actions undertaken by victims and their representatives in protection of land property, and illegal activity of armed groups in support of land expropriation.
3. A detail action plan for the implementation of recommendations in each institution that participates in the land restitution system. These action plans will include training and capacity building activities at the national and subnational level in support of land restitution. The institutions to be supported include: INCODER, Acción Social, IGAC, Superintendencia de Notariado y Registro, Consejo Superior de la Judicatura, Procuraduría General de la Nación, Defensoría del Pueblo, the CNRR and its regional branches and subnational governments.
4. A document that identifies the assistance needs of victims in elaborating and presenting their land rights claims. The document will also establish a set of procedures and best practices in assisting victims. The document will be used in training officials of key government agencies and subnational governments and in strengthening NGOs and organizations that group and represent victims.
5. A “bill of rights” of victims that establishes in a clear and simple way the types of violations of land property rights and the rights of victims of land rights violations, and the steps and procedures necessary to present restitution claims.
6. The implementation of land restitution programs in five regions to be determined by the GoC and USAID. The programs will incorporate all aspects of land restitution including: (i) A detail report of the areas in the region most affected by violent land expropriation and a characterization of the victims; (ii) a detail analysis of the forms of land expropriation in the area; (iii) a characterization of the victims and victims organizations and support NGOs; (iv) Strengthening of victims organizations and capacity building activities using “bill of rights”; (v) legal support to present land restitution claims; (vi) training and institutional strengthening activities to the NCR, key GoC and other relevant institutions in the area.

III. Reform of Laws, Regulations and Administrative Procedures that Discourage Land Property Formalization

Under the expanded land reform work plan the MPC will develop a detail analysis of the legal and administrative regulations and procedures that discourage/ impede land formalization and will promote

a detail reform action plan to remove these barriers. The action plan includes institutional strengthening and reform of key GOC organizations which have responsibilities in land property formalization. In addition to the action plan, the MPC will also assist the Goc in drafting legal and regulatory reforms and in implementing organizational and administrative reforms.

In parallel, the MPC will work with the Ministry Agriculture, the Ministry of Interior, IGAC, INCODER, the Consejo Superior de la Judicatura, the Procuraduría General de la Nación, regional environmental authorities, and subnational governments to implement land formalization programs in additional departments to be determined by USAID and the GoC. These regional programs include an in-depth survey of land formalization barriers in the area that leads to a detailed action plan for formalizing land property. The action plan allocates responsibilities among national, departmental and municipal authorities, including IGAC, INCODER, environmental authorities, and judicial offices. Land tenants also contribute to the formalization of their land holdings by taking on some of the legal expenses. In some cases, the private sector such as producer associations and other producer associations also contribute by taking on some of the costs of land formalization. In addition, the MPC will develop land formalization guidelines and a “bill of rights” to assist land tenants in the process of land formalization.

Goals

1. A document that provides a detail analysis of the legal, regulatory and administrative barriers that discourage land formalization. The document will also evaluate the existing land formalization procedures and costs, and will provide detail recommendations for reform. The document will be used to establish a detail action plan (Land Formalization Action Plan) with national and subnational institutions to produce relevant reforms in the legal and regulatory framework and eliminate red tape and other procedures that discourage land formalization. The action plan will also cover reforms of existing land property titling and registration procedures to expedite the formalization programs and ensure they are replicable throughout the country.
2. Implementation of the Land Formalization Action Plan.
3. The implementation of land formalization programs in additional departments to be determined by USAID and the GoC. The land formalization programs include: (i) An in-depth survey of land informality in the department and the main causes of land informality; (ii) a detail action plan to bring about land formalization in the department. The action plan will contemplate all the actions and activities of key national and subnational institutions necessary to promote land formalization; (iii) institutional strengthening and training activities in each of the institutions involved to ensure a swift implementation of the land formalization programs. These activities will also ensure that these programs can be replicated in other regions without USAID assistance; (iv) strengthening of land tenants and land tenant organizations to ensure that they can effectively exercise their land property expectations and rights.
4. A “bill of rights” of land tenants that in a simple way explains the types of informal property and the actions required to formalize land property.

IV. A Policy and Procedures to Determine Relocation and Formalization of Land Holdings in Natural Parks, Environmental Reserves and Surrounding Areas

In the past five decades natural parks, environmental reserves, and surrounding areas have been colonized' and used for legal and illegal productive uses. As the GoC through the 'Programa de Consolidación Integral (PCI)' begins to regain control of these areas such as Macarena, an urgent need to establish the criteria and the legal and regulatory framework to establish an adequate use of these lands and recognize the land rights of tenants has emerged. The MPC will work with the GOC to establish a new policy and legal framework that harmonizes environmental standards with the need to provide communities with access to land. The policy framework will establish the criteria and procedures to be applied when it is environmentally sound to formalize land tenure and when its is more efficient and environmentally sound to relocate "colonos" in land more appropriate for productive uses. This framework will ensure that these communities effectively transit into legality and reinforce the legitimacy of the State in these areas.

Goals

1. Develop a comprehensive and coherent policy that harmonizes environmental standards and norms with the need of communities in natural parks, environmental reserves, and surrounding areas to have access to land and improve their legal income opportunities. The policy framework will establish the criteria under which population will be relocated and when land titling will proceed. The policy document will also identify the key legal and regulatory reforms, and the key instruments required for the implementation of this new policy framework.
2. Assist the GoC in implementing the new policy framework, including the implementation of new policy instruments and the drafting of legal and regulatory reforms.
3. Assist other USAID programs operating in natural parks, environmental reserves and surrounding areas in implementing the policy guidelines to promote a more efficient, legal use of these lands and develop sustainable sources of income for communities living near these areas.

V. Assessments of Land Conflict and Land Property Rights in Regions of Colombia

Conflict over land and protection of land property rights vary from one region to another in Colombia. The MIDAS Policy Component will have a permanent core team that will have the capacity to assess land conflict and the situation of property rights in different regions of Colombia when requested by USAID and the GoC. These assessments will identify the root causes of land conflict, the bottlenecks to land property formalization, land market trends in these regions, and impediments that limit access to land by vulnerable groups. These assessments will also identify immediate actions needed to prevent violations to property rights and land tenure, recommend actions to remedy land expropriation and manage land conflict, and other activities that may enhance access to land by vulnerable groups, improve the sustainable use of land to generate incomes for the poor, and promote more efficient land markets. These assessments will also suggest actions by different GOC and other USAID programs in the regions aimed at achieving the objectives mentioned above.

Goals

1. Develop a small core team that can undertake a rapid assessment of land conflict and land property rights in a given region of Colombia when requested by USAID and the GoC.
2. Assessments will observe emerging trends in land markets and violations to land property rights, as well as bottlenecks that limit vulnerable groups from accessing productive lands and developing sustainable livelihoods associated with efficient use of land.
3. Assessments will identify rapid response measures to emerging land conflict trends in the regions and other more long-term actions aimed at improving access to land by vulnerable groups and effective protection of property rights. The assessments will also recommend actions by different GoC agencies and USAID programs operating in the regions.

Partners

- Ministerio de Agricultura
- Ministerio de Hacienda
- Departamento Nacional de Planeación
- Superintendencia de Notariado y Registro
- Acción Social
- Ministerio del Interior y de Justicia
- Comisión Nacional de Restitución y Reparación
- Instituto Geográfico Agustín Codazzi
- Dirección de Estupefacientes
- Incoder
- Procuraduría General de la Nación
- Defensoría del Pueblo
- Consejo Superior de la Judicatura
- Departamentos de Antioquia, Cesar, Nariño, Sucre, Bolívar, Magdalena, Cauca, Guajira, Norte de Santander y Boyacá

Budget

LOE:	\$475,000
Travel:	\$355,000
Events and Publications:	\$150,000
Total Budget:	\$980,000

9.3.3. Financial Reform

During 2008, the Government of Colombia and financial institutions made considerable progress at expanding access to finance to the urban poor and rural areas with USAID/MPC assistance. During 2008 Banca de Oportunidades with USAID/MPC support implemented a bidding process to ensure that every municipality in Colombia is serviced by at least a non-bank correspondent, and strengthened cooperatives, a process that benefits the most empoversihed families in Colombia. . Also significant reforms of commodities and derivatives supervision and regulation will contribute to further advances in alternative sources of finance and risk hedging for long gestation crops. FINAGRO also adopted some of the recommendations set out by the rural finance report to further limit the use of FINAGRO rediscount lines by large agriculture producers, boost loan supply for small and médium growers, improve risk management and interest rate stucture for both FINAGRO and Banco Agrario. Also, the MPC supported the key decree that establishes the framework for electronic bank accounts and mobile phone transactions (Decree 4590/08). In addition to these key reforms, the MPC supported a number of key complimentary reforms including Law 1231 that establishes the legal framework for factoring and alternative sources of finance for SMEs, a deregulation of capital controls on investments in securities and capital markets.

In 2009, the MPC will continue to support the finance reform bill in congress, the venture capital and Rural Finance strategy, the introduction of mobile banking, and the development of commodity markets, and agriculture insurance and risk hedging instruments, including the guarantee regime. The MPC will support the following financial reforms:

- Financial law that reforms pension funds, promotes universal banking, further deregulates interest rates, strengthens protection of creditor and lender rights, and strengthens antitrust surveillance in financial markets. This law, which is in Congress and was expected to be approved in 2008, is now expected in the second quarter of 2009.
- A document reforming rural finance and promoting access to long-term finance for long cycle crops, which was expected in the fourth quarter of 2008, and is now expected in the third quarter of 2009.
- A CONPES document developing the private equity industry in Colombia to promote venture and seed capital in Colombia, to be expected in the third quarter of 2009.
- Policy documents that regulate mobile banking, agriculture insurance markets, and credit bureaus.

Partners

- Ministerio de Hacienda
- Superintendencia Financiera
- Bancoldex
- Banks
- Ministerio de Agricultura y Desarrollo Rural
- Departamento Nacional de Planeación

9.3.4. Microfinance Program

The MPC provided critical technical assistance to financial institutions in 2008 that contributed to surpassing the 2008 Work Plan objectives for the program. The number of active clients in financial institutions reached 427,881 active clients with MPC support. These clients have benefited with \$465 million in loans since the beginning of the program. Also, the financial institutions assisted by the MPC Microfinance program have opened 641 non-bank correspondents, and there is financial presence in all MIDAS and ADAM municipalities. The MPC Microfinance program also began introduction of new financial services that are critical for vulnerable groups and peasants. During 2008, Banco Agrario and Merquemnos Juntos began four village banking pilot programs in areas with large Afro-Colombian populations (Tumaco, Cartagena/ El Pozón, Barrancabermeja and Puerto Wilches). These pilot programs and the strengthening of the AGAPE Banca Comunal Program, achieved the disbursement of more than 18,000 small loans worth \$2.3 million that have mostly benefited women and single mothers with business start-ups. Also, in 2008 the MPC Microfinance program began implementation of 3 agriculture lending pilot programs with Financiera Compartir, Giros y Finanzas, and Finamérica. An additional effort was made in so that these institutions would expand their activities to rural areas, which allowed the disbursement of 21,000 small agriculture loans worth \$11 million that have benefited mostly very small rural producers that list outside of the main municipalities in the Departments of Nariño and Boyacá and in rural areas such as Taraza, Puerto Valdivia and other areas with significant alternative development challenges.

In 2009, the MPC Microfinance program will continue to provide assistance to financial institutions, which will be targeted to ensure the sustainability of microcredit programs and the introduction and consolidation of new services. Among the new services to be supported are Village Banking with at least four new pilots, which together with previous pilots should benefit 10,000 new clients, in particular afro-Colombian population. Also, the MPC will add 5 new agriculture lending pilots that will benefit a rural population of 9,000. Also, the MPC Microfinance Program will support two micro-insurance pilots.

Although the Microfinance program will continue to support the massification of micro-lending and other more traditional services with the aim of ensuring sustainable broad access to finance, some financial institutions, which have benefited from USAID/MIDAS assistance, will start to cover part of the assistance cost required for this purpose. In particular, the larger banks and larger NGOs will start to cover the cost of assistance required to maintain low default loan ratios, and train agents that will operate in new cities and more developed rural areas.

The MPC Microfinance program has set out to reach 70,000 new active clients and open 15,000 new savings accounts in 2009. The program will also generate 100 new jobs, and benefit 60,000 new families indirectly.

Mobile Banking Pilot Programs

The MPC will support a mobile banking pilot program in 2009 which is expected to carry out payments and other financial transactions via mobile phones. Currently, Colombia faces one of the highest costs of physical cash transfers in the world, which increases the cost of servicing rural areas and the poor. This situation has limited the expansion of financial networks and made the cost of mobilizing savings and lending to the poor extremely high. The introduction of mobile banking faces several challenges. On the one hand, the MPC will need to support regulatory reform of monetary and financial regulation to establish electronic bank accounts and the legality and security of electronic transactions. On the

other hand MIDAS will need to work with the private sector to solve existing coordination problems to ensure that there is technological convergence, adoption of similar standards to reduce the cost of servicing the poor in rural areas, and adopting technologies which are readily accessible to the poor. In November, the MPC led a visit of high level government officials and private sector representatives to the Philippines to learn about the USAID supported G-Cash experience which has combined microfinance and mobile banking very effectively. Some of the Lessons Learned have already been used to adopt emergency decrees aimed at improving access to savings and electronic transactions by the poor affected by Ponzi schemes in the Southern part of Colombia.

In 2009, the MPC will support and help coordinate a broad Public-Private partnership to ensure that at least one major bank offers mobile transactions in at least two municipalities in southern Colombia where there are significant alternative development and security challenges.

Partners

- Financial Institutions (13) including many of the major banks and a significant number of financial NGOs and cooperatives (Bancolombia, Banco Agrario and Banco de Bogotá, among others).
- Aseguradoras: Seguros Mapfre, Seguros Equidad, Seguros Colpatria and AON.
- Banca de las Oportunidades and Bancoldex.

9.3.5. Labor Market Reform

In 2008, the MPC assisted the government in reforming Colombia's labor law to improve compliance with ILO standards. Law 1210 took away from the executive and moved to the judicial branch the power to review and declare the illegality of strikes. Law 1233 establishes that worker cooperatives, which were a figured used by employers to avoid paying social security contributions and other non-wage labor costs, are now required to meet the same labor standards as traditional labor contracts. This reform chiefly benefits workers in agribusiness and rural areas. In addition, the MPC supported law 1221 that regulates satellite workers and non-commuting workers who from now on will enjoy the same working conditions as on-site workers.

The MPC has also continued to support reform of Colombia's labor inspections authorities. During 2008, six new labor inspections offices were supported including Magdalena, Atlántico, Cesar, Cundinamarca, Valle, and Santander. These offices received training of all their labor inspectors, strengthening of their IT systems to adopt risk-based auditing procedures, and promote employer-employee voluntary agreements to improve working conditions and compliance with labor laws. During 2008 124 employer-employee voluntary agreements were signed, several dealt with improving conditions in agribusiness.

Also in 2008, the MPC supported the establishment of a labor orality observatory designed to select best practices, standardize judicial criteria and procedures in the process of implementation of oral justice in labor relations. This observatory should contribute to improve labor justice in Colombia.

In 2009, the MPC will continue to support strengthening of Colombia's labor standards and compliance with labor law by strengthening labor inspections offices. In addition to the 9 labor inspections offices being supported at present, the MPC will support labor inspections offices in Guajira, Nariño, Risaralda, Norte de Santander, Quindío, Tolima, and Cauca. By including these

additional 7 inspection offices, the MPC will be supporting inspections offices that service 98% of the labor market in Colombia.

The MPC will also continue to support the introduction of labor oral justice to improve the efficiency of labor justice administration and reduce prolonged delays in adjudication of labor cases, the MPC will provide technical assistance aimed at expediting the implementation of the oral labor justice system. This technical assistance includes support for the training of judges and the design of concessions schemes to finance the improvement judicial court infrastructure. The MPC will also continue to assist the GoC in the adoption of policies aimed at improving the efficiency of labor markets, including the implementation of labor intermediation and effective training programs that can match unemployed workers with companies looking for workers.

The MPC will support the following labor reforms:

- A CONPES document developing a new workforce training policy in Colombia aimed at improving job matching and training programs in Colombia.
- Two decrees regulating the new labor inspections system and compliance with labor rights.
- Six institutional reforms that will improve procedures in labor inspections offices and the use of IT systems and risk-based auditing guidelines.

Partners

- Ministerio de Protección Social
- Ministerio de Educación
- Departamento Nacional de Planeación
- Consejo Superior de la Judicatura
- Consejo de Estado
- Servicio Nacional de Aprendizaje - SENA

9.3.6. Agriculture Policy

In 2008 the MPC provided assistance to the design and implementation of three rural transition pilot programs in Guajira, Nariño, and Boyacá. The program assisted agriculture producers in traditionally protected crops to identify new crops with comparative advantages. The rural transition team also worked with the agriculture transition councils to identify the type of policy measures required to ease the costs of transition and increase the productivity of agriculture producers.

In 2008 the MPC developed a detailed survey of agriculture information demand and supply. The survey was used to provide detailed recommendations and an action plan to strengthen the existing agriculture information system. A series of pilot programs to implement the MPC recommendations started in 2008 and will continue in 2009. A significant element of these pilot programs will be the use of mobile phones to produce and disseminate climate and price information relevant for small agriculture producers. The MPC also developed a diagnostic and recommendations to develop land

irrigation infrastructure and other long-term land improvement investments in areas with a significant number of small agriculture producers.

The MPC also developed a diagnostic and initial set of recommendations aimed at improving agriculture technical assistance supply and subsidization of small producers of certain crops which are poorly integrated with agribusinesses and those that require temporary subsidization to overcome start-up costs. Also, the MPC began a detailed survey of technical assistance demand and supply, willingness to pay by different farmer characterizations including size, crop, region, and farmer organization. Simultaneously, the MPC is documenting existing technical assistance institutions, financial schemes, government policies at the national and sub-national level, and best international practices to provide a detailed set of recommendations aimed at strengthening government policies, promoting access to technical assistance, improving the coordination between national, sub-national and private sector efforts, and developing subsidization schemes that gradually promote a sustainable market for agriculture technical assistance. The recommendations, which will be forthcoming in the first quarter of 2009, will be tested through pilot schemes implemented at a regional level through the regional initiative detailed below.

In 2008 the MPC also developed a detailed survey of land use in livestock ranching in Colombia. The analysis reviews the social impact of extensive livestock ranching in terms of employment, income levels, workforce productivity, and determinants of land use in Colombia. The document also reviews policy instruments to promote more efficient use of land and better paying jobs in cattle ranching and agriculture activities. The document recommends revisions to tax law, investment incentives, and other policy instruments required to promote intensive livestock ranching and more efficient use of land.

In 2009, the MPC will work more closely with the Ministry of Agriculture, the National Planning Department and regional governments to strengthen existing agriculture information systems and encourage a more active use by farmers of information currently being produced by national and sub-national governments and the private sector. A critical element of this effort will be supporting the Ministry of Agriculture and AGRONET and introducing information technologies such as mobile phones to facilitate access by small farmers to agriculture information (see box). Also, the MPC will support throughout 2009 the Ministry of Agriculture's competitiveness analysis of key agriculture products. This effort builds on the MIDAS Agribusiness and Forestry Competitiveness Analysis delivered in 2008, and effectively transfers and fine tunes cost analysis methodologies developed by the MIDAS study. The MPC will also work with regional authorities to strengthen their agriculture information systems by supporting two pilot initiatives.

The MPC will also continue to provide recommendations to promote extensive use of existing policy instruments developed by the national government to assist small farmers. These recommendations will be tested in four regional pilot initiatives which will also contribute to the sustainability of some of Agribusiness and Forestry projects currently being developed.

The MPC will also work with the Ministry of Agriculture and the National Planning Department to review and strengthen existing policies to promote irrigation infrastructure and land improvement investment in small farms. The analysis will build on existing policy instruments currently being implemented by the Government of Colombia to encourage water irrigation projects.

The MPC will continue to assist the implementation of agriculture transition in Boyacá, Guajira and Nariño with the aim of promoting new more efficient crops and agribusinesses. The regional transition pilots will build on current efforts by the Government of Colombia and regions to promote agriculture competitiveness and improving access to rural infrastructure, and productive services and technology necessary for taking full advantage of the FTA and other trade treaties and improving the livelihoods of Colombia's rural communities.

Mobile Phones and Access to Agriculture Information

The MPC will support the introduction of a pilot program to introduce information technologies that will allow small farmers to access and report relevant agriculture information. On a daily basis and using readily available SMS technologies, small farmers in Boyacá will access daily price quotes, production costs, climate information, financial information, and good agricultural practices tips. Also, farmers will be able to report production availability, production yields, and cultivated areas. The pilot being implemented makes available information developed by the national government, the private sector and the Secretary of Agriculture of Boyacá and distributed to producers associations such as Usochicamocha, Asusa, and Copaboy, which with the use of software developed through a public-private partnership between the MPC and private software developers, distributes the information to small farmers via text message. Also, a public-private partnership with mobile phone networks is making available text messages at an affordable cost until farmers value the usefulness of information made available and are more willing to pay for it.

At later stage, the pilot program will be integrated to Bogotá's and Boyacá's food security strategies by linking small producers with small neighborhood shops and grocery stores to reduce intermediation costs.

The MPC will support the following agriculture reforms:

- A policy document strengthening irrigation infrastructure policies and incentives.
- An institutional reform to adopt the Competitiveness Study and methodology to produce information and analysis of production costs and crops yields in the Ministry of Agriculture.
- Guajira, Nariño, Santander, and Cesar with a technical assistance scheme implemented.
- Santander and Cesar with one agriculture information pilot implemented.
- Guajira, Nariño, and Boyacá with agriculture transition plans being implemented.

The institution will receive training and institutional support to ensure the sustainability of the effort.

Partners

- Ministry of Agriculture
- National Planning Department
- Departments of Nariño, Santander, Guajira, Boyacá, and Cesar
- Finagro

9.3.7. Forestry and Environmental Policy

In 2008, the MPC provided technical assistance to the Ministry of Environment and regional environmental authorities aimed at promoting economic instruments to promote sustainable sources of financing for environmental services and forest conservation and protection. The assistance included additional support for the promotion of emission quotas with the Ministry of Environment and

regional authorities in Medellín and Yumbo/Cali. The MPC also provided assistance to the GoC and congressional authorities to develop forestry conservation regulations and legislation that would make up for the failed forestry law. Additionally, the MPC supported institutional strengthening activities with regional environmental activities in Cordoba and San Andrés to improve compliance with environmental legislation and regulations.

In 2009, the MIDAS Policy Component will work with the Ministry of Agriculture, the Ministry of Environment and Afro Colombian and Indigenous communities in drafting new legislation to promote commercial forestry and conservation and protection of natural forests. Currently there are two bills in congress, one for commercial forestry and another for natural forest conservation and protection, which have been reviewed in detail by the MPC.

Also, the MPC will work with the Ministry of Environment, Ministry of Trade and Tourism, Ministry of Agriculture, and the National Planning Department to adopt a national strategy and policy instruments aimed at implementing the Payment for Environmental Services Strategy through a CONPES document in 2009. Related to this work, the MPC will provide support to the Climate Change Policy Document being drafted by the Government of Colombia.

The MPC will continue to assist regional environmental authorities to strengthen their institutional capabilities to regulate and oversee compliance with environmental regulations. This support will be provided to CVS in Córdoba and Coralina in San Andrés.

The MPC will support the following environmental reforms in 2009:

- A forestry law supported.
- A Payment for Environmental Services CONPES document.
- A policy paper containing an environmental strategy for Sierra Nevada.
- Two regional environmental authorities strengthened to ensure compliance with environmental regulation.

Partners

- Ministerio de Ambiente, Vivienda y Desarrollo Territorial
- Corporaciones Autónomas Regionales
- Departamento Nacional de Planeación

9.3.8. Competitive Regions Strategy

In 2008, the MPC began the implementation of a Competitive Regions Strategy pilot program in Guajira. Under this initiative the MPC supported improving the overall business climate in the region, reforming the departmental administration to improve its capabilities to design and implement regional policies that address the main bottlenecks and institutional rigidities that limited investment, improve the use of the abundant natural resources in the department, and assist small farmers and micro and SMEs. The initiative assisted the region in developing its competitiveness strategy; designed an agriculture development policy that builds on the agriculture transition program; implemented a land formalization program; supported good agricultural and livestock practices; designed and implemented

an access to finance strategy that built on Banca de Oportunidades and the MPC Microfinance Program; designed and implemented the digital territories strategy; supported strengthening of job training and job intermediation programs.

In 2009, the Competitive Regions Strategy will be broadened to include Santander, Nariño, and Cesar. Also, in 2009, the program will include in addition to the same initiatives being implemented in Guajira, other key initiatives that will promote the sustainability of agribusiness, forestry and SME projects supported by MIDAS. At the end of 2009, it is expected that in each of these regions an agriculture technical assistance program will be in place that mobilizes private sector funds and national and sub-national resources towards providing technical assistance to small farmers and agriculture producers. The Agriculture Technical Assistance Initiative will build on the best practices and lessons learned of the MIDAS Agribusiness and Forest Components in terms of integrating small producers to value added producer chains and providing technical assistance in a sustainable way to small farmers. In that sense, the initiative will be based on Agribusiness projects as pilot projects, so the work must be coordinated between two components. The annex 11.5 present the operative and monitoring structured to be verified by the follow-up Committee. The members of this committee are MIDAS Business components leaders, which assures consistency and coordination among components in the regional strategy. Also, each of the regions will have in place a FOMIPYME pilot program that builds on the SME Component best practices and project provider network, and mobilizes private sector and national and sub-national funds effectively allocated towards promoting productivity and employment in SMEs. The initiative will also include cluster development strategies to ensure that agribusiness, forestry, and SME activities have significant spillover effects to marshal regional economic growth. The MPC will also implement agriculture information pilot initiatives. A more detail presentation of the Competitive Regions Strategy is included in Annex 11.5.

In 2009, the Competitive regions Strategy will meet the following objectives:

- A strategy and specific action plan implemented in Guajira, Santander, Nariño, and Cesar to strengthen the business climate and improve the performance of these regions in the “Doing Business” assessments. Emphasis will be placed in eliminating bottlenecks that delay the opening and operation of new business: and reform of inefficient regional and local tax administration that burdens business activities.
- An institutional reform in Guajira to strengthen the ability of departmental governments in the design and implementation of economic development strategies. Currently, most regions maintain inadequate institutional structures that limit their ability to plan and implement economic growth strategies adequately.
- A FOMIPYME/MPC/SME Component pilot program to assist small enterprises in each of the four departments. This activity will implement SME best practices and MPC recommendations to strengthen technical assistance to SMEs in the four regions. This activity will develop schemes that effectively mobilize national and sub-national funds to assist SMEs in a way that reaches out to smallest businesses and provides assistance that answers to their needs. It also introduces incentives to reduce dependence in subsidized technical assistance and increases the willingness to pay of SMEs for these services.
- An Agriculture technical assistance scheme implemented in Guajira, Santander, Nariño, and Cesar aimed at providing assistance to small farmers. The scheme will build on regional capabilities to ensure that national funds are matched by sub-national funds to effectively encourage the development of networks that provide technical assistance to small farmers. These networks will include producer associations, cooperatives, universities and technical education institutions, and private firms that provide agriculture technical assistance and extension services. Schemes developed will provide incentives that discourage dependence of

small farmers on subsidized technical assistance and encourage their willingness to pay for these services.

- A land formalization (titling and registering of property) in Guajira, Cauca, Nariño, and Cesar. These programs will encourage institutional strengthening activities that improve inter-agency coordination, effective mobilization of public funds and administrative reforms to address bottlenecks in land formalization procedures. Also, the program establishes incentives for land owners to pay for land formalization and improves local tax collection.
- The regional competitiveness strategy being implemented through specific sectoral and cluster development initiatives. The MPC will work with regional authorities to identify and encourage producer chains and business clusters by providing assistance in the drafting of sector action plans that identify hurdles and bottlenecks that limit the growth of industry. These action plans will encourage funding of public goods such as infrastructure, human resource development and R&D that enhance value chains and improve the competitiveness of clusters and firms.
- A scheme to support access to finance that mobilizes public and private regional resources to encourage new non-bank correspondents in Nariño, Guajira, Santander, and Cesar; efficient use of public resources to encourage agriculture lending through technical assistance to financial institutions in the regions and less use of complimentary public guarantees that discourage compliance with loan payments; use of public resources to provide financial education to farmers and SMEs.

Partners

- Ministerio de Agricultura
- Banca de Oportunidades and Bancoldex
- Ministerio de Comercio, Industria y Turismo
- Corporaciones Autónomas Regionales
- Departamento Nacional de Planeación
- Gobernaciones de Guajira, Cesar, Santander, Cauca, and Nariño.
- Comisiones Regionales de Competitividad

9.3.9. Sustainable Alternative Development

In 2008 MPC began a series of seminars to bring together a group of experts in alternative development to reflect on lessons learned, reform opportunities, and complimentary initiatives that could contribute to making alternative development efforts made by the Government of Colombia and international donors more sustainable and replicable. In 2009, the MPC will continue to work with experts and field practitioners to develop a detailed set of recommendations that may contribute to a new Sustainable Alternative Development CONPES.

In 2009, the MPC will support the following Sustainable Alternative Development Initiative:

- A new Alternative Development CONPES Document

Partners

- Acción Social
- Ministerio de Agricultura
- Departamento Nacional de Planeación

9.3.10. Generation of Income Opportunities for the Poor

In 2008, the MPC supported the development of a new CONPES document aimed at designing a strategy to generate sustainable sources of income for the poor and vulnerable populations. MPC support included designing a new strategy to mobilize private sector social responsibility initiatives together with more effective policies towards improving the assets of the poor to generate sustainable income. The MPC has provided recommendations to improve inter-institutional coordination, promote access to finance and seed capital, formalize land property, provide technical assistance in urban and rural areas, improve working skills and job competencies of informal workers and the unemployed, improve the infrastructure in marginal areas, and provide connectivity and information technologies that may level the playing field for the poor.

In 2009, the MPC will support the following Income Generation Opportunities for the Poor Initiative:

- A new CONPES Document on Income Generation for the Poor

Partners

- Acción Social
- Ministerio de Agricultura
- Departamento Nacional de Planeación
- Ministerio de Defensa
- Gobernaciones

9.3.11. Competitiveness

In 2008, the MPC assisted the GoC in the adoption and implementation of a comprehensive Competitiveness Strategy, and an institutional scheme and methodology to promote the development of industries which are competitive and minimize the risks of rent seeking. The new methodology was upheld by the Council of Ministers and is now being used to support 8 new industries. Also, the MPC supported an ambitious precompetitive regulatory reform in the telecommunications sector that included approval by Congress of a new ICT policy and regulatory framework, including the creation of a new agency which will award spectrum following transparent and competitive procedures. Also, the MPC supported the creation of the Ministry of Communication's Digital Territories Policy and its implementation in 24 regions.

The MPC also supported the antitrust reform bill that promotes a pro-competitive regulatory framework and strengthens the Superintendencia de Industria y Comercio. The MPC also supported the new arbitration reform bill aimed at protecting investor rights and reduces legal instability and insecurity.

The MPC provided support to the logistics CONPES document which establishes a new framework aimed at improving logistics regulation, develop existing infrastructure and promote investments to reduce transport costs. Also, the MPC supported the new port concession contracts to promote long-term investments required to upgrade the existing port infrastructure and introduce performance indicators and incentives. Also, the MPC provided strategic assistance in the development of the Intellectual Property Rights CONPES document to improve compliance with the new legal framework.

The MPC also assisted the GoC in adopting a number of measures aimed at improving the investment climate in key Colombian regions and supporting the adoption of reforms that facilitate business development in Colombia. This support was reflected in a better standing of Colombia in the annual “Doing Business” report.

Also, the MPC assisted the Consejo de Estado and the Ministry of Interior in the development of a new legal framework for the adjudication of administrative disputes. This new code, which is expected to be approved by Congress in the fourth quarter of 2009, will play an important role in improving Colombian legal stability; improve the efficiency of the State and protection of human rights.

The MPC also assisted the National Planning Department in the design of a new policy framework aimed at improving the livelihoods of vulnerable groups. The Policy framework is expected to be approved by the CONPES in the first quarter of 2009. The MPC began an analysis and design of a new policy framework to promote ethnic integration and economic development of Afro-Colombians.

In 2009, the MPC competitiveness activities will be limited to continuing assistance to FOMIPYME, continue the implementation of the Digital Territories Strategy and the mobile phone pilot programs, support the implementation of the R&D law, and continue assistance to the GoC and regional governments in improving the business climate in Colombia.

In addition, the MPC supported the FTA implementation process by supporting the adoption of a legal framework that is consistent with FTA disciplines and obligations. Among the laws being supported are the Trademark Law Treaty, the Budapest Treaty ratification, the Brussels Treaty ratification, and the courier law.

In 2009 the MPC will support the following reforms to improve the investment climate and promote the overall competitiveness of the Colombian economy:

- A law reforming Administrative Law Adjudication Code in Colombia.
- The implementation of a digital territories strategy in Guajira, Meta, Magdalena, Huila, and Nariño.
- Institutional reforms to improve the business climate in Guajira, Santander, Nariño, and Cesar

Partners

- Departamento Nacional de Planeación
- Ministerio de Comercio, Industria Comercio y Turismo
- Ministerio del Interior y de Justicia

- Consejo de Estado
- Acción Social
- Vicepresidencia de la República
- Gobernaciones y Alcaldías
- Ministerio de Ambiente, Vivienda y Desarrollo Territorial
- Alta Consejería para la Competitividad
- Ministerio de Comunicaciones
- CRT
- Ministerio de Hacienda
- Consejo Superior de la Judicatura

9.3.12. Sanitary and Phyto-Sanitary Standards – SPS

Support of the MPC to the Colombian government has been fundamental in the reform of the national system of sanitary and phytosanitary measures – SPS. This initiative was agreed by the two governments within the frame of negotiations of the Free Trade Agreement in order to strengthen the competitiveness of the agribusinesses and ensure that producers reap the benefits of the FTA, and, access other international markets.

The MPC will continue to work with the Direction of Sustainable Rural Development of the Department of National Planning (DNP), which serves as Technical Secretary to the Colombian SPS Intersectorial Commission, to implement the different SPS initiatives agreed under the FTA negotiations and the detail agenda set out by DNP and USAID.

As result of the support given during 2008, the Colombian government adopted a CONPES document for the fruit and vegetable sector and prepared a draft of the CONPES document for strengthening the analytical capacity of laboratories of the SPS system. Likewise, the MPC continued support of ICA, INVIMA, and Ministry of Environment to strengthen their procedures on risk based inspection and delivered strategic support in the development of regulations for processed foods. In addition, the MPC trained officers of of GOC institutions and private producers in the new regulations to promote compliance with international standards in food safety, and animal and plant health.

With support of the MPC, six meat processing plants adjusted their food safety control systems to comply with requirements of the North American regulation, to gain recognition of meat inspection systems.

In 2009, the MPC will continue to give technical assistance to authorities within the Colombian SPS system in order to strengthen their capacity in the development of regulations as well as their skills for inspection, surveillance, and assure sustainability of the significant goals achieved so far. This includes six basic areas of work:

1. Support the design and implementation of control plans for residues, chemical (pesticides and veterinary drugs) and microbiological contaminants and other sampling plans approved by sanitary CONPES documents, oriented towards strengthening institutional capacity to control food safety.

2. Strengthening of laboratories of the SPS system through implementations of the laboratory CONPES document, soon to be approved, with the purpose of improving the quality of food safety analysis, and compliance with animal and plant health.
3. Strengthening of institutions associated with human health protection through the application of the principles of food safety risk analysis, management and communication. These processes will be implemented mainly for dairy, meat and processed foods. Special attention will be offered to the design of a regulatory and technical assistance program for small producers and traders of raw milk who are required to comply with the new regulation for the dairy chain.
4. Support to ICA in its restructuring process as national authority for the protection of animal and plant health, through activities aimed at consolidating the cultural change within the institution and assistance for the implementation of a certification system for food safety in the primary production chain.
5. Support to the environmental authorities in the development of the inspection, surveillance and control systems for environmental impacts in general, and particularly for those which affect the agrifood chain.
6. Support to complete the update of the regulation package associated with the process of recognition of equivalence of the meat inspection system.

As a result of the support described above, the MPC will contribute with the following reforms:

- A SPS laboratories CONPES document.
- Implementation of three institutional reforms. The first one will strengthen the system for food inspection, surveillance and control in two territorial health entities. A second institutional reform will strengthen ICA's capacity to certify Good Practices in primary production. The third reform consists of the creation of capacity of inspection, surveillance and control of environmental impacts in one regional environmental authority.
- Four sanitary regulations. The regulation for food import and export, the regulation for food contact materials and the new list of food additives and cleaning and disinfection substances.

Partners

- Department of National Planning
- Ministry of Social Protection
- Ministry of Environment, Housing and Territorial Development
- Ministry of Commerce, Industry and Tourism
- Ministry of Agriculture
- INVIMA
- INS
- ICA

- IDEAM
- Regional Environmental Authorities
- Territorial Health Entities
- SENA

9.3.13. Fiscal Reform

MPC support was instrumental in successfully concluding the reform of the Medium-Term Expenditure Framework (MTEF) system that has established an unprecedented and effective framework for an improved and better integrated recurrent and capital expenditure planning processes, for the establishment of meaningful program performance targets; and for streamlined budgetary approval/reallocation procedures within the MOF and DNP and at the ministerial/agency level.

MPC continued support was critical to improving the National Planning Department's (DNP) public investment evaluation processes and strengthen staff capacity within the DNP and other key ministries / agencies to carry out more rigorous cost-benefit analyses of public investments and develop meaningful sectoral investment budgets. The MPC also assisted INVIAS and ICBF in the adoption of a budgeting by results system that is fully operational and will contribute to a more efficient allocation of resources and more effective evaluation of government programs.

In 2009, the MPC will continue to provide training through the Universidad de los Andes to improve the capacity of staff and DNP and other key ministries / agencies to carry out more rigorous cost-benefit analyses of public investments and develop meaningful sectoral investment budgets.

The MPC will support the following activity in 2009:

- Strengthen key staff of the DNP and other ministries in cost-benefit methodologies.

Partners

- Departamento Nacional de Planeación
- Universidad de los Andes

9.3.14. Sustainability Strategy

Although all MPC initiatives have incorporated and prioritized a sustainability element that is reflected in legal and regulatory reforms, institutional strengthening, and training of more than 13,000 public and private sector individuals in new technologies and procedures, and more than 100 manuals have been developed since the beginning of MIDAS, there a number of new initiatives that should contribute to solidifying the significant progress made by the Government of Colombia with USAID support. Specifically, the MPC has identified six critical initiatives during 2009 to promote greater sustainability of the ambitious reform agenda undertaken by the Government and Colombia's private sector.

1. Support a strategy that mobilizes private sector and Government of Colombia funds to further strengthen access to finance. The strategy is aimed at ensuring that Colombian institutions

have the capabilities to promote mass access to finance in rural areas and the poor, and that progress being made is not affected by external shocks and short-term political circumstances.

2. Support a strategy to strengthen FOMIPYME and transfer lessons learned and the broad network of project providers developed by the SME Component. The strategy is aimed at improving the allocation of government subsidies, improving technical assistance to SMEs, and developing a market for business services that improves the competitiveness of Colombian firms.
3. Support a strategy to strengthen technical assistance to agriculture producers that builds on the progress achieved by the GoC and mobilizes public and private sector funds to assist small farmers. The strategy will build on the best practices and lessons learned of the MIDAS Agribusiness and Forestry Components in terms of supplying technical assistance to small farmers and integrating these farmers to value chains.
4. Support a Payment for Environmental Services strategy that promotes adequate protection of natural resources, generates sustainable income opportunities for ethnic minorities and rural communities in natural forests and in vulnerable ecosystems, and generates foreign revenue that promotes overall economic development in Colombia.
5. Support Colombia's efforts and significant progress made in improving investor confidence and facilitating business activities. Also, promoting a sustainable mechanism that allows all regions to assess how they facilitate "doing business".
6. A knowledge management strategy that identifies lessons learned, best practices and recommends future actions to further enhance Colombia's competitiveness and sustainable growth opportunities.

