

KYRGYZ REPUBLIC
AGRIBUSINESS AND MARKETING PROJECT (ABMP)

PROJECT DATA SHEET

Date: July 8, 2009 Country: Kyrgyz Republic Project Name: Agribusiness and Marketing Project ID: P049724		Task Team Leader: Sandra Broka Sector Manager: Dina-Umali-Deininger Country Director: Motoo Konishi Environmental category: B			
Borrower: Kyrgyz Republic Responsible agency: Ministry of Finance, Ministry of Economic Development, Industry and Trade, and Ministry of Agriculture, Water Resources and Processing Industry					
Revised estimated disbursements (Bank FY/US\$m) – Estimates Not Revised					
FY	2005-2009 (actual)	2010	2011		
Annual		3.0	0.6		
Cumulative	4.5	7.5	8.1		
Current closing date: December 31, 2010 Revised closing date [if applicable]: N/A; Decision on the revision of the closing date will be made in September 2009.					
Indicate if the restructuring is Board approved <u> X </u> RVP approved <u> </u>					
Does the restructured project require any exceptions to Bank policies? Have these been approved by Bank management? Is approval for any policy exception sought from the Board?				<u> </u> Yes <u> X </u> No <u> </u> Yes <u> </u> No <u> </u> Yes <u> X </u> No	
Revised project development objective/outcomes:					
The PDO will not be amended in substance, but will be reformulated to state: “The objective of the Project is to assist the Borrower in increasing and enhancing the business activities of the Beneficiary agribusinesses supporting the Borrower’s economic growth.”					
<u>Key outcome indicators:</u> (a) Increase in sales of agribusinesses supported by the Project (in %; measured by surveys) (b) Increase in profits of agribusinesses supported by the Project (in %; measured by regular surveys)					
Does the restructured project trigger any new safeguard policies? If so, click here to indicate which one(s) [selection box like the one in the new ISR]					
Revised Financing Plan (US\$m.) – Not Revised					
Source	Local	Foreign	Total		
Borrower	0.13	0.00	0.13		
IBRD/IDA	0.00	8.10	8.10		
Government of Japan	0.00	4.75	4.75		
Total	0.13	12.85	12.98		

KYRGYZ REPUBLIC
AGRIBUSINESS AND MARKETING PROJECT (ABMP)

PROJECT PAPER

Introductory Statement

1. This Project Paper seeks the approval of the Executive Directors to introduce the following changes in the Kyrgyz Republic, Agribusiness and Marketing Project, Credit No: 4015-KG, Project ID: P049724, and any accompanying amendments to the project's legal documents. The proposed changes will:

(i) Reformulate the existing Project Development Objective. According to the Project Appraisal Document (PAD), the Project Development Objective (PDO) is *"to expand the level of activity of agro-processing, marketing and trade enterprises downstream of the farmgate, to increase the number and economic importance of producer organizations, and to improve the functioning of markets and trade linkages between producers, and primary and secondary level trade organizations."* The formulation of the PDO is similar in the Loan Agreement. The current PDO includes as an objective *"to increase the number and economic importance of producer organizations,"* which is no longer applicable due to the fact that creation of new producer organizations was being taken up by other donors, therefore it was agreed with the government that the project would not need to support these activities. In addition, the part of the PDO *"to improve the functioning of markets and trade linkages between producers, and primary and secondary level trade organizations"* is a means of achieving the PDO part *"to expand the level of activity of agro-processing, marketing and trade enterprises downstream of the farmgate."* The refined PDOs will become more measurable and the outcome indicators more quantifiable.

(ii) Introduce a Matching Grant Program for farmer organizations and cooperatives to allow provision of much-needed financial resources to farmer cooperatives to promote investments. The matching grant program will be financed by transferring some of the unused funds from the Export Promotion Sub-Component (Component 1) to Access to Finance (Component 2). The matching grant program, which will co-finance investments in agricultural machinery, processing equipment and warehousing facilities, will enable more effective participation of farmer cooperatives in value chain arrangements and will strengthen the agricultural supply chains.

