

Colombia FY65

UNCLASSIFIED

PD-ACC-009



**AGENCY FOR
INTERNATIONAL
DEVELOPMENT**

COUNTRY ASSISTANCE PROGRAM

COLOMBIA

**DEPARTMENT
OF
STATE**



NOVEMBER 1963

UNCLASSIFIED

AID FORM 18-120 (7-62)	DATE PREPARED <u>10 NOV 63</u>	COOPERATING COUNTRY <u>COLOMBIA</u>	<u>UNCLASSIFIED</u>	<u>FY 1965</u>	<u>IAS/CAP: III - U.S. ASSISTANCE PROGRAM</u>
------------------------------	-----------------------------------	--	---------------------	----------------	---

COUNTRY ASSISTANCE PROGRAM (CAP) SUBMISSION FOR COLOMBIA

APPROVED:
15 NOV 63

Joseph K. Valley
Chief, MAAG

Frank J. Smith
Public Affairs Officer, USIS

Christopher E. Sheldon *Robert Moffett*
Director, Peace Corps Deputy Peace Corps Director

Charles I. Johnson
Director, USAID

Fulton Freeman
The Ambassador

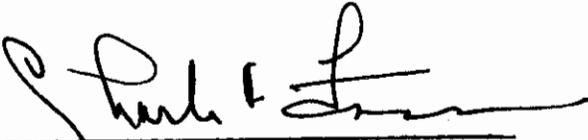
USAID/COLOMBIA
BOGOTA, COLOMBIA
15 NOVEMBER 1963

UNCLASSIFIED

AID FORM 10-120 (7-62)	DATE PREPARED 15 NOV 63	COOPERATING COUNTRY COLOMBIA		UNCLASSIFIED	<u>TRANSMITTAL STATEMENT</u>	
---------------------------------	----------------------------	---------------------------------	--	--------------	------------------------------	--

The program presented in this submission has the approval of the Country Team. The goals and activities set forth therein are in accordance with Colombia's Ten Year General Plan for Social and Economic Development. As in the past, proposed activities have been discussed in general terms with the GOC ministries and other agencies concerned. The FY 1965 DG/SA requirements estimates here presented are based on the IAS draft paper and, fundwise, on the FY 1964 DG/SA requirements estimates recently revised and submitted to AID/W for IAD purposes; these FY 1964 DG/SA requirements estimates were reviewed and analyzed in detail with the GOC National Planning Department (Planeación). It is my feeling that the total program, as detailed in this submission, is addressed to the critical bottlenecks impeding Colombia's social and economic development.

Signed: _____


Director, USAID

AID FORM 10-120 (7-62)	DATE PREPARED 10 NOV. 63	COOPERATING COUNTRY COLOMBIA	SECURITY CLASSIFICATION UNCLASSIFIED		TABLE OF CONTENTS				
FY 1965 CAP SUBMISSION USAID/COLOMBIA									
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 70%;">TITLE OF TOPIC</th> <th style="width: 30%;">PAGES</th> </tr> </thead> </table>			TITLE OF TOPIC	PAGES	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 70%;">TITLE OF TOPIC</th> <th style="width: 30%;">PAGES</th> </tr> </thead> </table>			TITLE OF TOPIC	PAGES
TITLE OF TOPIC	PAGES								
TITLE OF TOPIC	PAGES								
<u>III - U.S. ASSISTANCE PROGRAM</u>									
E -1, Total Program	1								
E -2, Total Program	2								
E -3, Total Program	3								
E- 4, Total Program	4 - 5								
E -5, Total Program, Composition of Commodity Assistance	6								
A. <u>Introduction and Summary</u>	7								
B. <u>Goal Plans</u>	7								
<u>Goal 1 - Financial Balance</u>	7								
E -1	9								
E -1	10								
<u>Activities:</u>									
Tax Administration	11 - 15								
Land Tax	16 - 22								
<u>Goal 2 - More Productive and Diversified Agriculture</u>	23								
			<u>Activities:</u>						
			Agr. Diversification	34 - 50					
			Livestock Development	51 - 59					
			Basic Resources Survey	60 - 62					
			Nat. Agr. Planning	63 - 65					
			Advanced Agr. Planning	66 - 69					
			Agr. Eng. Training (Term.)	70					
			Agr. Machinery Loan	71 - 72					
			Rolda/Buga Reclamation Loan	73 - 75					
			<u>Goal 3 - More Effective and Open Educational System</u>	76					
			E - 1	79					
			E - 4	80 - 81					
			<u>Activities:</u>						
			Nat. Educational Planning	82 - 85					
			Education - Bus. Administration	86 - 88					
SECURITY CLASSIFICATION			UNCLASSIFIED		PAGE (1)				

AID FORM 10-120 (7-62)	DATE PREPARED 10 NOV. 63	COOPERATING COUNTRY COLOMBIA	SECURITY CLASSIFICATION UNCLASSIFIED	TABLE OF CONTENTS																																																																					
<table border="1"> <thead> <tr> <th>TITLE OF TOPIC</th> <th>PAGES</th> </tr> </thead> <tbody> <tr> <td>Univ. Education - Econ.</td> <td>89 - 91</td> </tr> <tr> <td>Higher Education</td> <td>92 - 95</td> </tr> <tr> <td>Secondary Education</td> <td>96 - 102</td> </tr> <tr> <td>General Training</td> <td>103</td> </tr> <tr> <td><u>Goal 4 - Favorable Political and Social Framework for Development</u></td> <td>104</td> </tr> <tr> <td>E-1</td> <td>108</td> </tr> <tr> <td>E-4</td> <td>109 - 113</td> </tr> <tr> <td colspan="2"><u>Activities:</u></td> </tr> <tr> <td>Housing</td> <td>114 - 125</td> </tr> <tr> <td>Civil Aviation</td> <td>126 - 132</td> </tr> <tr> <td>Primary Education</td> <td>133 - 137</td> </tr> <tr> <td>National Health Plan</td> <td>138 - 144</td> </tr> <tr> <td>Labor</td> <td>145 - 147</td> </tr> <tr> <td>Agrarian Reform</td> <td>148 - 153</td> </tr> <tr> <td>Rural Credit and Co-Ops.</td> <td>154 - 161</td> </tr> <tr> <td>Public Safety</td> <td>162 - 167</td> </tr> <tr> <td>Nursing Education (Term.)</td> <td>168 - 173</td> </tr> </tbody> </table>		TITLE OF TOPIC	PAGES	Univ. Education - Econ.	89 - 91	Higher Education	92 - 95	Secondary Education	96 - 102	General Training	103	<u>Goal 4 - Favorable Political and Social Framework for Development</u>	104	E-1	108	E-4	109 - 113	<u>Activities:</u>		Housing	114 - 125	Civil Aviation	126 - 132	Primary Education	133 - 137	National Health Plan	138 - 144	Labor	145 - 147	Agrarian Reform	148 - 153	Rural Credit and Co-Ops.	154 - 161	Public Safety	162 - 167	Nursing Education (Term.)	168 - 173	<table border="1"> <thead> <tr> <th>TITLE OF TOPIC</th> <th>PAGES</th> </tr> </thead> <tbody> <tr> <td>Field Dispensaries (C/A)</td> <td>174 - 176</td> </tr> <tr> <td>Well Drilling (C/A)</td> <td>177 - 178</td> </tr> <tr> <td>Road Improve. and Maintenance (C/A)</td> <td>179 - 181</td> </tr> <tr> <td>Tolima Highway (C/A)</td> <td>182 - 185</td> </tr> <tr> <td>Cali Sewage Loan</td> <td>186 - 187</td> </tr> <tr> <td>Medellin Sewage Loan</td> <td>188 - 189</td> </tr> <tr> <td>Bogota Sewage Loan</td> <td>190 - 191</td> </tr> <tr> <td colspan="2"><u>Supplemental Requirements Estimates:</u> (Not included in Goal or Program Costs)</td> </tr> <tr> <td>Rural School Construction (C/A)</td> <td>192 - 194</td> </tr> <tr> <td>Youth Camps (C/A)</td> <td>195 - 197</td> </tr> <tr> <td>C.C.C. (C/A)</td> <td>198 - 200</td> </tr> <tr> <td>Rodent Control (C/A)</td> <td>201 - 203</td> </tr> <tr> <td>Harbor Improvement (C/A)</td> <td>204 - 206</td> </tr> <tr> <td><u>Goal 5 - Increased Stimuli to Private Sector</u></td> <td>207</td> </tr> <tr> <td>E-1</td> <td>214</td> </tr> <tr> <td>E-4</td> <td>215</td> </tr> </tbody> </table>		TITLE OF TOPIC	PAGES	Field Dispensaries (C/A)	174 - 176	Well Drilling (C/A)	177 - 178	Road Improve. and Maintenance (C/A)	179 - 181	Tolima Highway (C/A)	182 - 185	Cali Sewage Loan	186 - 187	Medellin Sewage Loan	188 - 189	Bogota Sewage Loan	190 - 191	<u>Supplemental Requirements Estimates:</u> (Not included in Goal or Program Costs)		Rural School Construction (C/A)	192 - 194	Youth Camps (C/A)	195 - 197	C.C.C. (C/A)	198 - 200	Rodent Control (C/A)	201 - 203	Harbor Improvement (C/A)	204 - 206	<u>Goal 5 - Increased Stimuli to Private Sector</u>	207	E-1	214	E-4	215
TITLE OF TOPIC	PAGES																																																																								
Univ. Education - Econ.	89 - 91																																																																								
Higher Education	92 - 95																																																																								
Secondary Education	96 - 102																																																																								
General Training	103																																																																								
<u>Goal 4 - Favorable Political and Social Framework for Development</u>	104																																																																								
E-1	108																																																																								
E-4	109 - 113																																																																								
<u>Activities:</u>																																																																									
Housing	114 - 125																																																																								
Civil Aviation	126 - 132																																																																								
Primary Education	133 - 137																																																																								
National Health Plan	138 - 144																																																																								
Labor	145 - 147																																																																								
Agrarian Reform	148 - 153																																																																								
Rural Credit and Co-Ops.	154 - 161																																																																								
Public Safety	162 - 167																																																																								
Nursing Education (Term.)	168 - 173																																																																								
TITLE OF TOPIC	PAGES																																																																								
Field Dispensaries (C/A)	174 - 176																																																																								
Well Drilling (C/A)	177 - 178																																																																								
Road Improve. and Maintenance (C/A)	179 - 181																																																																								
Tolima Highway (C/A)	182 - 185																																																																								
Cali Sewage Loan	186 - 187																																																																								
Medellin Sewage Loan	188 - 189																																																																								
Bogota Sewage Loan	190 - 191																																																																								
<u>Supplemental Requirements Estimates:</u> (Not included in Goal or Program Costs)																																																																									
Rural School Construction (C/A)	192 - 194																																																																								
Youth Camps (C/A)	195 - 197																																																																								
C.C.C. (C/A)	198 - 200																																																																								
Rodent Control (C/A)	201 - 203																																																																								
Harbor Improvement (C/A)	204 - 206																																																																								
<u>Goal 5 - Increased Stimuli to Private Sector</u>	207																																																																								
E-1	214																																																																								
E-4	215																																																																								
			SECURITY CLASSIFICATION UNCLASSIFIED	PAGE (ii)																																																																					

AID FORM 10 - 120 (7-62)	DATE PREPARED 10 NOV. 63	COOPERATING COUNTRY COLOMBIA	SECURITY CLASSIFICATION UNCLASSIFIED		TABLE OF CONTENTS																													
<table border="1"> <thead> <tr> <th data-bbox="256 156 913 194">TITLE OF TOPIC</th> <th data-bbox="913 156 1075 194">PAGES</th> </tr> </thead> <tbody> <tr> <td colspan="2" data-bbox="304 231 445 256"><u>Activities:</u></td> </tr> <tr> <td data-bbox="367 280 640 305">Financial Development</td> <td data-bbox="924 280 1039 305">216 - 223</td> </tr> <tr> <td data-bbox="304 330 856 379"><u>Goal 6 - Improved Planning, Project Preparation and Project Implementation</u></td> <td data-bbox="924 355 1039 379">224 - 226</td> </tr> <tr> <td colspan="2" data-bbox="304 404 409 429"><u>Non-Goal</u></td> </tr> <tr> <td data-bbox="304 454 346 479">E-1</td> <td data-bbox="997 454 1039 479">227</td> </tr> <tr> <td data-bbox="304 503 346 528">E-4</td> <td data-bbox="997 503 1039 528">228</td> </tr> <tr> <td colspan="2" data-bbox="304 553 445 578"><u>Activities:</u></td> </tr> <tr> <td data-bbox="367 602 588 627">Technical Support</td> <td data-bbox="924 602 1039 627">229 - 231</td> </tr> <tr> <td data-bbox="367 652 745 677">Special Development Activities</td> <td data-bbox="924 652 1039 677">232 - 234</td> </tr> <tr> <td colspan="2" data-bbox="304 702 483 726"><u>Food for Peace</u></td> </tr> <tr> <td data-bbox="304 751 346 776">E-1</td> <td data-bbox="924 751 1039 776">235 - 238</td> </tr> <tr> <td colspan="2" data-bbox="304 801 483 826"><u>Approved Loans</u></td> </tr> <tr> <td data-bbox="304 850 619 875">Loans under Consideration</td> <td data-bbox="924 850 1039 875">239 - 241</td> </tr> </tbody> </table>							TITLE OF TOPIC	PAGES	<u>Activities:</u>		Financial Development	216 - 223	<u>Goal 6 - Improved Planning, Project Preparation and Project Implementation</u>	224 - 226	<u>Non-Goal</u>		E-1	227	E-4	228	<u>Activities:</u>		Technical Support	229 - 231	Special Development Activities	232 - 234	<u>Food for Peace</u>		E-1	235 - 238	<u>Approved Loans</u>		Loans under Consideration	239 - 241
TITLE OF TOPIC	PAGES																																	
<u>Activities:</u>																																		
Financial Development	216 - 223																																	
<u>Goal 6 - Improved Planning, Project Preparation and Project Implementation</u>	224 - 226																																	
<u>Non-Goal</u>																																		
E-1	227																																	
E-4	228																																	
<u>Activities:</u>																																		
Technical Support	229 - 231																																	
Special Development Activities	232 - 234																																	
<u>Food for Peace</u>																																		
E-1	235 - 238																																	
<u>Approved Loans</u>																																		
Loans under Consideration	239 - 241																																	
			SECURITY CLASSIFICATION UNCLASSIFIED	PAGE (iii)																														