Partners

- Ministerio de Agricultura
- Ministerio de Comercio, Industria y Turismo
- Corporaciones Autónomas Regionales
- Departamento Nacional de Planeación
- Gobernaciones de Guajira, Cesar, Santander, Cauca, and Nariño.

9.4. SYNERGIES

The MPC jointly with the MIDAS PYMES Component will pursue a strategic alliance with the recently reformed FOMIPYME to provide technical assistance and extend business development services in four departments and integrate the network of project providers to FOMIPYME to ensure its sustainability. This alliance will improve FOMIPYME's ability to service micro and SMEs in rural areas and in regions with a large concentration of Afro-Colombians.

Also, the MPC will increase knowledge transfer activities to ensure that a critical base of Colombians can continue the implementation of critical pilot programs being implemented by the MPC. This includes training a group of Colombians in microfinance technologies that can continue the implementation of the microfinance pilot programs with financial institutions and extend the reach of

the program to underserved areas. Also, the MPC will continue to promote knowledge transfer in Sanitary and Phytosanitary Standards, Technical Norms, and regulation of infrastructure services. This process will reflect in a definitive reduction in the number of long-term and short-term expatriates providing technical assistance. It also ensures that knowledge transfer continues beyond USAID assistance and that the pool of local expertise is effectively broadened well beyond the life of MIDAS.

The MPC pursues collaborative work with other MIDAS components and other USAID programs to improve the impact of USAID programs in Colombia. In 2008, the MPC will continue to work with the MIDAS Forestry Component in the regulation of commercial forestry and adoption of a CONPES document that establishes a policy framework for the development of Payment for Environmental Services and the protection and conservation services in natural forests. Also, the MPC will work with the Agribusiness Component and ADAM to promote agriculture transition in Nariño. Additionally, the MPC will collaborate with the Democracy Office of USAID to provide assistance to the Consejo Superior de la Judicatura and Consejo de Estado in the implementation of the labor and administrative oral justice reforms.

In particular, in the Regional Strategy, the Policy component will articulate and coordinate its work with the productive components. The work with the SME Component will be developed in the implementation of the SME model in the departments where pilot projects will be carried out; with the Agribusiness component, the implementation of the agricultural information system and the technical assistance models in the same regions where the pilot projects will be implemented will guarantee the sustainability of the productive projects coordinated by ABC. The Policy component will also work together with the Commercial Forestry component in the issue of payment for environmental services.

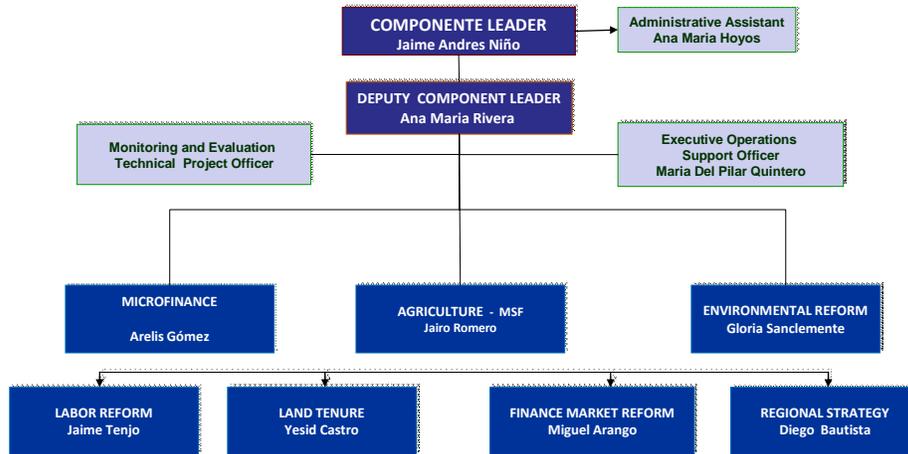
9.5. PERSONNEL STRUCTURE AND OTHER BUDGET LINES

The Policy Component has been through significant changes as some themes acquired more importance during 2008. For example, the government of Colombia has required specialized support in issues related to land tenure, which emphasizes the need to have a leader in this area. The same happens with areas such as environmental reform and regional themes during 2009. The component will focus its efforts in 2009 in a regional initiative aimed at promoting, through the implementation of regional pilot projects, the incorporation of policies that contribute to the sustainability of alternative development (MIDAS). The regional pilot projects must demonstrate to the National Government that there are possibilities of reforming FOMIPYME and technical assistance institutions in the agricultural and forestry sectors. They will also promote, through technical assistance, a better business climate in the regional level that will provide the conditions to replicate productive development in the whole region. This regional initiative will also be the consolidation in the local level of projects implemented by MIDAS' productive components. To answer to these challenges and also meet budget constraints, the MPC will merge some subcomponents which are fading out in importance and establish a regional coordinator. The MPC will merge the management of SPS and Agriculture reform in one subcomponent. It will also eliminate the competitiveness subcomponent since the most critical reforms in this area are currently awaiting approval in Congress and are not expected to demand significant technical assistance in 2009. Also, since support of fiscal reform is fading out and limited to the Public Project Evaluation training program, the Fiscal Subcomponent is eliminated in 2009. The regional strategy coordinator will also oversee the Alternative development CONPES since these activities are closely related and complimentary.

Hence, this is the planned structure for 2009:

Figure 25

Organigrama Componente de Política



9.6. COMMUNICATIONS AND OUTREACH

The MPC will also broaden and intensify its outreach activities to improve understanding of the reforms being adopted by the GoC and ensure that these reforms enjoy considerable support and are sustainable well-beyond USAID assistance and the Uribe administration. For this purpose, the MPC will continue to pursue a communications strategy together with the MIDAS Outreach and Communications Office, to improve the understanding of media leaders and politicians of the reforms being supported. For this purpose, the MPC, together with the Democracy Office and IRI, will organize breakfasts with small groups of journalists and opinion leaders, as well as with political parties and congressional caucuses to encourage an open analysis and broader understanding of land and agriculture policies, competitiveness policies, financial reform, reform of logistics and transport policies and regulation, among other issues.

10. COMMUNICATIONS AND OUTREACH

10.1. BACKGROUND

Communications efforts in 2008 were focused on getting the word out about USAID, the MIDAS Program, and what has been achieved in Colombia. Quarterly reports detail specific activities of the C&O (Communications and Outreach) department, but overall activities can be essentially divided into the following six categories:

- Designing and producing the first ever regional outreach combined television and radio campaign for USAID Colombia.
- Fulfilling particular component communications needs-activity and product wise.
- Enforcing USAID Branding and Marking guidelines for 450 plus MIDAS projects.
- Organizing VIP/ technical visits/ ceremonies/national forums/events throughout Colombia and serving as the point of contact for USAID.
- Producing InfoMIDAS, MIDAS en CIFRAS and MIDAS en CONTACTO publications.
- Securing free coverage of MIDAS activities in national and regional media.
- Playing a vital role in the creation and logistics of internal communications events.

10.2. 2008 RESULTS

Table 29: 2008 Work Plan Indicators

Indicator	Achievements				WP 2008 Goal	2008	% WP 2008 Goal
	Q1	Q2	Q3	Q4			
Number of communication strategies developed for farmers associations	1	10	8	1	6	20	333%
Number of activities that support USAID /Acción Social Branding & Marking Guidelines	9	10	6	5	30	30	100%
Percentage of people who evaluate workshops positively	100%	95%	90%	N.A.	85%	95%	111%
Percentage of grantees/beneficiaries attending a meeting/workshop/event compared to percentage invited	100%	N.A.	90%	88%	60%	92%	153%
Number of advertising instruments utilized	4	10	8	2	10	24	241%
Number of technical fieldtrips	2	12	5	8	20	27	135%
Number of success stories collected, edited, produced	15	11	7	15	60	48	80%
Number of joint activities developed with Acción Social	2	6	4	5	15	17	113%
Number of events/activities coordinated with ADAM team	1	8	2	5	6	16	266%
Number of technical materials developed to support projects	2	10	5	12	25	29	116%
Number of promotional materials created to support specific activities	9	5	3	5	10	22	220%
Number of campaigns developed (i.e. African Oil Palm, cocoa)	1	1	2	1	4	5	125%
Number of internal publications produced	5	10	3	5	20	23	115%
Number of articles/ news items including Success Stories appearing in media	22	22	21	15	80	80	100%

10.3. 2009 GOALS

As 2009 is essentially when most MIDAS projects come to an end, the focus is on producing quality products for the transfer of knowledge garnered during the program. These Knowledge Management products have been defined by the particular components and C&O will be supporting their physical creation. Component communication's activities are highlighted below:

- CFC will hold a 2 day international forum on natural forestry management showcasing the work it has done. Also a webpage is to be created to ensure sustainability for the natural forestry strategy.
- PYME is developing a series of working papers and videos. Also a number of public/private sector events set at a national and regional level with press will be organized.
- MPC is producing a publication organized by subcomponents. Also several videos will be produced explaining the positive impact the reforms and CONPES will have on Colombian society.
- ABC is publishing a series of documents that summarize each of their 50 projects; also 3 national forums will be organized with a publication of what was learned.

10.4. STRATEGIC OBJECTIVES

The MIDAS Communications and Outreach department maintains two major priorities:

- Raise public awareness and inform USAID/Colombia target audiences about US alternative development programs in place and USAID's role in assisting the Government of Colombia.
- Attract positive publicity for USAID funded activities through the dissemination of media/publicity instruments that describe the impact of USAID |AD activities through the MIDAS program at the beneficiary and community levels.

Table 30: 2009 Work Plan Indicators

Indicator	WP 2009 Goal
A Number of internal/external evaluations/surveys	24
B Number of technical/VIP fieldtrips/ceremonies/events organized	60
C Number of joint activities/materials developed with Acción Social	10
D Number of events/activities coordinated with ADAM team	10
E Number of articles/ news items appearing in media	70
F Number of promotional/technical materials created to support specific activities	24

Table 31: 2009 C&O Strategic Objectives

Strategic Objective	Goal	Action	Audience	Corresponding Indicator (see Table 30)
Effectiveness in Performance	Procedural improvement in procedures & productivity	<ul style="list-style-type: none"> • Creation and maintenance of hard drive for organizing and sharing all photos, videos, materials, etc • Naming standardization in emails and files 	C&O, MIDAS Components, USAID	N.A.
	Coordination & Collaboration	<ul style="list-style-type: none"> • Rigorous following of chronograms for internal communication activities • Quarterly strategic workshops • Standard procedures for event and trip planning. • Naming standardization in emails and files • MIDAS staff 2009 planning event with video • Cómo Vamos organization 	C&O, USAID, ADAM Communications, Human Resources, Events and Logistics, MIDAS Components and ARD shared services, Acción Social	B, C, D
	Follow up and evaluation of goals and indicators	<ul style="list-style-type: none"> • Event evaluations • Monthly analysis of results 	C&O, MIDAS Components, USAID	A

Quality in Implementation	Alternative development formation among donors/ beneficiaries	<ul style="list-style-type: none"> • Design and distribution of Alternative development calendar/ all MIDAS beneficiaries • Design and distribution of desk calendar/agenda for donors 	USAID, MIDAS Components, Acción Social, Beneficiaries, Donors	F
	Service agreements or synergies among components	<ul style="list-style-type: none"> • Design and distribution of pocket environmental pamphlet for all beneficiaries working in productive projects 	MIDAS Components, Beneficiaries, USAID	F
Knowledge Management and Sustainability	Impact Evaluation	<ul style="list-style-type: none"> • Phase II of rural population communication survey evaluating regional campaign impact 	USAID, Acción Social, MIDAS Components	A
	Publications & Seminars	<ul style="list-style-type: none"> • 3 ABC National Forums • CFC International Forum • PYME & MPC Project Videos • Technical support for each Components' Knowledge Management Publications 	National and international Opinion Leaders, Agricultural/ forestry federations, USAID, general public	A, B, C, D, E, F
	Institutionalization of Knowledge	<ul style="list-style-type: none"> • MIDAS Big Book • <i>Memoria de MIDAS</i> including all press clippings and all communication materials, etc- Spanish and English summaries • Weekly newspaper MIDAS supplement • CFC website, Natural Forestry Management • Regional outreach campaign, television and radio 	USAID, US and Colombian Opinion Leaders, Acción Social, Rural Colombians, general public	A, C, E, F

People Development	Motivation and Integration	<ul style="list-style-type: none"> • Internal Communication Strategy in collaboration with ARD Administration and HR including: <ul style="list-style-type: none"> ○ DISC- personality evaluation and seminar ○ Rotating posters per floor displaying work with beneficiaries and MIDAS news focusing goals ○ Internal communication products in Lobby ○ Support and expand HR Monthly Bulletin 	Human Resources, ADAM communications, Events and Logistics, MIDAS Components, ARD shared services, ADAM	D, F
	Critical Skill Development	<ul style="list-style-type: none"> • Promoting ARD Values through Intranet 	MIDAS and ADAM	D, F
	Support in employee exit strategy	<ul style="list-style-type: none"> • Resume writing workshops 	MIDAS and ADAM	D, F
Afro-Colombian and Indigenous population support	Participation in Initiative	<ul style="list-style-type: none"> • Communication Strategy Implementation 	USAID, US Government/ Congress, Opinion leaders Accion Social, ADAM, OIM, FUPAD, Beneficiaries, Donors	B, C, D, E, F
	Component and operator articulation	<ul style="list-style-type: none"> • Monthly communication meetings (minimum) • Coordination of initiative's communication products with each operator contributing 	USAID, US Government/ Congress, Opinion leaders Accion Social, ADAM, OIM, FUPAD, Beneficiaries, Donors	C, D, E, F

10.5. SUSTAINABILITY

In most cases, advertising and communication products have been developed so that overall USAID Alternative Development activities, achievements, and goals are broadcast -not just those that pertain to MIDAS (a prime example are the television and radio pieces for the regional outreach campaign). Collaboration with ADAM and other operator's has been excellent in 2008 and will continue in 2009 to assure that communications efforts are not duplicated.

C&O is conscientious that USAID will continue to do work in Colombia when the MIDAS program ends and that it's important that Colombians recognize these efforts are financed and supported by the American people through the US government in collaboration with Acción Social. Thus, there has been a shift towards more generic Branding and Marking, following 2007 directives (April 2008) for alternative development programs in USAID Colombia, which takes the long view of promoting USAID where the MIDAS logo is used sparingly and only in situations where there is an audience familiar with the MIDAS brand.

10.6. TEP COMMUNICATION STRATEGY OUTLINE

The Productive Ethnic Territories Strategy (known as TEP) seeks to strengthen Afro-Colombian and Indigenous populations in the departments of Nariño, Buenaventura, and Cauca. Seven sub-regions have been identified, to facilitate implementation.

These populations are characterized by the difficult combination of: (i) the presence of illegal armed groups; (ii) illicit crops; (iii) high levels of displaced people, and; (iv) extreme poverty. As a starting point, the Communication Strategy will include a coherent explanation for the design of the Afro-Colombian and Indigenous Earmark Project for external audiences and the selection of specific TEPs. A Communications Committee has been formed and is meeting monthly to coordinate all activities and draw on the particular strengths of each programs communications' department.

Due to the cultural diversity and socio-economic and institutional complexity of the TEP beneficiaries, as well as the significant management challenges of the project per se, strong communication is critical at several levels. Furthermore, communications activities will have to address the needs of a diverse group of clients/audiences. These are summarized below:

1. Within Afro-Colombian and Indigenous communities in the TEP: As the technical document clearly describes, one of the biggest challenges for the project is linking productive activities that improve income to livelihood systems based largely on subsistence production, and doing so in a way which strengthens – and not undermines – ethnic institutions and is respectful of traditional visions. In order for this to happen, strong communication is necessary to enhance both (i) inter-community dialogue between different internal stakeholders (communities, governing bodies, producers groups, etc.), and (ii) inter-cultural dialogue between ethnic representatives and external stakeholders (public bodies, private enterprises, etc.). Central to good communication in this context is a “counseling” focus in which direct communication (listening, sharing perspectives and the promotion of transparent dialogue) is critical. Communications instruments will include: (i) fora and workshops (taking into consideration tradition and culture); cultural activities that compliment productive projects, and (iii) productions for community radio that maximize those stations having coverage in TEP Afro-Colombian communities and utilizing the Awá populations' radio station and production center in Unipa, El Diviso, where they broadcast in their native language. Each program will design their particular activities that correspond with their projects. FUPAD and OIM's communication departments will manage radio program production and design with MIDAS and ADAM supporting with the content.
2. Within the project itself: The matrix-coordination mechanism within the project includes both a coordination committee (at least 6 members) and an operational committee (11 members). This in itself poses significant challenges for effective communication, not least in ensuring an efficient flow of information to support good management decisions. Pertinent communications tools could include (i) short action-oriented minutes from all meetings, as well as (ii) the definition of a formal method for documenting and sharing progress in different thematic areas and across regions.
3. Between the project and key external audiences: From a US donor perspective, this initiative will be high profile with interested observers within USAID and the US Congress. Their role as budgetary and policy decision makers mean they are key advocates to the progress of the initiative. Likewise, the Colombian Government will be keen to see progress. Given this, a monthly/quarterly electronic bulletin (in English and Spanish) summarizing the TEP's development, activities, and impact will be developed and disseminated. MIDAS Communications is responsible for the production of this product. In addition, ADAM Communications will produce a quarterly 2-5 minute video highlighting the progress of the TEP projects, also produced in both languages.

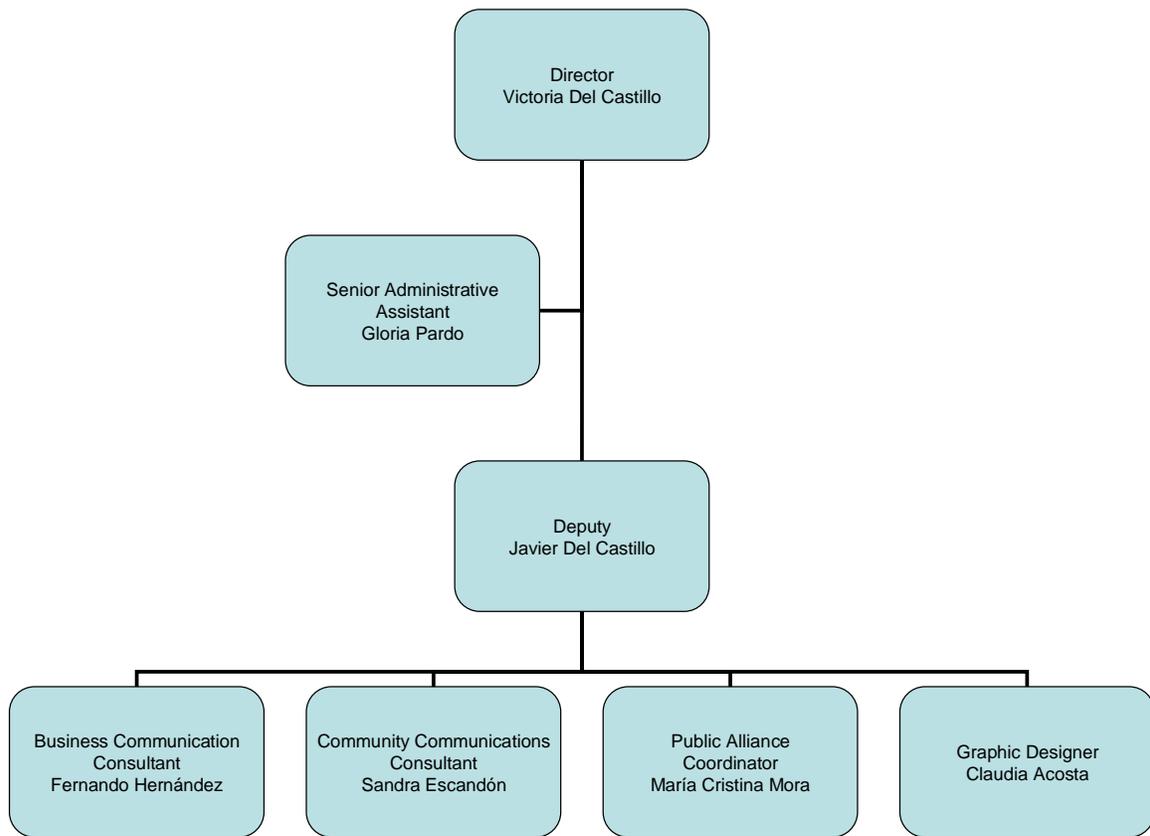
4. Via specific “ad-hoc” activities designed to enhance the effectiveness of technical interventions: During the life of the project, it is probable that specialized communications inputs will be needed to enhance the success of technical implementation. For example, it is very likely that support will be needed to support the marketing of products through the development of commercial identities, the design of packaging materials or support to increase visibility in trade fairs and the like. This will be developed in response to specific demands and prioritization by the coordination/operational committees. The communications committee will work hand in hand with USAID’s Information Specialist in branding and marketing TEP. MIDAS and ADAM Communications Departments are responsible for all design efforts.
5. A final documentary style video will be prepared showing the development, activities, results and overall impact of the initiative to present at the close of the project. ADAM Communications is responsible for the design and collection of material for all video production.

The goal of all communication activities is to contribute to the empowerment of communities and the sustainability of the TEP initiatives in the long term, and to broadly disseminate success to a wider audience in Colombia and the US. The project will draw upon current communications capacity and experience within ADAM, MIDAS, OIM, and FUPAD and financing for the majority of TEP communication activities will be drawn from the existing budgets of ADAM and MIDAS.

10.7. STAFFING TO ACHIEVE GOALS

Currently the staff is comprised of the Director, Deputy Director, Business Communications Consultant/Photographer, Community Communications Consultant, Public Alliance Coordinator, Senior Administrative Assistant and a Graphic Designer. By years’ end, all contracts will be terminated and one member of the team will remain in the department for 2010.

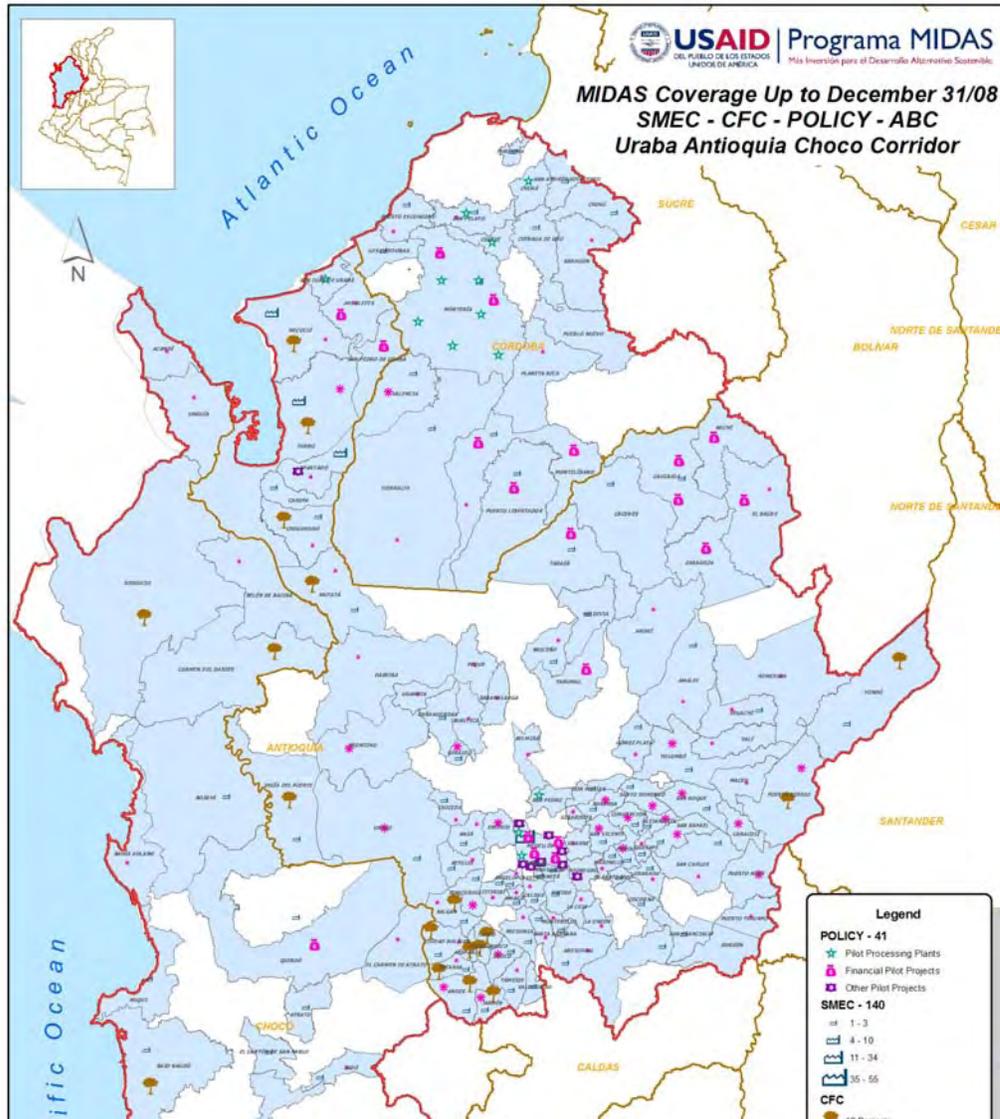
Figure 26



11. ANNEXES

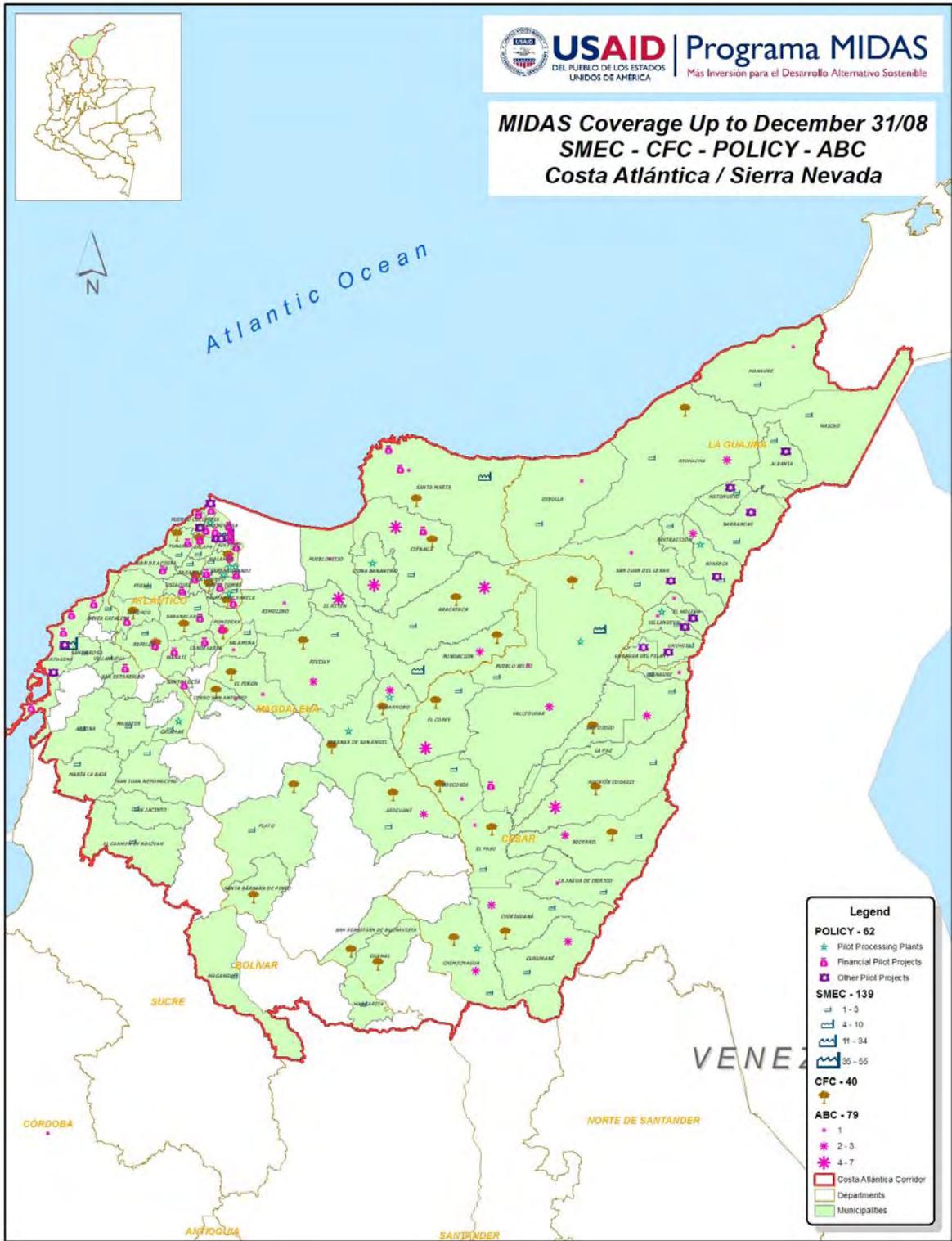
11.1. REGIONAL IMPACT MAPS





There are 66 projects under implementation, most of which through the SME Component. The Commercial Forestry Component is carrying out 3 projects of forestry plantation, with a committed area of 6,000 hectares.

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 Caucaasia municipalities.



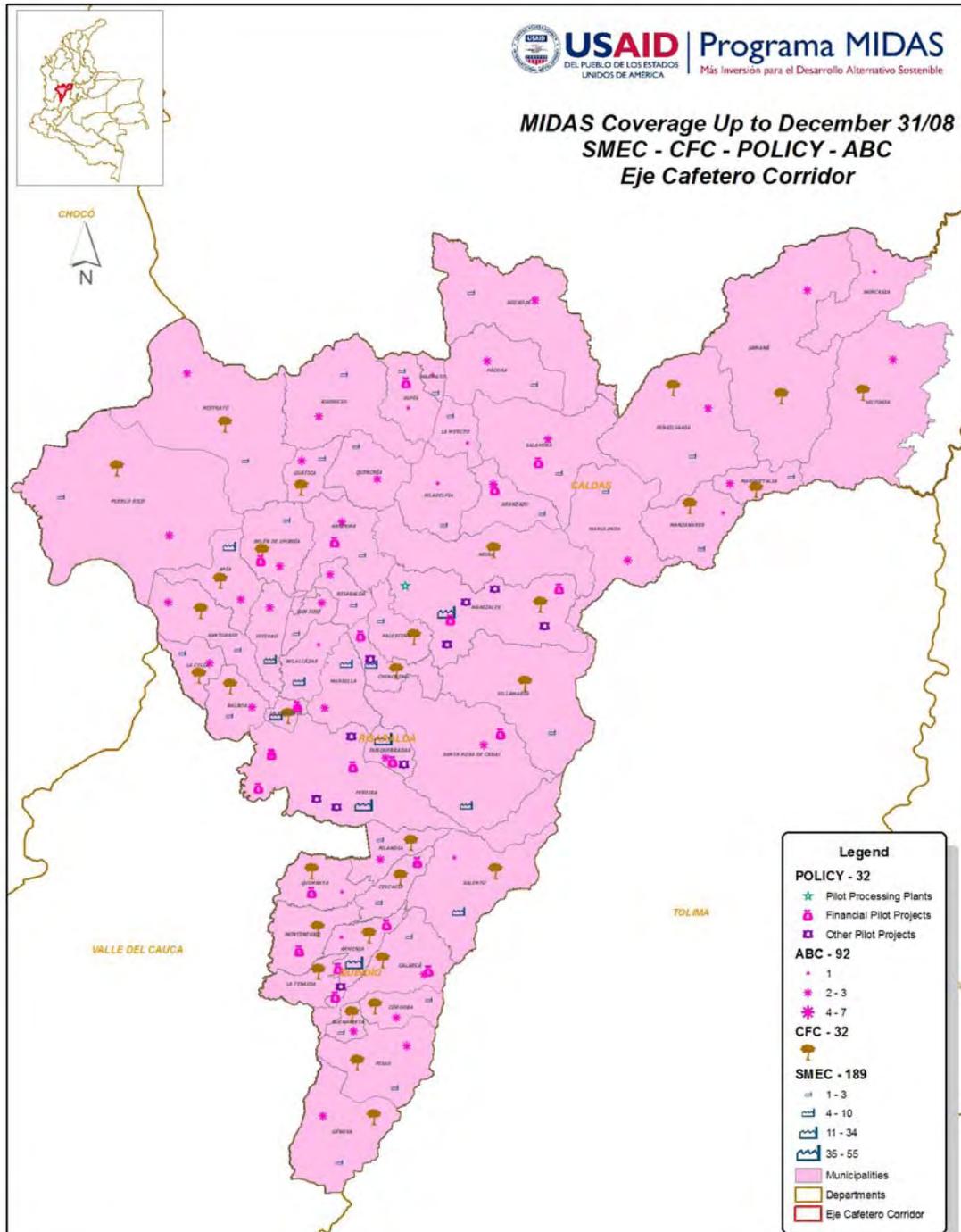
There are 55 projects being implemented in this region. The oil palm crop is the most important one, with 7 projects and an area of approximately 10.000 hectares committed for planting. The existence of several oil palm processing plants in the region makes it an important cluster for the oil palm sector.

During 2008 in La Guajira, the Macro Policy Component made it possible for MIDAS to formalize minutes of agreements with the Governor's Office and the Regional Competitiveness Commission. The assistance agenda comprises six aspects: productive development, infrastructure, lands, access to financial services, fiscal issues and institutional strengthening. The agenda includes support for crops such as melon, watermelon, chili and specialty coffee plus other products such as meats and Artemia by craft fishing.

In **Magdalena**, MPC agreed the priority issues with the Governor's Office, the Santa Marta Mayor's Office and the Regional Competitiveness Commission, which has requested assistance for six agro industrial products: "Sierra Nevada" coffee, vegetables, aloe, wood, cattle and aquiculture. The Mayor's Office is also interested in the implementation of call centers.

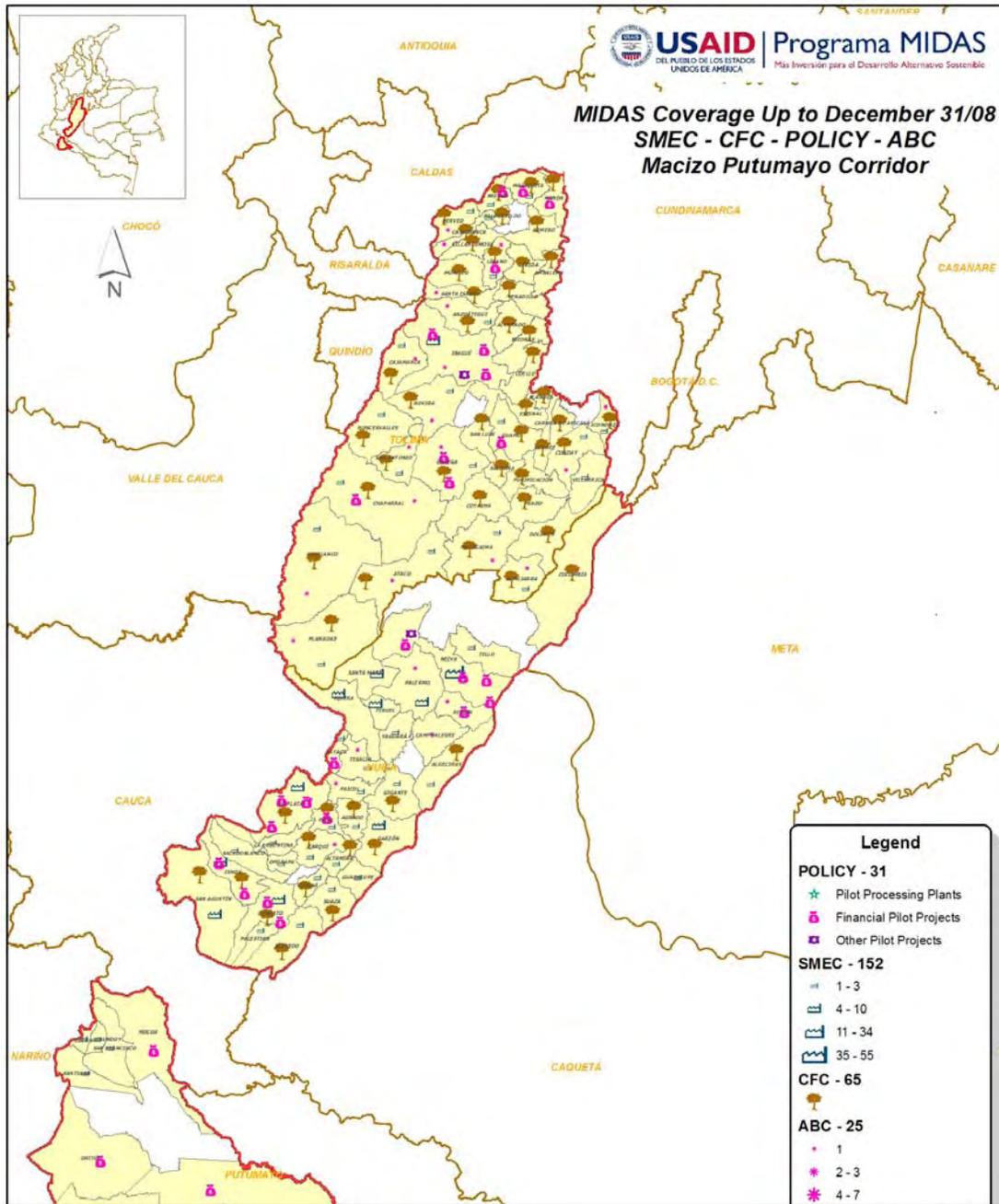
The SME component is implementing a leading project in terms of job generation for CIT Comercial E.U., created 408 new jobs. The aim of this project is to design and implement a traceability system for organic coffee production for 825 farms or productive units belonging to the ethnic group of Arhuacos from Sierra Nevada de Santa Marta in order to attain better productivity, guarantee quality and improve international sales.

The SME component has achieved the first agreement of collaboration consolidated between the Clinton Foundation and a program financed by USAID in Colombia. Thanks to this agreement, there will be a joint support for a project led by COTELCO (*Asociación Hotelera de Colombia*) that will allow small enterprises, owned by poor and vulnerable population, to be strengthened and join the tourism value chains as suppliers of several hotels in the city of Cartagena.