Background and Reasons for Restructuring

2. The Kyrgyz Republic Agribusiness and Marketing Project was approved on December 14, 2004 and became effective on May 02, 2005. The Project works directly with private enterprises and producer and other commercial organizations to improve the competitiveness of Kyrgyz products. There are three main components of the project: (i) The Market Development Component is designed to address constraints to improved functioning of supply chains through interventions in both private and public sector; (ii) The Access to Credit Component, which aims to address key constraints associated with access to capital by the enterprises in the agricultural and food sector, as well as expanding lending to this sector by the formal banking sector through introduction of risk mitigating tools for the commercial banks; and (iii) The Project Monitoring

and Advisory Office Component which supports market monitoring capacity in the Ministry of Agriculture, Water Resources and Processing Industry (MAWRPI), one of the key project counterparts (the original functions of the Project Monitoring and Advisory Office were expanded to allow for market analysis capacity building in the MAWRPI). The lending instrument is a Specific Investment Loan (SIL) financed by an IDA Credit (US\$8.1 million) in combination with a PHRD Co-financing Grant from the Government of Japan (US\$4.75 million).

3. The Project implementation has been satisfactory due to continuous overall positive progress made since the launching of the Project. The Agribusiness Competitiveness Center (ABCC), which was set up under the Market Development Component, provides assistance to 20 selected agribusiness companies to address operational and functional issues in the companies and is helping a range of agribusinesses to identify market opportunities both within the country and outside. In addition, ABCC's Market Development Service (MDS), has helped a number of agribusinesses in the country with research and know-how, to find markets for their products (both domestically and exports), and find new technologies to upgrade their production systems. The project has also mobilized US\$9.3 million investments to agro-industry clients, including US\$3.5 million out of the credit line. The repayment rate by borrowers to PFIs to date has been consistently above the target rate of 95 %.

4. Although the disbursement under the project is slower than initially planned, it is picking up pace. With about 18 months of the project implementation period remaining, overall 47.2% of the project funds have been disbursed, including 55% from the IDA funds, 49% from the PHRD funds, and 70% of the Government of Kyrgyzstan funds. A number of reasons have contributed to this slower disbursement, including delays with the project start-up in 2005 (due to political events the project start was effectively delayed by six months), as well as a smaller size of the first TA package, providing international technical assistance to Kyrgyz agribusiness companies. However, the disbursements under the PHRD Grant will improve after the tendering of the second TA package (also in support of Kyrgyz agribusiness companies) is completed and signing of the contract with an international TA company in October/November 2009. On the IDA side, the disbursements also are expected to pick up as a result of the modifications proposed to the project, in particular the Farmer Cooperative Matching Grant Program. In order to allow for full and effective use of the IDA and PHRD Grant funds towards achieving the project objectives, an extension of the project is planned. Preliminary, the extension is planned for 12 months, however the exact duration of the extension will be determined after the contract for implementation of the second TA package is signed in Autumn 2009.

5. The need to reformulate the PDOs and simplify the outcome indicators appeared first during the extended period between the project Board approval and the start of project implementation (due to a delayed ratification process and the Tulip Revolution of March 2005). During that time, other agencies, most notably GTZ and Reiffesen, scaled up their involvement in cooperatives, making it unnecessary for the ABMP to directly pursue the PDO part *"increasing the number and economic importance of producer organizations"* directly. It made more sense to leave such objective to GTZ and collaborate with them, which is currently the case. Second, PDO part *"improving the functioning of markets and trade linkages between producers, and primary and secondary level trade organizations"* is simply a means of achieving

the PDO part “*expanding the level of activity of processing, marketing, and trade enterprises downstream of the farmgate,*” which is the principal objective of the project. Third, the new indicators will be adopted, which will be more clear and linked to the outcomes. The reformulation of the PDO, as well as a new set of indicators were discussed and agreed with the Government in March 2008. However, the restructuring of the project was delayed due to the ongoing discussions with respect to the need for a Farmer Cooperative Support Program and how to accommodate it under the ABMP.

6. The farmer cooperative support program was necessitated by the drastic food price jump at the end of 2007, which emphasized that there is a need for Kyrgyz producers to increase the productivity and optimize the supply chains. Farmers’ cooperatives are already the project’s target beneficiaries, and with this cooperative support program the project will focus on this very important value chain player. Preliminary work has been carried out with cooperatives during which it was identified that many of the existing cooperatives lack agricultural machinery, packaging and primary processing equipment and have no or unsuitable storage facilities that need improvements. Therefore, to improve the state of agribusiness infrastructure and ease access to long-term finance for producer organizations, the Kyrgyz Government has requested a direct *Farmer Cooperative Support Program*, which is a combination of a matching grant program, and a technical assistance program for producer organizations (predominantly cooperatives). The latter was already envisaged under the framework of the project. Initiation of the grant program requires reallocation of some of the remaining IDA funding (SDR 529,200, approx. US\$780,000; 9.6 percent of IDA Credit) from the Export Promotion Sub-component under Component 1 into a new Matching Grant Program sub-component under Component 2. The addition of this new sub-component as a grant program under Component 2 - Access to Credit Component is in line with the project’s overall objectives to provide support to agribusinesses.