1 Year of Obligation, Authorization or Contribution Began FY End FY	A. AID Dollar Grant Obligations (\$1,000), Loan Authorizations (\$1,000) and Numbers of People											B. Other Contributions (\$1,000 equivalent)					
	Function of Funds	TOTAL \$	U.S. Technicians		PARTICIPANTS			Contract Services		Commodities	Other Costs including Servicio Contribution	PL 480 Commodities		U.S. Owned or Controlled		Cooperating Country Financing	Other External Financing
			\$	No.	\$	Non-Contract U.S.	3rd C.	Contract	\$			No.	Title	Sales & Grants	Type		
A. Cumulative through the Actual Year	DL	178,500										I & IV	1,600	U.S. Owned			
	DG	13,355	2,464		1,319	706	13	1,707		2,187	4,657	201 & III		Counterpart	173,147	26,310	
	SA	896	37					161		197	501	Sec. 202		PL 480			
B. Net During Actual FY 63	DL	128,500									36,000	I & IV	1,600	U.S. Owned			
	DG	4,050	1,014	56	449	197	14	514	7	1,015	1,008	201 & III		Counterpart	23,515	7,510	
	SA	175								175	-	Sec. 202		PL 480			
C. During Operational FY 64	DL	99,300						22,550		14,475	49,775	I & IV	2,000	U.S. Owned	300		
	DG	4,024	1,249	70	295	187		1,098	41	1,273	451	201 & III		Counterpart	40,319	67,736	
	SA	-								-	-	Sec. 202	500	PL 480	270		
D. During Budget FY 65	DL	80,500						7,200		6,300	38,000	I & IV	3,000	U.S. Owned			
	DG	6,490	1,547	57	484	267	15	1,510	50	1,985	744	201 & III		Counterpart	65,239	31,663	
	SA	-								-	-	Sec. 202	150	PL 480			
E. During All Subsequent FYs	DL	113,500										I & IV	5,000				
	DG	37,534										201 & III			184,340	155,480	
	SA	-										Sec. 202					
F. Total All Years	DL	477,400										I & IV	11,600				
	DG	34,882										201 & III			570	463,164	281,189
	SA	-										Sec. 202	650				

2 Dollar Obligation and Expenditure	Function of Funds	ALL PRIOR		ACTUAL FY 63				OPERATIONAL FY 64				BUDGET FY 65		3 REMARKS
		Cumulative Expenditures	Unliquidated Obligations	Obligations During FY	Total Available for Expenditures	Actual Expenditures During FY	Unliquidated end of year	Estimated Expenditures During FY	Unliquidated end of year	Estimated Expenditures During FY	Unliquidated end of year			
												Obligations	Obligations	
A. ALL PRIOR YEAR FUNDS	DL	47,300	12,700	-	12,700	10,100	2,600	2,600	-	-	-	-		
	DG	3,361	4,965	(14)	4,951	1,565	3,386	2,987	342	342	-	-		
	SA	521	200	-	162	162	38	38	-	-	-	-		
B. ACTUAL YEAR FUNDS	DL			128,500	128,500	28,700	99,800	83,000	16,800	16,300	500	-		
	DG			4,050	4,050	1,309	2,741	2,546	195	195	-	-		
	SA			175	175	145	30	30	-	-	-	-		
C. OPERATIONAL YEAR FUNDS	DL						99,300	38,200	61,100	43,200	9,400	-		
	DG						4,161	2,996	1,145	1,133	-	-		
	SA													
D. BUDGET YEAR FUNDS	DL								80,500	30,900	49,600	-		
	DG								6,490	4,711	1,754	-		
	SA								-	-	-	-		
E. TOTAL ALL FUNDS	DL	47,300	12,700	128,500	141,200	38,800	102,400	123,600	77,100	90,000	59,100	-		
	DG	3,361	4,965	4,036	9,001	2,874	6,127	8,586	1,682	5,096	1,220	-		
	SA	521	200	175	375	307	68	68	-	-	-	-		

DEFINITIONS:

GENERATED—Generated is defined to mean the amount of local currency that has accrued or will accrue as a result of dollar obligations. Deductions should be made for MSP currencies not available for MSP use as indicated in Table E-2.

OBLIGATED OR COMMITTED

1. U.S. owned local currency — Obligation is considered to take place in same manner as for dollar funds.
2. Counterpart—Commitment is considered to take place when a firm agreement is made between the U.S. and the host country to provide specified amounts for specific purposes or projects. Since such agreement takes place at different stages in different countries, varying from instances in which the obligation or commitment and the authorization to release from the special account are identical, to instances in which the firm agreement precedes such authorization, indicate the point in the programming process which precludes reprogramming without amendment of an intergovernmental agreement (describe below the type of document used for such agreement).

EXPENDITURE

1. U.S. owned currency — Expenditure of U.S. owned local currency is considered to take place at the time funds are withdrawn from the U.S. account
2. Counterpart — Expenditure of counterpart is considered to take place at the time funds are withdrawn from the special account.

STATUS OF LOCAL CURRENCY FUNDS			Actual FY <u>63</u>				Operational FY <u>64</u>		Budget FY <u>65</u>				
			Status July 1		Net Change		Status June 30		Net Change \$ equiv.	Status June 30 \$ equiv.	Net Change \$ equiv.	Status June 30 \$ equiv.	
\$ equivalent shown in 1,000 of dollars L/C unit shown in _____ of _____			L/C Units	\$ equiv.	L/C Units	\$ equiv.	L/C Units	\$ equiv.					
MSP Generated Local Currencies	a. U.S. Owned	1. Generated											
		2. Deposited											
		3. Obligated											
		4. Expended											
		5. Undeposited Generation											
		6. Unobligated Deposits											
		7. Unexpended Deposits											
	b. Counterpart	1. Generated											
		2. Deposited											
		3. Committed											
		4. Expended											
		5. Undeposited Generation											
		6. Unobligated Deposits											
		7. Unexpended Deposits											
2. Title I PL 480 Generated	a. Generated		327,430	59,542	22,430	3,347	349,860	62,889			4/		
	b. Deposited		327,430	59,542	22,430	3,347	349,860	62,889			4/		
	c. Obligated		327,430	59,542	22,430	3,347	349,860	62,889	2/		4/		
	d. Expended		314,870	57,667	31,556	4,556	346,426	62,223			4/		
	e. Undeposited Generation		-	-	-	-	-	-					
	f. Uncommitted Deposits		12,560	1,875	-9,126	-1,209	3,434	666	2/				
	g. Unexpended Deposits		12,560	1,875	-9,126	-1,209	3,434	666					
3. Other Generations for MSP Use	a. Generated												
	b. Deposited												
	c. Obligated												
	d. Expended												
	e. Undeposited Generation												
	f. Uncommitted Deposits												
	g. Unexpended Deposits												

4. REMARKS. 1/ L/C units converted to pesos at 6.70 per dollar
 2/ Average rate of exchange 5.16 pesos per dollar obtained: $349,860/62,889 = 5.16$. This rate applied to unexpended deposit.
 3/ Since M.O.V. clause removed 8/20/63, this figure is not the true dollar redeemable figure.
 4/ New three-year Title I being negotiated : no generation, deposit obligation or balance (estimated to total about \$30.0 million).

AID FORM 10-112 (7-62)	DATE PREPARED 10 NOV. 63	COOPERATING COUNTRY COLOMBIA	SECURITY CLASSIFICATION		MULTI-YEAR LISTING					TOTAL ALL GOALS				E-4	
			UNCLASSIFIED												
Goal Code or Activity Code	Title of Goal or Activity		\$ 1,000 Obligations	Cumulative Through Actual Year	Actual Year FY 63	Operational Year FY 64	Budget FY 65	Budget +1 FY 66	Budget +2 FY 67	Budget +3 FY 68	Budget +4 FY 69	All Subsequent Years	Total All Years		
Goal 1	Financial Balance		DL				2,500						2,500		
			DG	51	51	200	352	238	100				941		
			SA												
			480												
			L/C			300									300
			Coop. C.	110	110	700	3,410	850	350						5,420
	Other														
Goal 2	More Productive and Diversified Agriculture		DL			24,000	9,000	9,000	9,000	10,000			61,000		
			DG	2,441	478	307	1,175	640	650	650	275	150	6,288		
			SA												
			480	100	100									100	
			L/C			270									270
			Coop. C.	148,000	10,500	14,070	25,515	27,470	26,470	26,470	23,300	20,000	20,000	20,000	311,295
	Other		5,000	5,000	37,150	8,100	27,000	20,000	20,000	20,000	20,000	20,000	157,250		
Goal 3	More Effective and Open Educational System		DL			1,000	2,500						3,500		
			DG	957	381	499	747	350	200				2,753		
			SA												
			480												
			L/C												
			Coop. C.			118	27	33	32						210
	Other		50			2,550							2,600		
Goal 4	Favorable Political and Social Framework for Development		DL	52,500	32,500	41,300	21,500	22,000	12,000	10,000	7,000	6,500	172,800		
			DG	7,682	2,363	2,269	3,181	1,650	1,266	940	590	100	17,678		
			SA	735	175									735	
			480	1,500	1,500	2,000	3,000	2,000	2,000	1,000				11,500	
			L/C			500	150							650	
			Coop. C.	24,587	24,352	25,007	35,876	28,079	15,655	14,778	863	144,845			
	Other		15,710	510	12,586	21,013	17,066	15,538	15,450	426		97,789			
Goal 5	Increased Stimuli to Private Sector		DL	36,000	36,000	43,000	35,000	20,000	20,000	16,000			170,000		
			DG	317	217	208	390	400	400	200			1,915		
			SA	161										161	
			480												
			L/C												
			Coop. C.	450	150	414	400								1,264
	Other		5,550	2,000	18,000								23,550		

SECURITY CLASSIFICATION

UNCLASSIFIED

PAGE 4

Goal Code or Activity Code	Title of Goal or Activity	\$ 1,000 Obligations	Cumulative Through Actual Year	Actual Year FY 63	Operational Year FY 64	Budget FY 65	Budget +1 FY 66	Budget +2 FY 67	Budget +3 FY 68	Budget +4 FY 69	All Subsequent Years	Total All Years	
Non-Goal	(Tech/Sup & Spec/Dev/Act.)	DL											
		DG	914	560	682	745	650	750	700	500	500	5,441	
		SA											
		480											
		L/C											
		Coop. C.											
Total All Goals		DL	88,500	68,500	109,300	70,500	51,000	41,000	36,000	7,000	6,500	409,800	
		DG	10,448	4,050	4,165	8,861	3,928	3,366	2,490	1,365	750	35,016	
		SA	896	175	--	--	--	--	--	--	--	896	
		480	1,600	1,600	2,000	3,000	2,000	2,000	1,000	--	--	11,600	
		L/C	--	--	1,070	150	--	--	--	--	--	--	1,220
		Coop. C.	173,147	35,112	40,309	65,228	56,432	42,507	41,248	24,163	20,000	20,000	463,034
NOTE: Goal 6	No activities directly supporting this goal at present.	Other	26,310	7,510	67,736	31,663	44,066	35,538	35,450	20,426	20,000	281,189	
		DL											
		DG											
		SA											
		480											
		L/C											
		Coop. C.											
		Other											
		DL											
		DG											
		SA											
		480											
		L/C											
		Coop. C.											
		Other											
		DL											
		DG											
		SA											
		480											
		L/C											
		Coop. C.											
		Other											
		DL											
		DG											

SECURITY CLASSIFICATION
UNCLASSIFIED

	BY ANNUAL AGREEMENT OR OBLIGATION (All Figures \$1,000)	(1) TOTAL IMPORTS INCLUDING U.S. ASSISTANCE ACTUAL YEAR	(2) ACTUAL YEAR FY 63	(3) OPERATIONAL YEAR FY 64	(4) BUDGET FY 65	
SURPLUS COMMODITIES AGRICULTURAL	A. PL 480 (Where a multi-year sale is involved, show annual increment and not total sale)	1st Sale Agrmt.	4,446	0	0	0
		2nd " "	11,417	0	0	0
		3rd " "	15,081	0	0	0
		4th " "	5,980	0	0	0
		5th " "	25,964	0	0	0
		1st Sale Agrmt. Title IV	4,000	4	2.8	
		6th Sale Agrmt. Title I (being negotiated)			10,000	10,000
		All Other				
		TOTAL	PL 480 66,889	4	12.8	10,000
		ALL OTHER COMMODITIES	A. Food			
All Other						
TOTAL						
B. Feed and Fertilizer						
	All Other					
	TOTAL					
C. Fuel						
	All Other					
TOTAL						

	(All Figures \$1,000)	(1) TOTAL IMPORTS INCLUDING U.S. ASSISTANCE ACTUAL YEAR	(2) ACTUAL YEAR FY	(3) OPERATIONAL YEAR FY	(4) BUDGET FY	
ALL OTHER COMMODITIES (CONTINUED)	2 Cont. D. Raw Materials and Semi-Finished Products					
		All Other				
		TOTAL				
	E. Machinery and Vehicles					
		All Other				
		TOTAL				
	F. Miscellaneous and Unclassified					
		All Other				
		TOTAL				
	3 CASH TRANSACTIONS & OTHER					
TOTAL 2 & 3 Excluding PL 480						
Development Grants						
Supporting Assistance						

AID FORM 10-120 (7-62)	DATE PREPARED 10 NOVEMBER 1963	COOPERATING COUNTRY COLOMBIA	UNCLASSIFIED	GOAL 1	FINANCIAL BALANCE	
------------------------	-----------------------------------	---------------------------------	--------------	--------	-------------------	--

III - U.S. ASSISTANCE PROGRAM

A. Introduction and Summary

In Colombia, the broad U.S. objective is to hasten the pace of economic and social growth, within a framework of democratic principles and free institutions. The U.S. aid program here proposed will assist the Government of Colombia (GOC) in mobilizing and exploiting to a maximum degree the country's human and material resources, and in the process assist toward the establishment of Colombia as an example of how a free society can achieve rapid, self-sustaining economic and social progress.