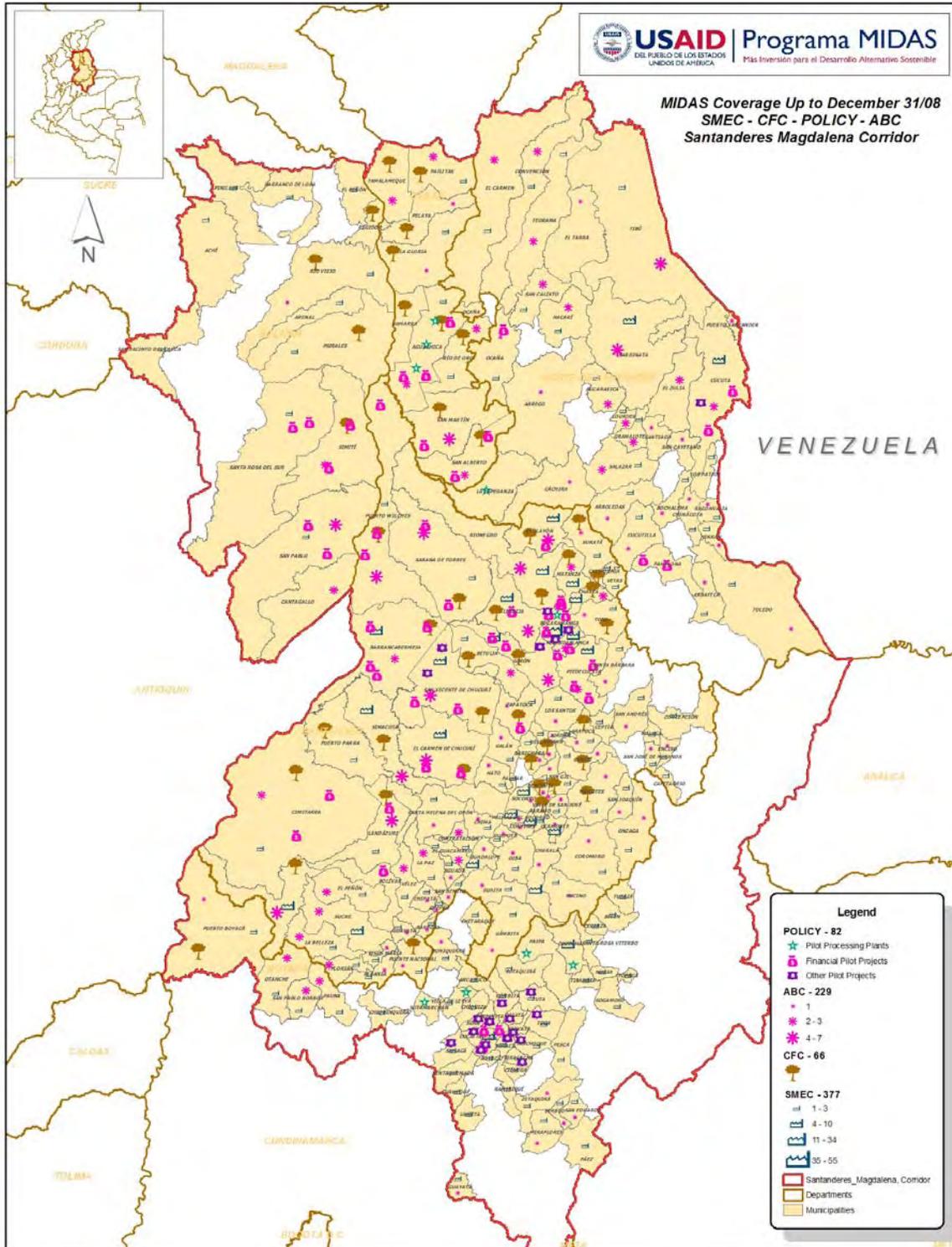
In this corridor there are 78 projects under implementation. The region has an important number of forestry plantations in an area of more than 4,000 hectares. There are two projects with AGROFORESTAL to plan 2,500 hectares in Quindío department and one project with ALDEA GLOBAL to plant 1,500 hectares in twelve municipalities of the same department.

There are 2 projects under implementation with AGB; one plants cacao in 980 hectares and the other, with Comité de Cafeteros de Risaralda (Risaralda Committee of Coffee Growers), plants fruits in 1,450 hectares. SME component is currently implementing 73 projects in the region, offering technical assistance to SME of both urban and rural sectors.



The SME component is currently implementing 64 projects in the area, with an important participation in the sector of specialty coffees. In the forestry sector, more than 4.000 hectares of varied forestry species are being established in the departments of Tolima and Huila. CORCUENCAS in Tolima and Empresa Forestal del Huila are our grantees for this projects

During 2008, the SME component implemented a project which had a high level of impact in the region. 778 new jobs were certified by the grantee Prohaciendo during this period



All MIDAS components have an important presence in this corridor. 98 projects are being implemented, of which 17 are Agribusiness projects and represent a commitment of planning more than 25,000 hectares of oil palm and 18,000 hectares of cacao.

Projects

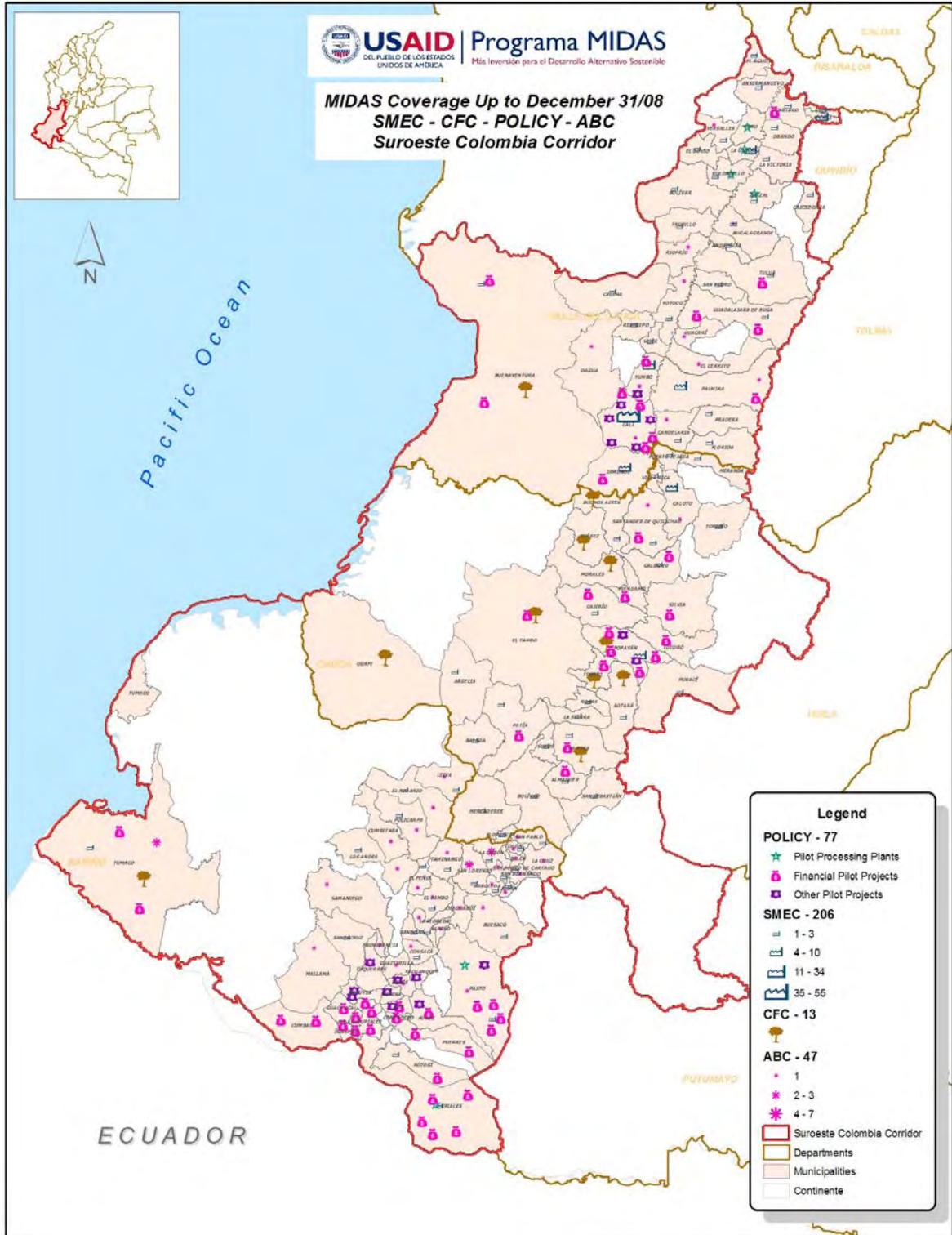
In Boyacá, with MPC Component, MIDAS has been working in the development of a specific synergy between transition and land projects; the MIDAS team has been supporting a property restitution pilot project in the Municipality of Samacá (Boyacá).

Santander has an important rubber cluster, where MIDAS, in alliance with several local firms, is establishing around 6,000 hectares of this product through 3 projects carried out by the Commercial Forestry Component.

In **Santander**, MPC prepared a preliminary agreement on the basis of contacts with the Secretaries of Planning, Agriculture and Finance and with the Regional Competitiveness Commission. The Governor's Office requested assistance for: blackberry, cacao, tobacco, milk, meats and poultry. The Competitiveness Commission is interested in applying the world-class sectors methodology (as developed by the firm McKinsey for MCIT with MIDAS support) to formulate the business plans for potential sectors such as: jewelers, metal mechanics, clothing, shoes and food.

AGB is supporting the development of a pilot certification project for 3,500 hectares by Indupalma, in coordination with Fundacion Natura (The Rainforest Alliance Representative in Colombia), with the RAS (Red de Agricultura Sostenible) sustainable certification.

For 2009, AGB, together with Fedepalma, will strive to spread the MIDAS-ABC "35/25 Vision" among a large part of its projects' grantees, aiding in improving palm crop productivity. This vision promotes the attainment of an average productivity of 35 tons of fresh fruit per hectare and a 25% oil extraction rate.



This corridor is one of the most affected by illicit crops and outlaw groups. Tumaco is the second municipality in Colombia with the highest number of hectares of coca (5,135 Has – Source: SIMCI 2007). MIDAS investments in the region mount to approximately \$4,3 million, with 118 projects of which 104 are SMEC projects, 9 are implemented by the Commercial Forestry Component and 5, by the Agribusiness Component.

The main intervention in this corridor in 2009 will be made through the Productive Ethnic Territories initiative. These are some of the projects to be developed:

TEP Projects

The TEP initiative was launched through a series of meetings and workshops in Tumaco, Buenaventura, Popayán and Cali. TEP was presented to local authorities and municipal mayors. Representatives of the *consejos* and *resguardos* also had the opportunity to tell the TEP Task Force some of the new ideas the community had in order to determine which could become potential TEP projects.

The palm renovation project in Tumaco (Cordeagropaz Palma) will be complemented with financial support directed to the technical assistance in the pilot Project to treat palm trees affected with PC (*Pudrición del Cogollo*), lead by Cenipalma with active involvement by Cordeagropaz, Acción Social, farmers and the private sector, developing in a more than 1,000 hectare buffer area, 400 of which consisting in palm trees selected by Cenipalma within its research process for PC prevention and control.

Fruit & Vegetables will be the leading sector in job certification during the second quarter. One of the most important projects for fruits and vegetables sector will be *Palenque Cinco*, which is one is an Afro-Colombian initiative, seeking an enhancement of the *Finca Tradicional*, a traditional agricultural system. This experience, in conjunction with the *Fundemerca* project, have been very useful for the SMEC approach applied to several *Territorios Étnicos Productivos TEP* projects, particularly one in the northern region of Cauca Department.

The project oriented to the enhancement and recovery of the value chain of coconut in the Pacific Coast of Cauca and Nariño. Similarly, a proposal to support small Afro Colombian and Indigenous producers of traditional crops (Quinoa and Guandul) to become suppliers of the CAUCA SIN HAMBRE will be in implementation in the first group of TEP projects.

The SME component will lead, through its projects with COMFANDI and the IICA, activities of mainly urban character in Buenaventura, which will make possible the generation of income and welfare for the Afro Colombian population, assuring food safety and facilitating the associative and organizational strengthening of the communities, in the frame of an agreed by consensus and respectful of its traditions and culture intervention.

Implementation of the Natural Forest best management strategy in the collective territory of the Cajambre River basin, municipality of Buenaventura, Valle del Cauca. The contribution of MIDAS will benefit 250 afro descendent families, generate 245 equivalent jobs and conserve 7,000 hectares of natural forests.

Success Story

Fundemerca project generated 456 New FTE Jobs and 269 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.

11.2. LINE CHART INDICATORS



MIDAS

2009-2010/Projections

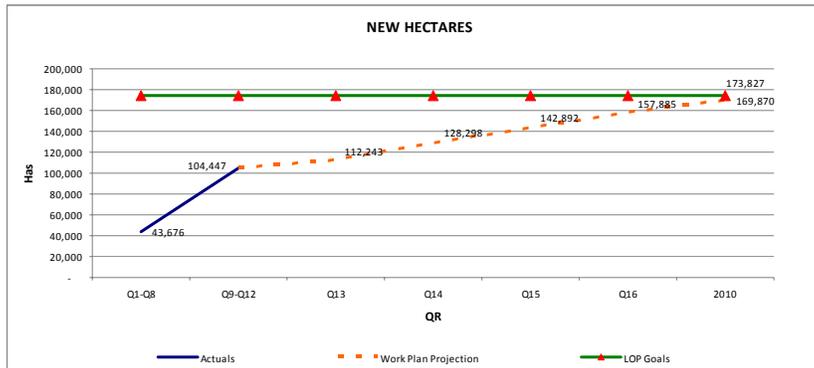


Indicators 2008/ Projections 2009

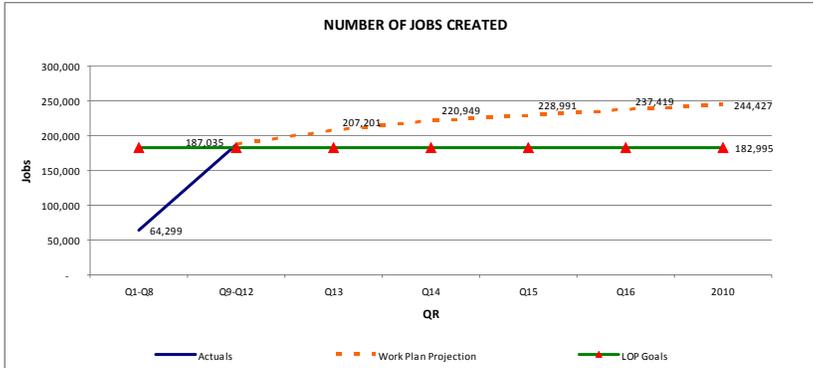
Contract target	Life of Contract Goal	Commitments for 2008	Achievements for 2008	% WP 08	Total Cumulative (2006 -2008)	Projected Results for 2009	Projected Results for 2010	Project Cumulative at the end of Program (2010)	% LoP
Total New Jobs	182,995	115,958	122,736	106%	187,036	50,384	7,008	244,427	134%
Total New Hectares	173,827	72,806	60,771	83%	104,447	53,438	11,986	169,870	98%
Total Natural Forest hectares	114,268	60,122	76,065	127%	106,711	19,058	0	125,769	110%
Total Families Benefited	156,425	213,893	149,520	70%	244,591	30,102	1,894	276,587	177%
Indirect Families Benefited**	340,677	269,439	230,477	86%	280,087	60,000	0	340,087	100%

*Internal Indicator
 These figures include TEP goals

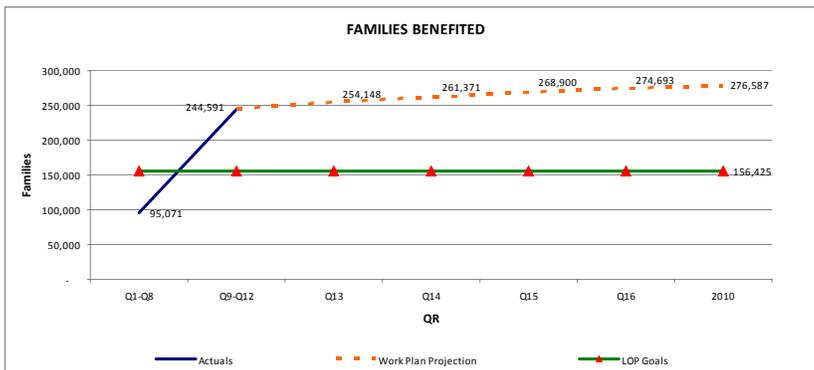
MIDAS Hectares



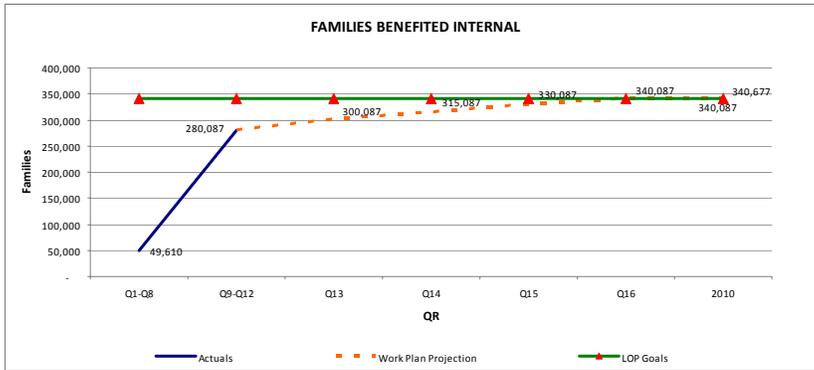
MIDAS Jobs



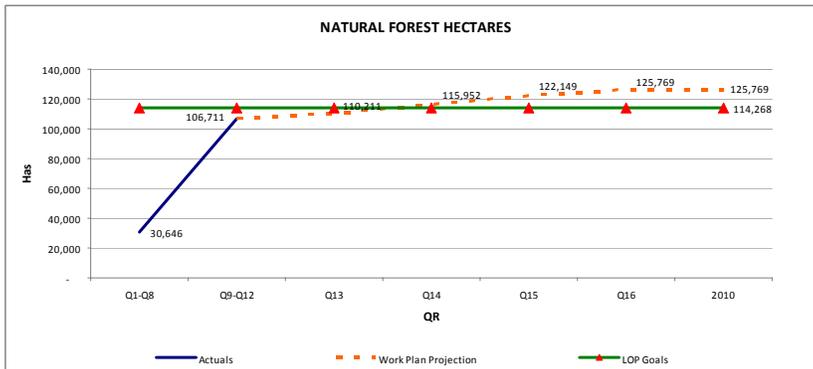
MIDAS Families

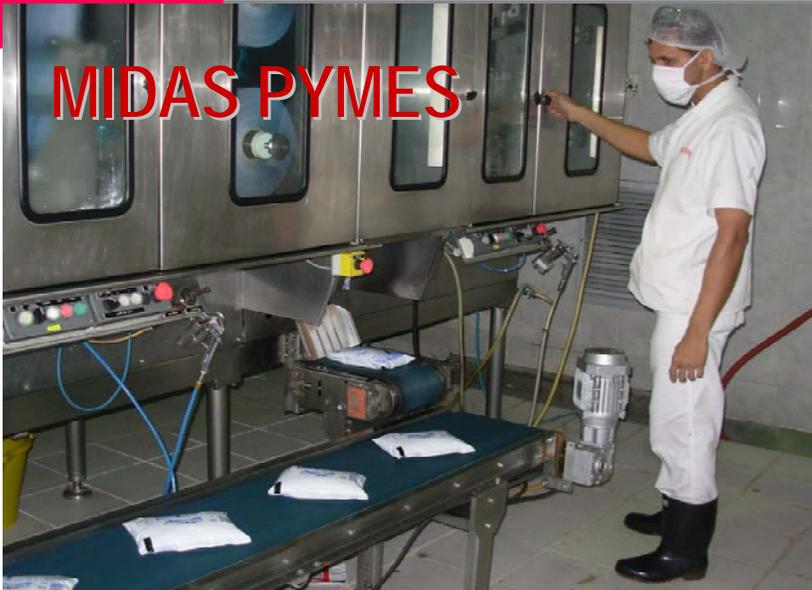


MIDAS Families Benefited Internal



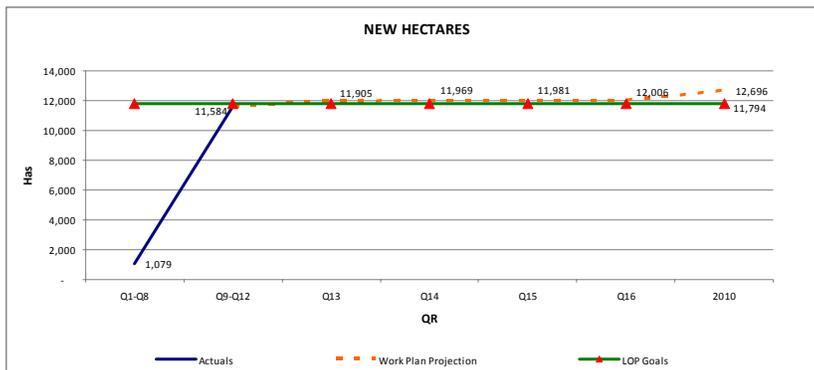
MIDAS Natural Forest Hectares



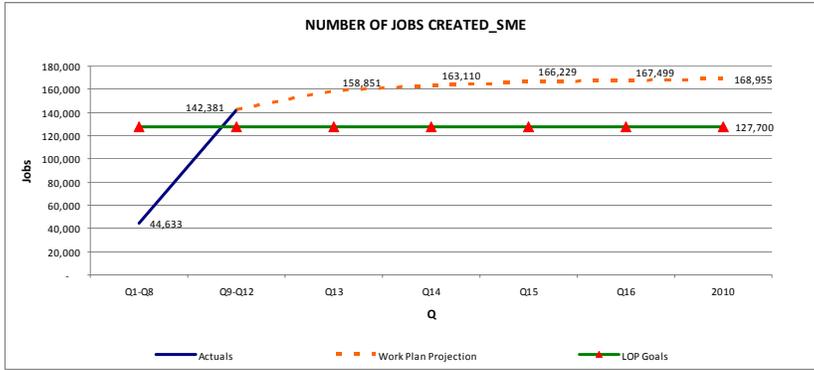


MIDAS PYMES

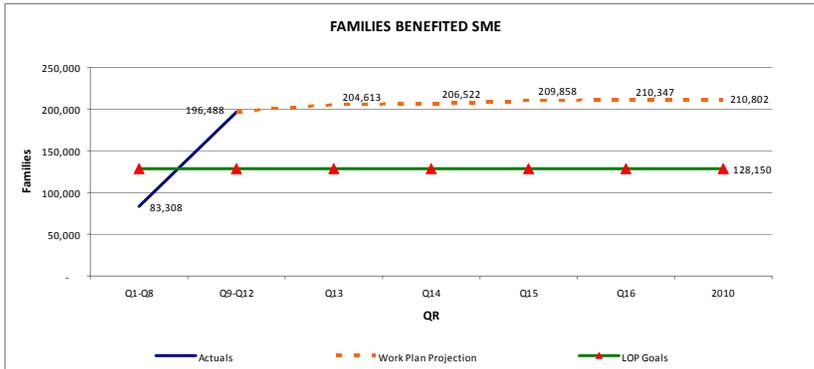
MIDAS SME Hectares



MIDAS SME Jobs

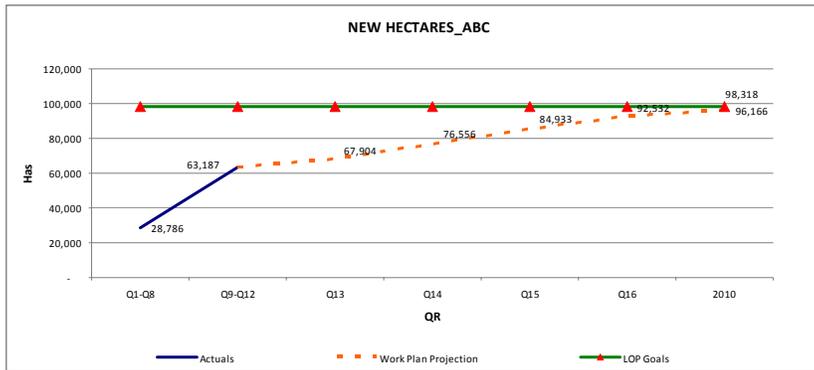


MIDAS Families

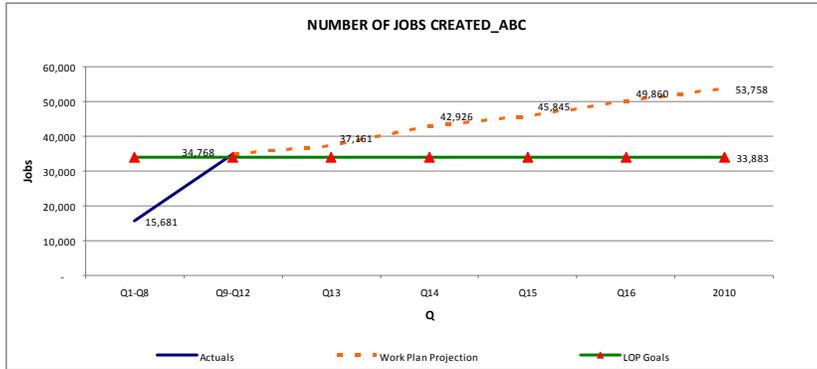




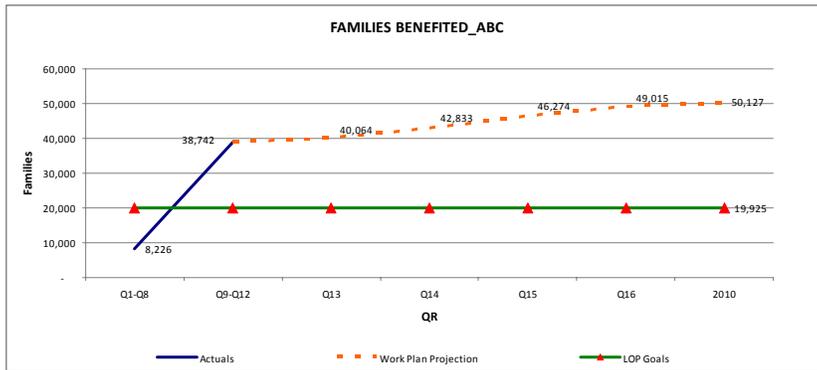
MIDAS ABC Hectares

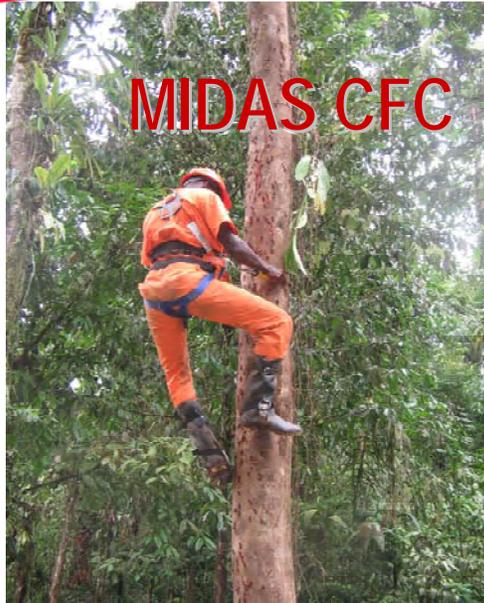


MIDAS ABC Jobs



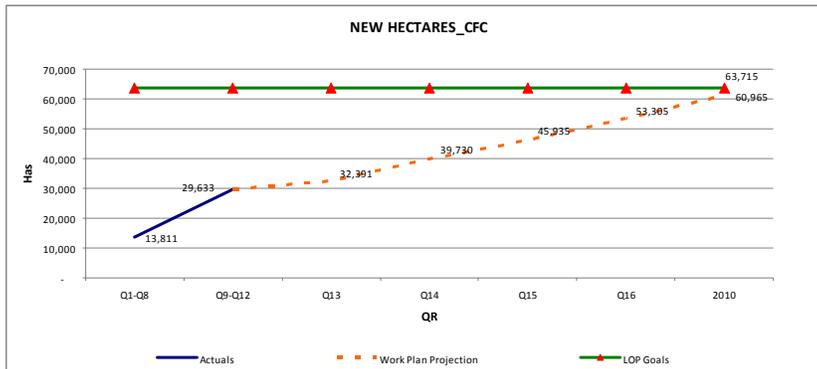
MIDAS ABC Families



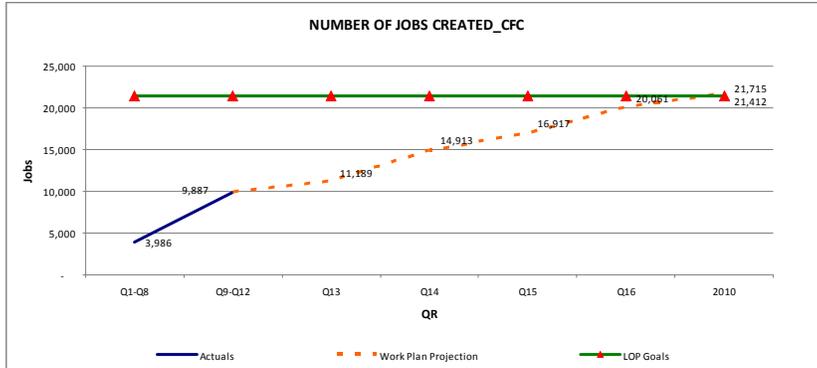


MIDAS CFC

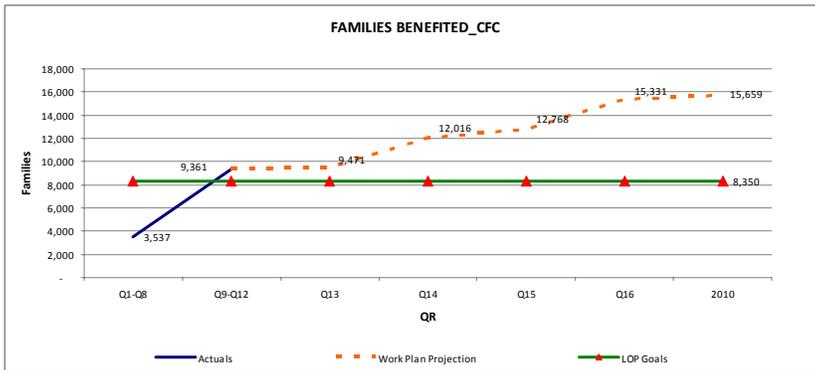
MIDAS CFC Hectares



MIDAS CFC Jobs



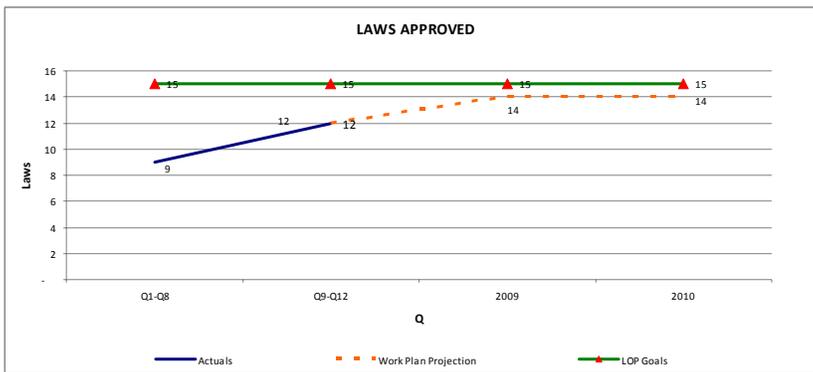
MIDAS CFC Families



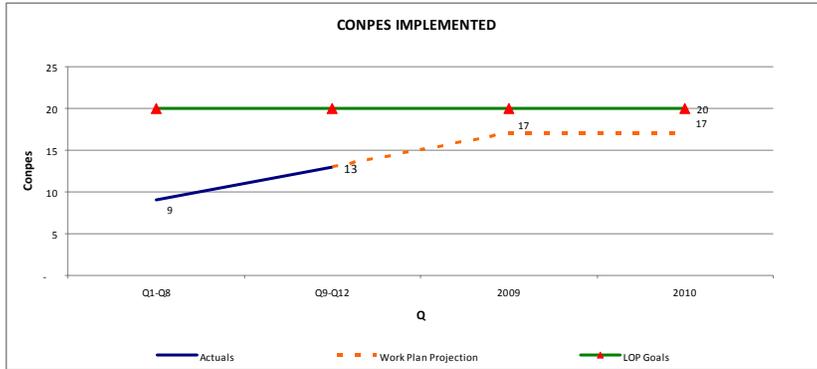


MIDAS Policy Component

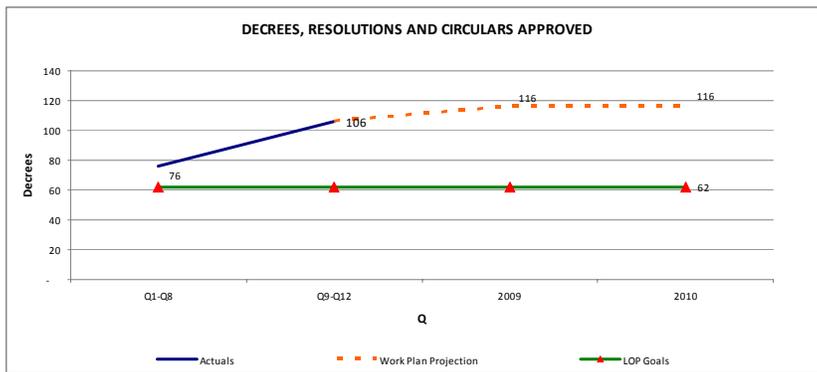
MIDAS POLICY Laws



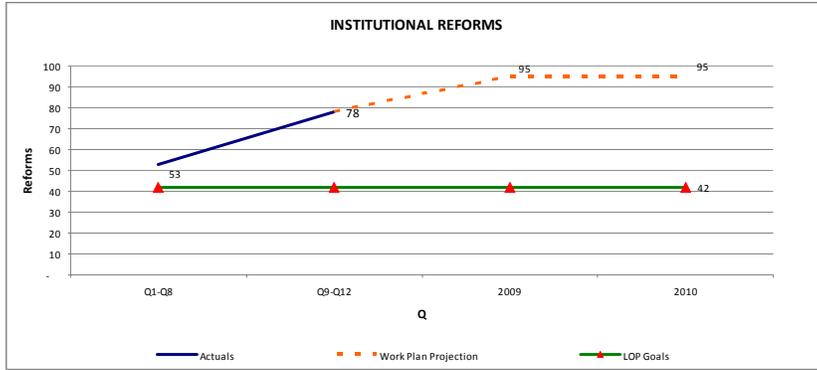
MIDAS POLICY Conpes



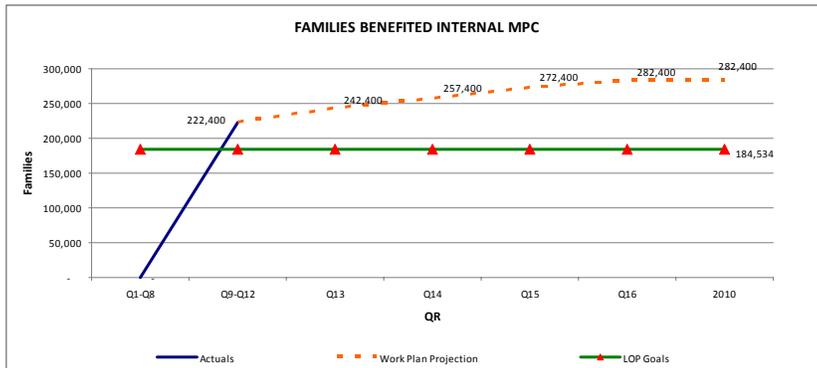
MIDAS POLICY Decrees



MIDAS POLICY Institutional Reforms



MIDAS POLICY Families Benefited Internal



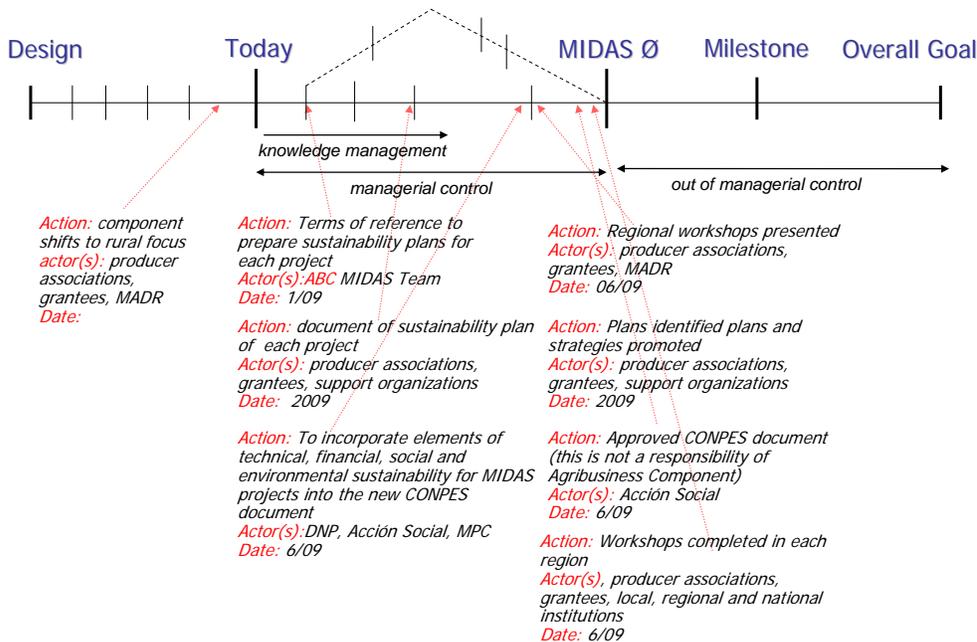
11.3. SUSTAINABILITY CHARTS



	Objectives	Impact	
MIDAS SUSTAINABILITY PLAN	ABC	<ul style="list-style-type: none"> •Ensure a dynamic agricultural sector in post conflict contexts •Improved regional licit economies •Vibrant SME sector in Colombia with increased job creation •Increased Agricultural Sector Competitiveness •Increased Market Incentives for Environmental Protection in Colombia 	
			Contribute to the technical, economic, financial, environmental and comercial development of Agricultural Sector in Colombia through the consolidation of 54 sustainability plans.
			Contribute to the consolidation of the Cacao Sector in Colombia by securing long term Technical Assistance
	CFC		Contribute to the empowerment of Small Growers in the African Palm Sector
			Contribute to the development of agricultural information system with the adoption and implementation of competiveness indicators.
	SMEC		Contribute to the Reforestation process in Colombia by consolidating alliances and securing small producers in the value chain
			Improve the Consolidation of the Rubber Sector in Santander
			Ensure the CFC Forest Management Model is successful and replicable for Colombia
			Publish best practices, success stories, and documents that recommend elements to design and formulate public policies.
			Develop an Online or Internet based Technical Assistance Marketplace that strengthens local and regional consultancy markets
			Evaluate factors of performance of a Project suppliers' network.
			Successfully transfer the SMEC's operational model to FOMIPYME and to help establish four pilot projects in a similar number of departments.
	MPC		Design of a scheme oriented to the development of a public policy aimed to strengthening Technical Assistance services for small rural producers countrywide.
			Successfully transfer the SMEC's operational model to a number of regions, namely five to six departments.
			Enhance regional competitiveness through the implementation of the <i>Doing Business</i> methodology in Nariño, Cesar, Santander and Guajira.
			Contribute to the improvement of Technical Assistance in the Agricultural Sector
Promote the implementation of SME Technical Assistance at Regional Level in methodology in Nariño, Cesar, Santander and Guajira.			
Expand access to Financial Service in Rural Areas through the GoC <i>Banca de Oportunidades</i> Initiative.			
Contribute to the development of a GoC Policy for Payment of Environmental Services			
Document Lessons Learned and Future Recommendations for Institutional Reforms			

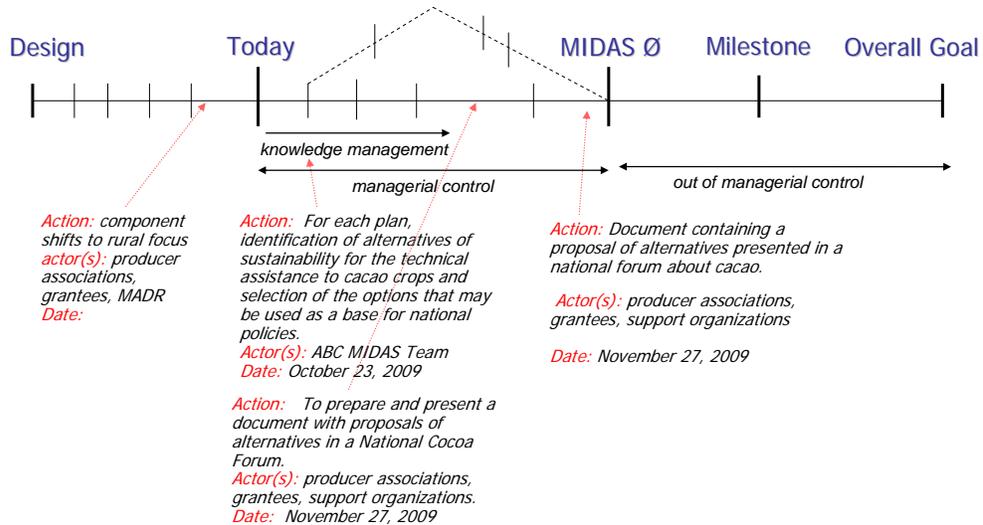
ABC

To maintain the goals of productivity and competitiveness established for each project (local, regional & national influence)



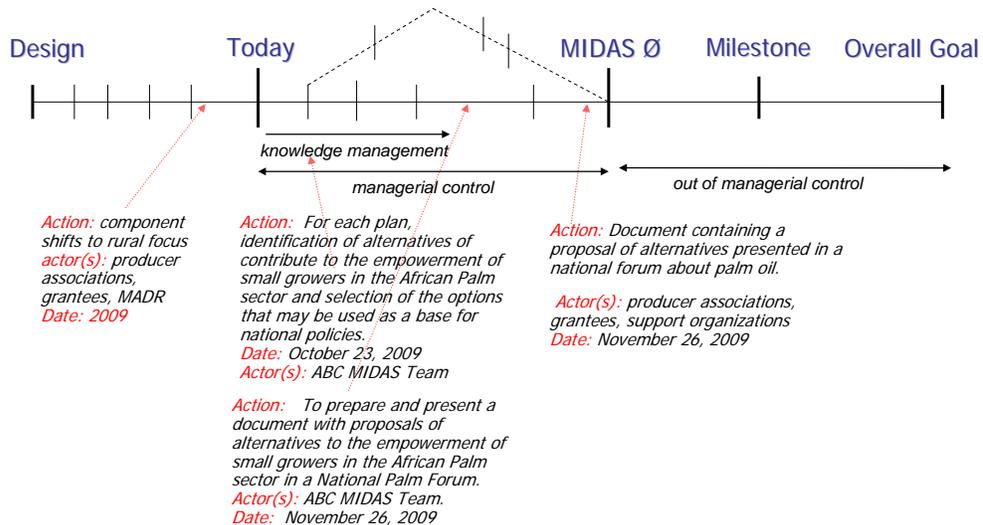
ABC

Contribute to the consolidation of the Cacao sector in Colombia by securing long-term technical assistance for the projects assisted by MIDAS.