7. The reduction in the allocation of funds under the Export Promotion Sub-component, which represents one of the many activities carried out by the project, will not put at risk the implementation of the project. The activities envisaged under the Export Promotion Sub-component mostly focused on mobilizing Trade Linkages Contractors (TLCs) in selected cities of neighboring countries, to promote sale of Kyrgyz products. The arrangement, which was implemented for about 18 months in 5 cities in Russia and Kazakhstan, proved not to be effective in promoting exports. As a result, the TLC arrangement was determined to be ineffective and suspended. Instead, the project will continue working on promoting exports by assisting farmer cooperatives to increase production and marketability of their products, and by helping agro-processing companies to increase the competitiveness of their products.

Proposed Changes

8. Refined Project Objectives. The following reformulation of the PDO was discussed and agreed with the Government in April, 2008: “*The objective of the Project is to assist the Borrower in increasing and enhancing the business activities of the Beneficiary agribusinesses supporting the Borrower’s economic growth.*” The refined PDO will provide for a consistent formulation of the PDO in both the PAD and legal agreement, to resolve minor inconsistencies between the previous formulation of PDO in the two documents.

9. The agreed revised key outcome indicators are:

- Increase in sales of agribusinesses supported by the Project (in %)
- Increase in profits of agribusinesses supported by the Project (in %)

10. In line with the project outcomes indicators, key agreed output indicators by component are also being amended as follows:

Component One:

- Volume (in US\$) and number of trade deals facilitated by ABCC;
- Number of agribusinesses receiving assistance from ABCC;
- Number of key business environment constraints identified and tackled; and
- Number of public service staff trained.

Component Two:

- Total volume of investments attracted to beneficiary agribusinesses (in \$US);
- Number of loan officers trained in the banking sector; and
- Number of Grants to producer organizations/cooperatives.

Component Three:

- Number of market analysis reports prepared and disseminated.

11. More details on the revised Results Framework are in Annex 1 to the Project Paper.

12. The proposed matching grant (Sub-grant) program will enhance the project's development outcomes by providing benefits to farmer cooperatives, thus expanding the range of agribusinesses assisted; by improving the efficiency of farmer cooperatives as value chain participants; by increasing their production volumes and sales and marketing capacity; and by improving the access of farmer cooperatives to markets. The matching grant program will be a component in the Farmer Cooperative Support Program, which will have two main activities:

(i) *a matching grant (Sub-grant) program for cooperatives* willing to borrow for investments in productive assets (such as agricultural machinery, processing equipment or storage facilities), to help the cooperatives meet their investment needs. A new Farmer Cooperative Matching Grant Sub-Component under Component 2 will be created for this purpose. A new disbursement category will be opened to accommodate the Matching Grants. The Matching Grant beneficiaries will receive the Sub-grants in accordance with eligibility criteria and procedures set forth in the Cooperative Matching Grant Program Agreement and Guidelines, acceptable to IDA. A draft of the Cooperative Matching Grant Program Agreement and Guidelines, including the detailed procedures, eligibility criteria for beneficiaries and other operational modalities, has already been prepared. The matching grant in the amount not to exceed 30% of the total sub-loan per beneficiary would be provided to cooperatives borrowing from the financial sector for investments in productive assets and storage facilities. It is expected that legally registered, functioning cooperatives, which have been created under the GTZ and Reiffesen cooperative support programs, and experiencing shortages of investment capital, will be the main beneficiaries of the matching grant program. All cooperatives benefitting from the program will have to have participated in the technical assistance program described below. The financial and commercial viability of the sub-projects proposed under the matching grant program will be assessed by the Participating Financial Institutions (PFI). The borrowers would

only be able to keep the matching grant upon repayment of the first 70% of the sub-loan principal with interest. It is estimated that approximately 50 cooperatives will be supported through the Matching Grant Program.

The matching grant program will be implemented through the PFIs of the Agri-business and Marketing Project. Commercial banks and microfinance institutions aiming to become PFIs under the project are individually appraised by the IDA and the Borrower, in conjunction with the Credit Line Management Unit (CLMU), with particular attention given to the overall lending capabilities, and financial and portfolio performance. PFIs are then responsible for identifying prospective sub-borrowers, determining the type of sub-project to be financed, and assessing of the conformity with the eligibility criteria of the proposed activities and that of the sub-loan/lease beneficiaries as described in the Cooperative Matching Grant Program Guidelines.