To help attain this prime objective, seven major program goals have been established, as follows:

- (1) Financial Balance;
- (2) More Productive and Diversified Agriculture;
- (3) More Effective and Open Educational System;
- (4) Favorable Political and Social Framework for Development;
- (5) Increased Stimuli to Private Sector;
- (6) Improved Planning, Project Preparation and Project Implementation; and
- (7) More Adequate Transportation and Power Infrastructure.

These program goals are examined in the following section of this presentation, i.e., B-Goal Plans.

B. Goal Plans

Goal 1 - Financial Balance

a. Statement of the Goal

Financial impediments to rapid economic and social growth in Colombia are (1) a chronic balance of payments problem, and (2) a continuing budgetary deficit - with inflationary effects.

Any effective attack on the balance of payments problem requires a concerted national effort to earn more foreign exchange, primarily through expanded export trade, preceded by careful estimates of Colombia's annual export potential and essential import needs for the years immediately ahead. Promotion of tourism and a favorable climate for foreign investment are also important in this respect.

Liquidation of the fiscal deficit, by rigidly limiting expenditure levels to basic public needs and by increasing GOC revenues through modern tax policy and more effective tax administration and fiscal management, is a prerequisite to economic stability. An important step here is to define and quantify desirable levels of public expenditures during the next few years.

b. Goal Plan Analysis and Schedule

To help the GOC attain this goal, the following U.S. aid is proposed:

1. Export promotion and import substitution through selective loans from the Private Investment Fund (PIF). In fact, within an initial period of four months, 31 loans were approved for a total peso equivalent of U.S. \$15.5 million, with a continuing inflow of loan applications (presently, 20 applications

AID FORM 10-120 (7-62)	DATE PREPARED 10 NOVEMBER 63	COOPERATING COUNTRY COLOMBIA	UNCLASSIFIED	GOAL 1	FINANCIAL BALANCE	
---------------------------------	---------------------------------	---------------------------------	--------------	--------	-------------------	--

totaling the peso equivalent of U.S. \$10 million). Noteworthy were the following loans: paper production, \$1.1 million (import substitution); banana production, \$500,000 (export); sugar production, \$2.0 million (export); tractor parts, \$1.6 million (import substitution and export); and vegetable oils, \$1.2 million (import substitution). An early GOC request is expected for added PIF loan funds.

2. Through Activity 514-23-910-053, Financial Development, T/A will be provided to privately established industrial promotion centers in Colombia's major urban areas to stimulate the production of export goods. This T/A will continue for three years.

3. Program loans, designed to help finance essential capital imports (from the U.S), are anticipated for an interim period until Colombia sufficiently develops its exports. Financial self-help measures will be expected in connection with them. Because of the key nature of the structural balance of payments problem, there is justification for a heavy local currency financing content in project loans during this period also. The approved aid level and composition will depend on economic and political developments, effective utilization of external aid, vigorous execution of self-help measures and the extent of other donor contributions.

4. Technical assistance to increase GOC tax revenues through modernized tax collection practices, Activity 514-11-750-073, Tax Administration, and through reassessment of all land tax values, Activity 514-11-750-084, Land Tax. It has been estimated by the GOC Planning Department that a high percentage of taxable income is not being reported. Moreover, there is a considerable incidence of tax delinquency. As regards the land tax activity, it has been estimated that present municipal land tax revenues of

about 15 million pesos will increase, under the reassessment program to 50 million pesos - and, ultimately, to 100 million pesos.

5. Through Activity 514-25-130-050, Agr. Diversification, and Activity 514-25-130-055, Livestock Development, T/A will be provided in order to increase Colombia's agricultural exports and to reduce imports now required for human consumption and industrial purposes. A DL \$4.0 million loan to the Banco Ganadero (Cattle Bank) is under consideration for purposes of expanding cattle production, with export expectations, in FY-1964 and an additional similar loan for \$5 million in FY-1965. A meatpacking loan of \$2 million and an animal disease control loan of \$2 million are also being thought of.

6. The continuing operation of the investment guarantee agreement will promote foreign investment.

7. The completion of financial arrangements (whether with the U.S. or other sources of foreign financing) for the Barranquilla jet airport expected this year should lead, upon the airstrip's completion, to increased tourism to the attractive northern coastal area.

8. U.S. participation in the long-term international coffee agreement is a vital collateral effort under this goal, as will be any assistance provided to Colombia in achievement of an improved trading position with European and other industrialized countries.

9. Follow-up for the GOC on the joint OAS-IDB-ECLA tax report completed this year will be important in the fiscal field, as will be expected efforts to improve budgetary accounting, in which the Harvard Advisory Group is interested.

10. A loan of perhaps \$3 million for an export-oriented bank may be a possibility.

Year of Obligation, Authorization or Contribution Began FY End FY	Function of Funds	A. AID Dollar Grant Obligations (\$1,000), Loan Authorizations (\$1,000) and Numbers of People										B. Other Contributions (\$1,000 equivalent)						
		TOTAL \$	U.S. Technicians		PARTICIPANTS			Contract Services		Commodities	Other Costs including Service Contribution	PL 480 Commodities		U.S. Owned or Controlled		Cooperating Country Financing	Other External Financing	
			\$	No.	\$	Non-Contract		Contract	\$			No.	Title	Sales & Grants	Type			Local Currency
						U.S.	3rd C.											
A. Cumulative through the Actual Year	DL											I & IV		U.S. Owned				
	DG	51	14		24	0		13				201 & III		Counterpart	110			
	SA											Sec. 202		PL 480				
B. Net During Actual FY 63	DL											I & IV		U.S. Owned				
	DG	51	14	1	24	6		13				201 & III		Counterpart	110			
	SA											Sec. 202		PL 480				
C. During Operational FY 64	DL											I & IV		U.S. Owned	300			
	DG	200	190	12								201 & III		Counterpart	700			
	SA											Sec. 202		PL 480				
D. During Budget FY 65	DL	2,500										I & IV		U.S. Owned				
	DG	352	303	13	9	12						201 & III		Counterpart	3,410			
	SA											Sec. 202		PL 480				
E. During All Subsequent FYs	DL											I & IV						
	DG	338										201 & III			1,200			
	SA											Sec. 202						
F. Total All Years	DL	2,500										I & IV						
	DG	941										201 & III			300	5,530		
	SA											Sec. 202						

2 Dollar Obligation and Expenditure	Function of Funds	ALL PRIOR		ACTUAL FY 63				OPERATIONAL FY 64			BUDGET FY 65		3 REMARKS	
		Cumulative Expenditures	Unliquidated Obligations	Obligations During FY	Total Available for Expenditures	Actual Expenditures During FY	Unliquidated end of year	Obligations	Estimated Expenditures During FY	Unliquidated end of year	Obligations	Estimated Expenditures During FY		Unliquidated end of year
A. ALL PRIOR YEAR FUNDS	DL													
	DG													
	SA													
B. ACTUAL YEAR FUNDS	DL													
	DG			51	51	9	42	42	0					
	SA													
C. OPERATIONAL YEAR FUNDS	DL													
	DG							200	115	65	65	0		
	SA													
D. BUDGET YEAR FUNDS	DL										2,500	1,100	1,400	
	DG										352	245	107	
	SA													
E. TOTAL ALL FUNDS	DL											1,100	1,400	
	DG			51	51	9	42	157	65			310	107	
	SA													

AID FORM 10-112 (7-62)	DATE PREPARED 10 NOV 63	COOPERATING COUNTRY COLOMBIA	SECURITY CLASSIFICATION UNCLASSIFIED	MULTI-YEAR LISTING	GOAL 1, FINANCIAL BALANCE	E-4
------------------------	----------------------------	---------------------------------	---	--------------------	---------------------------	-----

Goal Code or Activity Code	Title of Goal or Activity	\$ 1,000 Obligations	Cumulative Through Actual Year	Actual Year	Operational Year	Budget	Budget +1	Budget +2	Budget +3	Budget +4	All Subsequent Years	Total All Years	
				FY 63	FY 64	FY 65	FY 66	FY 67	FY	FY			
514-11-750-073	Tax Administration	DL											
		DG	51	51	100	211	138					500	
		SA											
		480											
		L/C											
		Coop. C.			560	500	500						
		Other											
514-11-750-084	Land Tax	DL				2,500						2,500	
		DG			100	141	100	100				441	
		SA											
		480											
		L/C			300								300
		Coop. C.	110	110	140	2,910	350	350					3,860
		Other											
	Total Goal	DL				2,500						2,500	
		DG	51	51	200	352	238	100				941	
		SA											
		480											
		L/C			300								300
		Coop. C.	110	110	700	3,410	850	350					5,420
		Other											
		DL											
		DG											
		SA											
		480											
		L/C											
		Coop. C.											
		Other											

SECURITY CLASSIFICATION

UNCLASSIFIED

A. Obligations (\$1,000), Loan Authorizations (\$1,000) and Numbers of People										B. Other Contributions (\$1,000 equivalent)				
Technicians	PARTICIPANTS				Contract Services		Commodities	Other Costs including Service Contribution	PL 480 Commodities		U.S. Owned or Controlled		Cooperating Country Financing	Other External Financing
	No.	\$	Non-Contract U.S.	Contract 3rd C.	\$	No.			Title	Sales & Grants	Type	Local Currency		
6		24	0	0	13			I & IV 201 & III Sec. 202		U.S. Owned Counterpart PL 480				
4	1	24	6	0	13			I & IV 201 & III Sec. 202		U.S. Owned Counterpart PL 480				
5	5						5	I & IV 201 & III Sec. 202		U.S. Owned Counterpart PL 480		560		
7	7	9	12				25	I & IV 201 & III Sec. 202		U.S. Owned Counterpart PL 480		500		
								I & IV 201 & III Sec. 202				500		
								I & IV 201 & III Sec. 202				1,560		

ACTUAL FY 63				OPERATIONAL FY 64			BUDGET FY 65		REMARKS
Obligations During FY	Total Available for Expenditures	Actual Expenditures During FY	Unliquidated end of year	Estimated Expenditures During FY	Unliquidated end of year	Estimated Expenditures During FY	Unliquidated end of year		
			Obligations		Obligations				
51	51	9	42		42	0			
			100	75	25	25	0		
						211	175	36	
51	51	9	42	117	25	200	36		

AID FORM 10-120 (7-62)	DATE PREPARED 10 NOV. 1963	COOPERATING COUNTRY COLOMBIA	SECURITY CLASSIFICATION UNCLASSIFIED	514-11-750-073	TAX ADMINISTRATION	
<p>1. <u>The Activity Target</u></p> <p>Tax reform has been laid down in the Charter of the Punta del Este as one of the basic self-help requirements to be fulfilled by Latin American countries. A sharp increase in GOC revenue through improved tax administration is considered by US/AID to be a high priority activity to be initiated as soon as possible. Increased revenue is needed to close the national inflationary deficit, to place the GOC in a position from which it can finance its own public investments for development, and to improve public administration through better salaries.</p> <p>The present tax administration system is entirely inadequate. Failure to collect all tax obligations is due, in part, to non-declarations by taxpayers subject to tax and, in part, to under-declarations in returns filed. Recent estimates by the Colombian planning Commission indicate that some forty percent of the taxable income in the country is not being reported. Then, in a spot check of 30,000 accounts receivables, it was found that 42% of the taxpayers in the Bogotá area were delinquent with respect to their 1961 taxes. Finally in another spot check of professional men (doctors, lawyers and engineers) it was found that 16% did not file returns. The basic cause of poor tax administration is the lack of adequate staff, efficient methods, proper management and modern equipment for processing declarations. This activity intends to eliminate all these deficiencies.</p> <p>The proposed term length of this activity is four years with a total cost of approximately \$500,000.</p> <p>2. <u>The Course of Action</u></p> <p>It is anticipated that all specific improvements will be carried on simultaneously and will begin prior to December 31, 1963.</p> <p>As the first step to improve tax administration, the Ministry of Finance in 1964 will install an automatic data processing system incorporating the concept of a master file and using the latest in electronic computer equipment. The potential benefits of ADP include:</p> <ol style="list-style-type: none"> (1) The processing of accounts on a current and accurate basis. (2) A means to check on the failure of taxpayers to file returns. Data processing equipment and a master file both of taxpayers and persons who appear to be potential taxpayers improve tremendously the tax administration capability for dealing with this problem. (3) Tax computation. Under ADP the data needed for verification can be permanently stored in an accessible medium so other uses can be made of the information. (4) Maintenance of consolidated accounts. A consolidated account of each taxpayer reflects his 						
SECURITY CLASSIFICATION					PAGE 12	