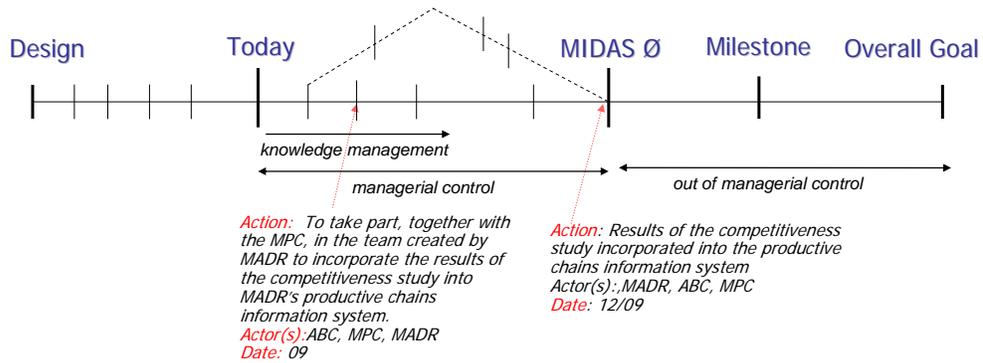
ABC

Contribute to the empowerment of small growers in the African Palm sector.



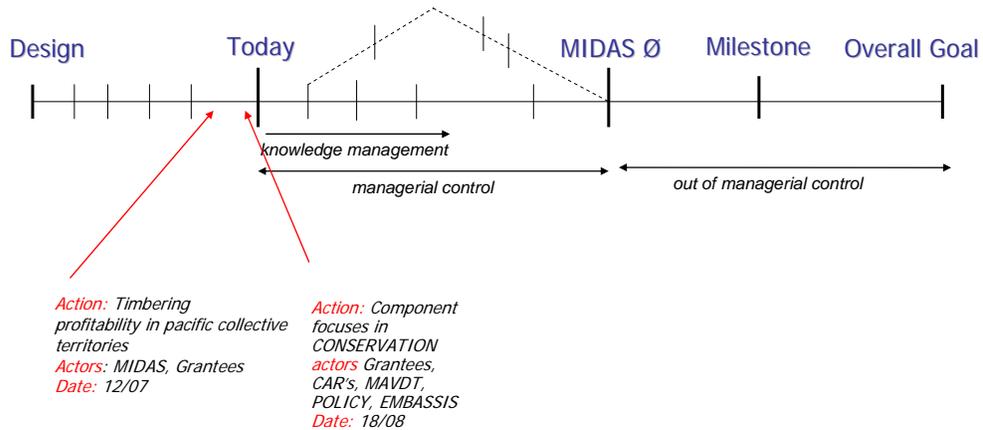
ABC

To incorporate the results of the competitiveness study into MADR's productive chains information system.



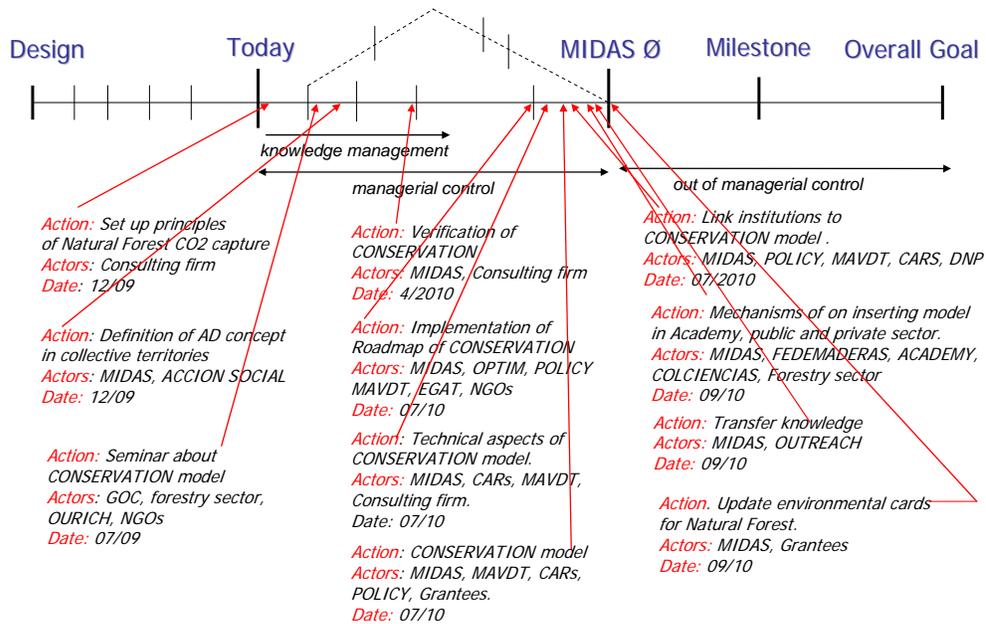
CFC (Natural Forest) OBJECTIVES DESIGN

To promote and set forth durable conditions to implement the conservation model for collectively owned forests as an income generating activity other than timber exploitation



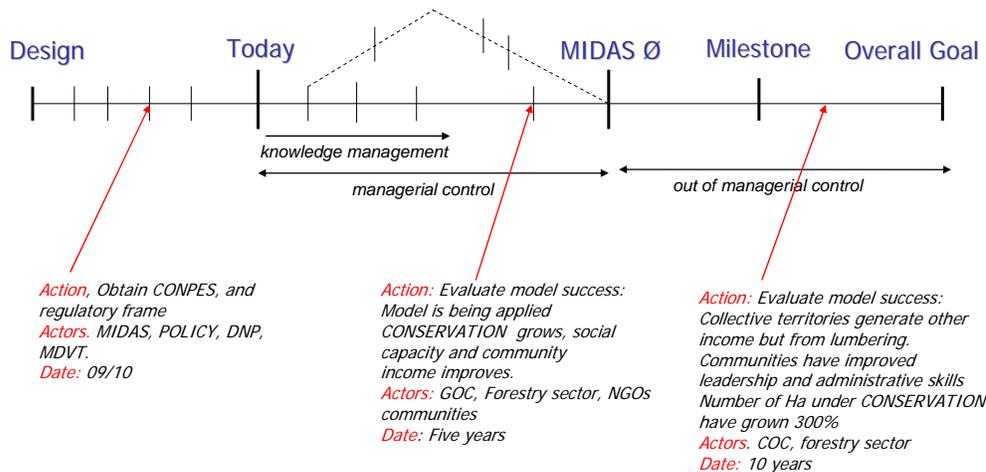
CFC (Natural Forest)

To promote and set forth durable conditions to implement the conservation model for collectively owned forests as an income generating activity other than timber exploitation



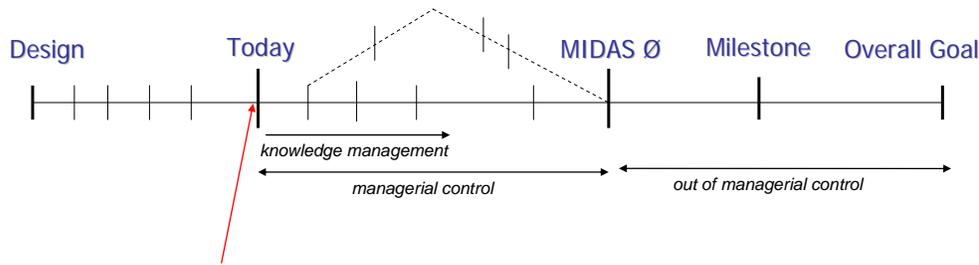
CFC (Natural Forest)

To promote and set forth durable conditions to implement the conservation model for collectively owned forests as an income generating activity other than timber exploitation



CFC (Commercial Forestry-wood trees) OBJECTIVES DESIGN

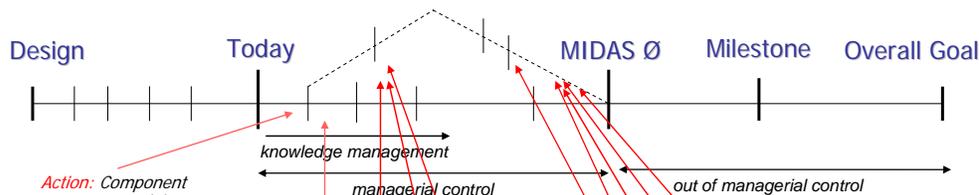
To promote and set forth durable conditions to implement the model of partnership among forestry entrepreneurs, small farmers and forestry workers.



Action: Contribute to reforestation in Colombia by Consolidating alliances
Actors: MIDAS, Forestry sector GOC
Date: Today

CFC (Commercial Forestry-wood trees)

To promote and set forth durable conditions to implement the model of partnership among forestry entrepreneurs, small farmers and forestry workers.



Action: Component promotes model
actor(s): Ministerio de Agricultura
Date: 05/09

Action: Cost standards for each planted species
Actors: Grantees
Date: 07/09

Action: Environmental protocol for forestry activity
Actors: Grantees
Date: 12/09

Action: Environmental indicators, Environmental training methodologies
Actors: Grantees
Date: 12/09

Action: Update technological packages
Actors: Grantees
Date: 12/09

Action: Finishing establishment of plantations
Actors: Grantees
Date: 05/10

Action: Review environmental card
Actors: CORPOICA, CAMPO LIMPIO
Date: 07/10

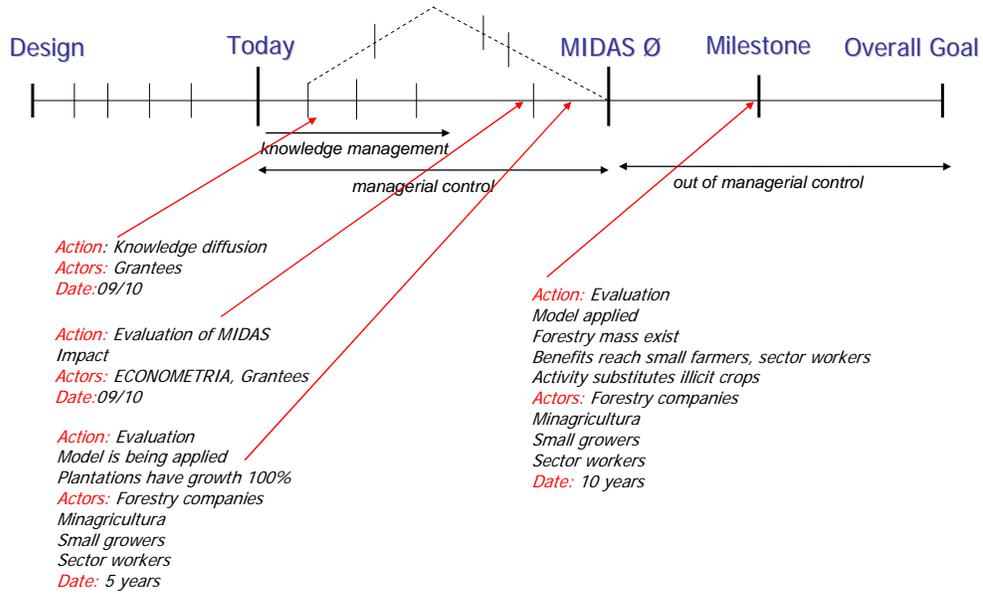
Action: To design a sustainability plan for each project
actors: Grantees
Date: 07/10

Action: To devise a document about the partnership model.
Actors: Grantees, MinAgricultura, FEDEMADERAS
Date: 07/10

Action: Model presented and document published
Actors: MAVDT, POLICY, Grantees
Date: 07/10

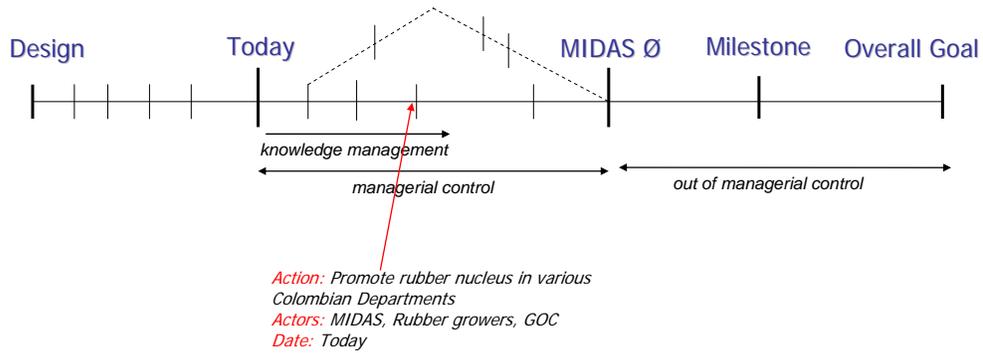
CFC (Commercial Forestry-wood trees)

To promote and set forth durable conditions to implement the model of partnership among forestry entrepreneurs, small farmers and forestry workers.



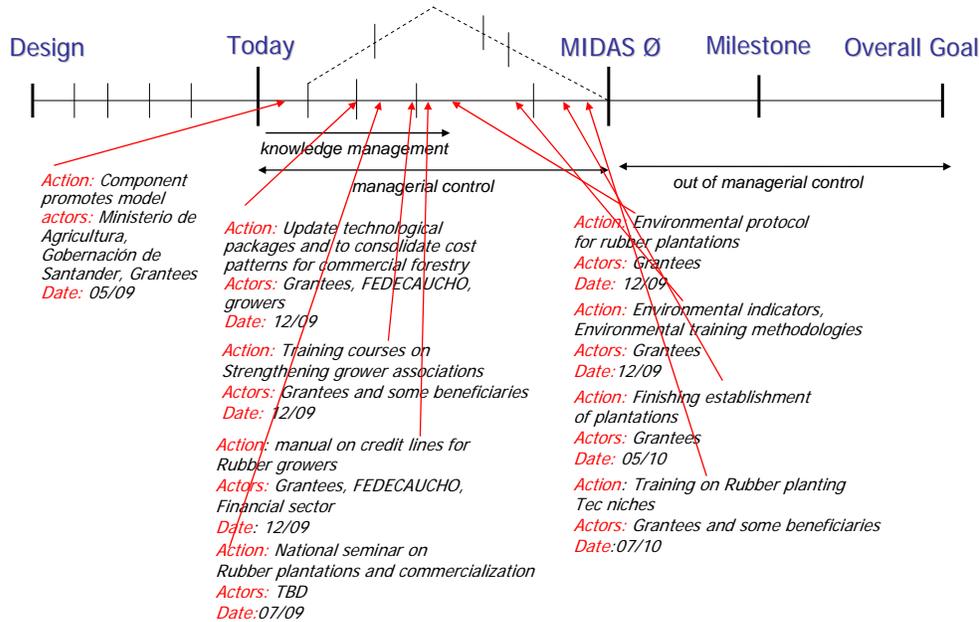
CFC (Commercial Forestry-Rubber plantations) OBJECTIVES DESING

Improve the consolidation of Rubber sector in Santander and other departments



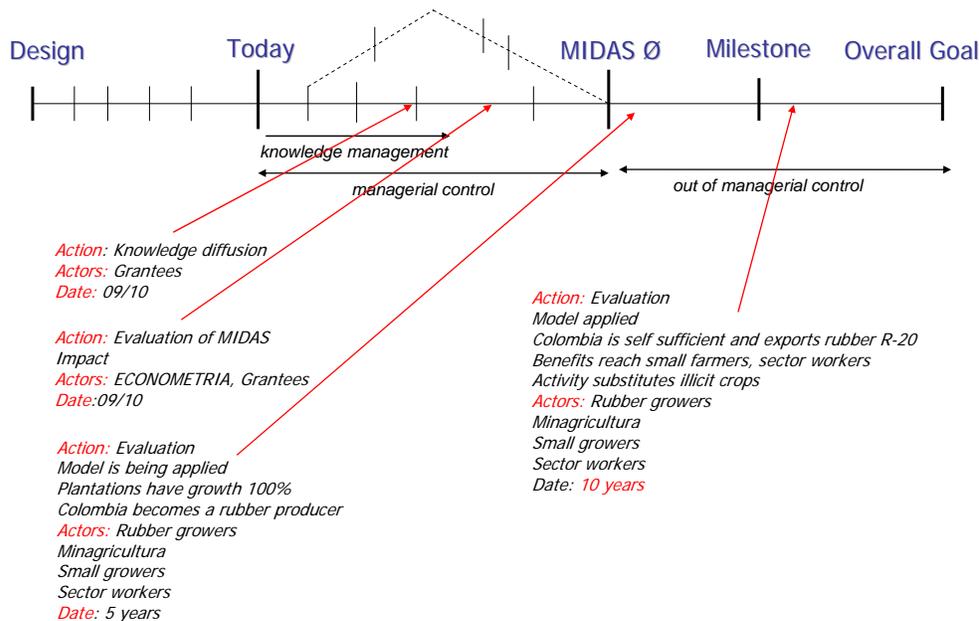
CFC (Commercial Forestry-Rubber plantations)

Improve the consolidation of Rubber sector in Santander and other departments

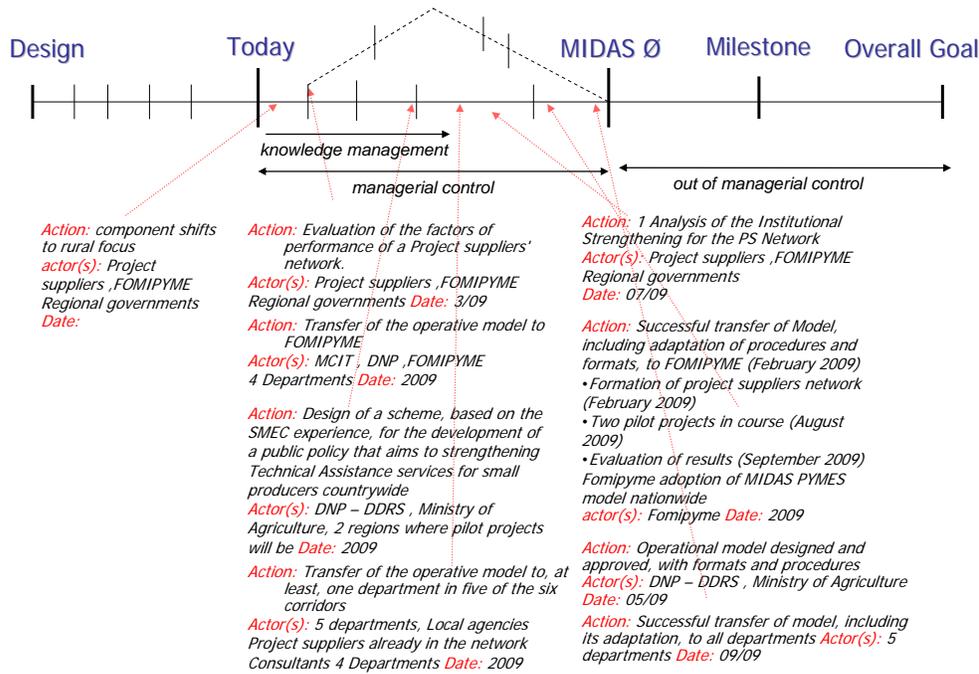


CFC (Commercial Forestry-Rubber plantations)

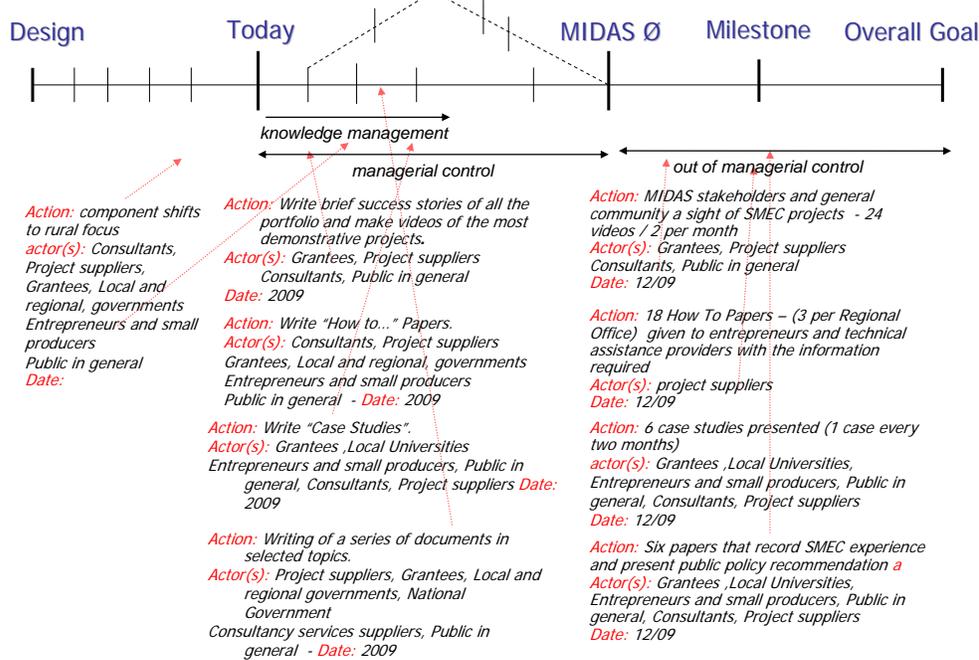
Improve the consolidation of Rubber sector in Santander and other departments



SME To improve capacity to channel resources towards economic development, or to give strength to those institutions where those capacities are exist, to both national and local institutions, through the transfer and adaptation of the operative model

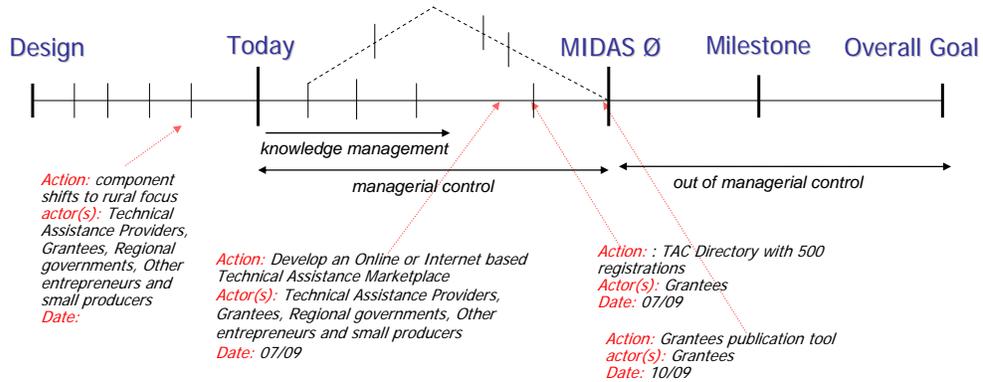


SME To record and analyze previous years experience and, based on that, to contribute to the identification and publishing of best practices and success stories, and to recommend elements for the design and formulation of public policies at both the national and the local levels.



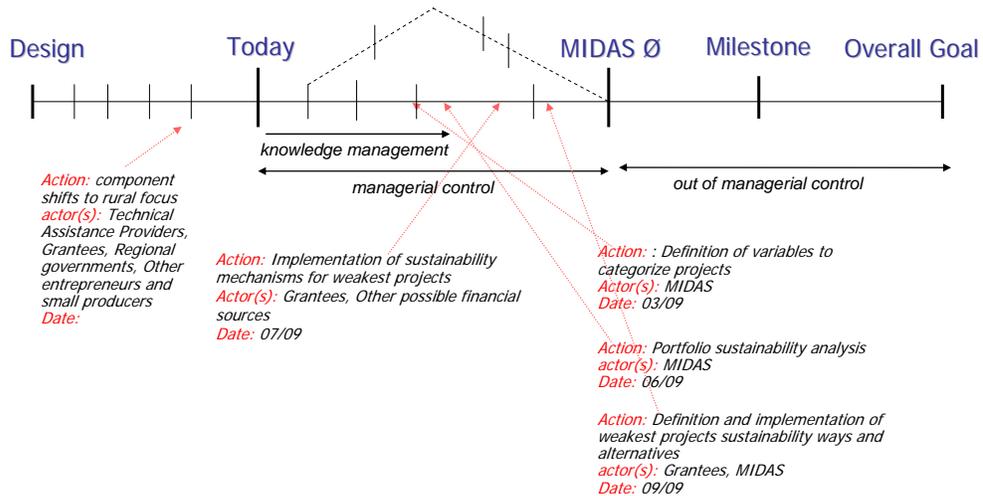
SME

To strengthen local and regional consultancy markets to create a permanent offer and demand of such services under competitive market prices



SME

To define a sustainability path for the weakest SME projects which may need additional support once present support from MIDAS comes and to end



11.4. SUSTAINABILITY PLANS

11.4.1. ABC

1. Definition

The sustainability plan of a Project assisted by ABC-MIDAS is defined as the set of strategies, activities and resources that must be maintained in the future by the project's beneficiaries, grant providers and national public and private assistance organizations in order to fully attain the project's objectives and to consolidate the business enterprises (growers and organizations) that currently are receiving temporary assistance from USAID.

2. General Objectives

Contribute to the consolidation of the social, economic, financial and environmental sustainability of the alternative development projects assisted by the MIDAS program once the program has ended. It is in a way an acknowledgement of the fact that the job is only partly done, given that experience indicates that the self-sustainability of these projects is largely obtained only in the medium term (between 6 and 10 years), which is a reason to continue providing assistance in the future.

Additionally contribute to the development of a component of productive agricultural chains information system through the adoption and implementation of competitiveness indicators.

We define sustainability as follows:

Social: The means of attaining permanent improvement of the living standards of the project beneficiaries and their environment in aspects such as education, health, housing, etc., in a way that improves the earnings of the beneficiaries and translates into an improvement of the living standards of the beneficiaries and their families. Social sustainability is also related to the development of the organizations, the participation of the growers in the organizations, the services they provide their members, their contribution to an environment of harmony and coexistence among the members and within the community, etc.

Economic: The means of attaining and maintaining the established project goals on productivity and competitiveness so they may result in a sustainable increase in the beneficiaries' legally earned income. An important component of economic sustainability is technical assistance and maintaining FFS's dynamism in order to achieve adequate levels of crop productivity and competitiveness.

Financial: The means of achieving financially self-sustainable projects, especially in terms of crop maintenance and renewal and the commercialization and/or added value activities included in some projects, over the medium and long term. The scope of this type of sustainability goes beyond access to loans, and should include the possibility of using other financial instruments and the development of self-financing mechanisms such as rotating loan funds managed by the organizations themselves, funded, for example, through the reimbursement of grant resources and/or retentions performed on crop sales.

Environmental: The means of maintaining the permanent development of the capabilities of the beneficiaries and their families to mitigate the environmental impact of the projects and conserve and increase the environmental base of the regions where they are developed.

3. Specific Objectives

As indicated in the attached slide that provides an overall summary, the sustainability plans of the ABC MIDAS component aim to achieve the following:

- Contribute to the technical, economic, financial, environmental and commercial sustainability of the agricultural sector through the consolidation of 36 sustainability plans (see table)

The aforementioned sustainability plans will be formulated throughout the year 2009, at an average rate of 3 sustainability plans per month, through workshops performed in each one of the projects. Sustainability plan formulation will begin in those projects whose MIDAS support has already ended. The due dates for Sustainability Plan submission to MIDAS ABC manager are specified in the attached table, by project and by PC.

In the eventual alternative development CONPES document, to be elaborated with technical assistance from MIDAS Policy, MIDAS ABC would contribute taking part in discussions to make sure that strategy and decisions concerning technical assistance schemes, organizational development, financial strengthening and the environmental issues related to the implementation of alternative development projects are part of this document. This matter is, however, not fully decided by ABC; the component is now expectant on National Government guidelines regarding alternative development, therefore details on how this will be developed cannot yet be specified.

Sustainability plans will be elaborated together with producer associations, grantees and support organizations, following PC and central ABC team guidelines.

- Based on the plans derived from cacao projects ABC will contribute to the consolidation of the Cacao sector in Colombia by securing long-term technical assistance for the projects assisted by MIDAS.

Once the sustainability plans for cacao projects supported by MIDAS are concluded, generate a document suggesting a strategy to ensure the aforementioned technical assistance, which will become the central document of the MIDAS-ABC Cacao forum on November 27, 2009.

This document will be prepared by the ABC MIDAS team and delivered to USAID by October 26, 2009. It will be discussed in the Cacao forum, with participation from producer associations, cacao sector key players, grantees and support organizations.

- Based on the sustainability plans derived from oil palm projects, ABC will contribute to the empowerment of small growers in the African Palm sector.

Once the sustainability plans for oil palm projects supported by MIDAS are concluded, generate a document suggesting a strategy to ensure oil palm small grower empowerment, which will become the central document of the MIDAS-ABC Oil palm forum of 2009, on November 26, Oil palm small grower empowerment will be achieved by guaranteeing that projects receiving or having received MIDAS support for their organizational strengthening continue receiving this support and by guaranteeing the continued delivery of technical assistance for optimal oil palm crop performance.

This document will be prepared by the ABC MIDAS team and delivered to USAID by October 27, 2009. It will be discussed in the Oil Palm forum, with participation from producer associations, oil palm sector key players, grantees and support organizations.

- Additionally, contribute to the development of an agricultural information system through the adoption and implementation of competitiveness indicators.

Following a suggestion presented posed by ABC-MIDAS, the Ministry of Agriculture and Rural Development (henceforth MADR for its initials in Spanish) hired a team of consultants whose terms of reference for an initial work stage, to be carried out until March 2009, are as follows:

1. Determine products that offer strategic importance for the MADR, based on the following criteria: share in Gross National Agricultural Product, relative weight in the basic food consumption basket, job generation capacity and export potential, among others.
2. Define relevant parameters to characterize representative products such as:
 - a. Production location and concentration
 - b. Defining a representative production load and scale economy generation potential.
 - c. Differentiated and representative technologies.
3. Geographical referencing of the areas information will be drawn from and definition of information capture frequency.
4. Identify and validate sources of information, ensuring the possibility of replicating the capture of information at the required time frequency.
5. Designing the information capture methodology, establishing mechanisms for Value Chain Organization participation, mainly at regional and local levels.
6. Establishing coordination and support mechanisms with CCI, an information system operator of production, input and goods' prices and production cost structures data.
7. Validating cost structures (technical coefficients) and designing instruments to capture information.
8. On-the-field trials of developed instruments, in coordination with Value Chain Organizations.
9. Validate the methodology to calculate CRD in selected production chains. Establishing a replication methodology and analyze the effects and tendencies that a change in the key costs, technology and production scale parameters may have.
10. Define a periodical diffusion of results and a feedback mechanism to use among organizations belonging to the production chain.
11. Generate a document containing the final design of information management and analysis procedures.

USAID support required in this effort is a part time MIDAS-Policy technician and participation from the MIDAS-ABC manager in the project's managing committee. The work team required for this project is expected to work throughout 2009 implementing the methodology proposed by the MIDAS Competitiveness Study: details of this implementation will be defined in March 2009 and follow-up and consulting from MIDAS-ABC manager for the project's managing committee will be delivered until the end of 2009.

The actors in this activity will be MIDAS ABC team, the MPC team and the Ministry of Agriculture and Rural Development (MADR).

PROJECT CODE	PROPONENT	PC	PC SENIOR	Sustainability Plan Submissal
001-02	FEDECACAO	Jaqueline Vargas	David Celis	7/23/2009
025-01	CIA DE EMPAQUES S.A.	Juan Antonio Espinoza	Pilar Ruiz	2/27/2009
040-01	NANYANVA	Patricia Meléndez	Mónica Madrid	1/30/2009
048-01	FUND. ALTO MAGDALENA	Patricia Meléndez	Mónica Madrid	1/30/2009
119-01	C.I. TEQUENDAMA S.A.	Liliana Gasca	Liliana Gasca	1/30/2009
123-01	FUNDESCAT	Carlos Cavanzo	Pablo Lamprea	6/30/2009
A-00001-06	CIA PALMERA SAN PABLO	Alberto Duque	Pablo Lamprea	6/30/2009
A-00002-06	EL PORTICO	Alberto Duque	Pablo Lamprea	6/30/2009
A-00003-06	ASOGPADOS	Carlos Cavanzo	Pablo Lamprea	6/30/2009
A-00004-06	ESTAM	Carlos Cavanzo	Pablo Lamprea	6/30/2009
A-00005-06	ASOCATI	Carlos Cavanzo	Pablo Lamprea	6/30/2009
A-00026-06	CEA	Liliana Gasca	Liliana Gasca	5/27/2009
A-00027-06	FEDECACAO	Jaqueline Vargas	David Celis	8/30/2009
A-00051-06	PALMERAS DE LA COSTA	Liliana Gasca	Liliana Gasca	8/28/2009
A-00052-06	FRUTAS POTOSÍ	Liliana Freyre	Pablo Lamprea	5/26/2009
A-00061-06	FEDECAFÉ	Sandra Sanabria	Pilar Ruiz	10/30/2009
A-00062-06	FRUPALMA	Rodolfo Rodríguez	Liliana Gasca	5/29/2009
A-00066-06	PALMACEITE	Liliana Gasca	Liliana Gasca	7/30/2009
A-00079-06	CI EL ROBLE S.A.	Liliana Gasca	Liliana Gasca	10/30/2009
A-00082-06	INDUPALMA	Liliana Freyre	Pablo Lamprea	7/25/2009
A-00089-06	FEDECACAO	Ángela Pineda	David Celis	9/29/2009
A-00095-06	PALMAS OLEAGINOSAS DEL ARIGU	Rodolfo Rodríguez	Liliana Gasca	6/26/2009
A-00106-06	GRADESA S.A.	Rodolfo Rodríguez	Liliana Gasca	5/30/2009
A-00114-06	FUNDACIÓN DARIO MAYA	Jorge Martínez	Mónica Madrid	6/26/2009
A-00119-06	ECOCACAO	Alberto Duque	Pablo Lamprea	10/29/2009
A-00232-06	CENTRACAFÉ	Patricia Meléndez	Mónica Madrid	11/30/2009
A-00237-06	FUNDACION ESPELETIA	Hernán Montoya	Pablo Lamprea	9/30/2009
A-00242-06	ASOC. MCPIOS DE OCANA	Jaqueline Vargas	Pablo Lamprea	8/25/2009
A-00245-06	GANACOR	Ángela Pineda	Pilar Ruiz	11/30/2009
A-00259-06	FUNDEPALMA	Jaqueline Vargas	Pablo Lamprea	7/31/2009
A-00286-06	ASOCALIMA	Hernán Montoya	Pablo Lamprea	10/30/2009
A-00289-06	FEDECACAO	Mónica Madrid	Mónica Madrid	9/30/2009
A-00291-06	FEDECACAO	Ángela Pineda	David Celis	8/28/2009
A-00306-06	CODESARROLLO	Sandra Sanabria	Pilar Ruiz	11/27/2009
A-00308-06	COMITÉ DE CAFETEROS DE RISAR	Joaquín Gómez	Mónica Madrid	5/27/2009
A-00709-06	BSD	Juan Antonio Espinosa	Pilar Ruiz	11/27/2009

11.4.2. CFC

Definition:

- Sustainability is the result of a set of actions directed to achieve that benefits of Midas's projects extend its effects through time.

Objectives:

- The reforestation process with Midas's support has secured small producers in the value chain by consolidating alliances between them and private entrepreneurial. It is an objective to assure that the model is used through time so its benefits cover a larger amount of small producers.
- Development of the rubber sector in Colombia has been very poor so far. Midas's projects in Santander are focused to improve the consolidation of a rubber nucleus with participation of small producers.
- Ensure the CFC natural forest management model keeps benefiting communities of collective territories and avoids deforestation. It will be replicable if becomes a success.

Why:

- The sustainability plan is design to assure benefits of projects after the life of MIDAS program

To Whom:

The target group includes:

- Small farmers families
- Small producers associations
- Community ethnic organizations
- Forestry sector (producers, transformers, merchants).

How:

Performing four types of activities in order to enhance MIDAS legacy:

a) Environmental

- Up date environmental protocol for forestry projects
- Up date environmental indicators
- Develop alliances to create synergies
- Disseminate training methodologies
- Up date environmental cards

b) Social-entrepreneurial

- Definition of Alternative development in collective territories
- Support the socio-entrepreneurial aspects of the collective territories organizations
- Training communities on environmental services and carbon trade aspects
- Disseminate methodologies and intervention models in rural areas and collective territories
- Document experiences about the partnership association to plant trees

- Elaborate document about the profitability of harvesting natural forest in collective territories of the Pacific coast of Colombia
- Elaborate a document about the profitability of tree plantations
- Concept paper on the women as key factor in food security in collective territories
- Concept paper on consequences of improving governability in collective territories
- Disseminate the forestry management model of natural forest (Conservation model)
- Establish linkages of the conservation model with private and public institutions and other civil organizations

c) Technical

- Update technological packages
- Assure technical assistance after the life of the program
- Disseminate cost standards for planted species
- Disseminate technical aspects of the conservation model
- Contribute to the national debate on natural forest ability for Co2 capturing
- Pre-evaluation by smart wood to certification
- Linkage of the forestry sector with GOC, private and public institutions and international cooperation.

d) Operational

- Implementation of the natural forest better management roadmap
- Transfer knowledge and lessons learned from experience
- Mechanisms to insert model in academia, public and private sectors.
- Alternative development from forestry
- Models presentation and publication
- Discussion on sustainability with grantees and some beneficiaries of each Project

POLITICAL REFORMS

- Obtain a CONPES and legal reforms

PREVIOUS SUSTAINABILITY ACTIONS

- CFC members workshop held in October 2008
- Implementation of plantation projects under partnership association model.
- Implementation of the model "Contratos de cuentas en participación"
- Implementation of the management model of natural forest "Conservation"
- Training and socialization on models (workshops)
- Food security ReSa program implementation in collective territories
- Activities related to environmental services (discussion with some collective territories members about the theme, designing of the natural forest better management strategy, discussion with Policy Component about it)
- Workshops with NGOs about REED
- Contacts with organizations (NGOs, other development partners and MAVDT) about the conservation model.
- CFC participation in the sustainability discussions
- CFC workshops on environmental issues with some grantees and beneficiaries
- Contact with SmartWood for certification pre-evaluation. Elaborating terms of reference and choosing the type of contract.