(ii) *a technical assistance program* to be provided under the framework of the Project (which already envisages technical assistance to farmer cooperatives, so no amendments will be required), focuses on various aspects of marketability and sales of the products, supply chain management, business planning and application for financing. The implementation of the new Cooperative Grant Program Sub-component under Component 2 will be handled by the existing Credit Line Management Unit (CLMU) under the Ministry of Finance, which has been managing the Access to Finance Component of the Project. The CLMU has experience in implementing Credit Lines under two World Bank projects, and have the necessary staffing, equipment, software, procedures and processes to handle the Matching Grant Program. Technical assistance for farmer organizations and cooperatives will be provided by the Agribusiness and Marketing Center (ABCC) established under the Market Development Component of the Project.

13. A reallocation of IDA funds will take place under the project, to finance the Cooperative Matching Grant program. The program will use SDR 529,200 (approx. US\$780,000), to be reallocated from the unused funds from the Export Promotion Sub-Component of the ABMP. The transfer of funds from Export Promotion Sub-component under Component 1 to the new Cooperative Matching Grant Sub-component under Component 2 will not change the total Project Cost (See Annex 2 for Proposed Reallocation of Loan Proceeds by Category). The program will be financed by IDA Funds (See Annex 3 for the revised IDA Cost Table).

Analysis

14. The proposed changes do not have a major effect on the original economic, financial, technical, institutional, or social aspects of the project as appraised.

15. Environmental and Social Analysis. In accordance with the Bank's safeguard policies and procedures, including OP/BP/GP 4.01 *Environmental Assessment*, the project is classified as category B as the supported activities are not expected to generate significant environmental and social impacts. The project supports technical assistance activities, along with the Access to Finance component which supports sub-loans and now will also include the new Farmer Cooperative Matching Grant Program subcomponent, which will provide matching grants for investment subprojects. Eligible investments include development of storage, grading, packing and marketing of agricultural produce, investments in processing facilities and domestic

marketing and export of agricultural products. These activities may generate some adverse environmental and social impacts related mostly to construction and operation of agro-processing enterprises and are the following: (a) dust and noise due to the demolition and construction; (b) dumping of demolition and construction wastes, accidental spillage of machine oil, lubricants, etc; (c) solid waste, effluent discharges and air emissions; and (d) waste water treatment.

16. All proposed activities under the project so far have been, and will continue to be implemented on land which is already used for agricultural purposes and within the settlements' boundaries, thus the project will not have impact on wildlife and natural habitats and thus OP 4.04 "Natural habitats" is not triggered. It is also expected there will be no impacts on physical cultural resources which are not usually placed in the vicinity of agricultural lands and, consequently, OP 4.11 "Physical/Cultural Resources" is not triggered. The project will not support any sub-projects that might result in displacement. Land acquisitions are also not supported under the project. Therefore, OP 4.12 (Involuntary Resettlement) is not triggered. The lending guidelines are being amended to ensure that no displacement will occur as a result of sub-project implementation (see recommendations below). This was confirmed during the Mid-Term Review (MTR; March 23 – April 3 2009), which concluded that no social safeguards have been triggered to date, with only eight of the sub-projects approved involving construction. A number of these sub-projects were subjected to spot checks during which it was confirmed that the land on which construction took place was not encumbered by third party formal or informal uses (residential or economic) prior to their realization.

17. To avoid/mitigate the project potential impacts, during the project preparation the Borrower conducted an Environment Assessment (EA) and prepared an Environment Management Plan (EMP), which contains relevant mitigation and monitoring measures and the institutional responsibilities for EMP implementation. The EA contains special Guidelines for Identification, Assessment and Mitigation of Environmental Impacts, which are used for subproject screening, assessment and approval.

18. A review of the status of EMP implementation and of compliance of subprojects with environmental safeguards was carried out during the MTR. Overall, good progress is being made in implementing the environmental requirements of the project. All supported subprojects have been preliminary assessed from environmental point of view, based on completing in each case an Environment Screening Checklist, assigning an environmental category and determining a set of mitigation measures to be applied during the subproject implementation. No environmental complaints related to the supported subprojects have been registered to date. None of the visited agro-processing enterprises have outstanding environmental issues, and they operate based on environmental permits and licenses.