AID FORM 10-120 (7-62)	DATE PREPARED 10 NOV. 1963	COOPERATING COUNTRY COLOMBIA	SECURITY CLASSIFICATION UNCLASSIFIED	514-11-750-073	TAX ADMINISTRATION
<p>total tax status despite the number of source documents and includes all locations. Also, it permits check of relationships of items reported during the three year retention period.</p> <p>(5) Efficient refunding and check issuance procedure. This is extremely important particularly in the withholding system that is being contemplated.</p> <p>(6) Association of tax information documents.</p> <p>(7) Selection of returns for audit examination. The need for a balanced audit program is evident. Prompt and accurate classification of returns for potential audit examination to produce the highest revenue yield is possible through the use of the electronic computer.</p> <p>This program was initiated in October 1963.</p> <p>Other programs to be developed and initiated prior to the close of 1963 and using ADP as the cornerstone are:</p> <p>(1) A program designed to insure that all persons with taxable income or wealth actually file returns.</p> <p>(2) A program to insure that all persons accurately report taxable income and wealth.</p> <p>(3) A taxpayer education program to advise taxpayers of a new and strong effort on the part of the government to have each citizen pay his fair share of the tax load.</p> <p>(4) A program to install a withholding or "pay as you go" system.</p> <p>(5) A simplified procedure for the issuance of Paz y Salvos.</p> <p>(6) Establishment of a program to provide self assessments for all taxpayers.</p> <p>(7) A program to efficiently process taxpayer delinquent accounts including simplified legal procedures for collecting delinquent taxes.</p> <p>3. <u>Resources Required</u></p> <p>The Government of the United States of America will contribute during fiscal year 1965 US\$211,000 for technical services and related costs to this project.</p> <p>Technicians will include the following:</p> <p><u>ONE SUPERVISORY TAX ADVISOR.</u> This specialist will serve a minimum term of two years and direct and coordinate all activities in the tax administration project area.</p> <p><u>ONE AUDIT ADVISOR.</u> This specialist will advise and work with Colombian audit representatives to develop an audit program to insure that taxpayers accurately report their taxable income and wealth. Included will be projects concerned with the application of audit techniques and the classification and selection of returns for audit. The advisor will be recruited for a two year term.</p> <p><u>ONE INTELLIGENCE ADVISOR.</u> This specialist will advise and work with Colombian representatives to develop an intelligence program to detect cases where taxpayers fraudulently report or fail to report income</p>					
			SECURITY CLASSIFICATION	PAGE 13	

AID FORM 10 - 120 (7-62)	DATE PREPARED 10 NOV. 63	COOPERATING COUNTRY COLOMBIA	SECURITY CLASSIFICATION UNCLASSIFIED	514-11-750-073	TAX ADMINISTRATION	
<p>or wealth. The specialist will be recruited for a two year term.</p> <p><u>ONE ORGANIZATION AND METHODS ADVISOR.</u> This specialist will advise and work with Colombian Organization and Management Examiners in the areas of organization and management, with particular emphasis on work simplification and procedures. The advisor will be recruited for a two year term.</p> <p><u>ONE TAX COLLECTION ADVISOR.</u> This specialist will advise and work with Colombian representatives to develop an effective collection program including the collection of delinquent taxes and securing of returns from delinquent filers. The specialist will be recruited for a two year term.</p> <p><u>ONE WITHHOLDING TAX ADVISOR.</u> This specialist will advise and work with Colombian representatives in developing a withholding tax system. The advisor should be recruited for a one year tour.</p> <p><u>SHORT-TERM ADVISORS.</u> These specialists will be recruited for periods of about 1 to 4 months each to advise and assist in special problem areas, and will include the following: public information, operating facilities, statistics, and training. The training specialist will assist in the development of a comprehensive training program. These short term assignments will total approximately 24 man months in the first two years.</p> <p><u>ONE ADP ADVISOR.</u> This specialist will serve for two years and will provide technical advisory services on all ADP operations in the tax project.</p> <p>Twelve participants will be sent to the U.S. for training under FY 65 funding.</p> <p>US\$100,000 has been requested for FY 64 to pay for the services of the five long-term advisors appearing above. These advisors are expected to arrive in Colombia O/A Jan. 1, 1964. U.S. funding will terminate in FY 66.</p> <p>A request for the peso equivalent of US\$500,000 for the enforcement program in 1964 has been made by the Minister of Finance to Congress, and the appropriation of funds is expected. A contract with IBM for peso equivalent of US\$60,000 for computer services in 1964 has been signed. It is expected that the GOC will continue to budget the peso equivalent of approximately US\$500,000 annually for the tax enforcement program.</p> <p>The Ministry of Finance will provide office facilities and bilingual secretarial and translation services, and local transportation to the U.S. tax advisors, necessary supplies and equipment.</p> <p>Counterparts to the above-mentioned AID consultants will be provided, thus facilitating the work of the consultants, providing for the greatest possible interchange of information, and increasing their own capacity and that of the Ministry's staff as a whole for future self-study, planning and implementation. Also, the Ministry will be responsible for providing personnel to implement recommendations of the AID specialists.</p> <p>4. <u>Progress to Date</u></p> <p>On the recommendations of the AID Tax Advisor the Ministry of Finance has taken the following actions:</p>						
SECURITY CLASSIFICATION					PAGE 14	

(1) Established by resolution on 25 July 1963 a GOC Tax Improvement Office. This office is headed by the Director of the Ministry.

(2) Initiated in July 1963 a program to collect at an early stage all outstanding delinquent accounts. To accomplish this a special collection force of 50 officers was authorized.

(3) Inaugurated in July 1963 a special publicity campaign to advise citizens of a new strong effort on the part of the government to have each taxpayer pay his fair share of the tax burden.

(4) On 24 October formalized an agreement with IBM to activate an automatic data processing system with a master file of all taxpayers. The contract calls for the GOC to expend approximately \$600,000 pesos in 1964 for computer services.

(5) Requested \$5,000,000 pesos in the 1964 budget for a strong enforcement program.

5. Funding Requirements

\$51,000 was funded in FY-63 in order to bring to Colombia a tax advisor to examine GOC tax administration, prepare a program for its improvement, send six participants to the U.S. for training and contract some services.

a. U.S. Contribution

	FY-64	FY-65
Technicians	(5)\$ 95	(7) \$ 177
Participants	-	(9) 12
Other costs	5	25

b. Cooperating Country

\$ 560	\$ 500
--------	--------

AID FORM 10-109 (7-62)	DATE PREPARED 10 NOV. 63	COOPERATIVE
------------------------------	-----------------------------	-------------

1 Year of Obligation, Authorization or Contribution Began FY 64 End FY 67	A. 41D Dolla	
	Function of Funds	TOTAL \$
A. Cumulative through the Actual Year	DL	
	DG	
	SA	
B. Net During Actual FY 1963	DL	
	DG	
	SA	
C. During Operational FY 1964	DL	
	DG	100
	SA	
D. During Budget FY 1965	DL	2,500
	DG	141
	SA	
E. During All Subsequent FYs	DL	
	DG	200
	SA	
F. Total All Years	DL	2,500
	DG	441
	SA	

2 Dollar Obligation and Expenditure	Function of Funds	ALL PRIOR	
		Cumulative Expenditures	Unl Ob
A. ALL PRIOR YEAR FUNDS	DL		
	DG		
	SA		
B. ACTUAL YEAR FUNDS	DL		
	DG		
	SA		
C. OPERATIONAL YEAR FUNDS	DL		
	DG		
	SA		
D. BUDGET YEAR FUNDS	DL		
	DG		
	SA		
E. TOTAL ALL FUNDS	DL		
	DG		
	SA		

AID FORM 10-120 (7-62)	DATE PREPARED 10 NOV. 1963	COOPERATING COUNTRY COLOMBIA	SECURITY CLASSIFICATION UNCLASSIFIED	514-11-750-084	LAND TAX
<p>1. <u>The Activity Target</u></p> <p>In accordance with the charter of the Act of Bogotá, the Principles of Punta del Este and the emphasis placed on property evaluation by the U. S. and GOC, this project is being proposed as a joint U. S.-Colombian Government Program to accelerate the evaluation of property values and evolve an effective system of property tax collection.</p> <p>The four following considerations point up the importance of this activity.</p> <ol style="list-style-type: none"> 1. The Colombian Congress has enacted several measures whereby the Colombian Government has been given extraordinary powers for the purpose of effectively combatting the inflationary trend and the budget deficit. One of the cornerstones of this program is the effective collection of income and personal property (patrimony) taxes. 2. Agricultural production needs to be increased (Goal 2) and the under-utilization of land in Colombia is great (less than 4% of the land area is under crops). Reasonable but effective taxation of properties will lead property owners to exploit their land more fully. 3. Fair and reasonable treatment of all parties involved in the planned programs of land re-distribution requires prior and accurate assesment of land values. 4. The weakness of most municipal governments is due largely to an insufficiency of municipal funds. The property tax is the main source of these funds. Sharp increase in collections would allow the municipalities to provide badly needed services (school construction and maintenance, payment of teachers, bridges, road improvement and maintenance), increasing local self-reliance and relieving the national government of certain expenditures. <p>Accurate and expeditious assesment of land property requires an effective on-going organization effecting continual re-evaluations. The legal responsibility for the execution and maintenance of the present Colombian system has been delegated to the Instituto Geografico Agustín Codazzi (hereinafter referred as IGAC). Due to the lack of funds, personnel and equipment it has been impossible for the IGAC to place values on more that an estimated 10% of the taxable properties per year (This does not include the Distrito Especial or Depts. of Antioquia and Chocó, which are outside the jurisdiction of the IGAC).</p> <p>This rate of property evaluation is unsatisfactory.</p> <p>This project plans to attain the following objectives over a 4 year period:</p> <ol style="list-style-type: none"> 1. Complete fiscal cadastral survey in 2 years in all of Colombia (minus Distrito Especial and Depts. Antioquia and Chocó). 2. Complete Class II Fiscal-Preparatory Survey in 4 years (minus Distrito Especial, Depts. Antioquia and Chocó). 3. Increment Class III Preparatory-Cadastral Surveys. 4. Encourage Distrito Especial and Departments of Antioquia and Chocó to adapt the system utilized by the IGAC. 					
			SECURITY CLASSIFICATION UNCLASSIFIED	PAGE 17	

AID FORM 10-120 (7-62)	DATE PREPARED 10, NOV. 1963	COOPERATING COUNTRY COLOMBIA	SECURITY CLASSIFICATION UNCLASSIFIED	514-11-750-084	LAND TAX	
<p>5. Develop and initiate a maintenance system by which the Cadastral Surveys are maintained to the extent that the property values derived are current and realistic as regards market values.</p>			<p>As shown in The Proposal, these personnel should suffice to realize the above objectives one, two and three. Pay, equipment and vehicles will be provided for these personnel by the method shown in financing. At the end of the 3rd year the GOC will take over the major portion of the financial responsibility and the complete U. S. participation will be phased out during the fourth year.</p>			
<p>6. By means of electronic data processing equipment, organize the records of the land evaluation program by which field data may be quickly processed and Federal and Municipal tax lists prepared for collection.</p>			<p>The program will, from the initiation of the project, coordinate and collaborate with the Cadastral Survey Organizations of the Distrito Especial, Depts. of Antioquia and Chocó. The IGAC will aid, train and supply personnel or in any other way encourage these organizations to adapt the property evaluation system used by the Federal Government.</p>			
<p>7. The mode by which this program plans to attain the goals is described in greater detail in a separate study: "Proposal for Acceleration of Land Evaluation Program", hereinafter called "The Proposal".</p>			<p>In order to assure the permanent success of the program, it will be necessary to prepare a plan, develop a system and train personnel in the maintenance, as near to market prices as possible, of the property values derived under this program. This will be done by re-training the excess property evaluators, as the program progresses the need for evaluators diminishes, in the development methods of property value maintenance.</p>			
<p>The IGAC consist of over 1,400 employees working in the fields of Geodesy, Geophysics, Cartography, Cadastral Surveys (Property Evaluation), Soils, Forestry, Climatology, Hydrology, Geography and Irrigation and Drainage studies. The Cadastral Department, which has approximately 600 employees, is charged with the execution of nation-wide Cadastral Surveys (property evaluation): with the exception of Distrito Especial and the Depts. of Antioquia and Chocó. The Cadastral Department has its main office in Bogotá and a Regional Office in each of the Departments under its jurisdiction (15 in total). An impartial standardized property evaluation system has been developed by which the IGAC plans to evaluate all property under its jurisdiction.</p>			<p>Once sufficient data is available, in the proper form to make economical use of data processing equipment, this equipment will be acquired or contracted for, by the agencies concerned. This equipment will be used to efficiently process and catalog the field data and to prepare federal and municipal tax lists for collection in coordination with the Ministry of Finance ADP system.</p>			
			<p>2. <u>The Course of Action.</u> (See The Proposal for complete details).</p>			
			<p>1. To increase the capacity of the IGAC Cadastral Department</p>			
			SECURITY CLASSIFICATION		UNCLASSIFIED	
						PAGE 18

AID FORM 10-120 (7-62)	DATE PREPARED 10, NOV. 1963	COOPERATING COUNTRY COLOMBIA	SECURITY CLASSIFICATION UNCLASSIFIED	514-11-750-084	LAND TAX
<p>and its 16 Regional Offices, through the hiring of 385 technicians the first Year, 225 during the second year, 150 during the third year and 50 during the fourth year. It is estimated this will cost \$760,000 dollars in local currency for FY 64, \$1,610,000 dollars in local currency for FY 65, \$2,000,000 dollars in local currency in FY 66 and \$500,000 dollars in local currency during the final year FY 67.</p> <p>2. Provide equipment and motorized transportation to enable the personnel hired in B-1 to execute the program. In FY 64 equipment costing \$240,000 is to be supplied and in FY 65 \$390,000 worth. No further purchases are contemplated under this program.</p> <p>3. Provide 6 U.S. technicians, under an Inter-Agency Agreement, for periods from 36 to 46 months, to give formal and on the job training during the initial phase and act as technical advisors during the final phase of the project. In addition the Land Tax Advisor will serve as advisor to the Ministers of Agriculture and Finance on how to more effectively collect land taxes and to provide guidance on how to achieve goals described in A-4. Staff is to arrive during the second quarter FY 64.</p> <p><u>The following are more Specific Details:</u></p> <p>1. <u>Class I Fiscal Cadastral Surveys</u></p> <p>Assist the IGAC increment the evaluation of property via fiscal methods from the present yearly production of 205,000 parcels to 800,000 during CY 1964, 670,000 in CY 65 and then maintain the Fiscal Cadastral Values during CY 66 and CY 67 until Class II Fiscal-Preparatory Cadastral Surveys can replace them.</p> <p>2. <u>Class II Fiscal Cadastral Surveys</u></p> <p>The present yearly production at 72,000 parcels (of an estimated 3,000,000 parcels county-wide) will be raised to 100,000 during CY 64, 265,000 during CY 65, 615,000 CY 66 and 690,000 during CY 67. In CY 68 the Colombian Government will assume complete responsibility for the program. During CY 68, 640,000 parcels will be evaluated, which will complete parcel evaluation under this system. During the initial 18 months of the project a maintenance system for Class II Cadastral Surveys will be initiated in the Departments that are completed with Class II Cadastral Surveys. A maintenance system for Class II Surveys will be fully implemented in all Departments during CY 1968, in order to maintain the Class II Surveys as near to current market values as possible.</p> <p>3. <u>Class III Preparatory Cadastral Surveys</u></p> <p>Utilizing precision maps, detailed soils data and an analytical empirical method of property evaluation, the IGAC's long range to evaluate all taxable property by this method. Although no goals have been set for increasing production in this type of Cadastral Surveys, it is planned that during the later phase of executing the I and II Surveys, contingent on the availability of the basic source material (Maps, soils surveys), the production of this type of property evaluation will increase, until after 1968 property evaluation will only be done by this method. Until all properties are valued by this method the Class II Cadastral values will be constantly revised, to reflect, as near as possible, current market values.</p>					
			SECURITY CLASSIFICATION UNCLASSIFIED	PAGE 19	

AID FORM 10-120 (7-62)	DATE PREPARED 10, NOV. 1963	COOPERATING COUNTRY COLOMBIA	SECURITY CLASSIFICATION UNCLASSIFIED	514-11-750-084	LAND TAX
---------------------------------	--------------------------------	---------------------------------	---	----------------	----------

4. Utilization of Electronic Data Processing Equipment

Not later than 18 months after the initiation of the project, a study will be prepared and implemented by which Electronic Data processing equipment will be employed to process, tabulate, prepare tax lists, tax collection vouchers and tax delinquency lists. This system will be fully operational by the end of FY 1967. Short term technicians will be called on to aid with the planning and implementation of the program.