VISION

Evaluation in ten years will show that:

- There is an existent forestry mass in Colombia and illicit crops have been substituted by establishing, maintaining and harvesting forestry plantations.
- Colombia is self sufficient in rubber and exports latex to the tire industry
- Some collective territories generate other income but from lumbering. Some communities have improved in leadership and administrative skills. Number of Ha under CONSERVATION have grown 300%

PLAN

CFC will develop a sustainability plan of each one of its projects

SUSTAINABILITY MATRIX

1. Objectives matrix
2. Wood trees plantations matrix
3. Rubber plantations matrix
4. Natural forest best Management matrix

Sustainability is the result of a set of actions directed to achieve that benefit of Midas's projects extend its effects through time

OBJECTIVES MATRIX

ACTORS	Objective	Starting date MM/DD	Contact
WOOD TREES			
Ministerio de Agricultura y Desarrollo rural	Contribute to the reforestation process in Colombia by consolidating alliances and securing small producers in the value chain	12/08	Nelson Lozano
15 commercial forestry projects			
RUBBER TREES			
Gobernación de Santander	Improve the consolidation of the Rubber sector in Santander	12/08	Consuelo Ordóñez
Procaucho S.A.			Hernán Hernández
Agrosantafe S.A.			José Alejandro Gil
Refocol S.A.			Luis Carlos Echavarría
NATURAL FOREST			
Ministerio del Ambiente y vivienda rural	Ensure the CFC Management model is successful and replicable for Colombia	12/07	Andrea García
			María del Pilar Pardo
			Rubén Darío Guerrero
Corponariño			Robert Mauricio
Corpocauca			Carlos Hernán Guevara
			José W. Garzón
CVC			Héctor Bonilla y otros
WWF			Marilou Higgins
TNC			José Yunis
CI			Fabio Arjona
NATURA			Elsa Matilde Escobar
USAID			Daniel López
Codechoco			Fernelix Valencia
Corpouraba			Gabriel Ceballos
CC Bajo Mira			Lidoro Hurtado
CC Concosta			José Fernando Mozquera
CC Alto Guapi			Artmando Lerma
CC Cajambre			Alfonso Cuero
Cabildo Chigorodó			Darío Carupia
Canadian Embassy			Joshua Tabah
Netherlands Embassy			Maurice Beers
Norway Embassy			Kristi Andersen
Finland Embassy			Sandra Alzate AS.
Acción Social			Jimena Niño
Fondo Patrimonio natural			Jorge Alberto Galán

2. RUBBER TREES PLANTATIONS MATRIX			
OBJECTIVE: Improve the consolidation of the rubber tree sector in Santander and other departments (Cesar, Bolívar, Antioquia, Boyacá and Caldas .			
ACTIVITY	ACTORS	STARTING DATE	ENDING DATE
1. OPERATIONAL ACTIVITIES			
Continuing and finishing plantation of 4,800 ha of rubber trees in the three projects of Santander.	CFC, Grantees	November 2007	April 2010
Closing projects	CFC, Grantees	May 2009	July 2010
2. TECHNICAL ACTIVITIES			
Up dating of cost patterns for rubber tree plantations and of the technological packages Maintenance and recollection of latex. Edition and publication of documents	CFC, Grantees, FEDECAUCHO, Private entrepreneurs, Consultants	January 2009	December 2009
Assure technical assistance after the life of the program	CFC, Grantees, MADR, Private entrepreneurs	January 2010	September 2010
Training courses about the crop and its management, harvesting & commercialization	CFC, Grantees, Beneficiaries	January 2009	July 2010
National Seminar on rubber tree plantations and rubber commercialization	CFC, Grantees, FEDECAUCHO, ACCION SOCIAL, Private entrepreneurs, ADAM	September 2009	September 2009
3. SOCIAL ENTREPRENEURIAL ACTIVITIES			
Training courses for strengthening growers associations	CFC, Grantees, Beneficiaries	January 2009	December 2009
Training on credit lines for rubber plantations	CFC, POLICY, FEDECAUCHO, Financial Sector	April 2009	December 2010
Identifying other financing sources for rubber tree plantations	CFC, MADR, FEDECAUCHO	November 2008	December 2009
4. ENVIRONMENTAL ACTIVITIES			
Environmental protocol for rubber tree plantations	CFC, MAVDT, Bibliographical revision	January 2009	December 2009
Environmental indicators. Environmental methodologies	CFC, Consultants.	July 2009	December 2009

3. WOOD TREES PLANTATIONS MATRIX			
OBJETIVE: Contribute to the reforestation process in Colombia for wood trees by consolidating alliances and securing small producers in the value chain			
ACTIVITY	ACTORS	STARTING DATE	ENDING DATE
1. OPERATIONAL ACTIVITIES			
Finishing plantation of wood trees committed in 13 projects.	CFC, Grantees	January 2009	May 2010
Closing projects	CFC, Grantees	January 2009	September 2010
2. TECHNICAL ACTIVITIES			
Disseminate cost standards for each planted species	CFC, Grantees, Forestry entrepreneurs, MADR	August 2008	July 2009
Assure technical assistance after the life of the program	CFC, Grantees, MADR, Private entrepreneurs	January 2010	September 2010
Up date technological packages	CFC, Grantees, forestry entrepreneurs, research centers, bibliographical revision	January 2009	December 2009
Devise document about the partnership model and diffusion of lessons learned from experience. Definition of the diffusion instruments needed. Workshops, publications, etc.	CFC, Grantees, forestry sector, GOC	January 2010	September 2010
Impact evaluation of the model	CFC, ECONOMETRIA, Grantees	January 2009	September 2010
3. ENVIRONMENTAL ACTIVITIES			
Up date environmental protocol for wood tree plantations.	CFC, MAVDT, Bibliographical revision, Consultants.	January 2009	December 2009
Up date environmental indicators	CFC, MAVDT, Bibliographical revision, Consultants.	Julio 2009	December 2009
Systematize environmental training methodologies	CFC, Grantees, Consultants	July 2009	December 2009
Review environmental card. Up date SIGA.	CFC, CORPOICA, Campo Limpio, Consultants, Bibliographical revision	July 2009	July 2010
4. SOCIAL ENTREPRENEURIAL ACTIVITIES			
Design a sustainability plan for each Project	CFC, Grantees, FEDEMADERAS, MARD Consultants	January 2010	September 2010
Devise a document about the partnership association to plant wood trees.	CFC, Grantees, financial assistant	January 2010	July 2010
Presentation and publication of the model of reforestation by setting alliances between small growers and private entrepreneurial.	CFC, FEDEMADERAS MADR, FINAGRO, Consultant.	January 2010	July 2010

5. NATURAL FOREST BEST MANAGEMENT MATRIX			
OBJECTIVE: Ensure the CFC forest management model is successful and replicable for Colombia and that the model provides income for communities instead of harvesting the forest			
Notice : The beneficiary communities are transversal actors in all activities			
ACTIVITY	ACTORS	STARTING DATE	ENDING DATE
1. OPERATIONAL ACTIVITIES			
Monitoring conservation	CFC, Consultant firm	January 2009	April 2010
Implementation of the better management roadmap	CFC, OPTIM, MIDAS-POLICY, MAVDT, EGAT	July 2008	July 2010
CONPES and legal reforms	CFC, MIDAS-POLICY, DNP, MAVDT	January 2009	September 2010
Closing projects	CFC-Grantees	May 2009	July 2010
2. TECHNICAL ACTIVITIES			
Technical aspects of the conservation model	CFC, Consultants, CARS, MAVDT	January 2008	July 2010
Assure technical assistance after the life of the program	CFC, CARS,	January 2010	July 2010
Contribute to the national debate on natural forest ability for Co2 capturing	CFC, Consultant, NGOS	January 2008	December 2010
Pre-evaluation by smart wood to certification	CFC, Smart-wood	January 2009	December 2010
Technical assistance for community productive projects		June 2008	July 2010
3. SOCIAL ENTREPRENEURIAL ACTIVITIES			
Definition of AD concept in collective territories	CFC, ACCION SOCIAL	June 2008	December 2010
Support the socio-entrepreneurial aspects of the collective territories organizations. Strengthening its organizations, financial abilities, management skills, leadership.	CFC, Community organizations	June 2008	June 2010
Training communities on environmental services and carbon trade aspects.	CFC, Consultants, Communities, NOGS	January 2010	July 2010
Seminar about conservation model	CFC, GOC, Forestry sector, outreach, NGOs	June 2009	June 2009
Conservation model of natural forest owned by communities to obtain income different from harvesting the forest.	CFC, MIDAS-POLICY, MAVDT, CARS, CC	July 2007	July 2010
Elaborate a document about the profitability of harvesting natural forest in collective territories of the pacific coast of Colombia	CFC, Grantees	June 2007	December 2007
Linkage of the conservation model with institutions and other civil organizations	CFC, POLICY, MAVDT, CARS, DNP	January 2009	July 2010
Mechanisms to insert model in Academy, public and private sectors.	CFC, FEDEMADERAS, MAVDT, UNIVERSITIES, COLCIENCIAS	January 2009	September 2010
Transfer knowledge and lessons learned from experience	CFC, OUTREACH	January 2009	September 2010
Support communities to find markets for their non timber products, including C02	CFC, Consultants	January 2009	September 2010
Design a sustainability plan for each project	CFC, Grantees, FEDEMADERAS, MAVR, CARS, NGOS Consultants	January 2010	July 2010
4. ENVIRONMENTAL ACTIVITIES			
Up date environmental cards for natural forest interventions	CFC, Grantees	January 2010	September 2010

11.4.3. SMEC

1. INTRODUCTION

The purpose of this paper is to present the sustainability strategy for the SME Component of the MIDAS Program and its scope, to be carried out in the remaining period of operation (approximately 14 months). To achieve this purpose, a definition of sustainability will be proposed as a first step. This will be followed, as a second part, by the presentation of the strategy and its four strategic objectives, identifying as well all main initiatives that aim to fulfill each one of the main objectives. A global budget for each initiative will be presented at the end of every initiative. A last point will include a section with required human resources needed to make the SMEC Sustainability Strategy a success story.

2. A CONSIDERATION

It is clear to all of us, and for that it is important to state it from the outset, that the time to implement these four strategic objectives is rather short; notwithstanding, we are fully aware that the efforts associated with the strategy must be translated into measurable and visible impacts, capturing along the way the essential elements of the SMEC intervention through the fundamental elements of the operational model. This will, doubtless, give sustainability to the effort.

Nevertheless, and to be able to guarantee a fuller sustainability, it is clear that a more prolonged effort may be needed. Particularly, a scheme of medium term transition (between 2 and 3 years), where the USAID resources will lever up the continuation of the effort assumed by the component and in which, in a gradual way, responsibilities and costs will be transferred to local allies, looks like the ideal scheme of sustainability.

3. SUSTAINABILITY CONCEPT

It is of paramount importance, at this point, to give a brief review of the context and evolution of the sustainability concept and, based on those concepts presented, to give our own meaning under which the component will work.

In 1987, in the frame of the efforts of the United Nations World Commission on Environment and Development, a report was developed and published under the name of "Our Common Future", also known as the Brundtland Report. Sustainable development was defined here as one that allows "to satisfy our current needs without compromising the aptitude of the future generations to satisfy theirs". This definition, that turns out to be today commonly known and accepted, was translated into the 3rd Principle of the Rio Declaration in 1992.

In 1992, Robert Solow, 1987 recipient of the Nobel Prize in Economics, in his monograph, "An Almost Practical Step Towards Sustainability", goes deep into defining the concept from an economic perspective. He states that the effort to guarantee sustainability must be oriented in such way to assure a sufficient array of capital that may enable the next generation to have everything "that is necessary to achieve a standard of living, at least as well as ours, and to, similarly, take care of the following generation".

4. SMEC SUSTAINABILITY CONCEPT AND STRATEGIC OBJECTIVES

With the challenge to propose a definition of sustainability for the intervention of the SME Component of the MIDAS Program, it is also necessary to bear in mind the mandate's frame under which the intervention and the model were developed. International cooperation must be recognized as a finite economic effort that intervenes in a specific way to correct deficiencies

and socio-economic asymmetries, in order to promote social, economic and cultural conditions that translate into better standards of living for the beneficiary population.

As a consequence of the above understanding, the sustainability of any cooperation effort should be understood as an effort oriented to guarantee conditions that assure that the impacts derived from such cooperation may be kept in time, as soon as the support ends; and, simultaneously, to have an inventory of economic resources, human and institutional capital and socio-cultural skills that allow the effort to continue in the future once the cooperation ends.

The mentioned elements will allow those conditions to also exist, and then be offered in equal or better conditions, to subsequent "generations" of beneficiaries for them to achieve better standards of living as well. This is the way in which the SME Component understands sustainability and the way to achieve it in the future.

Based on this definition, four strategic objectives have been established by the SME Component for 2009 in order to accomplish its Sustainability Strategy and they are all additional to its normal tasks.

The main purposes of the strategy are, first, to guarantee that the operational model that has led to these efforts and impacts, demonstrating its superior performance, are kept in the time and are extended into the territory, even as the resources of the USAID support may come to an end; this objective gives sustainability to the foreign aid effort as it is meant for several local agencies, both national and regional, to make use of a successful model of operation but this time based on human and financial resources of local character.

A second objective refers to the definition of the sustainability path for SMEC portfolio. This means that the sustainability layout for all SMEC individual projects will be typified. This characterization will allow SMEC to identify the projects with the strongest and weakest sustainability path in order to focalize in the weakest ones, that is, those that may eventually be in need of additional assistance once MIDAS support comes to an end. With SMEC support, many projects must have achieved a sustainable base thru knowledge transfer and by the partnership/leveraging design, but there are also projects where this is not enough and they still have challenges to assure their sustainability. Therefore SMEC will design a systematic process to review all projects to ensure there are significant outstanding sustainability needs in order to work with them in their solution.

The third objective aims to strengthen local and regional consultancy markets in order to create a permanent offer and demand of such services under competitive market prices. A great number of consultants, both firms and persons, have given technical advice to SMEC projects. SMEC results related to improvements in businesses competitiveness leading to an increase in sales or a reduction in costs and, consequently, the creation of new jobs can be expected to continuously improve if businesses rely with confidence on external technical assistance services. Deepening of the consultancy sector must be a positive externality resulting from the MIDAS SMEC intervention, and must in the future, once this market consolidates, crowd out support for this type of activities, as business will be willing to acquire them at market prices or with no financial incentives associated.

A fourth objective refers to the documentation and analysis of the experience which includes several strategic initiatives such as the generation of specialized knowledge derived from this analysis and the presentation of recommendations derived from this experience, through conceptual papers which could be used as conceptual and practical support for the formulation of public policies, both in the national and in the local levels.

The main idea behind this objective is to give sustainability to the program by widely publishing its successful results and the model used to achieve such results, to document success stories, case studies and "how to..." papers, that may be widely used by other entrepreneurs, national

agencies, local governments and non government organizations, among others, throughout the country and, to write a series of documents that are based on theories of different character and on data gathered by the SME Component that may also document the experience but, more important than that, to confront theory and reality and then present recommendations for public policy making.

In summary and to give an effective response to the challenge imposed by the mentioned meaning of sustainability, in 2009 the SME Component will focus many of its activities towards the fulfillment of the following four objectives:

1. To record and analyze previous years experience and, based on that, to contribute to the identification and publishing of best practices and success stories, and to recommend elements for the design and formulation of public policies at both the national and the local levels.
2. To define a sustainability path for the weakest SME projects that may need additional support once present support ends.
3. To strengthen local and regional consultancy markets to create a permanent offer and demand of such services under competitive market prices.
4. To improve capacity to channel resources towards economic development, or to give strength to those institutions where those capacities are exist, to both national and local institutions, through the transfer and adaptation of the operative model.

Each one of the four strategic objectives leads to a handful of strategic initiatives, as follows.

5. STRATEGIC OBJECTIVES AND THEIR INITIATIVES

A. To record and analyze previous years experience and, based on that, to contribute to the identification and publishing of best practices and success stories, and to recommend elements for the design and formulation of public policies at both the national and the local levels.

To record and analyze previous years experience and, based on that, to contribute to the identification and wide communication of best practices, case studies and success stories, and to recommend elements for designing and formulating public policies at both the national and the local levels, the Component will carry out the following initiatives:

1. Write brief success histories of all the portfolio and make videos of most demonstrative projects.
2. Evaluation of impacts and surveys.
3. Write "How To..." Papers.
4. Write "Case Studies".
5. Document experience in selected topics and, based on evidence and theory, make recommendations for national and local public policies that address regional and economic competitiveness.

These five initiatives, each one separate or in the whole, will doubtless contribute to give sustainability to the effort in a way that permits others, in the future, take advantage of lessons learned.

Making, publishing and distributing all the products of the above initiatives is also a great challenge which will be met through different means. First of all, a complete list containing

institutions, that have either been part of the program or not, and which by any reason may be considered as stakeholders of the program, will be made in the first months of the year 2009. Universities and university libraries, technical schools, faculty, chambers of commerce, research institutions, departmental authorities, local and national agencies for economic, social development and planning, rural and urban producers associations, cajas de compensación, other cooperation agencies besides USAID, and all entities belonging to the SMEC's project and service providers' networks are among those entities and individuals to be receiving these SMEC communications products.

Events of various kinds planned by the Component during the year will also be used to make available to the public final products that have been already approved. In particular, the Component has planned a number of events, one in each of its regional offices, to thank local project providers and use such opportunity to present them to other local institutions and show them how the work was carried out and the elements that allowed the program's success. It is quite a good opportunity to also show successful projects in the ways of success stories, videos, case studies, and/or papers on how to... In addition, there will be a joint effort with the MIDAS Outreach and Communications Office for free press and for making documents and videos readily available to those who may be interested in them.

1. Write brief success stories of all the portfolio and make videos of the most demonstrative projects.

The purpose of these stories and videos is to show MIDAS stakeholders and general community a vision of SMEC projects. This initiative supports the sustainability strategy as it helps to make it widely known, across territories and all stakeholders, the way things were done and the success each one of the projects has been.

The following table summarizes the goal, cost, stakeholders and milestone of this strategic initiative:

<i>Goal</i>	<i>Cost</i>	<i>Stakeholders</i>	<i>Milestone</i>
12 Videos	US\$ 42,000 (US\$3,500 per Video)	- Grantees - Project suppliers - Consultants - Public in general	2 Videos every month and a half

The responsibility for achieving the proposed number of videos and their distribution to stakeholders lays both on the Bogotá central office as on the six regional offices of the SME Component. This will also be done with the help of other MIDAS offices as Outreach. Videos will be physically distributed and will also be available in the MIDAS Web Site.

2. Evaluation of Impacts and Surveys

There is a confirmed need for additional and complementary information from grantees and beneficiary SMEs and families as well as from service providers and a few other stakeholders. This information is on top of that which has already been obtained or will be collected as projects come to a closing, and completes it.

To confirm adherence to the quality in implementation process, SMEC will carry out a satisfaction and impact survey that will be applied to all grantees and technical assistance consultants. This survey will be performed in a coordinated effort with the Monitoring and Evaluation (M&E) office of MIDAS, as a part of the implementation of the 2009 Poverty Assessment Tool (PAT) and MIDAS' impact evaluation process. This 2009 Poverty Assessment Tool (PAT) survey is the second of its kind, following that implemented at the beginning of 2008. Comparisons among the two will be quite helpful in better understanding the impact of the program and will turn in data on a number of key variables quite useful for statistical purposes.

The abovementioned information, gathered as part of the normal operative process of the Component, needs to be complemented with a new and complete survey to a sample of about 1,500 grantees and beneficiaries. The purpose of this survey is to fill a number of needs for new and different data necessary for giving evidential support to the theoretical arguments of the specific topics defined for the writing of the six papers to have policy recommendations; the instrument for collecting the data will, naturally, be designed taking into account the topics finally determined for these papers. It is important to note that this survey, will be done in accordance and taking into account the MIDAS impact evaluation study that will be carried out in the next months. In summary, it complements MIDAS impact assessment tools as the latter is for MIDAS in general, not of SMEC particular projects.

The purpose of the survey is to understand direct impacts of the SMEC intervention on grantees and beneficiaries on very specific research areas. The surveys will also collect information on areas such as managerial impacts, social impacts and, most importantly, on those variables determined by the policy recommendations papers. It is clear then that this survey complements PAT because PAT only collects data on housing conditions and property on certain goods that help assess poverty. SMEC surveys will also provide baselines for future surveys, monitoring changes in indicators, and program evaluation. The following table summarizes the goal, cost, stakeholders and milestone of this strategic initiative:

<i>Goal</i>	<i>Cost</i>	<i>Stakeholders</i>	<i>Milestone</i>
2,000 Surveys	US\$200,000	<ul style="list-style-type: none"> - Grantees - Project suppliers - Business service providers or consultants 	Definition of topics (January 2009) Instrument ready for collecting data (March 2009) Data gathering and analysis (June 2009) Delivery of results (July 2009)

3. Write "How to..." Papers.

These papers describe and explain a technique or procedure related to the technical assistance provided in one or various projects. The technique should be relatively new or not widely understood or used in practice. The function of the "How to..." paper is to give to entrepreneurs and technical assistance providers the information they need to critically evaluate the pros and cons of the technique and implement it in their practice if they choose to. This initiative supports the sustainability strategy as every paper will be based on the actual experience of the SME Component technical team and on evidence collected during the program execution. The documents will not only expose such experience but will give hints to other people on how to...

The following table summarizes the goal, cost, stakeholders and milestone of this strategic initiative:

<i>Goal</i>	<i>Cost</i>	<i>Stakeholders</i>	<i>Milestone</i>
6 How To Papers - (1 per Regional Office)	US\$ 3,000 (US\$500 per paper)	<ul style="list-style-type: none"> - Consultants - Project suppliers - Grantees - Local and regional governments - Entrepreneurs and small producers - Public in general 	1 Paper every 3 weeks

The responsibility for achieving the proposed number of “How to...” papers and their distribution to Stakeholders lays both on the Bogotá central office as on the six regional offices of the SME Component. This will also be done with the help of other MIDAS offices as Outreach. “How to...” papers will be physical distributed and will be available in MIDAS Web Site.

4. Write “Case Studies”.

SMEC believes experience is the best teacher, and the case study method packs more experience than any other approach. In a case study, readers will be introduced to the reality of decision making (including for example: incomplete information, time constraints, conflicting goals, etc.), giving them firsthand experience in analyzing business situations. The idea is to provide sharpened understanding of why the event happened as it did, and what might become important to look at more extensively in future decision making. This is a good reason to believe that a few but well crafted case studies may be very well become cases to not only be studied, but actually used in practice. The following table summarizes the goal, cost, stakeholders and milestone of this strategic initiative:

<i>Goal</i>	<i>Cost</i>	<i>Stakeholders</i>	<i>Milestone</i>
6 Case Studies	US\$ 18,000 (US\$3,000 each)	<ul style="list-style-type: none"> • Grantees • Local Universities • Entrepreneurs and small producers • Public in general • Consultants • Project suppliers 	1 Case every 2 Months

The responsibility for achieving the proposed number of case studies and their distribution to Stakeholders lays both on the Bogotá central office as on the six regional offices of the SME Component. This will also be done with the help of other MIDAS offices as Outreach. Case studies will be physical distributed and will be available in MIDAS Web Site.

5. Writing of a series of documents in selected topics that record the SMEC experience which, in turn, will make it possible to make public policy recommendations in several matters and issues.

The recording of the SMEC experience in selected topics, the publishing of most relevant results, and the promotion of recommendations for public policies that address regional and economic competitiveness, are at the center of this initiative.

This is a series of papers based on evidence gathered throughout these last years. The series will be made up of a total of six papers and although the topic for each one is yet to be decided, relevant areas of study may include productivity increase, competitiveness, social inclusion, foreign aid that works, benefits of formalization and formal activities, poverty reduction, economic and social mobility, licit economies and production, firms and productive units strengthening through associative initiatives, formation of social capital, etc. It is expected to have a final decision on the topics by the end of January 2009. This will give at least six months for writing each one as this will be a decentralized but coordinated task although, it is quite clear that not all of them will need similar times or be finished simultaneously. Additionally, it will be necessary to gather new and complementary data with the help of impact and result surveys. The extent of such needs will be determined once the topics are defined.

It is important here to emphasize the fact that all SMEC regional offices will be involved in this undertaking as each one of the six has been given the responsibility to coordinate one of the papers. This coordination entails mainly the need to gather information, writing a preliminary

version of the paper, and circulate it among other offices and experts in order to test evidence against theory, and also, to see whether data and arguments are consistent with the initial purpose, literature and hypothesis.

The analysis of results and conclusions reached in each one of the six papers, each on a different issue, will let the SME Component to make conceptual but also and whenever possible, quite precise and concrete policy recommendations that may be useful at both, or either, the national level or the regional/local level. Publishing and distribution of each one of the different papers will be done once it is finished and approved by an ad hoc committee that will be set up soon. There is this idea of presenting each of the papers in a different city where there is a regional office and for the lot, at the end of the year, in Bogotá.

The following table summarizes the goal, cost, stakeholders and milestone of this strategic initiative:

<i>Goal</i>	<i>Cost</i>	<i>Stakeholders</i>	<i>Milestone</i>
Three papers that record SMEC experience and present public policy recommendations	US\$30,000 (US\$10.000 each series)	<ul style="list-style-type: none"> - Project suppliers - Grantees - Local and regional governments - National Government - Consultancy services suppliers - Public in general 	Three papers by the end of November.

B. To define a sustainability path for the weakest SME projects which may need additional support once present support from MIDAS comes to an end.

The idea behind the intervention of the SME Component was to a great extent to strengthen SME projects, that is, individuals, managers, firms, and producers associations supported. It is possible to say that a large number of them have effectively been strengthened due to the support given. However, it is also possible to say that due to a number of circumstances or variables, the support given is not enough and that a number of projects will still be in need of support after the MIDAS project support comes to an end. This means that there will be strong, not so strong, weak and very weak rural and urban SMEs by the end of the technical assistance; that is, whether they are sustainable or not. It is of the foremost interest of the SME Component to devise ways in which the weakest of those projects may be receiving extended support in such a way that the intervention made is not lost, that is, that the process started with the MIDAS support may continue in time and achieve stronger results. It is clear that the paths to achieve this concern will have to be designed taking into account that MIDAS will no longer be there. They have to be alternative and complementary ways.

A first task towards this objective will be the establishment of sustainability categories into which the complete portfolio may be classified. This will be done according to its understanding of sustainability based upon its experience and its implementation model. This classification will help identify projects that have assured its sustainability and, on the other hand, those that still presents weaknesses and may need additional support. With this in mind, SMEC will make efforts in devising ways for, and promoting these latter projects sustainability.

<i>Goal</i>	<i>Cost</i>	<i>Stakeholders</i>	<i>Milestone</i>
Implementation of sustainability mechanisms for weakest projects	US\$ 20,000	<ul style="list-style-type: none"> - Grantees - Other possible financial sources 	March: Definition of variables to categorize projects June: Portfolio sustainability analysis

			September: Definition and implementation of weakest projects sustainability ways and alternatives.
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C. To strengthen local and regional consultancy markets to create a permanent offer and demand of such services under competitive market prices.

1. Develop an Online or Internet based Technical Assistance Marketplace.

Based on SMEC experience, the decision to rely on consultancy services is made more difficult due to the lack of information on qualified technical assistance providers available; and, on the other side, technical assistance providers have limited access to business and their technical needs. In order to connect business technical assistances needs (buyers) and technical assistance providers (sellers), in 2009 SMEC will build an Internet based market place with a consultant directory and with business requirements. This will invigorate consultancy industry by promoting the offer of consultancy services in the region and, on the other hand, concentrating regional and local demand of technical assistance services, which at the same time will promote competition between providers, strengthening local markets.

The following table summarizes the goal, cost, stakeholders and milestone of this strategic initiative:

<i>Goal</i>	<i>Cost</i>	<i>Stakeholders</i>	<i>Milestone</i>
Online Market Place	US\$40,000	<ul style="list-style-type: none"> - Technical Assistance Providers - Grantees - Regional governments - Other entrepreneurs and small producers 	July: TAC Directory with 500 registrations Oct: Grantees publication tool

D. To improve capacity to channel resources towards economic development, or to give strength to those institutions where those capacities exist, to both national and local institutions, through the transfer and adaptation of the operative model.

SMEC has made a huge effort in developing and operating a model that has proven efficient and effective in the promotion and management of productive projects and in the channeling of human and financial resources, in particular for small, remote and little developed urban and rural economic units, throughout the country.

The purpose of this strategic objective in relation to the sustainability strategy, is to guarantee that the effort made by SMEC can be maintained in time and be extended to other territories, through the complete and integral transference of the model to some Departments and a couple of national government agencies.

In order to achieve this third objective the SME Component will carry out these four initiatives during 2009:

1. Evaluation of the factors of performance of a Project suppliers' network.
2. To successfully transfer the SMEC's operational model to FOMIPYME and to help establish four pilot projects in a similar number of departments.
3. Design of a scheme oriented to the development of a public policy aimed to strengthening Technical Assistance services for small rural producers countrywide.
4. To successfully transfer the SMEC's operational model to a number of regions, namely five to six departments.

1. Evaluation of the factors of performance of a Project suppliers' network.

Project suppliers adapted the procedures, methodology and orientation of the MIDAS Program and its SME Component. This network was built with different types of organizations: Chambers of Commerce, *Cajas de Compensación*, Agencies for Regional Development, Consultancy Firms, among others. Likewise, the network has played a fundamental role in the fulfillment of the program goals, identifying and supporting the presentation of a high volume of offers. It is important to highlight that 62% of the Project suppliers acted simultaneously as Suppliers of Technical Assistance Services, allowing the conformation of network able to offer consultancy services specialized at thematic and geographical level.

Being consistent with the sustainability strategy, it is important to characterize the most valuable and performance results of the role of the project suppliers in the SME operational model, gathering its expertise, determining a scheme that identifies the most relevant elements of a possible strategy to shape a network that in the process of model transfer could be useful for the territorial entities that may adopt the SMEC technology.

<i>Goal</i>	<i>Cost</i>	<i>Stakeholders</i>	<i>Milestone</i>
1 Analysis of the Institutional Strengthening for the PS Network	US\$ 82,000	<ul style="list-style-type: none"> • Project suppliers • FOMIPYME • Regional governments 	Third party contract (January 2009) First report and preliminary data (March - April 2009) Second and final report (July 2009)

2. Transfer of the operative model to FOMIPYME

This initiative aims to support jointly with the MIDAS Policy Component the National Planning Department and Ministry of Commerce, Industry and Tourism's interest in changing the present FOMIPYME model of operation to one working by demand. FOMIPYME requires a complementary way of operation in order to extend its territorial coverage and to satisfy needs and demands from its customers from all over the country. This will be done by implementing a model similar to the one developed by the SMEC; that is, responding to real and tangible needs from the customers and not to those of intermediary parties that do not necessarily know or represent private sector needs.

Aside from making a successful transfer of the model, the main goals of this initiative are to carry out four pilot experiences in the same number of departments in 2009 and to monitor initial results. SMEC will work hand in hand with the MIDAS Policy Component and FOMIPYME both from Bogotá as well as with the regional offices where the pilots will be implemented.

A summary of goals, costs, stakeholders and milestones is presented in the table below:

<i>Goal</i>	<i>Cost</i>	<i>Stakeholders</i>	<i>Milestone</i>
Transfer of Operational Model to FOMIPYME	US\$10,000	<ul style="list-style-type: none"> - MCIT - DNP - FOMIPYME - 4 Departments 	Successful transfer of Model, including adaptation of procedures and formats, to FOMIPYME (February 2009) Formation of project suppliers network (February 2009) Two pilot projects in course (August 2009) Evaluation of results (September 2009)

3. Design of a scheme, based on the SMEC experience, for the development of a public policy that aims to strengthening Technical Assistance services for small producers countrywide.

This initiative seeks to help develop, based on the experiences of the SME and Policy Components, both principles for a public policy as well as a technical assistance scheme which will allow small rural producers, no matter where they are or what they produce, to be eligible and obtain access to technical assistance services. This, in turn, will enable them to increase productivity, to be more competitive, to develop the full potential of their lands and to make an efficient use of available resources. According to local authorities, existing schemes for giving technical assistance are unable to render such services as desirable.

The main challenges, as defined so far, are to develop a new scheme to give technical assistance to those small rural farmers, including procedures and processes and manuals, and project evaluation and approval criteria; by the same token, implement two pilot projects in two different regions where there is presence of the SME and ABC components. To help define and strengthen the final scheme, an international seminar is proposed to be held in the first quarter of 2009.

The SMEC will be supporting the analysis of the existing models for giving technical assistance to small rural producers based largely on the SMEC model and on a few other experiences throughout the country. Hand in hand with the Policy Component people, experience and ongoing studies and works, will be proposing a new scheme, based primarily but not entirely, on the SMEC model and to help in adapting all needed tools and formats that will support it.

DNP and the Ministry of Agriculture and Rural Development, the national entities planning to adopt the model, will make the analysis of existing models, define precise objectives and goals, make available all necessary and relevant information, fund and take charge of the pilot projects and, finally, make an evaluation and feedback of the process along with the SME Component.

A summary of goals, costs, stakeholders and milestones is presented in the table below:

<i>Goal</i>	<i>Cost</i>	<i>Stakeholders</i>	<i>Milestone</i>
Design an integral new technical assistance scheme for small rural farmers and producers	US\$14,500	<ul style="list-style-type: none"> - DNP - DDRS - Ministry of Agriculture - 2 regions where pilot projects will be 	Identify and characterize present rural TA model as well as its ability to attend small rural producers (January 2009) Operational model designed and approved, with formats and procedures (May 2009) Two regional pilot projects in course (August 2009) Evaluation on initial results and feedback to the model (December 2009)

4. Transfer of the operative model to, at least, one department in five of the six corridors

This initiative pursues transferring the SMEC operative model to at least five intermediate levels of government, that is, five departments, each one in a different corridor where the MIDAS Program and the SME Component have operated. The model is flexible enough to adapt to regional and local circumstances and, in that way, promote economic projects in accordance to the regional interests and needs.

The transfer will work jointly with the MIDAS Policy Component in those departments that are part of the MIDAS competitive strategy which at the present moment are: Guajira, Nariño, Cauca and Cesar. Additionally, the component will work by itself with those departments that have contacted the component directly and have manifested interest in the model transfer, such as: Risaralda, Huila and Santander. The goal, by the end of 2009, is that those departments that make a commitment will have adopted the model in an integral manner, including the technical solution developed for such effects, and trained people from their own staff in order to continue operating it during 2010 and beyond.

The responsibility for transferring the model as well as for adapting it in each case lies within each of the SMEC regional offices with the active support of the Bogotá office. On the other hand, the departmental institutions in charge of adopting the model have responsibilities associated with the acceptance of the model's implications and also with giving support to the internal needs, financial and human, for successfully embracing the CPYME model and practices.

A summary of goals, costs, stakeholders and milestones is presented in the table below:

<i>Goal</i>	<i>Cost</i>	<i>Stakeholders</i>	<i>Milestone</i>
Transfer of model to three departments	US\$15,500 plus operation	<ul style="list-style-type: none"> - 3 departments - Local agencies - Project suppliers already in the network - Consultants 	<ul style="list-style-type: none"> Identification of partners and signing of MOUs (February 2009) Adaptation of model and its tools (May 2009) Formation of Project Suppliers' Network (May 2009) Implementation of model and all its tools in all departments (August 2009) Successful transfer of model, including its adaptation, to all departments and two pilot projects in course in each one (September 2009). Evaluation of initial results (December 2009)

Two complementary activities will be carried out as part of this initiative, in order to strengthen the appropriate transfer of the model. They are:

- a) **To develop and transfer a technological solution for project management, decision making and online information of impacts and results**

For the purpose of insuring an effective and efficient delivery, transfer and adoption of the SMEC model, it is necessary that in 2009 a technological solution be developed based on all formats, procedures and systems already in use by the SME Component. The new tool or technical solution is intended to strengthen public and/or private donors' ability to swiftly incorporate the new

knowledge. To achieve this goal, it will be necessary to, a) Include all currently used applications by the SME Component, b) Develop and incorporate critical steps that do not have technical developments as yet, and c) Adapt and transfer the information system that lets incorporate data, manage and obtain information online.

<i>Goal</i>	<i>Cost</i>	<i>Stakeholders</i>	<i>Milestone</i>
Standard technological solution	US\$ 40,000	- 3 departments or regions	Technical solution developed and handed in second semester 2009

b) Consolidate the institutional strengthening process developed with the SMEC's project supplier's network.

SMEC Project Suppliers played a key role in fulfilling SMEC goals during 2007 and 2008. This institutional network was able to identify and support the presentation to MIDAS of high volume of productive proposals aimed to build licit productive alternatives to vulnerable populations in Colombia.

As a result a significant percentage of vulnerable populations were able to increase their income and expand their operational scope of activity by diversifying the types of projects presented to the component. At this point, when the component will transfer its model in many regions of the country, it becomes necessary to publicly recognize their efforts which in turn may also be a motivation for them to be a part of the transfer model and participate in the new project suppliers' network that must be put in place.