19. The following should be taken into account under the project going forward:

(i) For improving the implementation of project EMP and Environmental Guidelines by: (a) continuing the capacity building of PFI loan officers through training to improve their subproject environmental screening and assessment skills; (b) strengthening cooperation with local environmental inspectors on supervision and monitoring in the cases of category B subprojects;

(c) preparing semi-annually environmental monitoring reports; (d) ensuring no CFCs containing refrigerators, as well as no PCBs containing equipment are purchased; and (e) ensuring preparation of EMP checklists, based on preliminary completed Field Site Visit Checklists in the case of new construction activities.

(ii) With regard to social safeguards: (a) no sub-project should be approved for implementation on land that is formally or informally occupied or used by third parties, where implementation of the sub-project would result in their displacement; (b) pre-approval site inspection must verify that the site is unencumbered by formal or informal use; (c) where necessary, the PFI should use external experts to verify that the site is conflict-free; (d) Public Infrastructure investments should only involve refurbishing or reconstructing existing publicly owned buildings, and should not involve the acquisition of private land, or any construction on Greenfield sites; (e) even in the case of existing publicly owned buildings, due diligence should be conducted in the form of pre-approval site inspections to confirm that these buildings are not being formally or informally used by third parties; and (f) in the case of the cooperative support program, even though the project itself may not finance land acquisition, all purchases of land made with the intent of realizing a sub-project must occur on a “willing-buyer, willing-seller basis”.

20. Procurement Arrangements to be used under the Cooperative Matching Grant Program will be similar to those under the Credit Line, i.e., use of commercial practices acceptable to IDA for items estimated to cost up to US\$500,000 equivalent per contract. The expected loan size under the Cooperative Matching Grant component is around US\$50,000 (of which the matching grant shall not exceed 30%), thus it is expected that the contract amounts will be well within the range.

21. OP8.30 Compliance Review. The Matching Grant program was reviewed for its compliance with the OP8.30 *Financial Intermediary Lending*. The key findings of the review are: (i) the proposed grant program essentially subsidizes the lending activity; (ii) the proposed grant program appears to be too small to effectively deal with any systemic market failures, if they are present however, it is also too small to make damage to competitive resource allocation process which is one of the key focus areas of OP8.30; (iii) the proposed grant program can have significant demonstration effect to increase productivity of agriculture sector by way of proper and prudent investments; and (iv) the implementation and monitoring arrangements are adequate.

22. Given above findings, it is recommended that the justification of the grant scheme should be centered on demonstration effect of increased productivity in the sector by way of prudent and proper investments.

23. Provided that the above recommendation is adopted, the proposed program is consistent with the OP8.30's guidance.

Expected Outcomes

24. It is expected that the new Results Framework will provide for improved measurement of the project outcomes. For that purpose, more clear and measurable outcome and performance indicators are being adopted. The following new results indicator will be monitored:

- Number of Grants to producer organizations/cooperatives.

25. The Farmer Cooperative Matching Grant Program is expected to have a demonstration effect of increased productivity in the sector by way of prudent and proper investments. The replicability of the program in the Kyrgyz Republic is expected to be tested.

Benefits and Risks

26. The key benefit of streamlining the PDO will be its improved clarity and measurability. As the PDO currently stand, the PDO part *“increasing the number and economic importance of producer organizations”* is not being supported by the project, since other international organizations took the role of creating farmer cooperatives. The project focuses on providing support to the created farmer cooperatives in the form of financing and capacity building. There are no downsides or risks associated with the reformulation of the PDO.

27. The introduction of the Farmer Cooperative Matching Grant Program will provide support to the existing farmer organizations to build their capacity and facilitate the much-needed investments to increase the agricultural productivity. The grant will help cooperatives to make investments in productive assets, such as agricultural machinery, primary processing equipment and warehousing facilities. In addition, the Technical Assistance to cooperatives already planned in the original design will support marketability and sales of the products, supply chain management, business planning and application for financing.

28. The critical risks for the Project were laid out in the Project Appraisal Document and there are no additional risks created by this restructuring effort.