5. Maintenance Program

Not later than 18 months after the implementation of the program, a study will be prepared, manuals will be drafted and the program will be implemented whereby the property values determined under Class I, Class II and Class III Cadastral Surveys can be maintained, as near to as possible, at current market values. This will be done utilizing the U. S. technicians on the project and Colombian evaluation personnel, who as the initial evaluation programs progress, will be excessive.

6. Nation Wide Cadastral System

For the areas outside the jurisdiction of the Federal land evaluation system the U. S. technician will through the Colombian Ministers of Agriculture and Finance, to encourage and legally aid these areas (Distrito Especial, Depts. Antioquia and Chocó) to incorporate themselves into the Federal System. This

objective will be accomplished by advising the Colombian Government on the feasibility of this incorporation and aiding them in the drafting of new laws by which this incorporation can be effected.

3. The Resources Required

The total U.S. Support Towards accomplishment of this project involves costs technicians, office and vehicular equipment, funds for training grants, and local currency for hire and maintenance of the additional Colombian personnel. The funds will be disbursed over a four year period, at which time the Government of Colombia will assume full cost of program. The program involves the expenditure of 5.95 million of dollars in grant funds, PL-480 title IV Funds, program loan and development loan funds. These are broken down as follows:

Development Grant Funds

a. Teaching and consulting staff. The personnel will be procured by an Inter-Agency Agreement between AID/C and the Bureau of Internal Revenue.

They will be financed during the period FY 64 thru FY 67 in the following manner:

	FY 64	FY 65	FY 66	FY 67
1) 1 ea Property Tax Advisor FSR-2	22,000	27,000	29,000	27,000
2) 1 ea Chief Cadastral Program FSR-3	18,000	29,000	25,000	23,000
3) 3 ea Property Evaluators FSR-4	45,000	68,000	72,000	
4) 1 ea Parcel Numbering Advisor FSR-4	15,000	23,000	24,000	
Total...	100,000	141,000	150,000	50,000

SECURITY CLASSIFICATION	UNCLASSIFIED	PAGE 20
-------------------------	--------------	---------

AID FORM 10-120 (7-62)	DATE PREPARED 10, NOV, 1963	COOPERATING COUNTRY COLOMBIA	SECURITY CLASSIFICATION UNCLASSIFIED	514-11-750-084	LAND TAX
---------------------------------	--------------------------------	---------------------------------	---	----------------	----------

PL-480 Title IV Funds

300,000 dollars, in pesos, will be utilized, at the Government of Colombia request, during the second and third quarter of FY 64. These funds will be utilized to hire and maintain the first property evaluators.

From Program Loan

2.7 million dollars from program loan funds, in pesos, will be utilized to complete the financing of hiring additional property evaluators together with their field and office support personnel. These funds will be utilized over a four year period to hire and maintain in the field approximately 800 new personnel.

Development Loans

The U.S. AID is willing to receive, as soon as possible, a loan application from the Colombian Government for 2.5 million dollars. This loan will be used to purchase the U. S. manufactured equipment that will be acquired under the program and aid in the maintenance of the Colombian personnel to be hired.

4. Progress to Date

This is a new project but considerations of some activities of IGAC are in order. The basic problem deals with the evaluation, utilizing current market

values as criteria, of an estimated 3,000,000 properties. The Government of Colombia has carried forward since 1960, through the IGAC Cadastral Department, Class I evaluation of approximately 1,400,000 properties. The rate and quality of this work is unsatisfactory in a country such as Colombia, due to its monetary devaluation rate and the current land speculation practices.

Present IGAC personnel and plan evaluation practices will be utilized. Objectives will be obtained by training additional personnel and providing equipment for them to work with. Most of the basic maps and soils material will be provided by the IGAC Soils and Cartographic Departments. These Departments, which now have the technical capacity of producing the desired products in a limited amount, will be expanded under the Basic Resource Survey grant which is administered by the Inter American Geodetic Survey (LAGS), a U. S. Corps of Engineer Agency.

Once approval has been obtained for this project from AID/W. Project Agreements between AID/C-Nation Planning Committee, and AID/C-LAGS - IGAC will have to be signed. Drafts of these Agreements have been prepared. The Inter-Agency Agreement to hire six Bureau of Internal Revenue technicians will have to be processed. The National Planning Board will have to prepare the Development Loan application. It is planned to initiate recruitment of Colombian personnel, by 15 Oct.63 in order that personnel can be trained and working in the field by 1 Feb, 64, U. S. technicians will be required by 15 Dec,63.

5. Funding Requirements-GOC Contribution

The GOC, in addition to supplying office space and administrative personnel to the mission, will provide the following amount of budgetary support to the IGAC Cadastral Department

SECURITY CLASSIFICATION	UNCLASSIFIED	PAGE 21
-------------------------	--------------	---------

AID FORM 10-120 (7-62)	DATE PREPARED 10, NOV. 1963	COOPERATING COUNTRY COLOMBIA	SECURITY CLASSIFICATION UNCLASSIFIED	514-11-750-084	LAND TAX
---------------------------------	--------------------------------	---------------------------------	---	----------------	----------

between CY 1964 to CY 1968:

U. S. Currency
(Equivalent in pesos)

Present: Budget support CY 1963	1,100,000
Budget support CY 1964	1,400,000
Budget support CY 1965	2,100,000
Budget support CY 1966	2,800,000
Budget support CY 1967	3,500,000
Budget support CY 1968	3,500,000

The 3.5 million dollars budget support will be required indefinitely in order to continue the property evaluation maintainance and Class III Cadastral Survey Program.

Contributions From other Sources

The basic Resource Survey grant has all ready provided \$750,000 dollars in grant funds for equipment and vehicle purchase for the IGAC Cadastral Department. This equipment and vehicles was ordered to properly outfit the present IGAC Cadastral Department, without contemplating any increment in work force. This equipment will provide a good base from which to start this program. The Cadastral portion of the basic resource survey grant will be withdrawn and substituted for by this Land Tax Program.

This Program will make use of the products produced under the Cartographic and Soils Section of the Basic resource Survey grant. The Officer in Charge of the Inter-American Geodetic Survey, which is administring this grant, will also co-direct the IGAC portion of the Land Tax Program, in ordet to assure that the

program is properly meshed with the IGAC Program, facilitate coordination between Mapping and Soils Surveys and, in general, avoid duplication and cross purpose efforts on the part of the U. S.

Cooperating Country - U. S. Aid Coordination

The program of work to be performed was formulated in collaboration with all GOC Agencies concerned directly or indirectly with the Land Tax Program. The Program has the approval and backing of the Director of the National Planning Council, the Ministers of Agriculture and Finance and the Director IGAC.

SECURITY CLASSIFICATION UNCLASSIFIED	PAGE 22
---	---------

AID FORM 10 - 120 (7-62)	DATE PREPARED 10 NOVEMBER 63	COOPERATING COUNTRY COLOMBIA	SECURITY CLASSIFICATION UNCLASSIFIED	GOAL 2	MORE PRODUCTIVE AND DIVERSIFIED AGRICULTURE
<p>1. <u>Statement of the Goal</u></p> <p>A more productive and diversified agriculture represents a highly significant goal in the USAID program objective for Colombia. The attainment of this goal would create many beneficial results. First, the serious problem of balance of payments would be eliminated within a relatively short period of time and this would release the principal burden of financial assistance that is being provided by the U.S. Second, it would increase trade and marketing both internally and externally and this contribution would be a most important factor leading to the development of industries, the stimulation of general economic progress, and to the transition of the country into a modern type nation in the shortest period of time. Third, it would make available a more diversified and larger quantity of foodstuffs that are required for the human health of the country.</p> <p>That emphasis be placed on a goal of more productive and diversified agriculture demonstrates a sound and logical approach for Colombia. The base is excellent for expansion of agricultural production along with associated rural industries. It is highly probable that production of presently cultivated land could be doubled by more intensive cultivation practices; and, in addition the acreage in cropland which the census reports to be 3% of the total area of Colombia, could be more than doubled. It is in the rural sector where the greatest opportunity exists for establishing a foundation for national development as a whole. A productive agriculture is necessary for successful expansion of allied industries and to assure strength and freedom.</p> <p>A reasonable goal for attainment is to increase by 50% the value of Colombia's agricultural production by FY-1975. This would raise the value of production from the present estimate of around 950 million U.S. dollars to a total of 1,425 million dollars by 1975. Since 1957 the increase in value of agricultural production has been under 3% annually based on an analysis made by the Mission.</p> <p>2. <u>Goal Plan Analysis and Schedule</u></p> <p>In recent years the Mission has expended considerable effort, both technically and financially, to programs that encouraged the increasing of crop and livestock production. The field of activity is so general and broad, and the number of agencies involved are so numerous that in past years USAID was not in the position to coordinate specific objectives effectively with the Ministry of Agriculture or with other interested groups in this field. The work accomplishment in the past has now set the stage whereby the USAID is in a better position to benefit from the thinking and the cooperation of associated outside groups as a part of the programming procedure. Thus, we anticipate that much faster progress will be made in the next five years in reaching stated program goals. The program for FY-1964 provides the foundation for programming long-term objectives to be accomplished by established schedules and by proposed means, and it involves the participation of the Colombian Government in assuming their share of responsibility. If this approach is not disturbed the USAID program should assume a stronger position for accomplishment in each of the future years. It is anticipated that our stated objectives will become more refined in future years and there will be closer coordination of group effort if we can continue on in the present program direction. Two of the proposed activities that are programmed to begin in FY-1964 point out the progress in line with the above comments. One concerns the National Agricultural Planning Activity that provides for program planning within the Ministry of Agriculture, an agency that has been plagued by a fragmented type of operation in the past.</p>					
			SECURITY CLASSIFICATION UNCLASSIFIED	PAGE 23	

AID FORM 18-120 (7-62)	DATE PREPARED 10 NOVEMBER 65	COOPERATING COUNTRY COLOMBIA	UNCLASSIFIED	GOAL 2	MORE PRODUCTIVE AND DIVERSIFIED AGRICULTURE
---------------------------------	---------------------------------	---------------------------------	--------------	--------	---

The other is the Advanced Agricultural Training Activity that represents a consolidated front composed of USAID, three external foundation agencies and the Ministry of Agriculture in solving a tough problem in agricultural education and training.

The FY-1965 program is more or less a continuation of the activities as operating or as established in the previous year. The most noteworthy difference is an accelerated expansion of the Agricultural Diversification activity. The justification for such expansion of this activity provides the most favorable opportunities for increasing agricultural production, which in turn can contribute answers to immediate country problems.

The FY-1965 program generates a total of fifteen project loans involving about \$50 million of official financing. It is conservatively estimated that the activities programmed will also encourage the investment of a similar amount in private funds. In FY-1966 these amounts should increase materially.

Most of the projects as programmed are to be completed within one to five years. However, where loans or land resource development projects are involved, the duration of the projects may be in the long term category.

A large contribution to a more productive agriculture is being made by Rockefeller Foundation, as well as by the United Nations group. Rockefeller emphasizes improved agricultural research and training and has been effective in these fields. This agency has been the main force in organizing the Colombian Agricultural Institute (ICA) which is included as a proposed activity in USAID goal plans. The Foundation has sixteen U.S. experts in the agricultural

field and over 100 Colombian trainees. The United Nations has ten special fund projects in operation mainly in the field of rural development.

It may be necessary to change the emphasis to some extent in the activities listed for the remainder of the FY-1964 and the 1965 programs. The reason is that the present program preparation is prepared prior to the high-level meetings in Bogota with the U.S. Departments of Agriculture and Interior and the Land Grant Universities. Since future field operations will involve inter-agency agreements or contracts the proposed program as now stated may have to be altered accordingly.

The activities required for meeting the goal of a more productive and diversified agriculture are:

A. Agricultural Diversification

This activity related to Goal II.

This activity involves a large number of related pursuits that are designed to:

- (1) Increase the production of native crops in short supply now being imported such as cacao, rubber and edible oils.
- (2) Increase the production of crops that are suitable for export such as bananas, molasses, sugar products, forest products, essential oil crops, insecticidal plants, and tropical fruits.
- (3) Increase the production of high protein crops needed for better nutrition such as beans, peas, lentils and leguminous plant products.

AID FORM 10-120 (7-62)	DATE PREPARED 10 NOVEMBER 63	COOPERATING COUNTRY COLOMBIA	UNCLASSIFIED	GOAL 2	MORE PRODUCTIVE AND DIVERSIFIED AGRICULTURE	
---------------------------------	---------------------------------	---------------------------------	--------------	--------	---	--

(4) To promote legislation, training, consumer education and numerous other programs which must be effected to accomplish the objectives of increase crop production.