To respond to this challenge, in 2009 SMEC will develop "Close-out Events with Project Suppliers" in each one of the six corridors or country areas of interventions. The following table summarizes the goal, cost, stakeholders and milestone of this strategic initiative:

<i>Goal</i>	<i>Cost</i>	<i>Stakeholders</i>	<i>Milestone</i>
6 Events	US\$ 10,000	<ul style="list-style-type: none"> • PP • Regional governments • All firms in the region • Potential project suppliers 	All events in May and June
1 Video	US\$ 3,500	- Same as above	April
100 Awards	US\$ 2,000	- Same as above	April

E. Summary

The main goals and milestones for these four sustainability objectives can be summarized as follows:

Sustainability Strategic initiative	2009 goal	Q1	Q2	Q3	Q4
1. To record and analyze previous years experience and, contribute to the design and formulation of public policies at both the national and the local levels.					
1. Write brief success stories of all the portfolio and make videos of the most demonstrative projects.	12 videos	0 videos	4 videos	4 videos	4 videos
2. Impact and Results Survey	2,000 Surveys	Instrument ready for collecting data	Instrument ready for collecting data	Data gathering and analysis	Presentation of results
3. Write "How to..." Papers	6 How To Papers (1 per Regional Office)	2 How to papers	3 How to papers	1 How to papers	
4. Write "Case Studies"	6 case studies			3 case studies	3 case studies

Sustainability Strategic initiative	2009 goal	Q1	Q2	Q3	Q4
5. Series of documents that record the SMEC experience and make public policy recommendations in specific matters and issues	3 papers	Definition of topics		1 documents	2 documents
2. To define the sustainability path for each of SMEC projects					
6. Define sustainability plans for weak SMEC projects	Promote sustainability for SMEC weak projects	Define methodology to characterize SMEC projects	Portfolio sustainability analysis and identification of matrix and groups	Definition and implementation of sustainability tasks and efforts	
3. To strengthen local and regional consulting markets to create a permanent offer and demand for such services at competitive market prices.					
7. Develop an online or Internet based technical assistance marketplace.	Online Market Place		Service providers database	Online directory	Grantees publication tool
4. To improve the capacity of channeling resources towards economic development, or to strengthen those institutions where such capacities already at both the national and local levels and thereby facilitate the transfer and adaptation of the SMEC operational model.					
8. Evaluation of the factors of performance of a Project suppliers' network.	Analysis of the Institutional Strengthening for the PS Network	Third party contract	First report and preliminary data	Field work and final report	
9. Consolidate the institutional strengthening process developed with the SMEC's project supplier's network.	6 regional events for closing the component's PPs network and launching the new regional network		2 events	4 events	
10. To develop and transfer a technological solution for project management, decision making and online information of impacts and results	Standard technological solution	Definition of requirements and adaptation possibilities	Technical solution development	Technical solution transfer	
11. Transfer of the operative model to FOMIPYME	Transfer of Operational Model to FOMIPYME	Adaptation of SMEC procedures and formats	PPs network training	4 pilot projects in course	Final report and recommendations
12. Design a scheme, based on the SMEC experience, for the development of a public policy that aims to strengthening Technical Assistance services for small producers countrywide.	Design an integral new technical assistance scheme for small rural farmers and producers	Identify and characterize the actual TA model as well as its ability to support small rural producers	Operational model designed and approved, with formats and procedures	2 regional pilot projects in course	Evaluation on initial results and feedback to the model
13. Transfer of the operative model to, at least, one department in five of the six corridors	SMEC model transferred to at least three departments	Identification of partners and signing of MOUs	At least 2 pilot projects in course in each of the three regions	Adaptation of formats and tools to all departments and PPs network training	Evaluation of initial results
TOTAL COSTS	US\$ 585,000 plus personnel and travel and transportation costs				

6. PERSONNEL REQUIREMENTS

During 2009 the SMEC will mainly dedicate itself to successful project implementation and closeout - this activity not only considers implementing and closing its own portfolio, but also the projects financed with the Afro-Colombian and indigenous Earmark (TEP) - and implementing the sustainability strategy designed jointly with USAID during the last quarter of 2008 and described before.

When analyzing today's priorities and realities, the SMEC needs to modify some of the assumptions presented as part of the 2008 WP in terms of its organizational structure. The main assumption changing is the one envisioning that only 3 of the 6 regional offices were going to be operational in 2009.

Today no regional office has finished implementing its project portfolio and all the administrative processes related with project closeouts are still to come. Additionally, in order to successfully implement the component's sustainability strategy, it is important to involve at least 5 of the 6 regional offices with the strategic initiatives described before. Many of the sustainability strategic initiatives to be implemented in 2009 take into account pilot projects or experiences, accounting for at least 13 pilot efforts in 5 of the 6 regional corridors in which SMEC has a presence.

As a consequence, the component will maintain its 6 regional offices during 2009 and will close them in January 2010. At that time, the component will have finished the implementation and closing out of its entire project portfolio, including TEP projects, and implemented at a regional level the strategic initiatives part of the sustainability strategy described before. It is important to mention that this modification implies only a 4% increase of the component's personnel budget line versus the figure presented in 2008 WP.

Additionally, some changes in terms of positions and personnel have been made. The Bogotá office will be reinforced with regional personnel with coordination and regional support responsibilities, even though they will be located in their corresponding corridors. At the same time, the 6 regional offices will have a reduced operational structure (5 people at the most paid by the component), complemented with a Sustainability strategy coordinator funded with external sources, i.e. MIDAS policy component competitive strategy or competitiveness subcomponent and/or local municipalities or partners of the operational model transfer within the regions. The regional personnel will work jointly with the Bogotá office not only in project portfolio implementation and close out, but also implementing the sustainability strategy and its initiatives with Bogotá's supervision and support.

1. The Project Portfolio Management Coordination Area

Responsibilities: supervision of successful project implementation, information gathering and validation of SMEC indicators and project portfolio close-out, coordination of the production of some of the documents included in the sustainability strategy and coordination of the initiative that aims to strengthen local and regional consultancy markets to create a permanent online or internet based offer and demand of such services under competitive market prices.

Personnel: a) Two project specialists; b) Information management specialist (a presently vacant position that will work jointly with the MIDAS IT area to support the component's information production, consolidation and analysis).

2. The Knowledge Management Coordination Area

Responsibilities: definition of a conceptual framework for implementing the sustainability strategy initiatives by coordinating, coordinating and supporting the regional offices implementing these initiatives on the field.

Personnel: a) Three knowledge management specialists (one of these positions will be eliminated after March 2009 and the other two will coordinate i) the successful transfer the SMEC's operational model to a number of regions and ii) the series of documents that propose public policy recommendations based on the SMEC experience); b) Senior Sector Specialist responsible for coordinating the design of a scheme oriented towards strengthening technical assistance services for small rural producers.

3. The Institutional Strengthening Coordination Area

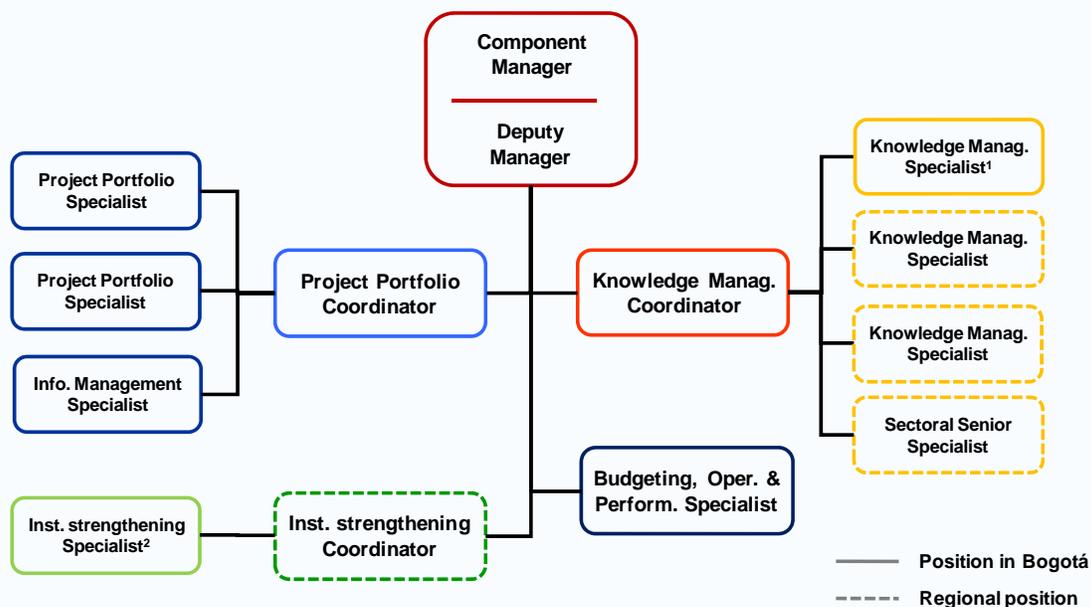
Responsibilities: Consolidate the institutional strengthening process developed with the SMEC's project supplier's network and coordinate the evaluation of the performance factors of a Project suppliers' network in order to support the successfully transfer the SMEC's operational model at the regional level.

Personnel: One Institutional Strengthening specialist.

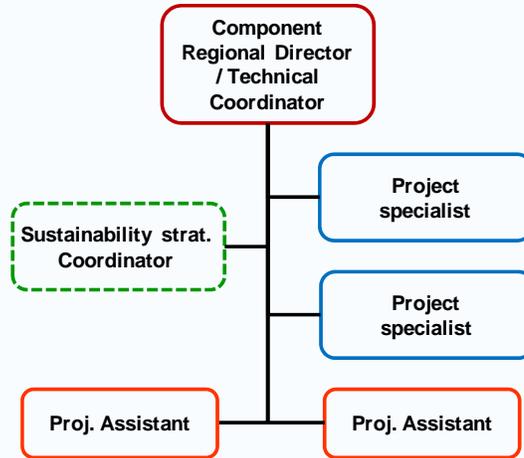
4. Additional Personnel Changes:

a) Each regional office will have either a Regional Director or Technical Coordinator responsible of coordinating all the regional offices activities; b) the regional technical team will be composed of project specialists and assistants, and the total number per region will depend on the number of projects in execution during 2009 and the activities associated to implementing the sustainability strategy initiatives; c) Sustainability strategy coordinators in those regions implementing an important number of sustainability initiatives. These positions will be funded with external sources, i.e. i.e. MIDAS policy component competitive strategy or competitiveness subcomponent, local municipalities or partners of the operational model transfer initiative.

SMEC Organizational Structure Bogotá Office 2009



SMEC Organizational Structure Regional Office 2009



----- Position funded by external sources

11.4.4. MPC

Introduction

The MPC has planned and implemented all its activities with the aim of promoting a sustainable and more competitive business environment through the adoption of key policy reforms championed by the Government of Colombia (GoC), and facilitating durable transformations in government and private institutions by training staff and adopting new institutional arrangements. Despite progress made in achieving sustainable reforms, this documents identifies 6 new activities that will complement current efforts and contribute to achieving sustainable growth and a more business friendly environment in Colombia.

From the beginning, the MPC adopted a two tier approach to support policy and institutional reforms in Colombia, by combining support strategic reforms identified by the GoC with the implementation of pilot programs that made evident the benefit of reforms, leveraged substantive private sector investments, and personnel training. Precisely, as a result of such interventions, more than 37 public institutions have been reformed, the private sector has made investments for more than USD 80 million and more than 400 training sessions have been imparted that have benefited 2,000 Colombians.

The new initiatives adopted by the MPC are also aimed at contributing to the sustainability of technical assistance and the growth of productive projects supported by the PYMES (Small and Medium Businesses), ABC and CFC Components.

The six strategies are:

1. A Better Business climate in Colombia and its Regions

Over the course of the last few years, the Colombian Government and subnational governments, with support from the Policy Component, have put more emphasis on promoting a better business climate, eliminating restrictions and impairments that make productive activities more expensive and less attractive. The Policy Component has supported the World Bank's *Doing Business* regional assessments and provided technical assistance in support of reforms intended to facilitate the creation of companies, simplify tax administration, and protect property rights, improve access to finance and key infrastructure, facilitate of customs procedures, and improve the efficiency of justice administration in Colombia. During 2009, the MIDAS's Policy Component will work with the National Planning Department and the Confederation of Governors to ensure that future *Doing Business* assessments at the regional level are fully funded with national resources and the coverage of these assessments also includes the Departments of Cauca, Nariño, Córdoba, Sucre, Guajira and Cesar. Likewise, it will develop manuals and instructions allowing the regions to identify the type of actions and reforms that may improve their business climate. In the case of the Departments of Guajira, Cesar, Nariño and Cauca, the MPC will also provide assistance in the implementation of such needed reforms.

2. More and Better Access to Financial Services

Since 2006 the MPC has assisted the Colombian Government over implementation of a policy of extending access to financial services to underserved populations in rural and poor areas of Colombia known as *Banca de Oportunidades*. Also, the Microfinance Programme of the MIDAS Policy Component has assisted financial institutions in the introduction of new microfinance technologies and reform of procedures with the

purpose to expanding service networks to lower-income population, simplify processes and reduce service times. Even though both initiatives have been designed to produce sustainable transformations of policies and financial institutions, the MPC is proposing a series of new activities to further ensure that technical assistance provided by USAID / MIDAS is fully sustainable in a shorter time frame. First, the MPC the MPC is suggesting that *Banca de Oportunidades* bear a larger share of the cost of the teams who design the policies for mass access to financial services. Second, the MPC will propose that banks should bear the cost of assistance provided to implement those technologies that have already proven cost-efficient and profitable during the implementation of pilot programs. Third, we propose to work with departmental and municipal governments to assist them in designing and implementing access to financial services programmes that are compatible and supplementary to *Banca de Oportunidades*.

3. Technical Assistance for Farmers

MIDAS's business components have been providing technical assistance by demand to farmers and rural producers. Such technical assistance has been designed from the start to be sustainable by means of strengthening producer organisations and other institutions of civil society which assist producers in less developed regions. The MPC will seek to make sustainable the technical assistance provided by USAID / MIDAS to some beneficiaries in the Departments of Nariño, Cauca, Cesar and Guajira by means of transferring a rural technical assistance model to these regions and leveraging resources from the National Government and regional and local authorities. The model to be adapted and transferred to each region brings together lessons learned by MIDAS business components, best international practices and previous experience with GoC policies to come up with a flexible approach that is cost-effective and builds on existing networks and institutional efforts adopted by private and public institutions.

4. Technical Assistance to SMEs

The MIDAS SME Component developed an innovative model which provides technical assistance by demand in decentralised fashion. This model has allowed MIDAS to suitably respond to the needs of small urban and rural producers, even in usually unattended remote places. Likewise, the MIDAS's Policy Component has assisted the GoC in the reform of FOMIPYME (Colombian Fund for Modernisation and Technological Development of Micro, Small and Medium Businesses) and the adoption of a CONPES document (National Economic and Social Policy Council) for Small and Medium Businesses, that adopts a decentralised technical assistance scheme that responds to the demand of SMEs. The reform proposes an approach similar to that held by MIDAS SME Component. During 2009 the MPC together with SME Component will assist the GoC in the adoption of decentralised technical assistance scheme that effectively reaches out to SMEs and small farmers in poor urban and rural areas. For such purpose, the MPC and SME Component will assist FOMIPYME and the departmental and local governments in adapting and adopting demand driven technical assistance programmes that build on the SME Component project provider networks.

5. Payment for Environmental Services (PES)

The MPC and the Forestry Component have supported several schemes of Payment for Environmental Services (PES) in San Andrés and Chocó. However, the sustainability and replicability of this type of arrangements depends to a great extent on the adoption by Colombia of a comprehensive strategy of payments for environmental services. During 2007 USAID / MIDAS the National Planning Department and the Ministry of Environment in including the objective of a Payment for Environmental Services strategy in the National Development Plan. During 2008 USAID / MIDAS also provided assistance to a draft strategy that is now under Colombian Government consideration. For 2009, the MPC will assist

DNP and the Ministry of Environment in drafting a CONPES Document for Payment for Environmental Services that addresses the transversal nature of this issue and assigns responsibilities to the different Ministries and State Agencies which are responsible for key elements of the strategy, as well as incentives to the private sector and ethnic communities for implementation of a strategy for paying for environmental services. This is intended to contribute to establishing the institutionality needed to make viable MIDAS's current PES projects, including MIDAS Forestry Component Natural Forest conservation projects in Choco and Chigorodo, and develop future projects in natural forests and other rich in natural resource areas.

6. Book of Lessons Learned and Recommended Reforms for the Future

The MPC will produce a book gathering recommendations and lessons learned from the technical assistance provided to the GoC and subnational governments. Such book is intended to allow the civil society to achieve deeper understanding of the proposed reforms, implementation challenges, results achieved by the reforms and pending reforms. The intention of this is to fuel national debate over the reforms agenda and contribute to sustainability of advances achieved so far.

Strategies for Sustainability of Component

Objective: Promote a Better Business Climate

Key Issues to Consider for this Type of Models (Lessons Learnt):

1. It is necessary to take permanent measurements of the business climate using the World Bank's Doing Business approach. For such purpose it is necessary to continue taking departmental measurements and look for financial arrangements making it possible to run such measurements indefinitely.
2. It is necessary to develop primers or manuals to the reforms at subnational level as needed to improve the business climate.

A. DESIGN

The project seeks to create a business climate allowing for attracting new investments into regions affected by illicit economic activities.

No.	ENTITIES / PLAYERS	Objective	Contacted?	Date DD / MM / YY	Contact Name	Title
1	IFC	Transfer the World Bank's measurement model to a local entity	X Yes <input type="checkbox"/> No	11-09-08	Mirta	Regional Doing Business Manager
2	DNP	Choose the entity that will run Doing Business in 2009	X Yes <input type="checkbox"/> No	20-10-09	Orlando Gracia	Entrepreneurial Development Director
3	Governors Confederation	Obtain permanent financing arrangements	<input type="checkbox"/> Yes X No	10-12-08	Andrés Gonzalez	Governor

B. IMPLEMENTATION

For the entities that you have approached, please indicate the activities scheduled for achievement of the above objectives:

No.	SCHEDULED ACTIVITIES / Date	Actors	MIDAS Goals / Date	Milestones / Date
1	Implementing departmental financing of the departmental Doing Business approach	Governors and Mayors	Approval of Departmental Budgets for Financing Departmental Doing Business Approaches / 30 March 2009	<ol style="list-style-type: none"> 1. Contact Governors of Nariño, Cauca, Cesar, Guajira, Huila, Magdalena, Córdoba and Sucre. 28 February 2009. 2. Design Financing Vehicle through Governors Confederation / 28 February 2009. 3. Disbursement of Resources for Doing Business 2009 / 30 March 2009.
2	Preparing manuals for implementation of reforms at departmental level intended to improve business climate	MIDAS Team's / Ministry of Industry and Trade / DNP	Prepare manual for each Doing Business evaluation area except for contract performance	<ol style="list-style-type: none"> 1. March 2009 Company Creation Manual 2. March 2009 Foreign Trade Facilitation Manual 3. June 2009 Simplified Taxation Manual 4. June 2009 Financial Services Access Manual
3	Accompanying process for implementation of reforms to improve investment climate in the Departments of Nariño, Cauca, Guajira and Cesar	MIDAS Team / Ministry of Industry and Trade / DNP / Governor's Offices	For each department we shall have identified a set of critical reforms and implementation shall be completed by December 2009	<ol style="list-style-type: none"> 1. April 2009 Identification of critical reforms in Nariño, Cauca, Guajira and Cesar. 2. May 2009 Preparation of Action Plan for

				Implementatio n of Reforms 3. December 2009 Implementatio n of Reforms in each Department
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* The goals do not correspond to any contractual requirement and do not imply that the Programme must execute the activities but mostly promote and advise them.

C. RESOURCES

The resources required for this activity are estimated at \$ 280,000, which includes financing of a domestic expert and four regional co-ordinators in charge of identifying reforms, preparing action plans and implementing reforms with departmental administrations. These resources include resources allocated under the overall competitiveness budget and resources allocated to the MPC Competitive Regions Strategy.

Strategies for Sustainability of Component

Objective: Promote sustainability of the microfinance programme.

Key Issues to Consider for this Type of Models (Lessons Learnt):

1. The Microfinance programme of the MPC has proved successful in assisting banks, co-operatives and NGOs to serve the traditionally unattended population in remote areas. By means of pilots that have put micro credit technologies into operation, these institutions have been able to obtain adequate profitability margins and properly manage risks, which have allowed them to start providing certain microfinance services. We therefore propose for these institutions to bear the costs of the assistance during the process of turning those services into mass services.
2. The technical assistance programme of the Bank of Opportunities has contributed to strengthen such institution's capacity designing policy, process and convocation instruments, as well as supporting the process for reforming the regulatory and oversight framework of microfinance funds.

A. DESIGN

The objective of this intervention is to provide sustainability to the strategy of promoting access to financial services in rural regions and vulnerable farming populations traditionally unattended. This activity is particularly important under current circumstances of significant deterioration of the financial situation of the population in south areas of Colombia affected by the presence of illicit businesses and urgency to facilitate access to indigenous, black and mixed population.

No.	ENTITIES / PLAYERS	Objective	Contacted?	Date DD / MM / YY	Contact Name	Title
1	Presidents of Banks, NGOs and Co-Operatives	Manage to have them gradually bear the cost of technical assistance provided by USAID / MIDAS.	X Yes <input type="checkbox"/> No	11 / 08	Santiago Pérez. Pending contact of officials in other entities.	Banco de Colombia
2	Bank of Opportunities	Manage to have them bear part of the cost of technical assistance provided for preparation of convocations and tenders	X Yes <input type="checkbox"/> No	11 / 08	Carlos Moya	President

B. IMPLEMENTATION

For the entities that you have approached, please indicate the activities scheduled for achievement of the above objectives:

No.	SCHEDULED ACTIVITIES / Date	Actors	MIDAS Goals / Date	Milestones / Date
1	Preparing agreement for gradual transfer of technical	Presidents of financial	1. Banks to finance 40% of technical	1. 12 / 08 Contact

	assistance to banks, NGOs and co-operatives	institutions, USAID / MIDAS	assistance and travelling expenses	presidents of institutions and present proposal for gradual transfer of technical assistance. 2. 02 / 09 Approval by financial institutions 3. 03 / 09 Partial contract for technical assistance
2	Preparing and implementing agreement with Bank of Opportunities	President of Bank of Opportunities	Bank of Opportunities to finance in 2009 50% of technical assistance and 100% of assistance to expand community banking in Colombia.	1. 12 / 08 Preparation of Agreement 2. 03 / 09 Start of Agreement

* The goals do not correspond to any contractual requirement and do not imply that the Programme must execute the activities but mostly promote and advise them.

C. RESOURCES

The necessary resources are estimated at \$ 400,000 to finance the transition from microfinance teams and Bank of Opportunities to financial institutions and Bank of Opportunities. These resources are already part of the Microfinance Subcomponent Budget.

Strategies for Sustainability of Component

Objective: Technical Assistance to Farmers

Key Issues to Consider for this Type of Models (Lessons Learned):

1. MIDAS's business components have developed methodologies by demand which have proved to be highly effective to promote technical assistance to populations of farmers and small rural producers.
2. The current instruments to provide technical assistance to small producers and farmers are limited and have not been within the reach of such populations. Adaptation of MIDAS's technical assistance by demand models to the institutional operation circumstances of the National Government and departmental and local governments may allow for providing technical assistance on a sustainable basis to some of MIDAS's current projects and reach new small producers in sectors not attended by MIDAS.

A. DESIGN

Identify entities, population groups, communities and / or regions potentially interested in productive projects.

No.	ENTITIES / PLAYERS	Objective	Contacted?	Date DD / MM / YY	Contact Name	Title
1	MIDAS Business Components	Adapt technical assistance models to the institutional reality of the National Government and departmental and local governments.	X Yes <input type="checkbox"/> No	09 / 08	Natalia Arias, Carlos Espinal, Jaime Ospina	Component Managers
2	Departmental Governments	Get governments involved in design and financing of a model of technical assistance to farmers by demand.	X Yes <input type="checkbox"/> No	10 / 08- 12 / 08	Secretaries of Agriculture for Guajira, Cesar, Nariño, Santander and Boyacá.	Secretaries of Agriculture
3	Municipal Government	Get governments involved in design and financing of a model of technical assistance to farmers by demand.	<input type="checkbox"/> Yes X No			Mayors
4	Ministry of Agriculture	Get governments involved in design and financing of a model of technical assistance to farmers by demand.	<input type="checkbox"/> Yes X No		Vice-Minister Juan Camilo Salazar	Vice-Minister
5	DNP	Get governments involved in design and financing of a model of technical assistance to farmers by demand.	X Yes <input type="checkbox"/> No	11 / 08	Ricardo Torres	Rural Development Director

B. IMPLEMENTATION

For the entities that you have approached, please indicate the activities scheduled for achievement of the above objectives:

No.	SCHEDULED ACTIVITIES / Date	Actors	MIDAS Goals / Date	Milestones / Date
1	Technical Assistance Demand Survey	MPC	Determine needs for technical assistance per type of agricultural and farming producer and product. Determine capacity of payment and need for subsidy.	<ol style="list-style-type: none"> 11 / 08 Survey hired. 01 / 09 Results of technical assistance demand survey.
2	Technical Assistance Supply Analysis Document	MPC	Determine availability, price, quality and innovation characteristics of technical assistance in Colombia and domestic and international models for public intervention to assist small producers.	<ol style="list-style-type: none"> 10 / 08 Work on preparation. 02 / 09 Submission of report. 03 / 09 International Technical Assistance Seminar.
3	Proposed Model of Rural Technical Assistance.	MPC and Business Components	Design model of technical assistance by demand based on existing instruments and leveraging resources from National Government, departmental governments, municipalities, international co-operation and private sector. The Model will be implemented in the four selected regions (Santander, Nariño, Cesar and Guajira) and will be applied to municipalities and projects currently being supported by MIDAS ABC and CFC.	<ol style="list-style-type: none"> 02 / 09 First Draft for Discussion 03 / 09 Final Proposal
4	Implementation of Technical Agricultural and Farming	MPC, Governor's	Implement pilots of model for technical	1. 12 / 08 Contact

Assistance Model	Offices, Municipalities, DNP, Ministry of Agriculture	agricultural and farming assistance in Nariño, Cauca, Cesar and Guajira.	interested parties and conduct budget planning 2. 01 / 09 Start identification of institutions at regional level. 3. 02 / 09 Identify regional pilots. 4. 03 / 09 Start implementation of regional pilots. 5. 11 / 09 Assessment of implementation of regional pilots. 6. 12 / 09 Document for assessment of regional pilots and recommendations for adjustment.
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* The goals do not correspond to any contractual requirement and do not imply that the Programme must execute the activities but mostly promote and advise them.

C. RESOURCES

For execution of this strategy it is estimated that the total resources required are worth \$ 350,000. With such resources we are currently progressing on the technical assistance survey, a report on characteristics of technical assistance supply and design of the technical assistance model. In addition, we will hire four experts for each one of the departments in charge of implementing the technical assistance model. The resources for these activities have been budgeted under the MPC Competitive Regions Strategy and the MPC Agriculture Subcomponent.

Strategies for Sustainability of Component

Objective: Technical Assistance for PYMES

Key Issues to Consider for this Type of Models (Lessons Learned):

1. The PYMES Component has a successful model for technical assistance to PYMES by demand which has managed to serve micro entrepreneurs in rural areas.
2. The Colombian Government, with technical assistance from MPC, has determined that the current model for technical assistance to PYMES by supply as executed by FOMIPYME does not allow for serving entrepreneurs in remote areas, limits service

alternatives and does not promote development of a market of technical assistance to PYMES.

3. The Colombian Government, through the CONPES for PYMES, which counted on assistance from MPC, decided to reform FOMIPYME. For such purpose it was decided to implement test pilots at regional level. Those pilots incorporate the experience and recommendations from MIDAS SME component and MPC and are the basis of the Sustainability Plan.

A. DESIGN

Identify entities, population groups, communities and / or regions potentially interested in productive projects.

No.	ENTITIES / PLAYERS	Objective	Contacted?	Date DD / MM / AA	Contact Name	Title
1	Ministry of Industry and Trade / DNP	Promote integration of pilots for reform of FOMIPYME to MIDAS's sustainability plan.	X Yes <input type="checkbox"/> No	09 / 08-12 / 08	Vice-Minister Duarte; Orlando Gracia	Vice-Minister of Industry and DNP Entrepreneurial Development Director
2	Governors and Mayors	Promote execution of FOMIPYME pilots in Nariño, Cauca, Cesar and Guajira.	X Yes <input type="checkbox"/> No	10 / 08'12 / 08	Gina Pérez	Secretary of Economic Development for Guajira

B. IMPLEMENTATION

For the entities that you have approached, please indicate the activities scheduled for achievement of the above objectives:

No.	SCHEDULED ACTIVITIES / Date	Actors	MIDAS Goals / Date	Milestones / Date
1	Designing model of technical assistance to PYMES for FOMIPYME reflecting MIDAS's experience and adapting to institutional reality of National Government and departmental and local governments	FOMIPYME, Departments, MIDAS Policy and PYMES Components	Design a model for technical assistance to PYMES that can be implemented as pilot programmes in Nariño, Cauca, Guajira, Santander and Cesar. The Model is being adapted by a task force of SME Component experts	1. 10 / 08-01 / 09 Meetings with National Government and departmental government officials to collect enquiries. 2. 01 / 09 Draft technical assistance model to be

			and the MPC experts to ensure that it builds on lessons learned and best practices of the SME Component and it is adapted to the institutional rigidities and incentives of Colombian public organizations. The Model will also build on the network of project providers identified by the SME Component.	implemented in departments with FOMIPYME resources. 3. 02 / 09 Final Model for Technical Assistance to PYMES.
2	Implementing model for technical assistance to PYMES	FOMIPYME, Departments, MIDAS Policy and PYMES Components	Implement model of technical assistance to PYMES in Nariño, Cauca, Guajira, Santander and Cesar. The MPC and the SME Components will work together in the regions to transfer and adapt the model to regional needs. The implementation, although funded by the MPC will be lead in the regions by experts from the SME Component.	Start implementation of technical assistance model. 4. 11 / 09 Assessment of implementation of model for technical assistance to PYMES 5. 12 / 09 Final report on implementation of technical assistance model and recommended adjustments to the model.

* The goals do not correspond to any contractual requirement and do not imply that the Programme must execute the activities but mostly promote and advise them.

C. RESOURCES

This programme has a cost of \$ 350,000 covering for design and implementation of the model. For such purpose four regional experts will be hired to work in Nariño, Guajira, Cesar, Cauca and Santander. In addition, it will support design of an information system for monitoring model effectiveness. The resources for the task force doing the design of the model is budgeted under the MPC Overall Competitiveness budget and the SME Component. The resources needed for the implementation of the SME technical Assistance Model are budgeted under the MPC Competitive Regions budget.

Strategies for Sustainability of Component

Objective: Payment for environmental services.

Key Issues to Consider for this Type of Models (Lessons Learned):

1. The MIDAS Forestry Component has developed forest management plans for Afro-Colombian communities in the Department of Chocó, which are the main source of alternative income for such communities.
2. MPC is implementing a pilot for payments for environmental services in respect of protection of river basins in San Andrés Island with the purpose to guarantee sustainable water supply in the island. In addition, the Environmental Team of the Policies Component has developed a proposed strategy for payments for environmental services that is now under consideration by the National Government and the Environmental Council.
3. Illicit crops have been displaced to the rainforest, protected areas and natural parks, thus generating a serious environmental impact. In such areas it is not viable to replace illicit crops with agricultural crops due to the quality and vulnerability of the soils, the high environmental cost and transport costs, so the only viable source of alternative income for the communities in those areas is payment for environmental services, including ecotourism, payment for prevented deforestation and reforestation and protection of river basins and biodiversity.
4. Environmental services involve high potential income and generation of foreign currency for capturing CO₂, sustainable use of biodiversity and ecotourism.
5. Given the transversal impact of payments for environmental services, it is fundamental for adoption of a policy intended for such activity to be widely concerted with different ministries and public institutions, the private sector and civil society. For such reason we suggest to turn the strategy of payments for environmental services into a CONPES document, which guarantees financial viability, homogeneous procedures, policy instruments and incentives.

A. DESIGN

Identify entities, population groups, communities and / or regions potentially interested in productive projects.

No.	ENTITIES / PLAYERS	Objective	Contacted?	Date DD / MM / AA	Contact Name	Title
1	Ministry of the Environment, Housing and Territorial Development	Convince the Ministry of the importance of turning the Strategy of Payments for Environmental Services into a CONPES Document widely concerted with public institutions and civil society.	X Yes <input type="checkbox"/> No	11 / 08		Preservation Director
2	DNP	Convince the DNP of the importance of turning the Strategy of Payments for Environmental Services into a CONPES Document widely concerted with public institutions and civil society.	X Yes <input type="checkbox"/> No	11 / 08	Andrés Escobar / Gianpiero Renzzoni	Sub Director - General / Environment Director
3	Ministry of Industry, Trade and Tourism	Convince the Ministry of the importance of turning the Strategy of Payments for Environmental Services into a CONPES Document widely	X Yes <input type="checkbox"/> No	10 / 08	Luis Guillermo Plata / Ricardo Duarte	Minister / Vice-Minister

		concerted with public institutions and civil society.				
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B. IMPLEMENTATION

For the entities that you have approached, please indicate the activities scheduled for achievement of the above objectives:

No.	SCHEDULED ACTIVITIES / Date	Actors	MIDAS Goals / Date	Milestones / Date
1	Convincing the National Government of the importance of turning the Strategy of Payments for Environmental Services into a CONPES Document widely concerted with public institutions and civil society.	Minister of the Environment / Minister of Agriculture / Social Action / DNP / Minister of Trade	Approval of preparation of a CONPES Document for Payment for Environmental Services	1. 12 / 08- 02 / 09 Continue meetings with National Government and hold new meetings with NGOs and the civil society in general
2	Supporting the National Government over preparation of CONPES document and concerting with civil society.	MIDAS CFC Component will provide input on lessons learned and best practices in the design and implementation of a Payment for Environmental Services Strategy. Minister of the Environment / Minister of Agriculture / Social Action / DNP / Minister of Trade / Civil Society	Approval by CONPES of a document on policy for payments for environmental services	1. 05 / 09 Assist preparation of draft CONPES document. 2. 06 / 09 Concerting CONPES document with civil society 3. 07 / 09 Approving CONPES document
3	Supporting the National Government over implementation of CONPES Document	Minister of the Environment / Minister of Trade / Social Action	Implementation of short-term strategic issues	1. 08 / 09 Define short-term strategic actions that can be supported by MIDAS's

				Policies Component in 2009. 2. 08 / 09-12 / 09 Assist the National Government over implementation of actions that can be completed in 2009.
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* The goals do not correspond to any contractual requirement and do not imply that the Programme must execute the activities but mostly promote and advise them.

C. RESOURCES

\$200,000 to be invested in the team of experts in payments for environmental services and performance of activities to facilitate concert within the Government and with civil society; the resources for this activity are budgeted under the MPC Environment Subcomponent.

Strategies for Sustainability of Component

Objective: Book of Lessons Learned and Recommendations

Key Issues to Consider for this Type of Models (Lessons Learned):

1. The MPC has supported the National Government over implementation of an ambitious agenda of reforms using an innovative and flexible model.
2. It is important that there be adequate information about the scope of the reforms and their initial effects and those expected in the long run with the purpose to guarantee sustainability.
3. In case the implemented reforms should require adjustments or further supplementary actions to make them more effective, the book can be a good opportunity to generate such discussion.
4. There are a number of reforms identified by the National Government and MIDAS's Policies Component that could not be implemented for political difficulties or overambitious scopes, which shall be postponed to a future administration. Starting public discussion of these reforms, however, is convenient for the country, so that they can be included in a future Development Plan.

A. DESIGN

Identify entities, population groups, communities and / or regions potentially interested in productive projects.

No.	ENTITIES / PLAYERS	Objective	Contacted?	Date DD / MM / AA	Contact Name	Title
1	MPC	Prepare table of contents.	X Yes <input type="checkbox"/> No	11 / 08	Subcomponent Leaders	

2	USAID / National Government / Associations	Discuss table of contents of book and receive feedback thereon.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	01 / 09-02 / 09		
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B. IMPLEMENTATION

For the entities that you have approached, please indicate the activities scheduled for achievement of the above objectives:

No.	SCHEDULED ACTIVITIES / Date	Actors	MIDAS Goals / Date	Milestones / Date
1	Preparing book	MPC Subcomponent Leaders / USAID / National Government / Experts and Academics	Prepare first drafts of the book.	<ol style="list-style-type: none"> 1. 01 / 09-02 / 09 Set up Editorial Committee with experts inside and outside MIDAS. 2. 02 / 09 Prepare introduction to each chapter. 3. 03 / 09 Discuss introduction to each chapter with Editorial Committee. 4. 06 / 09 Prepare first drafts of chapters. 5. 07 / 09 Present and discuss draft chapters with Editorial Committee 6. 08 / 09 Final Contents of Book. 7. 09 / 09 Printing Book.
2	Presenting book	Civil Society, including political parties,	Conduct open forum to present book.	<ol style="list-style-type: none"> 1. 11 / 09 Forum for presentation of the book.

		academics, and NGO's.		
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* The goals do not correspond to any contractual requirement and do not imply that the Programme must execute the activities but mostly promote and advise them.

C. RESOURCES

\$100,000 worth of subcomponent leaders and experts' time and printing costs. To carry out this activity the MPC would need additional resources.

11.5. STRATEGY FOR COMPETITIVE REGIONS 2009

11.5.1. Model for Regional Support



Strategy of Competitive Regions

Componente

Política

1



Introduction

Due to the access of the Policy portfolio and due to the diagnostic of CONPES of Sustainable Alternative Development into the system, the MPC has identified challenges related to the **environmental conditions** that ensure its sustainability:

Articulation

Between the national supply and the regional demand

Universality,

Comprehensiveness and coherence of the support

Forcefulness

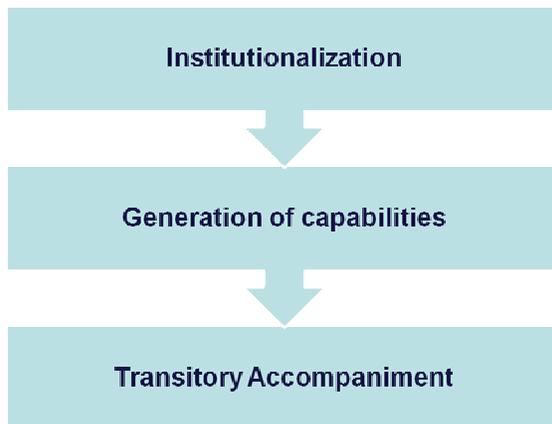
In the support for the consolidation of the regions

Componente

Política

1

Three Pillars



Componente **Política**

Objectives of the assistance

Support the National Government and the Local Governments, in the design and incorporation of policies that might contribute to the *productive development* of the region, with criteria of social-economic *inclusion* and *sustainability*.

With the Regions:

- Ensure the *transference* and *institutionalization* of the support
- Strengthen the local Institutionalism (government, guilds, and citizenry)
- Foster a better *business environment*
- Facilitate *private – public* dialogue (example: CRC Commissions)
- Facilitate the arrangement of mechanisms and instances for the synergies of *Region – Nation*

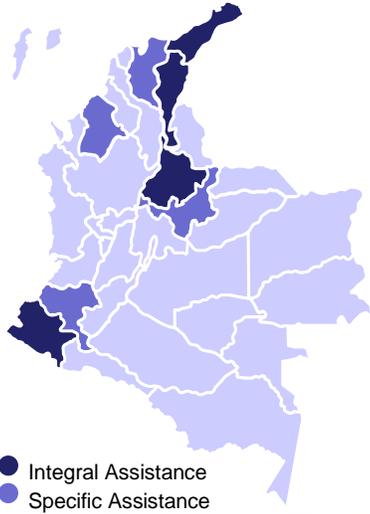
With the Nation:

- Support the productive initiatives of the national institutional supply for the regions (example: World class sectors)
- Contribute to the articulation between *regions and the nation* (example: PRC Plans)
- Identify adjustments and improvements in policies such as: agricultural, forestal, and SMEs policies.
- Ensure the *sustainability* of the international cooperation projects.