**Kyrgyz Agribusiness and Marketing Project
Proposed Changes to Results Framework**

PDO	Original Project Outcome Indicators	Revised Project Outcome Indicators	Revised or New Project Targets	Use of Revised Project Outcome Information
<p>Original PDO: To assist the Borrower in carrying out its economic growth through increasing and enhancing the business activities of the Beneficiary agribusinesses.</p> <p>Revised PDO: “The objective of the Project is to assist the Borrower in increasing and enhancing the business activities of the Beneficiary agribusinesses supporting the Borrower’s economic growth.”</p>	<p>Increased share of agricultural production being processed</p> <p>Value of sales of producer organizations increased</p> <p>Minimum repayment rate of PFIs of 95 percent</p> <p>Increased institutional lending to agro-industry clients</p>	<p>Increase in sales of agribusinesses supported by the Project (in %)</p> <p>Increase in profits of agribusinesses supported by the Project (in %)</p>	<p>+25 %</p> <p>+20 %</p>	<p>Improve verification of the achievement of revised project development objectives</p>
Intermediate Results	Original Results Indicator for Each Component	Revised Results Indicator for Each Component		Use of Results Monitoring
Component 1: Market Development Component				
Program of technical assistance to client enterprises and organizations carried out	Increase in sales of enterprises and organizations supported by the Project	<p>Volume (in US\$) and number of trade deals facilitated by ABCC</p> <p>Number of</p>	USD 2 million	Assure the effectiveness of the technical assistance to client enterprises and organizations, and

	Increase in profits of enterprises and organizations supported by the Project	agribusinesses receiving assistance from ABCC	40	introduce charges to the program as necessary
		Number of key business environment constraints identified and tackled	3	
		Number of public service staff trained	50	
Component 2. Access to Credit Component				
Credit lines disbursed by diverse set of PFIs	The number and volume of loans to Project beneficiaries	Total volume of investments attracted to beneficiary agribusinesses (in \$US)	USD 10 million	Assess effectiveness of the credit lines in terms of investments and trained loan officers of PFIs
Increased capacity in the banking sector	Number of PFIs participating in the Project	Number of loan officers trained in the banking sector	150	
	Number of loan officers trained	Number of grants to producer organizations/ cooperatives	50	
Component 3. Project Monitoring and Advisory Office Component				
Public sector capacity building program implemented	Number of public service staff trained	Number of market analysis reports prepared and disseminated	20	Assure the effectiveness of capacity building programs and introduce the necessary adjustments

**Kyrgyz Republic Agribusiness and Marketing Project
Proposed Reallocation of Loan Proceeds by Category**

Category	Original Amount of the Credit Allocated (Expressed in SDR Equivalent)	% of Expenditures to be Financed	Proposed Change (Expressed in SDR Equivalent)	Proposed Amount of the Credit Allocated (Expressed in SDR Equivalent)	% of Expenditures to be Financed
Public sector investment	700,000	100%	0	700,000	100%
Goods	60,000	100%	0	60,000	100%
Consultants' services and training, including audit	960,000	100% of local expenditures 90% of foreign expenditures	-529,200	430,800	100% of local expenditures 90% of foreign expenditures
Sub-loan Agreements under Part B.2 and B.3 of the Project	3,350,000	100% of eligible Sub-loans disbursed by the PFIs by December 31, 2006, and 80% thereafter	0	3,350,000	100% of eligible Sub-loans disbursed by the PFIs by December 31, 2006, and 80% thereafter
Sub-grants under Part B.4 of the Project	-	-	529,200	529,200	100%
Incremental operating costs	280,000	100%	0	280,000	100%
Unallocated	150,000			150,000	
TOTAL	5,500,000		0	5,500,000	

**Kyrgyz Republic Agribusiness and Marketing Project
IDA Costs**

	At Appraisal (US\$)	After Restructuring (US\$)
Component 1: Market Development		
A. Supply Chain Management	\$518,000	\$518,000
B. Export Promotion	\$1,125,000	\$345,000
C. Public Sector Investment	\$1,000,000	\$1,000,000
D. Public Sector Capacity Building	0	0
Subtotal Component 1	\$2,643,000	\$1,863,000
Component 2: Access to Credit		
A. Technical Assistance to Banking Sector	\$155,000	\$155,000
B. Investment Credit Facility	\$4,000,000	\$4,000,000
C. Revolving Working Capital Fund	\$1,000,000	\$1,000,000
D. Credit Line Management Unit	\$111,300	\$111,300
E. Cooperative Matching Grant Program	0	\$780,000
Subtotal Component 2	\$5,266,300	\$6,046,300
Component 3: Project Monitoring and Advisory Office	\$20,700	\$20,700
TOTAL BASELINE COSTS	\$7,930,000	\$7,930,000
Unallocated	\$170,000	\$170,000
Front-end Fee		
Total Financing	\$8,100,000	\$8,100,000