The program outlined to accomplish the objectives mainly involves the assignment of technicians and consultants to the completion of specific tasks that relate to pressing problems needing solution. This procedure is following the same course of action carried out since FY-1963, but the FY-1965 program is planned on a larger scale of operation.

Consultants and technicians are to be assigned to the following projects:

(1) Rubber development - to supply technical advice and counsel in the early phases of a rubber production plan for making Colombia self-sufficient in rubber production.

(2) Plant exploration and utilization - to develop and promote natural plant sources capable of being utilized. Guidance, stimulation and suggestion would be the first approach to bringing about this objective.

(3) Nematode Survey - to demonstrate the presence and deleterious effects of nematodes not only to the producing farmers, but also to administrative and political level personnel in the Colombian Government.

(4) Fruit processing, food dehydration and meat processing - technical assistance to the Instituto de Investigaciones Tecnológicas in demonstrating the proper utilization and food processing.

(5) Plant Quarantine Service - to assist the GOC and the Ministry of Agriculture in establishing an effective plant quarantine service.

(6) Seed law project - to assist the Ministry of Agriculture in drafting a national seed and materials law.

(7) Fertilizer law project - to counsel the Ministry of Agriculture on needed changes in the recently issued fertilizer decree, and to advise on fertilizer inspection service.

(8) Grading Standards for tropical fruits - to assist the Ministry of Agriculture in preparing acceptable grading standards for the more prevalent fruit crops.

(9) Agricultural Marketing Promotion - to stimulate dealers and processors in the U.S. in the use of new materials from Colombia, stimulate Colombian investment in producing the materials, and create a broader productive base in agriculture and in export.

(10) Tropical Horticulture - to amplify the plant introduction program of improved strains of fruits and vegetables adapted to Colombia - a field of endeavor not covered by the Rockefeller Foundation.

The proposed DG program for this activity in FY-1965 requires a budget of \$277,000. This activity was started in FY-1963 on a moderate scale and through the process of natural and practical growth the proposed budget for FY-1965 is larger. Expenditures for FY's 1966 and 1967 should be about the same as for 1965, after which there should be a reduction with the activity terminating by the end of FY-1970.

The program may well result in the development of DL projects, although financing in many cases will be found from private foreign or other official foreign sources.

b. Livestock Development

This activity relates to Goal 2.

AID FORM 10-120 (7-62)	DATE PREPARED 10 NOVEMBER 63	COOPERATING COUNTRY COLOMBIA	UNCLASSIFIED	GOAL 2	MORE PRODUCTIVE AND DIVERSIFIED AGRICULTURE
------------------------	---------------------------------	---------------------------------	--------------	--------	---

Emphasis will be placed on three projects for the purpose of increasing production in livestock industries and this will be accomplished through three development loans.

(1) Directed Production Credit - this is a development loan program that is designed to increase the capacity of the Livestock Bank to extend Directed Production Credit to livestock producers. An institution which is already established will be strengthened and enabled to grow at a faster rate and provide more complete services. Loans totaling \$4 million is to be provided for this purpose in FY-1964; \$5 million in FY-1965 and a possible total of \$25 million through 1968.

Money to be generated by the development loan will be used to provide technical assistance, consulting services, and participant training in future years. Development grants for this purpose are provided during FY-1965 to initiate the program and provide adequate orientation.

Private capital investment is first attracted to industrial, commercial or extractive enterprises because immediate returns are higher, risk is less, and capital turnover is more rapid than in the case of livestock enterprises. For this reason financial assistance needs to be directed to the livestock industries to prevent unbalanced growth of the national economy.

(2) Develop Market Potentials - a vital factor in the success of livestock marketing is a wide ownership of the marketing system by livestock producers. The capital of these producers is in the form of land, equipment, and cattle. Their cash assets are limited and frequently re-invested in the enterprise as soon as money is earned. A development loan of \$2 million in 1965 at 5% per year under a ten year term with a three year grace period is proposed to underwrite the purchase of shares in an export oriented meat packing complex by Colombian livestock producers.

This loan proposal should be attractive to the Ex-Im Bank because these funds would in turn be used to purchase the equipment which must be imported.

The development grant proposed in this connection will be used to provide the Livestock Producers Federation with advisory services in connection with their programs to search for and develop markets for livestock products and to train people to perform essential marketing functions. The Federation of Livestock Producers, financed by a tax on capital investment in livestock, will continue with the activity.

(3) Animal Disease Control - a development loan to the GOC amounting to \$2 million in FY-1965 and totaling \$20 million over a seven year period will support the proposed Animal Health Institute. Because the benefits to be derived are necessarily long range, interest rates must be low and repayment scheduled over a period of 30 years.

Because the programs proposed are complex and the Mission needs expert professional guidance with respect to the suitability of programs in this field, provision is made for a development grant to provide the services of a veterinarian specialist in the control of contagious diseases of livestock.

The benefits to be derived as programmed are:

(1) To increase the number of cattle by 30,000 head within three years and 86,000 head within five years.

(2) To sell on foreign markets in FY-1965 both carcass beef and canned beef totaling approximately \$20 million. This will help in the solution of the balance of payments problem. The volume should increase in later years.

AID FORM 10-120 (7-62)	DATE PREPARED 10 NOVEMBER 65	COOPERATING COUNTRY COLOMBIA	UNCLASSIFIED	GOAL 2	MORE PRODUCTIVE AND DIVERSIFIED AGRICULTURE
---------------------------------	---------------------------------	---------------------------------	--------------	--------	---

Also, to increase the per capita consumption of beef from 25 kilograms to 30 kilograms.

A total of \$70,000 is programmed for this activity in 1965.

c. Basic Resources

The Basic Resources Activity was begun in FY-1962, for FY-1965 the emphasis is on training in Colombia in such fields as soils, cartography and hydrology.

In FY-1964 the budget was \$60,000 and the program request for FY-1965 increases the amount to \$235,000. The increase represents an accelerated program to meet the land resource development needs of Colombia. The need is especially urgent for INCORA to complete Agrarian Reform Project studies.

Surveys of the natural basic resources of Colombia must be accelerated to facilitate an expansion of agricultural development in the next decade. Such basic information is essential as technical guides to land settlement and development. To meet the proposed goals for a more productive and diversified agriculture, it will involve the development of new lands in many locations within the country. By augmenting the capacity of the Instituto Geográfico Agustín Codazzi to complete basic resource studies the means will be provided for orderly land development and many expensive mistakes can be avoided. Involved are the completion of numerous studies or work projects namely: aerial photography, cartography, compiling topographic and planimetric maps, cadastral surveys, soil classifications, resource reconnaissance surveys, inventory cover maps, climatic data and hydrological data.

d. Land Tax

A major land appraisal program is planned as a

basis for improved land taxation (see also Goal Plan I). This may be followed by a land titling activity.

e. National Agricultural Planning

This activity relates to Goal 2.

This activity establishes a high level planning unit in USAID that will be associated with the National Planning Department and the Ministry of Agriculture. The National Planning Department is in the process of identifying a planning group within the Ministry of Agriculture for the purpose of orienting the administrative offices and to give priority status to the more significant operating programs.

The planning unit of USAID will give technical advice to the planning group in the Ministry with the purpose in mind of strengthening the Ministry in its technical capacity as well as serving to coordinate program objectives in the field of agriculture.

This activity is highly significant since planning in this sphere of operations has been neglected. The result is that the agricultural sector has suffered from lack of continuity in leadership, shortage of a capable staff, and there has been failure to coordinate the planning within the offices of the Ministry. All these factors have resulted in a lack of an overall agricultural policy for Colombia.

The activity is to begin in FY-1964 with a budget of \$26,000. In FY-1965 the budget proposed is \$85,000 and the activity is to terminate within a five year period.

f. Advanced Agricultural Training

This activity relates to Goal 2.

AID FORM 10-120 (7-62)	DATE PREPARED 10 NOVEMBER 65	COOPERATING COUNTRY COLOMBIA	UNCLASSIFIED	GOAL 2	MORE PRODUCTIVE AND DIVERSIFIED AGRICULTURE
------------------------	---------------------------------	---------------------------------	--------------	--------	---

The lack of trained personnel has been a major problem in promoting the advancement of agriculture in Colombia. The Rockefeller Foundation has appreciated the extent of the problem for several years and as a result the Foundation has solicited and received group support to improve the status of agricultural training in Colombia. The Colombian Institute of Agriculture and Animal Husbandry (ICA) has been established that will combine agriculture research, teaching and extension.

The principal support for ICA at the present is the Ministry of Agriculture, Rockefeller Foundation, Ford Foundation, Kellogg Foundation, INCORA, and USAID. The participation to be made by USAID concerns the furnishing of external faculty members who are required to administer the graduate level program in the teaching of agricultural sciences.

This activity is to begin in FY-1965 and the budget requested is \$448,000. Other participants include INCORA that has designated funds in the amount of 1/2 million dollars for the Institution, and Rockefeller Foundation that will contribute between 3/4 million and 1 million dollars. The Department of Agricultural Investigations (DIA), an agency associated with Rockefeller Foundation has experiment stations located in numerous places throughout the country and this agency employs 145 technicians, has an annual budget of over \$2 million with assets of between \$40 and \$50 million.

g. Agrarian Reform

The Agrarian Reform Activity is designated within Goals 2 and 4.

Agrarian Reform is identified with agricultural development and it logically involves basic economic, social, and political issues. Its general purpose is to increase the

production, nutrition and the level of living of rural and urban people in Colombia as related to rural improvement. The INCORA agency is attacking the social and economic problems on many fronts in accordance with the Agrarian Reform Law passed by the Colombian Congress in December 1961. The participation of USAID is to select those phases of the INCORA program for providing technical and financial assistance which appear to have the greatest public benefit, and that can be identified to a particular worthy goal.

USAID has provided technical assistance to INCORA since its inception in 1962. In FY-1964 a total of \$259,999 was budgeted for this activity, and in 1965 the budget request totals \$237,000.

Two specific projects are programmed in FY's 1964 and 1965. The first is to assist INCORA in completing an analysis of the causes for financial difficulty concerning two irrigation districts, the Coello and Saldaña. These two projects are located in the same general locality and involve over 60,000 acres. The study to be made will determine what action can best be taken in the future for rehabilitation of the projects. The completion of the study could result in a construction program and a request for financing the study is to be completed in FY's 1964 and 1965.

The second project concerns assistance to INCORA and the Regional Corporation of Magdalena and Sinú Valleys (CVM) in the completion of a valley development study which will include the evaluation of present studies. The Sinú valley has been selected for this analysis which will involve about 800,000 acres. The steps to be taken in FY's 1964 and 1965 are:

(1) Sort out basic resource information that is available.

(2) Determine areas and projects having best prospects for public investment.

AID FORM 10-120 (7-62)	DATE PREPARED 10 NOVEMBER 63	COOPERATING COUNTRY COLOMBIA	SECURITY CLASSIFICATION UNCLASSIFIED	GOAL 2	MORE PRODUCTIVE AND DIVERSIFIED AGRICULTURE
<p>(3) Tentatively evaluate for selected projects the relative importance and costs of various intensities of treatment; i.e. irrigation plus drainage vs. drainage alone.</p> <p>(4) Plan necessary additional studies which would lead to an adequate feasibility analysis and at the same time provide necessary data for preparation of an adequate project proposal to serve as a basis for international loans.</p> <p>This is a long-term type of activity and it is designed to assist Colombia to adequately study a river basin and to develop project proposals which will lead to construction of economically sound projects.</p> <p>h. <u>Rural Credit and Cooperatives</u></p> <p>(1) This activity is designated within goal plans 2 and 4.</p> <p>(2) Technical and financial support that are provided in dispersing supervised credit to the low income farmers, and to the promotion of cooperative enterprises can contribute greatly to an expanded Colombian economy.</p> <p>The supervised credit phase of operations mainly concerns the establishment of an effective organization within INCORA to serve the credit needs of small farmers under a supervised program similar to the Farmers Home Administration in the States. The source of financing is the recent \$10 million loan made through USAID to INCORA for this purpose. This activity is presently in the phase of helping INCORA in training loan administrative supervisors who will direct the field operations of the loan program.</p> <p>Many assistance services are involved in supervised credit, such as methods and procedures to be formulated</p>			<p>in making loans, completing loans, establishing procedures for checking field operations, and establishing a system for successful supervision, at the loan level. The period of assistance should continue over several years.</p> <p>(3) About 400,000 out of a total of 1,200,000 farm families in Colombia qualify for supervised credit. This program services the low income farm family and will contribute to the social and economic development of the country. The USAID for this activity is proposed over a five year period and during this time approximately 100,000 families should receive credit assistance.</p> <p>A major CIDA proposal for Caldas is being studied by the IDB and USAID, without final conclusions yet having been reached.</p> <p>A total of four projects are proposed in connection with the cooperative portion of this major activity, namely: (1) development of cooperatives generally, (2) develop a Bank for Cooperatives, (3) develop an effective cooperative wholesale establishment, and (4) cooperative housing development.</p> <p>By improving and strengthening the cooperative movement in Colombia the level of the majority of the population can be improved. The direct effect of such a movement is better quality of consumer goods, lower prices for food and other commodities, and a wider distribution of marketing and purchasing services throughout Colombia. The cooperative projects involve both loans and grants.</p> <p>In FY-1964 a total of \$107,000 was budgeted for Rural Credit and Cooperatives. The program for FY-1965 calls for \$283,000.</p>	<p>3. <u>Goal Plan Summary</u></p> <p>The goal plan 2 for more productive and diversified agriculture encompasses five activities, namely: (1) agricultural diversification, (2) livestock development, (3) basic resources, (4) national</p>	
SECURITY CLASSIFICATION			UNCLASSIFIED	PAGE 29	