Componente **Política**

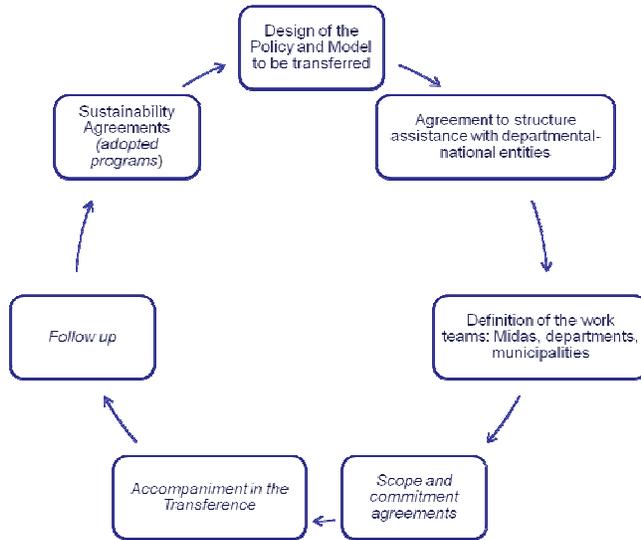
Regions

Assistance	
Integral	Specific
La Guajira Cesar	Magdalena Córdoba
Nariño	Cauca
Santander	Boyacá



Componente **Política**

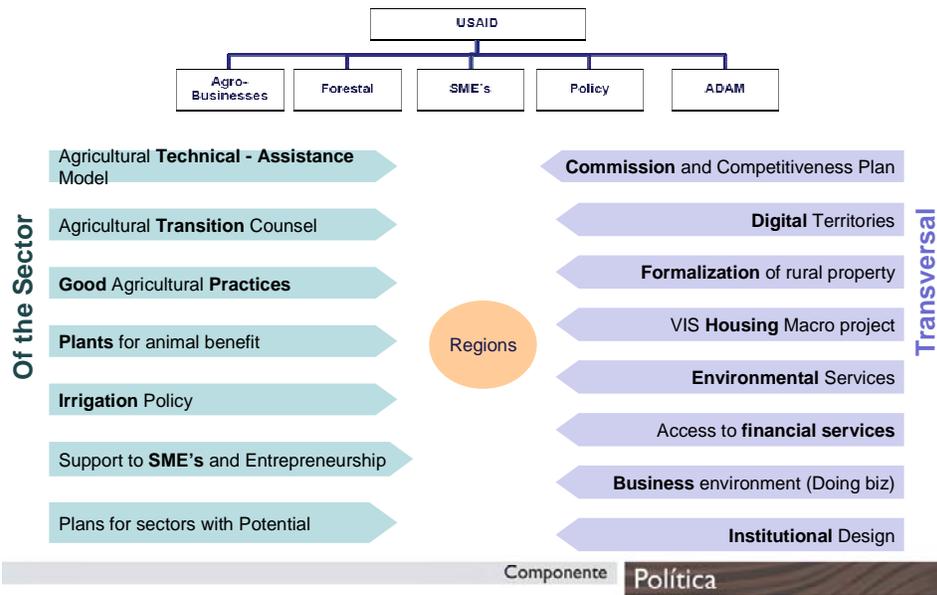
Operation



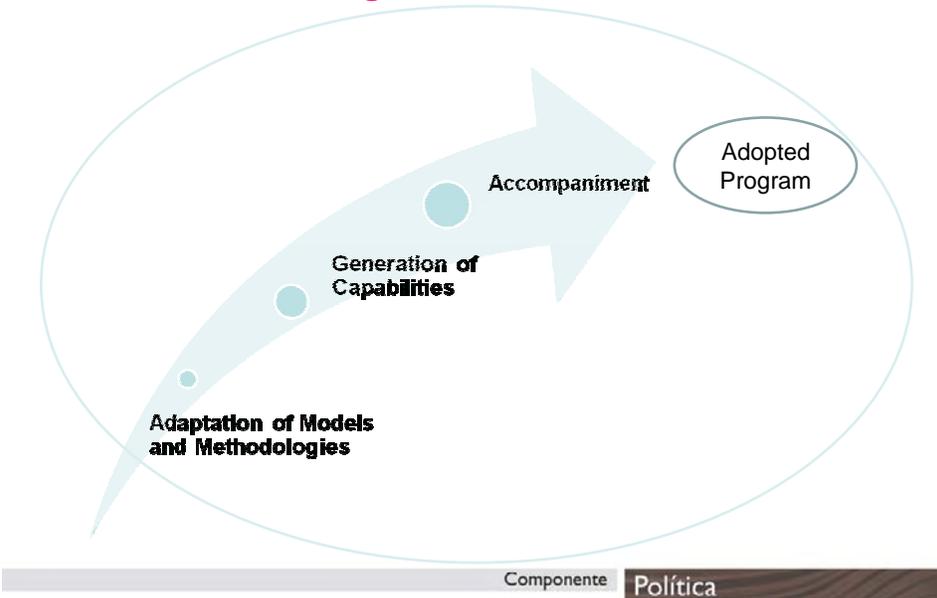
Componente **Política**

6

Assistance areas. Pilot cases



Stages of the transfer



General Goal: adopted programs

The institutionalization process for technical assistance models is aimed at achieving formal acceptance by the local authorities; it implies:

1. Model for the distribution of institutional **responsibilities**.
 1. Competencies of the local and national entities.
 2. Mechanisms and Instances of **agreement** and coordination between: the nation, the region, and the private sector.
2. Precise **Goals** and scopes: employment, hectares, families, sustainability
3. Long term **implementation** strategy
4. **Evaluation** and follow up system
5. **Budget** with a 3-4 year horizon, financial sources
6. **Judicial Support** : example: Ordinances, Decrees, Agreements

Componente

Política

9

Specific Goals (subject to validity in the regions)

Assistance area	Indicator	Goals to Dec 2009				Total 4 deptos
		Guajira	Cesar	Nariño	Santander	
Agricultural technical assistance model	Adopted Program*	1	1	1	1	4
	Small Producers*	25	50	25	50	150
Regional Counsel for transition	Adopted Program	1	-	1	-	2
Good agricultural and stock breeding practices	Adopted Program	1	1	1	1	4
Plants for animal benefit	Adopted Program	1	1	-	-	2
Irrigation policy	Adopted Program	-	1	-	-	1
Support to Mipymes	Adopted Program	1	1	1	1	4
	Jobs Generated	750	750	500**	1.000**	3.000
Digital Territories	Adopted Program	1	1	1	1	4
Housing Project	Structure Model	-	-	1	-	1
Formalization of Property	Adopted Program	1	1	1	1	4
	Benefitted Families *	200	300	100	300	900
Environmental Services	Adopted Program	-	-	-	-	0
Financial Education	Adopted Program	1	1	1	1	4
	Persons Trained *	100	150	80	*	330
Non-banking Correspondents	Municipalities Covered	0	4	5	3	12
Local financial instruments	Adopted Recommendations	1	1	-	1	3
Plans for sectors with potential	Adopted Program	1	1	1	1	4
Study of Doing business	Adopted Recommendations	1	1	1	1	4
Institutional Design	Adopted Program	1	-	-	-	1

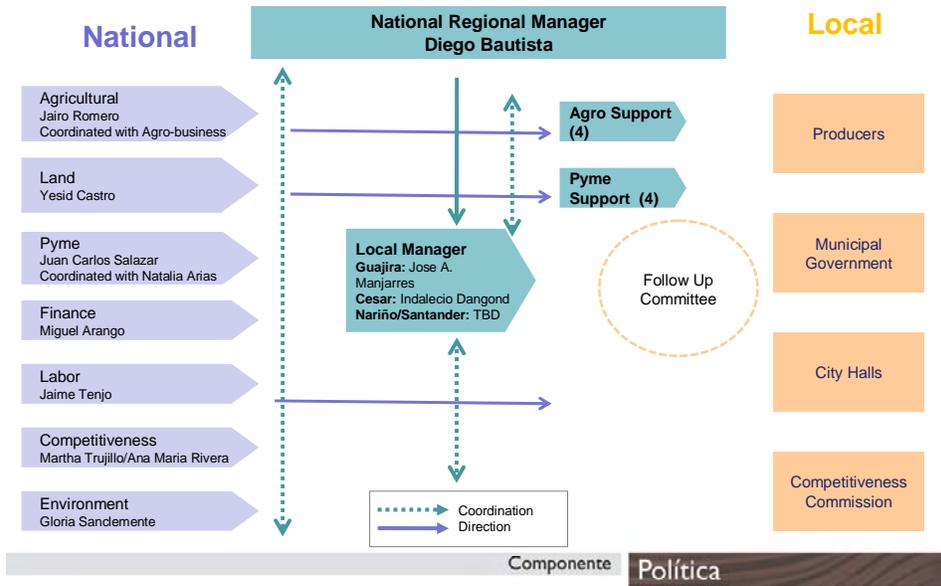
* It is proporcional to the budget allotted for each department,

** Departments with Fomipyme

Componente

Política

Organization



11.5.2. Work Plan by Assistance Areas

Midas - Regions 2009																									
Area of Assistance: Farming Technical Assistance Model																									
Responsible Party: J. C. Salazar - L. E. Quintero																									
MIDAS areas involved: Politics, Pyme, Agro-businesses, Commercial Forestry																									
External Partners: Governor's Office, trade associations and Agricultural Technical Assistance Service bidders (SATA)																									
A. Objectives																									
1	To design, by common agreement with the department parties, a sustainable policy strategy aimed at ensuring, at regional and local level, universal, non-discriminated and sustainable access by small producers, to pertinent, timely, updated and quality farming technical assistance services (SATA)																								
2	To design, together with the department authorities, the institutional arrangements and the regional policy instruments that, leveraged on the existing instruments and policies at national level, will promote SATA supply and demand, which must be in agreement with the productive bets of the department and with the various needs of the population devoted to farming activities, regardless of the development or specialization level of the producers.																								
3	To promote the development of local and regional institutional and technical capacities to ensure the institutional, technical and financial sustainability of the strategy																								
4	To design and implement a local pilot with a specific group of producers aimed at: validating and adjusting the regional strategy, generate demonstrative effects and, if applicable, ensuring the sustainability of the interventions forwarded by MIDAS through its productive components																								
B. Milestones																									
	Guajira				Cesar				Santander				Nariño												
	Quarterly Targets				Quarterly Targets				Quarterly Targets				Quarterly Targets												
	T1	T2	T3	T4	T1	T2	T3	T4	T1	T2	T3	T4	T1	T2	T3	T4									
Regional Policy Strategy																									
1	Document classifying and analyzing SATA's demand in the provincial department: identification of homogeneous zones and their agro-ecological productive, and social features.				ok				ok				ok												
2	Document classifying and analyzing SATA's existing supply schemes in the provincial department, as well as the financing mechanisms available				ok				ok				ok												
3	Departmental strategy designed and agreed with the authorities and regional parties to ensure the pertinent SATA supply and quality, as well as the access thereof, based on the activities prioritized by the provincial department.				ok				ok				ok												
4	Memorandum of understanding subscribed with the authorities and key regional parties for the implementation of SATA's regional strategy				ok				ok				ok												
5	Regional strategy implemented				ok				ok				ok												
Regional pilot																									
6	Identification of a regional pilot				ok				ok				ok												
7	Design and implementation of the regional pilot				ok				ok				ok												
8	Report of pilot development advances				ok				ok				ok												
C. Expected Results																									
	T1	T2	T3	T4	Total	T1	T2	T3	T4	Total	T1	T2	T3	T4	Total	T1	T2	T3	T4	Total					
1	Productive units that access SATA				50	50	100				100	100				100	50				50				
2	Resources (million \$COP) leveraged for SATA				250	250	500	300				300	600	500				500	1000	200				200	400
3	No. of SATA providing institutions involved in the department strategy.				5	5	10	5				5	10	5				5	10	3				3	6
D. Contribution to the Sustainable Alternative Development *																									
SATA supply and demand enhancement, specialization and sustainability contribute to the Sustainable Alternative Development, to the extent that they increase the possibilities of small producers to raise productivity in their farming activities, gain access to the financial services and improve or generate new legal, sustainable sources of revenues.																									
* Productive, legal and legitimate development that becomes institutional and lasts through time																									

Midas - 2009 Regional Strategy

Area of assistance: Farming Transition Regional Council

Responsible Party:

MIDAS Areas Involved:

External Partners:

A. Objectives

Promote enhancements in the productivity of existing farming activities or the inclusion of new potential products

Consolidate a space for interinstitutional cooperation and agreement space to promote agricultural competitiveness in the region (La Guajira, Nariño)

	Guajira				Nariño					Boyacá					
	Quarters				Quarters					Quarters					
	T1	T2	T3	T4	T1	T2	T3	T4	T1	T2	T3	T4			
B. Milestones															
General transition plan: strategy and initiative updating and adjustment		Ok				Ok					Ok				
Initiative prioritization (transversal and sectoral)		OK				OK					OK				
Action plan for prioritized initiatives: definition of accountabilities, sources, terms		Ok				Ok					Ok				
Interinstitutional covenant: v.g. Agriculture Sector, Sena, trade associations, university		Ok				Ok					Ok				
Workshops to formulate the action plan - 1 product		OK	OK			OK	OK				OK	OK			
Event with Agriculture Secretariats (Consea)			OK				OK					OK			
Initiative management, based on leaders and responsible parties			OK	OK			OK	OK			OK	OK			
Event: Presentation of transversal action plans (v.g. irrigation, lands, credit)			OK				OK					OK			
Event: Presentation of technical assistance model			Ok				Ok					Ok			
Event: Presentation of action plans for 3 farming products (1 per prov. department)			OK				OK					OK			
Recommendations report (v.g. best practices, lessons learnt)				OK				OK				OK			
Transition Reg. Council accountability				OK				OK				OK			
2010 Interinstitutional work agreement				Ok				Ok				Ok			
C. Expected Results (indicators)	T1	T2	T3	T4	Total	T1	T2	T3	T4	Total	T1	T2	T3	T4	Total
Participation of entities related to the farming activity		8			8		8			8		10			10
Establishment of priorities			1		1			1		1			1		1
Inter-institutional work agreements			1	1	2			1	1	2			1	1	2
D. Contribution to the Sustainable Alternative Development *															
The model seeks to create institutionality and regional capabilities needed to contribute to identifying productive activities with comparative advantages, to develop the strategic planning, to improving farming production competitiveness and sustainability and to strengthen legal productive activities through the enforcement of local, regional and national policy instruments															

Midas - 2009 Regional Strategy																				
Area of assistance: Good Farming and Livestock Practices																				
Responsible Party: Jairo Romero - Adriana Vélez																				
MIDAS Areas Involved: MSF Policy																				
External Partners: Secretariat of Agriculture, SENA, CORPOICA, ICA, UMATAS																				
A. Objectives																				
Establish a system to support the implementation and certification of Good Farming and Livestock Practices in the Provincial Department from official institutions, and aimed at compliance with the sanitation regulations in force by small producers																				
B. Milestones																				
	Guajira				Cesar				Nariño				Santander							
	T1	T2	T3	T4	T1	T2	T3	T4	T1	T2	T3	T4	T1	T2	T3	T4				
DESIGN OF THE SUPPORT MODEL																				
Create the BPAP Technical Table coordinated by the Secretariat of Agriculture		ok				ok					ok					ok				
Document the model tested through pilots in other regions		ok				ok					ok					ok				
Compile local information on the current BPAP implementation status		ok				ok					ok					ok				
Customize the model to the specifications of the Provincial Department		ok				ok					ok					ok				
MODEL TRANSFER AND IMPLEMENTATION PLAN																				
Develop work plan with the Secretariat of Agriculture		ok				ok					ok									
BPAP implementation training		ok				ok					ok					ok				
Model implementation accompaniment			ok			ok					ok					ok				
Support the pilot project formulation with local financing to test the BPAP implementation model			ok				ok				ok					ok				
PILOT PROJECT TRACKING																				
Develop a local pilot tracking plan			ok				ok				ok					ok	ok			
PILOT PROJECT IMPLEMENTATION																				
Technical assistance for PAICI implementation and certification in BPA		ok	ok	ok	ok															
Training of BPA multipliers in PAICI			ok	ok																
PAICI certification and audit process in BPA			ok	ok																
C. Expected Results (indicators)																				
	T1	T2	T3	T4	Total	T1	T2	T3	T4	Total	T1	T2	T3	T4	Total	T1	T2	T3	T4	Total
Support model designed	1				1	1				1	1				1	1				1
Support model adjusted		1			1	1				1		1			1	1				1
Implementation plan approved		1			1		1			1		1			1	1				1
Local institution officers trained as BPAP multipliers		20			20		20			20		20			20		20			20
Implementation plan underway			1		1			1		1			1		1			1		1
Pilot project formulated				1	1			1		1			1		1			1		1
Certification of the PAICI Farm in BPA				1	1															
D. Contribution to the Sustainable Alternative Development *																				
Improvement in the revenues of small producers through the enforcement of Good Farming and Livestock Practices																				
* Productive, legal and legitimate development that becomes institutional and lasts through time																				

Midas - 2009 Regional Strategy

Area of assistance: Animal Slaughter Plant Rationalization

Responsible Party: Jairo Romero

MIDAS Areas Involved: Política MSF

External Partners: Agriculture and Development Secretariats, DNP, Environmental Authorities

A. Objectives

Reduce the number of slaughter plants regionally, in order to use public resources aimed at animal slaughter efficiently, to have viable sanitation, environmental, economic and social plants, and to ensure the appropriate supply of meat to the population

B. Milestones	Guajira				Cesar			
	Quarters				Quarters			
	T1	T2	T3	T4	T1	T2	T3	T4
Information meeting with mayors	ok				ok			
Covenant signed with mayors	ok				ok			
Round table setup	ok					ok		
TOR approval for pre-feasibility study	ok					ok		
Study contracting		ok					ok	
Study execution		ok	ok				ok	
Study approval			ok				ok	
Preparation of rationalization plan			ok				ok	
MPS rationalization plan delivery			ok				ok	
C. Expected Results (indicators)								
Covenants signed with mayors	1			1	1			1
Round regulations	1					1		1
Terms of reference for the study	1			1		1		1
Pre-feasibility study approved			1				1	1
Rationalization plan submitted			1				1	1
D. Contribution to the Sustainable Alternative Development *	Improvement in revenues of small cattle-raisers by participating in the economic benefits of the new slaughterhouse plant							

Midas - Regiones 2009

Area of assistance: Mipymes

Responsible Party: Natalia Arias (Cpyme), J. C. Salazar (MPC)

MIDAS Areas Involved: Policy, Pyme

External Partners: Governor's Office, trade associations and SATA bidders

A. Objectives

Based on the Cpyme operative model, to design and implement a Departmental Productive Project Management Model by demand, which must contribute to the sustainable business development in the Provincial Department

To promote the development of local and regional technical and institutional capabilities to promote the development and efficiency of a business development service market in the provincial department.

To design, together with the department authorities, the regional policy instruments that facilitate access to financial services and leverage resources from other national and private public sources, both for the development of new enterprises, and to strengthen the existing ones.

B. Milestones	Guajira					Cesar					Nariño					Santander					
	Quarterly Targets					Quarterly Targets					Quarterly Targets					Quarterly Targets					
	T1	T2	T3	T4		T1	T2	T3	T4		T1	T2	T3	T4		T1	T2	T3	T4		
DEVELOPMENT OF INSTRUMENTS AND TOOLS																					
Operative instruments (processes, manuals and evaluation tools) adapted	ok																				
IT tools developed, customized and transferred to each provincial department	ok	ok	ok			ok					ok					ok					
Type contracts designed		ok				ok						ok					ok				
Financing regional instrument implemented			ok					ok			NA	NA	NA	NA		NA	NA	NA	NA		
LOCAL CAPABILITY TRAINING																					
Project Vendor Network created and trained	ok																				
Consulting Service Vendors Network identified		ok																			
INSTITUTIONAL / ADMINISTRATIVE COORDINATION WITH THE REGION																					
Memorandum of understanding signed with the counterparts		ok																			
Provincial department team created and trained in model operation		ok																			
Institutional reform implemented			ok				ok						ok					ok			
PILOT SUMMONS																					
1st summons made and projects approved		ok																			
Progress report and partial project evaluation				ok																	
Recommendations for model continuity and sustainability				ok																	
C. Expected Results	T1	T2	T3	T4	Total	T1	T2	T3	T4	Total	T1	T2	T3	T4	Total	T1	T2	T3	T4	Total	
Projects being implemented (N°)			5	5	10			5	10	15				50	50				10	15	25
Resources invested in business development projects (Million \$COP)				1500	1500				1500	1500				1000	1000				2000	2000	
New companies created				10	10				10	10			5	5	10			5	10	15	
Productive units / companies strengthened				20	20				20	20			5	5	10			10	15	25	
Employment generated				750	750				750	750				500	500				1000	1000	

D. Contribution to the Sustainable Alternative Development *

Productive project management model transfer and customization under demand scope; it generates capability knowledge and synergies among project vendors, beneficiaries, consulting services vendors, trade associations and public and private institutions of the provincial department. This way, contribution is made towards a sustainable business development and the possibilities of mipymes and small producers in the provincial department are increased, together with their access to financial services and to the improvement or generation of new and sustainable revenue sources.

* Productive, legal and legitimate development that becomes institutional and lasts through time

Midas - 2009 Regional Strategy

Area of assistance: Access to Financial Services

Responsible Party: Miguel Arango

MIDAS Areas Involved:

External Partners: Governor's Office, trade associations and vendors network

A. Objectives

To achieve a first approach to direct royalty project financing feasibility.

To create in the Governors' Office and in the pertinent entities the capability to offer Financial Education for Adults who live in extreme poverty conditions. To train a group of multipliers from the entities involved in the program methodology, in order for them to become the means to disseminate the program among the target population.

To expand the financial system coverage to cover distant zones that lack financial presence.

To support the Governor's Office in the identification of the best financial alternatives that do not deviate the market and discourage the payment will of debtors. To seek the participation of synergies with national initiatives.

B. Milestones	Guajira					Cesar					Nariño					Santander				
	Quarters					Quarters					Quarters					Quarters				
	T1	T2	T3	T4		T1	T2	T3	T4		T1	T2	T3	T4		T1	T2	T3	T4	
1. Concepts on the use of royalties	ok						ok										ok			
2. Financial education																				
Workshop to present the work methodology						ok						ok								
Survey of potential beneficiaries in poverty situation						ok						ok								
Workshop to train multipliers						ok						ok								
Multiplier management impact tracking		ok	ok				ok	ok					ok	ok						
3. Non-banking correspondents																				
Covenant or covenant revision with the Bank of Opportunities (BDO)	ok					ok						ok					ok			
Establishment of priority zones for CNB	ok					ok						ok					ok			
Provincial department contribution to open the CNB	ok						ok					ok					ok			
4. Financial instruments review																				
Fund of incentives for entrepreneurship)	ok						ok										ok			
Credit initiative review							ok					ok					ok			
Securities initiatives review							ok													
Review of the Infis issue							ok					ok					ok			
C. Expected Results (indicators)	T1	T2	T3	T4	Total	T1	T2	T3	T4	Total	T1	T2	T3	T4	Total	T1	T2	T3	T4	Total
Royalty concept issued by DNP	1				1		1			1					0		1			1
Royalty use concept for Opportunity Banking		1			1					0					0					0
Number of entities involved in the Financial Education	6				6	6				6	5				5					0
Number of multipliers in Financial Education	21				21	25				25	20				20					0
Number of final beneficiaries trained in the first year by the entities involved	100				100	150				150	80				80					0
Institutionalization of the program at the Governor's office. Function assigned.	1				1	1				1	1				1					1
Covenant between the Provincial Department and the BDO, for CNB	1				1	1				1	1				1	1				1
CNB Number					0	5				5	5				5	3				3
Administrative action to create the entrepreneurship program Account Fund	1				1	1				1					0	1				1
Financial initiatives reviewed					0	3				3	1				1	3				3

D. Contribution to the Sustainable Alternative Development *

To expand access to financial services by the poorest population and by individuals who live in the most distant zones in the country.

Midas - 2009 Regional Strategy

Area of assistance: Land Policy - Property Formalization

Responsible Party: Yesid Castro

MIDAS Areas Involved: Land Policy - Property Formalization

Partners involved: Governor's Office, Mayors' Offices, Ministry of Agriculture, Incoder, UNAT, IGAC, ORIP, Agrarian Ombudsman, CAR, Business Development Funds, Anuc, trade associations.

A. Objectives

To disseminate the regulations that govern rural property formalization and standardization processes and to promote the utilization of these processes among the rural population.

To provide technical and legal advisory in the event of legalization suits or requests within the framework of the municipal pilot projects. The number of properties formalized will depend on the resources approved by the entities involved.

To evaluate the response capability of local and regional judicial and administrative institutions; to promote reforms to reduce transaction costs ; to expedite procedures and improve interinstitutional coordination.

To propose a methodology to implement massive programs to formalize rural properties in the national territory

B. Milestones	Guajira					Cesar					Nariño					Santander				
	Quarters					Quarters					Quarters					Quarters				
	T1	T2	T3	T4		T1	T2	T3	T4		T1	T2	T3	T4		T1	T2	T3	T4	
PREPARATION PHASE																				
Approach to the Governors' offices and to other regional entities	x					x					x					x				
Creation of the project committee	x					x					x					x				
Design of the pilot project and selection of municipalities	x					x					x					x				
Subscription of Interinstitutional Covenant to execute the project	x					x					x					x				
Identification of typical procedures for formalization	x					x					x					x				
PILOT PROJECT IMPLEMENTATION																				
Sensitization and guidance to community leaders and local authorities	x					x					x					x				
Attorney contracting and training	x	x				x					x					x				
Design of surveys, enforcement brigades, tabulation and analysis	x	x				x					x					x				
Selection of beneficiaries by type of process	x					x					x					x				
Information and document gathering	x	x				x					x					x				
CONCILIATION SETTLEMENT																				
Promotion and dissemination brigades		x					x					x					x			
Justice access session		x					x					x					x			
JUDICIAL OR ADMINISTRATIVE ACTION FORMALIZATION																				
Submittal of formalization suits and requests		x						x					x							
Process tracking and institutional capacity evaluation																			x	
REGULATORY AND PROCEDURAL ADJUSTMENT FORMULATION AND MANAGEMENT																				
Evaluation of lessons learnt			x					x					x						x	
Drafting of regulatory projects			x					x					x						x	
Delivery of projects to the corresponding authorities			x					x					x						x	
Methodology for massive formalization programs				x					x					x						x
C. Expected Results (indicators)																				
Percentage of suit or requests submitted vis-a-vis the goal	x	x	x	x		x	x	x	x		x	x	x	x		x	x	x	x	
Percentage of suit or requests resolved in favor, vis-a-vis the goal				x					x					x					x	
Project formulation progress percentage	x	x	x	x		x	x	x	x		x	x	x	x		x	x	x	x	
Project submitted to the corresponding executive authority				x					x					x					x	
Methodology approved by the Governors' Office, the Interinstitutional Committee and the				x					x					x					x	

D. Contribution to the Sustainable Alternative Development *

Taking into account that the lack of property market formality and the lack of certainty on property rights contribute to the sector instability, private investment in livestock, farming, forestry and environmental and rural infrastructure activities is discouraged, thus promoting the inefficient assignment of resources and the inadequate use of soils and forests; Formalization processes essentially contribute to the sector's governance, the investment assurance, the generation of public and private revenues and, therefore, the sustainable development of the different regions.

Midas - 2009 Regions											
Area of assistance: Housing Project Formulation											
Responsible Party: J. C. Salazar (MPC) - Samantha Akins											
MIDAS Areas Involved: Policy											
External Partners: MAVDT, DNP, Tumaco Mayor's Office, Acción Social											
A. Objectives											
1	To formulate a housing macro-project in the city of Tumaco, which allows relocating 1.000 homes located in zones exposed to high risk of tsunamis, or for their being settled in terrains of the Tumaco Airport										
2	to contribute to the territorial development in the city of Tumaco, with the construction of complexes for social interest housing										
3	To promote development of local and regional institutional and technical capabilities to foster development and efficiency in a business development service market in the provincial department										
B. Milestones						Nariño					
DEVELOPMENT OF INSTRUMENTS AND TOOLS						Quarterly Targets					
						T1	T2	T3	T4		
1	Urban, architectural, hydraulic and environmental impact basic design					ok					
2	Final technical design drawings (urban, architectural, hydraulic and environmental impact)						ok				
3	Financial project structuring						ok				
4	Legal project structuring						ok				
5	Final draft of Administrative Action for the Macro-project Bidding Adoption and Opening							ok			
6	Policy recommendations around macro-projects							ok			
C. Expected Results						T1	T2	T3	T4	Total	
1	Beneficiary families, based on the Macro-project formulation (N°)								1500	1500	
2	Resources managed at national level for the project financial closing (Million COP\$)								20.000	20000	
D. Contribution to the Sustainable Alternative Development *											
In addition to the housing benefit that families will obtain directly, the Macro-project will contribute to the development of local institutional and beneficiary community capabilities through the generation of new productive activities											
* Productive, legal and legitimate development that becomes institutional and lasts through time											

Midas - 2009 Regions					
Area of assistance: Doing Business Study					
Responsible Party: Martha Trujillo					
Other MIDAS areas involved: Institutional design					
Strategic partners: DNP, MCIT, ACPCR, MHCP, SNR, Government on-line					
A. Description and Objectives					
To provide continuity to the study of facilities for business conducted in 2007 together with DNP, MCIT, the top President's Advisory Office for Competitiveness and the Regions, the International Financial Corporation (IFC) and the consultancy service for the business environment of the World Bank Group (FIAS).					
To conduct the second edition of the study, including the cities of Riohacha, Pasto, Valledupar and then Bucaramanga; the total coverage will include 20 cities					
To support the documentation and evaluation of the business environment in the different cities					
To prepare general guidelines and recommendations that will allow simplifying the processes associated with property registry and tax payment indicators					
B. Milestones					
Guajira, Cesar, Nariño, Santander					
Quarterly Targets 2010					
	T1	T2	T3	T4	T1
Round of seminars with local authorities to present the purpose and methodology of the Doing Business Subnational study		X			
Collecting information based on business activity regulation indicators and on the protection of property rights		X	X		
Development of a methodological guide with the reforms needed to improve the business climate for the Property Registry and Tax Payment indicators			X	X	
Document analyzing regional differences in law regulation and / or enforcement; identification of specific obstacles that affect the productive sector and suggestion of good practices that may be easily replicated			X		
Event to launch the Doing Business report in Colombia 2010					X
Document with recommendations to national, sectoral and regional policies which allow identifying the type of actions and reforms that improve the business climate in the region				X	
Plan to implement a process improvement pilot case				X	
Agreement with Mayors' offices to improve a process related to the Property Registry or Tax Payment indicator				X	
Agreements with Mayors or Governor's Offices to provide sustainability to the measures proposed in the Doing Business study				X	
Agreement with DNP and MCIT to edit the booklets of the reforms needed to improve the business climate				X	
C. Expected Results					
	T1	T2	T3	T4	Total
Methodological guide for the Property Registry and Tax Payment indicators			1	1	2
Document to propose good practices that may be easily replicated			1		1
Document with national, sectoral and regional policy recommendations			2	2	4
Plan to implement a pilot case				1	1
Agreement with Mayors' Offices to implement a process improvement				4	4
Agreement with Mayors/Governor's Office to provide sustainability to the measures proposed in the Doing Business study				4	4
Agreement with DNP and MCIT to edit the booklets of the reforms needed to improve the business climate				1	1
D. Contribution to the Sustainable Alternative Development *					
The regulatory reform promotes competition through the promotion of administrative and regulating changes by strengthening regional institutional and capabilities, the guarantee to business service access and the improvement of the business climate by enforcing local, regional and national policy instruments					
* Productive, legal and legitimate development that becomes institutional and lasts through time					

Midas - 2009 Regions				
Area of assistance: Payment for Environmental Services				
Responsible Party: Gloria Sanclemente				
Other MIDAS areas involved: Properties, Financial				
External Partners: Coralina, San Andres y Providencia governors office, Water and Sewage Company, Hotel Sector and community				
A. Objectives				
1	To quantify the effects of soil use changes in the underground water resources of the Island			
2	To implement a sustainable scheme that acknowledges the opportunity costs of preserving the areas that feed into aquifers			
3	To articulate financing sources to compensate the owners that will benefit from the water environmental service			
4	To provide feedback to the National Environmental Service Payment Strategy, based on this pilot case			
B. Milestones				
1	Institutional arrangements for the implementation of the PSAH scheme			
2	Establishment of PSA contracts with owners			
3	Establish system to monitor coverage and effects on the water supply			
4	Document with recommendations for the National PSA Strategy			
C. Expected Results				
1	Agreements established to preserve / change the coverage in areas that feed into the aquifer			
2	Communities and productive sectors sensitized with respect to the preservation need			
3	Financial mechanism with resources channeled to preserve the water resource			
D. Contribution to the Sustainable Alternative Development *				
The project seeks to generate financial incentives for the communities, in order to preserve the area that feeds into the main source of water supply in the San Andres Island.				

Midas - 2009 Regions						
Area of assistance: Strengthening of the Environmental Control						
Responsible Party: Gloria Sanclemente						
Other MIDAS areas involved: Forestry						
External Partners: CVS, CÓRDOBA GOVERNORS' OFFICE, DIMAR, MUNICIPALITIES, NATIONAL POLICE						
A. Objectives						
1	To facilitate the performance of the environmental control and tracking functions assigned by the law to the authorities, in order to control the forestry utilization and recover properties of public use					
2	To strengthen the officers in charge of conducting such functions					
3	To provide entities with tools and mechanisms to facilitate compliance with their function					
B. Milestones						
Córdoba						
Quarterly Targets						
		T1	T2	T3	T4	
1	Identification of entities with functions and competencies		X			
2	Identification of deficiencies in furtherance of their functions		X			
3	Preparation of the Institutional Articulation Mechanism			X		
4	Training to officers			X		
5	Proposal adjustments				X	
6	Processes and Procedures Manual					
C. Expected Results						
		T1	T2	T3	T4	Total
1	Articulation mechanism established		1			
2	Pertinent entities trained and strengthened to comply with their functions			8		
3	Manual of processes to develop environmental control and tracking activities				1	
4						
D. Contribution to the Sustainable Alternative Development *						
The project seeks to reduce illegal forest utilization and commercialization, as well as the recovery of properties of public use currently occupied illegally, in order to ensure the existence of the natural heritage of the provincial department of Córdoba						

11.6. BURN RATE PROJECTIONS

Burn Rate	SME	ABC	CFC	MPC	TEP	Burn/Mos.	Remaining Ceiling	FY Summary	CY Summary
START DATE							170,207,516.00		
Jan-06	\$ 48,269	\$ 43,042	\$ 27,711	\$ 19,774	\$ -	\$ 138,796	170,068,720.37		
Feb-06	\$ 91,503	\$ 67,968	\$ 70,815	\$ 33,769	\$ -	\$ 264,055	169,804,665.40		
Mar-06	\$ 213,424	\$ 169,616	\$ 139,063	\$ 67,139	\$ -	\$ 589,242	169,215,423.36		
Apr-06	\$ 146,425	\$ 110,067	\$ 91,138	\$ 62,086	\$ -	\$ 409,716	168,805,706.88		
May-06	\$ 106,687	\$ 190,082	\$ 124,412	\$ 55,102	\$ -	\$ 476,283	168,329,423.69		
Jun-06	\$ 52,155	\$ 54,427	\$ 82,431	\$ 21,443	\$ -	\$ 210,456	168,118,967.69		
Jul-06	\$ 181,039	\$ 236,791	\$ 157,816	\$ 61,941	\$ -	\$ 637,587	167,481,381.00		
Aug-06	\$ 199,914	\$ 382,388	\$ 222,889	\$ 101,802	\$ -	\$ 906,993	166,574,388.00		
Sep-06	\$ 244,671	\$ 1,330,430	\$ 223,986	\$ 244,461	\$ -	\$ 2,043,548	164,530,840.00	FY '06	
Oct-06	\$ 321,500	\$ 630,252	\$ 249,070	\$ 1,158,657	\$ -	\$ 2,359,479	162,171,361.00	\$ 5,676,676	
Nov-06	\$ 370,934	\$ 755,808	\$ 278,522	\$ 302,664	\$ -	\$ 1,707,928	160,463,432.92		CY '06
Dec-06	\$ 421,830	\$ 1,529,839	\$ 380,263	\$ 253,605	\$ -	\$ 2,585,537	157,877,896.34		\$ 12,329,620
2006	\$ 2,398,351	\$ 5,500,710	\$ 2,048,116	\$ 2,382,443					
Jan-07	\$ 301,889	\$ 844,243	\$ 177,894	\$ 1,631,394	\$ -	2,955,420.00	154,922,476.34		
Feb-07	\$ 463,281	\$ 901,714	\$ 311,258	\$ 819,561	\$ -	2,495,814.00	152,426,662.34		
Mar-07	\$ 692,287	\$ 1,728,693	\$ 525,278	\$ 863,347	\$ -	3,809,605.00	148,617,057.34		
Calendar Quarter 1	1,457,457	3,474,650	1,014,430	3,314,302					
Apr-07	\$ 723,864	\$ 624,693	\$ 341,928	\$ 1,025,726	\$ -	2,716,211.37	145,900,845.97		
May-07	\$ 714,544	\$ 1,485,093	\$ 571,771	\$ 974,969	\$ -	3,746,377.00	142,154,468.97		
Jun-07	\$ 1,209,923	\$ 1,586,546	\$ 583,156	\$ 899,516	\$ -	4,279,141.00	137,875,327.97		
Calendar Quarter 2	2,648,331	3,696,332	1,496,855	2,900,211					
Jul-07	\$ 631,602	\$ 1,713,080	\$ 660,273	\$ 775,830	\$ -	3,780,785.00	134,094,542.97		
Aug-07	\$ 1,109,426	\$ 1,031,924	\$ 614,032	\$ 541,110	\$ -	3,296,492.25	130,798,050.72		
Sep-07	\$ 1,239,062	\$ 1,175,996	\$ 1,117,665	\$ 1,630,990	\$ -	5,163,713.00	125,634,337.72	FY '07	
Calendar Quarter 3	\$ 2,980,090	\$ 3,921,000	\$ 2,391,970	\$ 2,947,930				\$ 38,896,502	
Oct-07	\$ 958,991	\$ 1,220,254	\$ 306,080	\$ 894,582	\$ -	3,379,907.43	122,254,430.29		
Nov-07	\$ 1,134,070	\$ 779,501	\$ 1,004,209	\$ 568,714	\$ -	3,486,494.40	118,767,935.89		
Dec-07	\$ 1,849,242	\$ 2,093,079	\$ 1,141,862	\$ 1,149,434	\$ -	6,233,617.00	112,534,318.89		CY '07
Calendar Quarter 4	\$ 3,942,303	\$ 4,092,834	\$ 2,452,151	\$ 2,612,731					\$ 45,343,577
Jan-08	\$ 630,961	\$ 731,716	\$ 120,072	\$ 672,203	\$ -	2,154,952.46	110,379,366.43		
Feb-08	\$ 1,447,086	\$ 1,284,317	\$ 768,573	\$ 712,915	\$ -	4,212,891.28	106,166,475.15		
Mar-08	\$ 1,546,608	\$ 1,228,678	\$ 663,119	\$ 731,536	\$ -	4,169,940.00	101,996,535.15		
Calendar Quarter 1	\$ 3,624,655	\$ 3,244,711	\$ 1,551,764	\$ 2,116,654					
Apr-08	\$ 1,742,697	\$ 1,923,850	\$ 515,250	\$ 913,989	\$ -	5,095,784.00	96,900,751.15		
May-08	\$ 1,611,337	\$ 991,166	\$ 847,107	\$ 920,535	\$ -	4,370,144.69	92,530,606.46		
Jun-08	\$ 2,808,842	\$ 1,959,986	\$ 876,498	\$ 855,904	\$ -	6,501,230.00	86,029,376.46		
Calendar Quarter 2	\$ 6,162,876	\$ 4,875,002	\$ 2,238,855	\$ 2,690,427					
Jul-08	\$ 1,314,406	\$ 1,531,720	\$ 343,329	\$ 960,068	\$ -	4,149,522.00	81,879,854.46		
Aug-08	\$ 1,220,242	\$ 1,676,967	\$ 300,660	\$ 314,795	\$ -	3,512,664.00	78,367,190.46		
Sep-08	\$ 2,448,870	\$ 724,742	\$ 1,213,865	\$ 1,549,184	\$ -	5,936,661.00	72,430,529.46	FY '08	
Calendar Quarter 3	\$ 4,983,518	\$ 3,933,429	\$ 1,857,854	\$ 2,824,047				\$ 53,203,808	
Oct-08	\$ 1,207,646	\$ 1,332,945	\$ 322,720	\$ 1,278,175	\$ -	4,141,485.00	68,289,044.46		
Nov-08	\$ 989,122	\$ 1,492,634	\$ 467,779	\$ 1,041,599	\$ -	3,991,134.00	64,297,910.46		
Dec-08	\$ 2,333,673	\$ 1,415,426	\$ 1,153,304	\$ 1,286,626	\$ -	6,189,029.00	58,108,881.46		CY '08
Calendar Quarter 4	\$ 4,530,441	\$ 4,241,005	\$ 1,943,803	\$ 3,606,400					\$ 54,425,437
Jan-09	\$ 387,681	\$ 829,958	\$ 235,332	\$ 1,851,887	\$ 30,270	3,335,128.00	54,773,753.46		
Feb-09	\$ 921,335	\$ 959,843	\$ 434,549	\$ 890,691	\$ 31,182	3,237,600.00	51,536,153.46		
Mar-09	\$ 820,636	\$ 1,330,098	\$ 343,829	\$ 899,683	\$ 72,274	3,466,520.00	48,069,633.46		
Calendar Quarter 1	\$ 2,129,652	\$ 3,119,899	\$ 1,013,710	\$ 3,642,261	\$ 133,726				
Apr-09	\$ 694,544	\$ 294,737	\$ 757,743	\$ 985,135	\$ 345,452	3,077,611.00	44,992,022.46		
May-09	\$ 775,192	\$ 1,303,460	\$ 1,048,048	\$ 583,802	\$ 647,104	4,357,606.09	40,634,416.37		
Jun-09	\$ 820,888	\$ 1,276,571	\$ 698,195	\$ 717,403	\$ 790,697	4,303,753.71	36,330,662.66		
Calendar Quarter 2	\$ 2,290,625	\$ 2,874,768	\$ 2,503,986	\$ 2,286,340	\$ 1,783,252				
Jul-09	\$ 749,797	\$ 1,487,827	\$ 606,074	\$ 698,443	\$ 661,288	4,203,427.94	32,127,234.73		
Aug-09	\$ 734,273	\$ 1,393,251	\$ 822,274	\$ 722,649	\$ 507,587	4,180,034.30	27,947,200.43		
Sep-09	\$ 638,406	\$ 1,361,603	\$ 933,315	\$ 653,116	\$ 750,938	4,337,378.03	23,609,822.40	FY '09	
Calendar Quarter 3	\$ 2,122,475	\$ 4,242,681	\$ 2,361,664	\$ 2,074,207	\$ 1,919,813			\$ 48,820,707	
Oct-09	\$ 550,347	\$ 1,349,365	\$ 976,262	\$ 632,725	\$ 510,270	4,018,967.95	19,590,854.45		
Nov-09	\$ 561,599	\$ 1,351,438	\$ 900,545	\$ 434,163	\$ 446,534	3,694,278.97	15,896,575.49		
Dec-09	\$ 520,687	\$ 1,375,750	\$ 746,884	\$ 224,408	\$ 359,428	3,227,157.93	12,669,417.55		CY '09
Calendar Quarter 4	\$ 1,632,633	\$ 4,076,553	\$ 2,623,691	\$ 1,291,296	\$ 1,316,232				\$ 45,439,464
Jan-10	\$ 302,661	\$ 1,220,848	\$ 405,305	\$ 61,448	\$ 443,530	2,433,791.80	10,235,625.75		
Feb-10	\$ -	\$ 1,273,522	\$ 630,450	\$ 54,815	\$ 110,722	2,069,509.25	8,166,116.51		
Mar-10	\$ -	\$ 1,128,819	\$ 326,577	\$ 35,369	\$ 98,060	1,588,825.10	6,577,291.40		
Calendar Quarter 1	\$ 302,661	\$ 3,623,188	\$ 1,362,332	\$ 151,633	\$ 652,312				
Apr-10	\$ -	\$ 1,121,369	\$ 411,867	\$ -	\$ 105,331	1,638,566.80	4,938,724.60		
May-10	\$ -	\$ 1,084,599	\$ 282,613	\$ -	\$ 92,973	1,460,185.51	3,478,539.09		
Jun-10	\$ -	\$ 1,164,713	\$ 244,279	\$ -	\$ -	1,408,991.95	2,069,547.14		
Calendar Quarter 2	\$ -	\$ 3,370,681	\$ 938,759	\$ -	\$ 198,304				
Jul-10	\$ -	\$ 415,678	\$ 137,822	\$ -	\$ -	553,499.58	1,516,047.56		
Aug-10	\$ -	\$ 418,752	\$ 119,831	\$ -	\$ -	538,583.43	977,464.13		
Sep-10	\$ -	\$ 401,738	\$ 105,370	\$ -	\$ -	507,108.09	470,356.04	FY '10	
Calendar Quarter 3	\$ -	\$ 1,236,168	\$ 363,023	\$ -	\$ -			\$ 23,139,466	
Oct-10	\$ -	\$ 401,039	\$ 104,256	\$ -	\$ -	505,295.01	(34,938.97)		
Nov-10	\$ -	\$ 391,141	\$ 100,871	\$ -	\$ -	492,011.97	(526,950.94)		
Dec-10	\$ -	\$ 376,280	\$ 96,710	\$ -	\$ -	472,990.60	(999,941.54)	FY '11	
Calendar Quarter 4	\$ -	\$ 1,168,461	\$ 301,837	\$ -	\$ -			\$ 1,470,298	CY '10
	\$ 41,206,067	\$ 60,692,071	\$ 28,464,798	\$ 34,840,880	\$ 6,003,640			\$ 169,737,160	\$ 171,207,458

11.7. INCENTIVE FEE STRUCTURE

2009 MIDAS INCENTIVE FEE STRUCTURE

Indicators	WP09 Cummulative Targets*	Weight	Targets Jan.- March	Fee	Target April- June	Fee	Target July - September	Fee	Target October - December	Fee
New Hectares	51,247	20%	7,796	\$ 29,922	15,975	\$ 29,922	13,592	\$ 29,922	13,885	\$ 29,922
Natural Forest Hectares	12,058	20%	-	\$ 29,185	3,991	\$ 29,185	5,147	\$ 29,185	2,921	\$ 29,185
New Jobs	48,165	20%	20,166	\$ 29,185	13,411	\$ 29,185	7,266	\$ 29,185	7,322	\$ 29,185
Families Benefited	21,988	20%	9,557	\$ 34,564	4,925	\$ 34,564	4,384	\$ 34,564	3,122	\$ 34,564
Indirect Families Benefited	60,000	20%	20,000	\$ 35,497	15,000	\$ 35,497	15,000	\$ 35,497	10,000	\$ 35,497
				\$158,354		\$158,354		\$158,354		\$158,354

Total 2009 incentive fee pool = \$633.414.17

Incentive Fee 2008

Indicators	Target July - September	Achievements	Percent Achieved	Incentive Fee Earned	Award Fee Carry Over	Target October December (1)	Achievements	Percent Achieved	Incentive Fee Earned	Award Fee Carry Over
New Hectares	15,605	16,341	105%	26,113	-	22,933	20,346	88.72%	23,167	2,946
Natural Forest Hectares	24,800	34,752	140%	26,113	-	0	20,329	na	26,113	0
New Jobs	29,002	29,821	103%	26,113	-	26,506	35,255	133.01%	26,113	0
Families Benefited	54,039	33,180	61%	16,033	10,080	68,619	27,827	40.55%	14,677	21,516
Indirect Families Benefited	76,648	28,513	37%	9,714	16,399	132,272	53,723	40.62%	17,266	25,246
				104,086	26,479				107,337	49,707

(1) Including carry over from previous quarter

11.8. PROJECTS WITH SPECIAL PROBLEMS – “WATCH LIST”

The Quarterly Reports to USAID will include a list of projects requiring special attention because of underperformance on burn rate or indicator achievement. They will be classified into two categories: Red and Yellow. Red: This category will be a result of REVA committee conclusions (ABC, CFC) that identify structural limitations inhibiting main indicator achievements or compliance with environmental mitigation measures. For SME, this refers to projects with problems beyond the control of the component to resolve. Yellow: This category will correspond to those underperforming projects with a low level of execution. For SME this corresponds to those projects requiring attention but that turn out to be resolvable.

Category	Project code	Grantee	Location	Technical assistance supported	Current Situation	Action Plan
SME						
1	S-00983-08	ASOCIACION DE PANELEROS DE BELEN DE UMBRIA	RISARALDA (BELEN DE UMBRIA)	Asistencia técnica para mejorar la productividad y la comercialización de los productos derivados de la caña en 13 trapiches del municipio de Belén de Umbria.	Facing problems associated to the grantee commitment to the project.	In a meeting with the association they reconfirmed their commitment. If this situation is not overcome, the program will unfortunately need to cancel the project.
2	S-00833-07	AUTOBUSES AGA DE COLOMBIA LTDA.	BOYACÁ (DUITAM A)	Asistencia técnica para la estandarización de los procesos y optimización de recursos en la expansión del modelo de negocio.	It is having problems to achieve its new jobs commitment	A meeting was held with them to review the problems with job commitments. If this situation is not overcome in the near future, the program will unfortunately need to cancel the project.
3	S-00749-07	ASOCIACION DE PRODUCTORES DE HONGOS COMESTIBLES DE COLOMBIA - ASOFUNGICOL	Huila (Nieva, Garzón, Teruel, Paicol, Rivera, Tesalia)	Asistencia Técnica Para El Fortalecimiento Administrativo Y Comercial De La Asociación De Productores De Hongos Comestibles De Colombia Asofungicol.	Facing problems with the counterpart funds the grantee must disburse to the technical assistance provider	A meeting was held with them, reconfirm the counterpart commitments. If this situation is not overcome in the near future, the program will unfortunately need to cancel the project.
4	S-00793-07	COOPERATIVA DE AGRICULTORES Y CULTIVADORES DE FRIJOL DEL PUTUMAYO - COOFRIMAYO	Putumayo (Sibundoy)	Asistencia Técnica Para El Fortalecimiento Agro - Empresarial De La Cooperativa De Productores Y Cultivadores De Frijol Del Putumayo “Cofrimayo”,	Facing problems associated to the counterpart funds the grantee must disburse to the technical assistance provider	A meeting was held with them to reconfirm the counterpart commitments. If this situation is not overcome in the near future, the program will unfortunately need to cancel the project.
5	S-01087-08	COMFENALCO SANTANDER	Santander (B/meja)	Asistencia Técnica En Ganadería, Agricultura Y Psicosocial para 34 Familias En Situación De Desplazamiento En La Finca La Palmita De La Vereda La Margarita Del Corregimiento La Fortuna Del Municipio De Barrancabermeja.	It is having problems to achieve its new jobs commitment	In a meeting with them, review the problems with the goals and define action plan.
ABC						

1	A-00245-06	GANACOR	Córdoba (20 Municipalities)	Silvopasture	It will plant very few hectares during the first half of the year 2009 given the dry season	A decision is needed Fast to determine if goals in terms of hectare establishment can be made over the life of the project.
2	A-00079-06	C.I EL ROBLE	Magdalena (El Reten)	Oil Palm	Delays in hectare establishment resulting from credit and security constraints.	Adjustments to the project's hectare installation goals were agreed by the REVA committee and the Project is now steadily recovering from the setbacks derived from its credit situation.
CFC						
1	F-00037	AGROFORESTAL NAYA	Cauca (Suarez, Buenos Aires, Morales)	To reforest 1.000 Has with pine trees in the forestry center Suarez	The project has a gap between planning execution and the project's elapsed time. The project probably will not be able to comply with the 1.000 hectares' goal	A contract amendment will be made to change it to 600 hectares.
2	F-00912-07	C.C. ALTO GUAPI	Cauca (Guapi)	Implementation of better management strategy in the area of community council of the afro-Colombian of Alto Guapi belonging to the forest management plan of 7.000 hectares of natural Forest and 60 hectares of forestry management in Caimito, Naranjo, Rosario, Chiguero, Hojarascal, San Vicente, Santa Clara, San Agustín, Las Juntas and Balsita municipalities, in a period of two years.	The project did not comply with the Zero Illicit Protocol. There are still areas planted in coca within the Council zone.	Acción Social will answer a letter from the Council to inform it about the non-fulfillment of the protocol and, an early closure of the project is anticipated.
3	F-00915-07	CONCOSTA	Chocó (Bajo Baudo)	"Implementation of an improved management strategy in the area of the Pacific Coast community council (Concosta) for the forest management plan for 8,500 hectares of natural forest and forestry management of 60 hectares, in the villages of Puerto Bolívar, Cabré - cocal , Belén de Docampado and Mochado in the department of Chocó, over period of two years."	Illicit crops were found in the follow-up visit.	The Community Council will present a report about the measures taken to prevent the presence of illicit crops in conservation areas in order for MIDAS to authorize the pending disbursements.
4	F-00148-06-G-224	MADERAS DEL DARIEN	Antioquia (Bajo Atrato)	Production of solid wood in 5.000 Has of forestry plantations of "Ceiba Roja" and "Melina" with commercial purposes.	The project has a gap between planting execution and the project's elapsed time and also between planting execution and funds received by the grantee.	According the meeting held between CFC and the grantee in Turbo (Antioquia), a plan to redefine planting areas is in place; the project sent to MIDAS a new cost structure, which is being analyzed by CFC. Beginning in May, the component will seek to enable the report of new hectares.

5	F-00041-06	ALDEA GLOBAL	Quindío	Establishment of 1.500 ha of commercial forest plantations	The project has a gap between planting execution and the funds received by the grantee.	The planted hectares will be verified in the field by CFC and PPD (the project is planning to reforest some areas with new species, which will be the object of the visit). The deadline to define an action plan is May 30th 2009.
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11.9. EXECUTIVE SUMMARY IN SPANISH

Resumen Ejecutivo Plan de Trabajo 2009 - Programa MIDAS

1. MIDAS y Desarrollo Alternativo

a. Definición de Desarrollo Alternativo (DA)

El aprendizaje durante estos dos años de implementación del programa, las particularidades de cada uno de los componentes, el entendimiento del desarrollo alternativo como un elemento fundamental de la estrategia general de desarrollo, los factores dinamizadores en cada región, la construcción de relaciones con los actores en cada proyecto específico, el análisis del impacto de nuestra intervención en los beneficiarios, en las organizaciones y en las diferentes zonas, proveen herramientas fundamentales para alimentar y presentar elementos adicionales tendientes a una definición de desarrollo alternativo para el caso colombiano, y más específicamente para el modelo propuesto por MIDAS.

La experiencia en campo de MIDAS; la interacción permanente con actores públicos, privados y especialmente las comunidades beneficiarias; el diálogo y la interacción permanente con USAID y con Acción Social permiten proponer una definición de desarrollo alternativo consistente en: *Conjunto de procesos tendientes a dinamizar y consolidar una base económica lícita en el ámbito regional y local, concentrándose en la generación de condiciones y oportunidades lícitas de empleo productivo y sostenible, consultando las dotaciones naturales y las potencialidades económicas, políticas y sociales de cada comunidad.*

Desde esa perspectiva el concepto de MIDAS va más allá del paradigma sustitución - prevención, para concentrarse en la integración/expansión de actividades económicas articuladas en cadenas de valor que permitan la generación de empleo e ingresos. Bajo ese entendido el concepto de Desarrollo Alternativo de MIDAS necesariamente estará caracterizado por:

- Énfasis en actividades tendientes a la generación de empleo e ingresos sostenibles.
- Competitividad de las actividades a apoyar, asegurando su adecuada inserción en la cadena de valor.
- Consolidación y sostenibilidad de alternativas económicas.
- Fortalecimiento de organizaciones comunitarias y de la gobernabilidad a todo nivel.
- Vinculación del sector privado y articulación con dinámica del gobierno local y nacional.

b. Criterios de Clasificación DA para Proyectos MIDAS

Con el fin de analizar el Portafolio de Proyectos de MIDAS en el marco del concepto de Desarrollo Alternativo, y con el objetivo de determinar los diferentes tipos de impacto

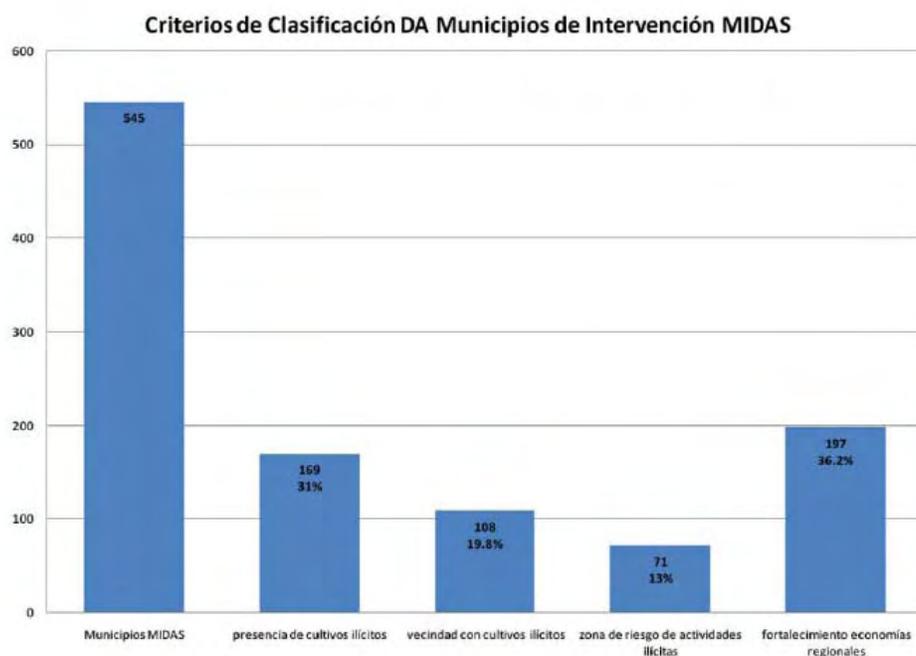
de la implementación de los proyectos a lo largo de los corredores donde opera el programa, se diseñaron cuatro criterios que permiten analizar las particularidades del apoyo, según el tipo de proyecto y su localización geográfica. De esta manera se pueden clasificar los proyectos que son el resultado de un ejercicio de prevención de la expansión de cultivos ilícitos en varios niveles:

1. *Apoya la viabilidad de una ocupación lícita para pequeños productores en zonas que están o estuvieron vinculadas a actividades económicas ilícitas* - En este caso la medición se hace a través de los municipios identificados por el SIMCI con presencia de Cultivos Ilícitos (coca y amapola).
2. *Facilita la consolidación de ocupaciones lícitas sostenibles para pequeños productores rurales a través de su integración/expansión en actividades económicas articuladas en cadenas de valor, en zonas de influencia de cultivos ilícitos* - La medición se hace por los municipios que están al lado de los municipios identificados por SIMCI con presencia de Cultivos Ilícitos (coca y amapola).
3. *Promueve la productividad y sostenibilidad de microempresas y unidades agrícolas campesinas, favoreciendo la vinculación de beneficiarios a la economía formal, en zona de riesgo de actividades económicas ilícitas* - Se mide a través de los municipios que se encuentran en corredores identificados como zonas estratégicas para actividades económicas ilícitas, ej. comercialización.
4. *Favorece la consolidación de economías regionales y competitivas para facilitar una cultura de la legalidad a través de la ocupación legal, formal y sostenible de los beneficiarios* - Este criterio se mide por los municipios en corredores MIDAS que se caracterizan por tener grupos de población vulnerable o con niveles altos de desempleo y pobreza y no pertenecen a ninguna de las anteriores categorías.

c. Generalidades de los Municipios Apoyados por MIDAS

MIDAS actualmente opera en 545 municipios a lo largo de sus 6 corredores. De este total, 169 municipios están ubicados en la categoría 1 de acuerdo a la información del SIMCI, esto quiere decir que 31% de los municipios MIDAS zonas que han venido erradicando cultivos ilícitos en el periodo 2001-2007. 19.8% de los municipios intervenidos por proyectos de MIDAS (i.e. 108), colindan con municipios donde hay cultivos ilícitos o donde se ha venido desarrollando actividades de erradicación. 13% de los municipios (es decir 71) están en zonas vulnerables a las actividades ilícitas y los 197 municipios restantes, es decir 36.2% de la cobertura de MIDAS son municipios donde se requiere expandir y consolidar una base económica regional sostenible y una cultura de legalidad (ver gráfica No.1).

Gráfica No. 1 - Municipios apoyados por Proyectos MIDAS y Presencia de Cultivos Ilícitos



Una vez realizado este ejercicio, se procedió a realizar el mismo análisis para los proyectos de cada componente productivo. Sin embargo, a nivel de componente, el ejercicio que se realizó a nivel de componente difiere de la clasificación inicial por el número de municipios intervenidos. En este caso se hizo la clasificación por proyecto, determinando en qué zonas se ubicaban los proyectos en implementación, para luego proceder a filtrarlos a partir de los criterios definidos anteriormente. Los resultados se presentan en los siguientes cuadros. En todos los casos, hay un porcentaje importante de apoyo de los proyectos en las categorías 1 y 2 (en suma, siempre corresponde a una cifra superior a 50%), incluso en el componente PYME.

2. Principales Logros 2008

El año 2008 fue un año muy exitoso para MIDAS en términos del cumplimiento de sus objetivos, consecución de fuentes de apalancamiento para proyectos, aseguramiento de sostenibilidad de los proyectos, formación de capital social y fortalecimiento de redes de pequeñas y medianas empresas.

a. Logros por componente

- El componente de Agro-negocios cerró la negociación con Rainforest Alliance y logró firmar un convenio para la primera certificación de Palma Africana en el país, a través de su donatario INDUPALMA. Así mismo, el componente lanzó los resultados del Estudio de Competitividad que con un resultado interesante que aporta al sector información clave sobre la competitividad a nivel regional. Por otro lado, se realizaron dos foros nacionales sobre el sector cacaotero y palmero colombiano, con un énfasis en los modelos donde hay alianzas entre pequeños y grandes productores.

- El componente Forestal avanzó en su estrategia de Mejor Manejo Forestal, diseñado para conservar y recuperar bosques comunitarios, mejorando calidad de vida y garantizando la seguridad alimentaria. El componente también logró facilitar una alianza entre el Programa ReSA de Acción Social y cuatro comunidades que están recibiendo pago por conservación para asegurar seguridad alimentaria en estos proyectos. Adicionalmente, Acción Social ha solicitado la asistencia técnica de MIDAS CFC para la adaptación de la estrategia de conservación para el proyecto de Familias Guardabosques en la Sierra Nevada durante el 2009.
- El componente PYME ha realizado importantes avances en la transferencia del modelo de creación de empleo y ampliación de empresas. Así mismo lograron concretar un acuerdo con la Fundación Clinton para una iniciativa de prestación de servicios a las cadenas hoteleras en Cartagena. Por otro lado, además de superar las metas en términos de indicadores, el componente logró la primera certificación de cafés especiales para un grupo de Familias Guardabosques.
- El componente de Apoyo a Políticas Públicas organizó un equipo de expertos para analizar la política de Desarrollo Alternativo en Colombia y sacar algunas reflexiones que pudieran servir de base para nuevas estrategias y políticas de sector. Así mismo, se lanzó con mucho éxito la iniciativa de Territorios Digitales como respuesta a la demanda regional y nacional. Por otro lado, en términos de microfinanzas, el componente alcanzó a completar un portafolio de 412,253 clientes activos.

b. Otros logros

Además de tener un año con logros por indicadores superiores al 100% en familias beneficiadas, empleos generados y en hectáreas apoyadas, se hicieron otros importantes avances tanto en términos de alianzas públicas y privadas y trabajo conjunto con otros operadores de USAID.

Gráfica No. 2 - Logros MIDAS 2008

Indicadores	Meta LoP	Meta 2008	Logro 2008	2008 / Meta 08 (%)	Acumulado 2006-2008	Acumulado LoP / Meta LoP (%)
Total Hectáreas	170,696	72,806	60,770	83%	104,446	61%
Total Hectáreas Apoyadas	52,030	27,470	34,753	127%	59,905	115%
Hectáreas Bosques Naturales	107,268	60,122	76,065	127%	106,711	99%
Total Familias ACI	151,437	213,893	149,520	70%	244,591	162%
Total Empleos Generados	177,000	115,958	122,735	106%	187,035	106%

Durante 2008 se desarrollaron las actividades de concertación con las comunidades y autoridades locales en el marco de la iniciativa de Territorios Étnicos Productivos (TEP) con el fin de identificar las actividades de generación de ingreso y empleo en los territorios indígenas y afrocolombianas, en concordancia con las tradiciones éticas, culturales y los planes de vida. Después de surtir las diferentes instancias de concertación, se revisaron los proyectos en el comité TEP conformado por representantes de los diferentes operadores involucrados (OIM, FUPAD, ADAM, MIDAS, Acción Social y USAID).

Las líneas productivas identificadas para iniciar implementación a partir de enero 2009 fueron:

Gráfica No. 3 - Avances TEP

Indicador	Meta LoP	Proyectos Aprobados	% Aprobado / Meta LoP
Proyectos Aprobados	n.a.	24	
Número de Consensos	83	97	117%
Territorios Étnicos Apoyados	51	70	137%
Familias Beneficiadas	9,858	10,613	108%
Nuevos Empleos Creados	10,892	11,657	107%
Organizaciones Fortalecidas	72	95	132%
Apoyo TEP (USD \$)	\$ 13,460,079	\$ 10,532,189	78%

En cuanto a los convenios con Acción Social, durante el 2008 se lograron completar la ejecución de los recursos del Convenio 640/08 y se terminó el Convenio 712/07. Durante el primer trimestre de 2009 se realizará la liquidación y cierre de este convenio. En lo referente a la ejecución del convenio 640/08, se ejecutaron recursos por más de 3,000 millones de pesos para 15 proyectos productivos de ABC y CPYME enfocados al apoyo a Familias Guardabosques en estrategia de mieles, cacao, caucho y palma. Estos proyectos continúan recibiendo apoyo y asistencia técnica de MIDAS durante 2009.

c. Impactos Transversales

- Cacao: Intervenimos el 50% del área nacional (40,000 hectáreas), mejorando su productividad (renovación de 12,000 hectáreas) y volviendo a Colombia un exportador neto (siembra de nuevas 28,000 hectáreas).
- Palma: Contribuimos a cambiar la estructura de propietarios palmeros incorporando 3,500 pequeños productores (antes de la intervención de MIDAS únicamente el 9% de los productores tenían menos de 50 has) al sector con cerca de 37,000 hectáreas (12% del área total nacional).
- Cafés especiales: Apoyamos el aumento de la productividad mediante la renovación de cafetales y la certificación de cafetales renovados que aportan para exportación 340,000 sacos nuevos de cafés especiales (20% oferta nacional) con prima en precio para 32.700 familias (que cultivan 36,000 hectáreas de café).
- Caucho: Contribuimos a incrementar el área plantada en 70%. (13,000 has nuevas).
- Plantaciones forestales: Apoyamos el crecimiento de 40% del área en plantaciones (60,000 has nuevas, frente a 140,000 has originales) del país, la gran

mayoría con población vulnerable involucrada (Afro-Colombianos, indígenas, desplazados, etc.).

- Reconversión a cultivos de alto valor: Más ingresos por hectárea con énfasis en productos exportables (mora, lulo, aguacate, ají, fique, piscicultura, etc.) para 5,100 familias de pequeños productores en más de 7,000 hectáreas.

3. Objetivos 2009-2010

MIDAS llega al año 2009 con más de medio millón de familias beneficiarias y una red de donatarios y proyectos en más de 400 municipios del país, por lo que se requiere organizar el conocimiento adquirido y empoderar a este conjunto de actores para que se apropien de las lecciones aprendidas puedan asegurar la sostenibilidad de sus iniciativas y lograr consolidar unos sectores y regiones con economías lícitas que brindan mejores oportunidades a los ciudadanos colombianos.

a. Objetivos Estratégicos y Metas 2009-2010

El año 2009 es un año muy relevante desde el punto de implementación del programa, pues aún se van a establecer más de 40,000 hectáreas de nuevas plantaciones de proyectos de agro-negocios y forestales. Por otra parte, es el año de cierre de dos de los componentes de MIDAS como lo son MPC y SME, lo que implica finalización de los proyectos con altos niveles de calidad y satisfacción de los donatarios y beneficiarios.

Gráfica No. 4 - Ciclo de MIDAS



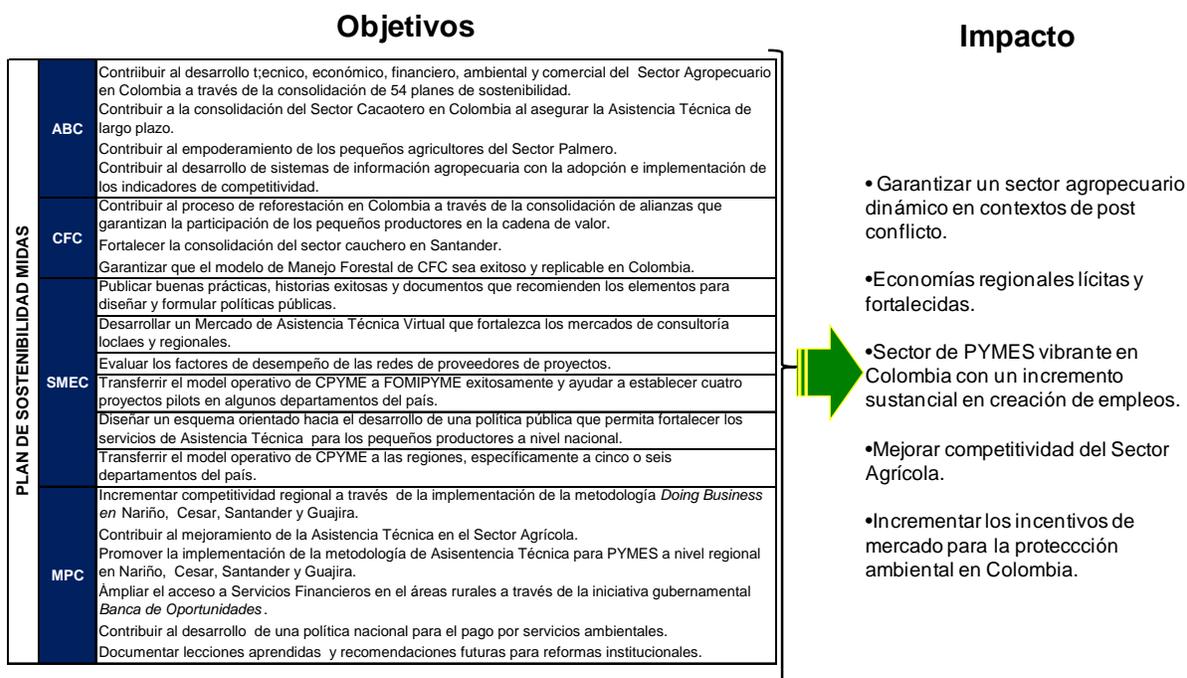
Dentro del ciclo del proyecto MIDAS se ha definido que a pesar de que entra en un periodo de cierre de componentes y proyectos, se buscará a través de una estrategia de generación de conocimiento de las lecciones aprendidas y la experiencia adquirida lograr la sostenibilidad de los proyectos y la institucionalización de las mejores prácticas y

resultados en los proyectos mismos, pero también en las regiones instituciones y políticas públicas más apropiadas.

Con el fin de tener un direccionamiento claro sobre los retos y metas que debe enfrentar el programa durante el 2009 y el 2010, se han definido cinco objetivos estratégicos que guiarán las actividades a nivel de programa.

1. *Eficacia en ejecución:* Con la estandarización de procesos y procedimientos internos que facilitan la gestión a través de aplicaciones Web sobre una plataforma segura y confiable que han logrado optimizar el tiempo de procesamiento de información, se han generado resultados cuantificables de forma positiva en la ejecución de los proyectos y el manejo de los mismos desde las oficinas regionales. Se busca, a partir de estas herramientas, garantizar un continuo mejoramiento de la productividad, una mayor coordinación y colaboración entre las diferentes áreas del programa y en consecuencia un adecuado seguimiento de los indicadores.
2. *Calidad en implementación:* El principal objetivo de buscar mejorar la calidad de la implementación es la relación y la satisfacción de los donatarios. MIDAS ha iniciado una serie de actividades que van más allá de la formación de los donatarios y capacitación en el manejo del convenio y en la transferencia de tecnología. Se ha estado realizado una encuesta de satisfacción con el fin de determinar los mejores mecanismos para darles apoyo y retroalimentación. Esto tiene como objetivo el fortalecimiento institucional de los donatarios MIDAS y la garantía de su compromiso a una cultura de la legalidad y la transparencia, con el fin de poder replicar el modelo MIDAS a futuro, con nuevos programas y operadores. Este propósito también busca garantizar un cierre exitoso y fortalecer las sinergias que se han ido generado durante la implementación, ente los diferentes componentes de MIDAS.
3. *Gestión del Conocimiento / Sostenibilidad* - En el proceso de MIDAS está claro que aunque el programa está entrando a su fase de cierre en términos de proyectos y de los propios componentes, es muy importante asegurar la sostenibilidad a través de la gestión del conocimiento, la documentación de las lecciones aprendidas, la creación de la comunidad de aprendizaje, la multiplicación de las buenas prácticas de implementación y la transferencia de conocimientos y metodologías a las instituciones regionales . La sostenibilidad e MIDAS se da de manera implícita en la apropiación del modelo por parte de los beneficiarios, socios estratégicos y comunidades.

Gráfica No. 5 - Plan de Sostenibilidad MIDAS



4. *Desarrollo Humano*: Como respuesta a la directiva de USAID de colombianizar las operaciones, MIDAS organizó el mejor equipo de expertos colombianos en Desarrollo Alternativo. Durante el 2008 se perdieron elementos claves en términos de talento humano, que se fueron hacia otras instituciones relacionadas con el sector. Esta pérdida, si bien ayudó a incrementar las sinergias con instituciones claves para el desarrollo, afecta la operación del programa en este momento crucial. Con el fin de mantener los niveles de calidad en un periodo de cierre, es importante mantener al talento humano motivado e integrado para hacer un buen cierre. Así mismo hay que desarrollar en este personal habilidades críticas para este momento del programa.
5. *Apoyo a Afros e indígenas*: Los esfuerzos realizados durante 2008 permitieron la selección de unos proyectos, a través de la concertación con las comunidades, que se implementarán dentro de la estrategia de Territorios Étnicos Productivos (TEP) en el 2009. La participación de las autoridades locales, los consejos comunitarios y los resguardos indígenas permitieron seleccionar proyectos enmarcados en los planes de vida y el conocimiento tradicional, con un énfasis particular en el apoyo al fortalecimiento organizacional y la seguridad alimentaria. Esta estrategia contempla un total de 21 proyectos (14 de MIDAS) que generarán 11,000 nuevos empleos y beneficiarán 9,000 familias.

Gráfica No. 6 - Metas 2009-2010

Indicadores	Meta Contractual	Logros 2008	Total Acumulado (2006-2008)	Resultados Esperados 2009	Resultados Esperados 2010	Total Acumulado Proyectado (2006-2010)	% Total / Metas Contractuales
Total Hectáreas Nuevas	170,696	60,770	104,446	53,280	6,681	164,407	96%
Hectáreas Bosques Naturales	107,268	76,065	106,711	12,058	0	118,769	111%
Familias Beneficiadas	151,437	149,520	244,591	17,346	1,309	263,246	174%
Total Empleos Generados	177,000	122,735	187,035	37,769	4,789	229,593	130%

b. Estrategia de Región

Desde 2008 el componente de Apoyo a Políticas Públicas ha estado implementando el programa piloto de Competitividad en las Regiones. Bajo esta iniciativa se busca generar reformas institucionales que permitan mejorar la competitividad y el clima de negocios en las regiones. En el 2009, se trabajará en los departamentos de Santander, Nariño, Cesar y Guajira con el fin de:

- Diseñar un plan de acción y una estrategia en los departamentos identificados con el fin de fortalecer el clima de negocios y mejorar los indicadores de "Doing Business" en la zona.
- Diseñar reformas institucionales que incrementen la capacidad de los gobiernos departamentales en el diseño e implementación de estrategias de desarrollo económico.
- Implementar proyectos pilotos de asistencia técnica basados en los modelos de CPYE, ABC y CFC.
- Una estrategia de formalización de la propiedad en las regiones identificadas.

c. Convenios con Acción Social

Con el fin de continuar los esfuerzos conjuntos en la implementación de proyectos con Acción Social, se está trabajando en el diseño de un nuevo convenio entre ARD/ MIDAS y AS, por un valor estimado de \$4. 944 millones de pesos, los cuales buscan apoyar dos grandes rubros a saber:

- Proyectos de la iniciativa TEP, apoyando los diferentes proyectos seleccionados por MIDAS para ejecutar en el marco de esta iniciativa.
- Continuar con el apoyo conjunto de proyectos productivos y proyectos del Programa Familias Guardabosques que se venían apoyando en el marco de los convenios de 2007 y 2008, con especial énfasis en proyectos de miel, caña panelera, pesca, palma y cacao. En el caso de estos últimos dos productos se quiere trabajar en especial el tema de fortalecimiento gremial.

La estrategia involucra un fuerte apoyo de los componentes de Agronegocios y Forestal, aunque para la estrategia de mieles, se trabajará principalmente con CPYME.

11.10. SUMMARY OF AGREEMENT WITH ACCIÓN SOCIAL

MIDAS has been working in close coordination with Acción Social over the past months in the definition of the activities related to a new agreement for 2009 that would include support mainly for CFC and SMEC projects, but also includes TEP support for a portfolio of projects of both the MIDAS and ADAM Programs. The objective of this new joint agreement is to continue supporting projects in areas that are of interest to both Acción Social and USAID, focusing on the following strategies:

- Strengthening and sustainability of SMEC Beekeeping Projects
- Transfer of the CFC Conservation Strategy for Familias Guardabosques in Sierra Nevada de Santa Marta
- Sustainability and support for the Rubber Sector
- Support and sustainability for MIDAS projects including Familias Guardabosques
- Support for TEP projects in strategic regions, especially in the Department of Nariño, given the emergency associated to the flooding of the Mira River.

The agreement is expected to be signed during the month of March, for a total of ≈ US\$2.1 million, of which ≈ US\$1.1 million will go to regular MIDAS component projects and an estimated US\$400,000 will go to two MIDAS TEP projects, which will be implemented by ABC and SMEC. The rest of the resources will go to ADAM TEP projects.

#	Strategy	Activity	Component	Acción Social Contribution USD\$	
1	Strengthening and sustainability of SMEC Beekeeping Projects	Beekeeping - Various Nuclei	SMEC	\$260,870	
2	Transfer of the CFC Conservation Strategy	FGB Support - Sierra Nevada	CFC	\$195,478	
3	Sustainability and support for the Rubber Sector	Rubber (Santander & Cesar)		\$195,652	
4	Support and sustainability for MIDAS projects including <i>Familias Guardabosques</i>	Panela Cane - Antioquia	ABC	\$43,478	
5		Cacao - Fundación Darío Maya		\$43,478	
6		Organizational Strengthening - Palm		\$21,739	
7		Organizational Strengthening - Cacao		\$21,739	
8		Fishing - Guajira	SMEC	\$152,174	
9		Cacao - Natagaima, Coyaima		\$86,957	
10		Cacao Nordeste Antioqueño		\$86,957	
Total Alternative Projects				\$ 1,108,522	
11		Support for TEP projects in strategic regions	Cacao - Nariño	TEP - ABC	\$217,391
12			Cacao - Norte de Cauca	TEP - SMEC	\$173,913
MIDAS TEP Total				\$391,304	
13	Livestock Farming - Cauca		TEP-ADAM	\$86,957	
14	Cacao - Cauca			\$43,478	
15	Specialty Coffee - Cauca			\$134,783	
16	Panela Cane - Nariño			\$65,217	
17	Cacao and Coconut - Nariño			\$104,348	
ADAM TEP Total				\$ 434,783	
TEP Total				\$ 826,087	
GRAND TOTAL				\$ 2,149,565	

11.11. WATCH LIST (ANALYSIS OF MIDAS PROJECTS)

The quarterly reports to USAID will include the status of those projects which performance are not adequate or may have difficulties.

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

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