AID FORM 10 - 120 (7-62)	DATE PREPARED 10 NOVEMBER 65	COOPERATING COUNTRY COLOMBIA	SECURITY CLASSIFICATION UNCLASSIFIED	GOAL 2	MORE PRODUCTIVE AND DIVERSIFIED AGRICULTURE
<p>agricultural planning, and (5) advanced agricultural training. Also, two other activities are associated with goal 2 as well as goal 4, namely: (1) agrarian reform, and (2) rural credit and cooperatives.</p> <p>Colombia is primarily dependent upon agricultural industries as a source for producing wealth and the potential is excellent for further expansion in this field. Since the problems associated with all types of industrial expansion are typical to most undeveloped countries that have abundant basic physical resources and that lack of knowledgeable middle class of workers, it is most logical to place a major emphasis to build up those industries for which a base is already established. Thus, development programs associated with rural development in Colombia presents the most favorable environment for investment of technical assistance and capital resources.</p> <p>By initiating the seven major activities provided for under goal 2 should result in an expansion of agricultural production by 50% by FY-1975. Also, it is through programs of this type whereby Colombia has the best opportunity to meet the immediate problems of balance of payments and social betterment.</p>					
			SECURITY CLASSIFICATION UNCLASSIFIED	PAGE 30	

AID FORM 10-109 (7-62)	DATE PREPARED 10 NOV. 63	COOPERATING COUNTRY COLOMBIA	SECURITY CLASSIFICATION UNCLASSIFIED	CODE GOAL 2	TITLE MORE PRODUCTIVE AND DIVERSIFIED AGR.	E-1
------------------------	-----------------------------	---------------------------------	---	----------------	---	-----

1 Year of Obligation, Authorization or Contribution Began FY End FY	A. AID Dollar Grant Obligations (\$1,000), Loan Authorizations (\$1,000) and Numbers of People											B. Other Contributions (\$1,000 equivalent)				
	Function of Funds	TOTAL \$	U.S. Technicians		PARTICIPANTS			Contract Services		Commodities	Other Costs including Servicio Contribution	PL 480 Commodities		U.S. Owned or Controlled Local Currency	Cooperating Country Financing	Other External Financing
			\$	No.	\$	U.S.	3rd C.	Contract	\$			No.	Title			
A. Cumulative through the Actual Year	DL											I & IV	100	U.S. Owned		
	DG	2,441	635		94	63	4	463		1,172	49	201 & III		Counterpart	148,000	5,000
	SA											Sec. 202		PL 480		
B. Net During Actual FY 63	DL											I & IV	100	U.S. Owned		
	DG	478	156	9	37	34	2	--		243	14	201 & III		Counterpart	10,500	5,000
	SA											Sec. 202		PL 480		
C. During Operational FY 64	DL	14,000								10,000	4,000	I & IV		U.S. Owned		
	DG	307	101	6	49	23		60	8	30	22	201 & III		Counterpart	14,070	37,150
	SA											Sec. 202		PL 480	270	
D. During Budget FY 65	DL	19,000										I & IV		U.S. Owned		
	DG	1,175	376	11	86	51		498	12	54	101	201 & III		Counterpart	25,515	8,100
	SA											Sec. 202		PL 480		
E. During All Subsequent FYs	DL											I & IV				
	DG	28,000										201 & III			123,710	107,000
	SA	2,365										Sec. 202				
F. Total All Years	DL	41,100										I & IV	100			
	DG	6,288										201 & III			311,295	157,250
	SA											Sec. 202			270	

2 Dollar Obligation and Expenditure	Function of Funds	ALL PRIOR		ACTUAL FY 63			OPERATIONAL FY 64		BUDGET FY 65		3 REMARKS	
		Cumulative Expenditures	Unliquidated Obligations	Obligations During FY	Total Available for Expenditures	Actual Expenditures During FY	Unliquidated end of year	Estimated Expenditures During FY	Unliquidated end of year	Estimated Expenditures During FY		Unliquidated end of year
A. ALL PRIOR YEAR FUNDS	DL											
	DG	508	1,456	(1)	1,455	192	1,323	1,014	309	309	--	
	SA											
B. ACTUAL YEAR FUNDS	DL											
	DG			478	478	191	287	284	3	3	--	
	SA											
C. OPERATIONAL YEAR FUNDS	DL											
	DG							14,000	5,500	8,500		
	SA							307	260	47	--	
D. BUDGET YEAR FUNDS	DL									19,000	11,000	
	DG									1,175	838	
	SA										8,000	
E. TOTAL ALL FUNDS	DL											
	DG	508	1,456	477	1,933	323	1,610	5,500	8,500	11,000	8,000	
	SA							1,558	359	1,197	312	

AID FORM 10-112 (7-62)	DATE PREPARED 10 NOV. 63	COOPERATING COUNTRY COLOMBIA	SECURITY CLASSIFICATION UNCLASSIFIED	MULTI-YEAR LISTING	GOAL 2, MORE PRODUCTIVE AND DIVERSIFIED AGRICULTURE	E-4
------------------------	-----------------------------	---------------------------------	---	--------------------	---	-----

Goal Code or Activity Code	Title of Goal or Activity	\$ 1,000 Obligations	Cumulative Through Actual Year	Actual Year		Operational Year		Budget		Budget +1		Budget +2		Budget +3		Budget +4		All Subsequent Years	Total All Years		
				FY 63	FY 64	FY 65	FY 66	FY 67	FY 68	FY 69											
514-22-130-050	Agr. Diversification	DL																			
		DG	104	63	83	277	150	150	150	150	150	150	150	150	150	150	150	150	150	1,214	
		SA																			
		480	100	100																	100
		L/C																			
		Coop. C.	8,000	8,000	11,000	19,045	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	138,045
514-25-130-055	Livestock Development	DL			4,000	9,000	9,000	9,000	10,000											41,000	
		DG	192	91	63	130	70	80	80												615
		SA																			
		480																			
		L/C																			
		Coop. C.	140,000	2,500	3,000	3,000	4,000	3,000	3,000												
514-11-120-060	Basic Resources Survey	DL																			
		DG	1,697	277	60	235	250	250	250												2,742
		SA																			
		480																			
		L/C					270														270
		Coop. C.																			
514-11-190-085	Nat. Agr. Planning	DL																			
		DG			72	85	45	45	45												292
		SA																			
		480																			
		L/C																			
		Coop. C.			70	170	170	170	170												
514-11-110-082	Adv. Agr. Training	DL																			
		DG				448	125	125	125	125	125	125	125	125	125	125	125	125	125	948	
		SA																			
		480																			
		L/C																			
		Coop. C.				3,300	3,300	3,300	3,300	3,300	3,300	3,300	3,300	3,300	3,300	3,300	3,300	3,300	3,300	3,300	16,500

SECURITY CLASSIFICATION

Goal Code or Activity Code	Title of Goal or Activity	\$ 1,000 Obligations	Cumulative Through Actual Year	Actual Year FY 63	Operational Year FY 64	Budget FY 65	Budget +1 FY 66	Budget +2 FY 67	Budget +3 FY 68	Budget +4 FY 69	All Subsequent Years	Total All Years	
514-11-110-047	Agr. Eng. Training (Terminating)	DL											
		DG	448	47	29							477	
		SA											
		480											
		L/C											
		Coop. C.											
514-22-190-095	Agr. Machinery Loan	DL				10,000						10,000	
		DG											
		SA											
		480											
		L/C											
		Coop. C.											
514-22-120-096	Rolda/Buga Recl. Loan	DL				10,000						10,000	
		DG											
		SA											
		480											
		L/C											
		Coop. C.											
Total Goal 2		DL			24,000	9,000	9,000	9,000	10,000			61,000	
		DG	2,441	478	307	1,175	640	650	650	275	150	6,288	
		SA											
		480	100	100								100	
		L/C			270								270
		Coop. C.	148,000	10,500	14,070	25,515	27,470	26,470	26,470	23,300	20,000	20,000	311,295
		Other	5,000	5,000	37,150	8,100	27,000	20,000	20,000	20,000	20,000	157,250	
		DL											
		DG											
		SA											
		480											
		L/C											
Coop. C.													
Other													

SECURITY CLASSIFICATION

UNCLASSIFIED

1 Year of Obligation, Authorization or Contribution Began FY 1962 End FY 1970	A. AID Dollar Grant Obligations (\$1,000), Loan Authorizations (\$1,000) and Numbers of People											B. Other Contributions (\$1,000 equivalent)						
	Function of Funds	TOTAL \$	U.S. Technicians		PARTICIPANTS				Contract Services		Commodities	Other Costs including Servicio Contribution	PL 480 Commodities		U.S. Owned or Controlled		Cooperating Country Financing	Other External Financing
			\$	No.	\$	Non-Contract		Contract	\$	No.			Title	Sales & Grants	Type	Local Currency		
						U.S.	3rd C.											
A. Cumulative through the Actual Year	DL											I & IV	100	U.S. Owned		8,000	5,000	
	DG	104	66		2	0	0	28		3	5	201 & III		Counterpart				
	SA											Sec. 202		PL 480				
B. Net During Actual FY 1963	DL											I & IV	100	U.S. Owned		8,000	5,000	
	DG	63	29	2		0	0	28		3	3	201 & III		Counterpart				
	SA											Sec. 202		PL 480				
C. During Operational FY 1964	DL											I & IV		U.S. Owned		11,000	37,150	
	DG	83	20	1	7	2		45	6		11	201 & III		Counterpart				
	SA											Sec. 202		PL 480				
D. During Budget FY 1965	DL											I & IV		U.S. Owned		19,045	8,100	
	DG	277	135	2	24	4		60	4	17	41	201 & III		Counterpart				
	SA											Sec. 202		PL 480				
E. During All Subsequent FYs	DL	1/										I & IV				100,000	107,000	
	DG	750										201 & III						
	SA											Sec. 202						
F. Total All Years	DL											I & IV	100			138,045 ^{2/}	157,250 ^{2/}	
	DG	1,214										201 & III						
	SA											Sec. 202						

2 Dollar Obligation and Expenditure	Function of Funds	ALL PRIOR		ACTUAL FY 63				OPERATIONAL FY 64			BUDGET FY 65	
		Cumulative Expenditures	Unliquidated Obligations	Obligations During FY	Total Available for Expenditures	Actual Expenditures During FY	Unliquidated end of year Obligations	Estimated Expenditures During FY	Unliquidated end of year Obligations	Estimated Expenditures During FY	Unliquidated end of year	
												Obligations
A. ALL PRIOR YEAR FUNDS	DL											
	DG	39	2	0	2	0	2	2	0			
	SA											
B. ACTUAL YEAR FUNDS	DL											
	DG			63	63	30	33	30	3	3		
	SA											
C. OPERATIONAL YEAR FUNDS	DL											
	DG							83	60	23	23	
	SA											
D. BUDGET YEAR FUNDS	DL											
	DG									277	185	92
	SA											
E. TOTAL ALL FUNDS	DL											
	DG	39	2	63	65	30	35	92	26	211	92	
	SA											

3 REMARKS

1/ Impossible to calculate at this moment.

2/ These figures apply for period from FY 1963 through FY 1974.

Also addressed to Goal 1.

SECURITY CLASSIFICATION
UNCLASSIFIED

PAGE 34

AID FORM 10-120 (7-62)	DATE PREPARED 10 November 1963	COOPERATING COUNTRY COLOMBIA	UNCLASSIFIED	514-25-130-050	AGR. DIVERSIFICATION
------------------------	-----------------------------------	---------------------------------	--------------	----------------	----------------------

1. The Activity Target

The activity target is to increase the agricultural production of Colombia sufficiently within the next ten years period to make the country self supporting in those crops that can be grown economically, and to stimulate a substantial increase in the export of diversified crops as a practical answer to the one crop export economy and balance of payments problem. To accomplish these objectives, steps will be taken to:

- 1) Develop and promote the production of crops whose products are presently being imported in the largest amounts.
- 2) Develop and promote the production of other crops having export value either because of high unit return or because of readily available international markets.
- 3) Promote and develop the production of crops necessary to improve nutritive conditions of the Colombian people, and
- 4) Promote new ideas, legislation, training, consumer education, and other actions, needed to strengthen the Ministry of Agriculture, and encourage greater confidence and respect for all public officials in the agricultural field.

This activity is also designed to alleviate the payments balance deficit which U.S. is indirectly correcting as well as to attract local and foreign private investment capital for industrialization in the agricultural sector. Future capital investment in agricultural pursuits is a major requirement for building the base on which an overall healthy Colombian economy can be erected.

While there are some areas in Colombia adaptable to large scale, extensive, mechanized agriculture, these must be considered chiefly in the long-range planning rather than for the short or medium term. Present distributions of rural population in the mountainous areas, present low levels of basic education and vocational skills, present low levels of rural family capitalization, present inadequacy in rural areas of communications, transportation, health and other requisite facilities for vigorous vitalization of rural people all point to this target as being mandatory and desirable. Not only the available national statistics but the plethora of special studies already made in specific phases of rural development support this attitude, this direction for development in Colombia. The approved overall national plan states these aims in milder terms. Because of U.S. interest in accelerated growth thruout Latin America, the national aims must be realized in less time than projected. In Colombia the time is ripe for such acceleration if the program of A.I.D. is pushed with unanimity of purpose and forcefulness.

The desired results can be achieved in 10 years or less. These results are: (1) a respected and responsible Ministry of Agriculture as a major Ministry within the framework of a smoothly functioning, representative and democratic national administration committed to continuing, expanding and well balanced growth of the national economy; (2) a better educated, healthier rural people with interest and faith in their own national government; (3) a growing industrial portion of the nation based, as it must be, on the processing of agricultural produce for world and domestic markets and the production of agricultural requisites to make agricultural production efficient enough to be competitive with any other nation in the world; (4) greatly increased income among the low income rural families to give them increasing hope for the future; (5) greater sense of public responsibility among

AID FORM 10-120 (7-62)	DATE PREPARED 10 November 1963	COOPERATING COUNTRY COLOMBIA	UNCLASSIFIED	514-25-130-050	AGR. DIVERSIFICATION	
---------------------------------	-----------------------------------	---------------------------------	--------------	----------------	----------------------	--

the wealthier and better educated portion of the nation; and (6) coordination of more activities within the country to realize even greater potentials than are readily apparent now.

A ten-year period is designated because many of the perennial tropical crops will need this period or slightly longer to produce their full impact on G.D.P.

Initial stimuli need to be produced in the national government and national institutions which in turn must stimulate lower echelons to greater development. This activity proposes that the main emphasis should come from private initiative, both local and foreign.

The scope of any section of this activity is to keep it as small as possible but at a level which will still produce self-generating growth in one phase of agricultural diversification whether it be edible oils, rubber, fruits and vegetables or the introduction of new crops into the agriculture of Colombia. To the extent that this requires outside technical assistance and capital, this should be sought for and supplied. To the extent that this requires more efficient and better coordinated use of local talent and capital, this too must be activated, stimulated and encouraged.

At the present time there is increasing awareness and interest by the national government in the necessary role of rural development as the stable base for the economy. There are many lacks in the institutional structure which must be one of the main concerns of our U.S. aid efforts. Correction of some of these are included in this FY-65 presentation for this activity. Establishment of good seed, fertilizer and agricultural chemicals laws should come from the judicious use of consultant services. Awareness of serious production bottlenecks and a program to solve them should come from such consultant services as proposed for the nematological survey and the packaging and marketing consultants.

A brief discussion of each of the specific targets will indicate some of the problems, potentials and specific proposals which are included in the "Course of Action" portion of this presentation.

1. Elimination of Imports of Local Crops - As examples of the requirements for the first aim or objective, Colombia annually imports 15 to 20 million dollars worth of edible oils, 5 to 7 million dollars worth of cacao, and 7 to 10 million dollars worth of natural rubber. Other agricultural crop products in smaller individual amounts add considerably to the importance of diversification. This approach is concentrated only on deficit crops which can be grown and processed in Colombia. To the extent that such crops are grown and a diminution of imports results, increased agricultural income results and an increase in industrial processing occurs.
2. Increased Production of Readily Exported Crops - Under the second objective come such crops as: bananas, molasses, invert molasses and various sugar products; essential oils such as mint, rose geranium, citronella, lemon grass; insecticidal plants such as derris and pyrethrum; medicinal and pharmaceutical plants including Rauwolfia, Cascara, ipecac, species of figs, species of cortisone and other hormone containing plants and so on; and, finally, the panorama of tropical fruits indigenous to Colombia awaiting only development and commercialization. In this latter category fall avocados, mangos, various types of passion fruits, naranjillas, and others which are almost unknown either as natural fruits or in any processed form in the temperate zone countries of the world. For example, 10 new flavors of ice cream from this source could easily be developed. This one group of crops alone, if intensively developed, could in 10 years be adding an annual increment of 150 millions of dollars to Colombia's GNP.

AID FORM 10-120 (7-62)	DATE PREPARED 10 November 1963	COOPERATING COUNTRY COLOMBIA	UNCLASSIFIED	514-25-130-050	AGR. DIVERSIFICATION	
---------------------------------	-----------------------------------	---------------------------------	--------------	----------------	----------------------	--

3. Improvement of Local Diets - Some of the items noted above automatically fall in the category of this third objective because of potential domestic usage of such produce. This will correct greatly many of the dietary imbalances found among Colombian people. The only other large group of plants to be considered as falling in this category would be the protein producing crops such as: beans, peas, lentils, soybeans, cowpeas, hyacinth beans and other leguminous plant products which potentially can diversify agriculture in all of the climatic zones of Colombia and add protein content to the Colombian diet. Adoption of Oriental uses of soybeans and other legumes in Colombian menus can add immeasurable variety to them, as well as providing the nutritive improvement.

4. National Administration and Operation of Services - Under the fourth category are agglomerated many niggling little problems as well as major ones which properly fall in the jurisdiction of responsibilities for an efficiently and effectively operating Ministry of Agriculture. This gamut of problems includes all of the informational and educational necessities of a vibrant and vigorous agricultural program; an awareness of the need for and the sponsorship and drafting of all forms of legislation and regulatory orders needed on a national basis; the promotion of research and investigation in the culture and processing of all crop varieties needed in the country's economy; the establishment of inspection and testing for agricultural products and requisites including quarantine offices; and the sponsorship, development and promotion of good marketing procedures both domestic and foreign to include better utilization of agricultural products within the country and promotion of export sales.

2. Course of Action

Included in our present activities funded in FY' 63 and '64 are consultants whose duties for the most part relate to some of the pressing problems needing solution in the overall development of an effective Ministry of Agriculture. The consultant in Economic Botany developed a nucleus of people interested and partially trained in crops capable of being produced in the climatic zones of Colombia. The results of this course of training should stimulate higher standards in university education, development of research problems in the Instituto de Investigaciones Tecnológicas, and awareness among the Colombian professional medical group of a potential in the pharmaceutical and medicinal industries for utilization of native crops.

The use of one consultant in the marketing of fruits and vegetables in FY 64 should measure the magnitude of the marketing problem in this field in Colombia. As noted below, this is to be followed with a second phase consultant who will assist in preparing acceptable grade standards for selected crops which will improve quality to consumers and to processing plants. This automatically must be combined with the basic national legislation and the development of the required national organization and funding for services related to such market grading.

Also required is a consultant in tropical horticulture to make Colombian farmers aware of and receptive to improved agricultural practices which lead to greater production and enhance quality with a subsequent increase of agricultural income. This consultant will complete his tour during FY-64. An additional consultant will be needed in this same field during FY-65.

Rubber Development. A brief period of service by a natural rubber specialist in FY-64 to assist in developing the local rubber production plan is to be followed by a longer term consultant in the

AID FORM 10-120 (7-62)	DATE PREPARED 10 November 1963	COOPERATING COUNTRY COLOMBIA	UNCLASSIFIED	514-25-130-050	AGR. DIVERSIFICATION
---------------------------------	-----------------------------------	---------------------------------	--------------	----------------	----------------------

same field starting in FY-64 to supply technical advice and counsel in the early stages of operation of this plan to make Colombia self-sufficient in natural rubber production. This will bring to fruition some of the efforts made by the U.S. during World War II under the U.S. Rubber Development Commission. The need for this local production for self-sufficiency is obviously much greater now than it was 15 years ago.

In the field of natural rubber production Colombia has many latex bearing species. Unfortunately among the native stands of rubber species, the most common one from which the Indians collect rubber is also one of the lowest quality latex species of Hevea. The three most important latex producing species of Hevea occur in Colombia. The best species, Hevea brasiliensis, occurs only in an 80 to 100 km. strip along the banks of the Vaupés river in the Amazon basin. At the present time it is practically impossible to consider this as a development area even though natural stands occur in the region.

During World War II the U.S. Rubber Development Commission made intensive surveys of many parts of Colombia and in their report selected three areas where commercial production on a family size farm operation was considered most appropriate. The two areas which could be easily considered for colonization and establishment of enough rubber planting to meet Colombian needs in natural rubber is a strip across the valley in the Uraba region north of Chigorodó where soil samplings uncovered a region of gravelly substrate essential for the good drainage which well grown Hevea needs. The other Atlantic coast area considered favorable is in the area east of Santa Marta to the Rio Don Diego. The many small streams leading from the Sierra Nevada directly to the coast aggregate a total area which was considered extremely well adapted for rubber production. The recommendations of the U.S. Rubber Development Commission presented in 1949 are just as valid now as they were then according to Prof. Schultes. Both of these areas would make excellent projects for colonization utilizing the facilities of

INCORA and Caja Agraria.

Because of the bad name the local rubber has among the tire companies and other processing companies here in Colombia due to the wild rubber from the jungles, it is necessary to revive this interest and activity in local plantation rubber production with a highly experienced promotional consultant who can convince the Colombian entities, both governmental and non-governmental, of this easily realized goal. Fortunately, one of the original commission members who worked in Colombia for extensive periods of time is available. During his previous residence in Colombia he was instrumental in the original establishment of the rubber nursery and quarantine station in Villa Arteaga.

Since natural rubber imports, approximately 50% of total natural and synthetic rubber importation into Colombia, are at the 7 million dollar level and were projected by Dr. Henry Hopp, former Agricultural Attaché, to a figure of 10 million dollars in 1970, the importance of this problem well warrants the consultant service noted above with part of this service to be in Colombia and part of it in Washington and Turrialba, to revive former records and procure the latest strains of high producing and disease resistant types of H. brasiliensis. The I.I.T. presently has two young men on its staff collecting literature and making a preliminary analysis of this rubber problem. The Instituto de Ciencias Naturales of the National University is also interested. Right now is a psychological time to gather this diversified interest together and initiate a rubber development program under the Alianza. It should not be too difficult to enlist the active interest and participation of the tire companies in Colombia as well as the fabricators of foam rubber provided they can be assured of good quality latex emulsion or smoked sheets, with quality and prices competitive to world market conditions. It is felt that polyurethane foams presently being utilized as substitute for foam and sponge rubbers will not offer too serious competition to the Colombian foam rubber industry for some time because there are not

AID FORM 10-120 (7-62)	DATE PREPARED 10 November 1963	COOPERATING COUNTRY COLOMBIA	UNCLASSIFIED	514-25-130-050	AGR. DIVERSIFICATION	
------------------------------	-----------------------------------	---------------------------------	--------------	----------------	----------------------	--

now chemical fabricators of polyurethane granules in Colombia.

For development of rubber production in the Uraba area the time is also very propitious. The original recommendations for establishment of rubber production in Colombia recommended small farm family units having from one to 10 hectares in rubber. The cauchero families would have additional land in their holdings for production of other crops including home gardens, orchards and poultry to insure good family income during periods when world market prices of natural rubber make it more beneficial for a country to import than to harvest its own production. Hevea trees happen to be one of the few economic plants which benefit by not being harvested because the trees grow more rapidly and following a rest period of two to five years will deliver much higher yields of latex. This is the chief reason for the rubber development commission's recommendations that Colombia develop its rubber production in small family farm units. Because the productive life of Hevea is at least 50 years, this becomes a very important factor in the overall economic picture of rubber production.

Plant Exploration and Utilization - Planning is presently being pushed thru for the development and promotion of natural plant sources capable of being utilized. With local funds available under the feasibility survey activities of USAID and GOC and with adequate personnel available in the National University and the Institute of Technological Investigations, this program will need only guidance, stimulation and suggestion at present to carry it to the point where local and foreign industry combined with a minimum of U.S. grant funds will establish it as a new field in Colombian rural development. Colombia with the richest botanical flora in the Western Hemisphere has a high potential for developing a well diversified base of unique agricultural products which can subsequently stabilize to a greater extent than at present its world markets position.

It is very probable that this potential properly utilized will mean more to the wealth of Colombia than any other natural resource including fish and petroleum. Domestication and cultivation of some of the native plants can be actively stimulated with relatively little investment of manpower and money by the United States. There are in the Amazon basin natural stands of several species of oil bearing plants which are more productive and contain higher quality oils than the African oil palm. Most of the original cacao explorations have been made in the Amazon Valley with a few collections made in Colombia. One of the original collections of resistant types of cacao was made by Dr. Pound of Trinidad in the Rio Napo valley of Ecuador. This is one of the large tributaries of the Amazon. Last year Dr. K. D. Doak, of the USAID Mission in Ecuador, started at the point where Dr. Pound stopped his exploration and continued up stream in a two-week exploration for resistant good quality types of cacao and discovered 48 promising trees. When Dr. Doak left Ecuador 22 of these collections had already been seedling tested and had given indications of being more resistant to two of the major cacao diseases than any other presently cultivated clones. From our own history in the U.S. plant exploration service we know that benefits derived from good plant exploration have added hundreds of millions of dollars to agricultural income in the U.S. For a country such as Colombia where so rich a potential exists a program of plant exploration, reproduction and testing becomes mandatory for its development.

Colombia has one of the best Latin American phytochemists on its National University staff as well as having an outstanding botanist on its Instituto de Ciencias Naturales staff. Here again the I.I.T. is very much interested in the pilot plant development of culture and processing of agricultural products. The nucleus for an excellent program in this field already exists and only requires encouragement.

AID FORM 10-120 (7-62)	DATE PREPARED 10 November 1963	COOPERATING COUNTRY COLOMBIA	UNCLASSIFIED	514-25-130-050	AGR. DIVERSIFICATION	
------------------------	-----------------------------------	---------------------------------	--------------	----------------	----------------------	--

There are many sources of support outside of Government which can be looked to for participation in such a program. In cacao there are two large companies very interested in relieving the cacao deficiency. The many pharmaceutical factories in Colombia, with a little urging from some of their U.S. and European parent organizations, could easily become influential in developing the many pharmaceutical and medicinal plants occurring in the native flora. A few of these plants were mentioned earlier in this discussion. Whether the active spark plug group is brought here from U.S.D.A., Smithsonian Institute, New York Botanical Garden, Harvard University or others of our better known U.S. groups in this field is immaterial. In view of the potential value of the local flora more money needs to be invested in this program than we or Colombians can afford at the moment. The bright spot in such a program is the fact that a wide variety of commercial and industrial firms can be interested as soon as preliminary investigations show promise.

No mention is made here of industrial chemicals, essential oils, or tropical fruits in which interest is only starting. Only one phase of this industrial picture needs to be noted. The famous Carnaúba wax coming from a palm, native to the lower Amazon basin, has been in extremely short supply in the world since 1938. There are species of plants in Colombia producing waxes with properties equal to and in some cases superior to those of Carnaúba wax. With proper investigation and stimulation Colombia could develop a world monopoly of such items within 15 years. Perhaps one of the most promising of all wax plants, growing in unbelievable abundance along floodable rivers of the Amazon Valley, is Cala-thea lutea, the caussú plant, from the leaves of which a wax equal in quality to carnaúba can be harvested.

This leads specifically to those timed phases of this activity which are to be initiated in FY-65.

Nematode Survey - A basic bottleneck in tropical agricultural production which is becoming increasingly restrictive to Colombian production is nematode control. This calls for a consultant to demonstrate the presence and deleterious effects of nematodes not only to the producing farmers but also to administrative and political level personnel in the Colombian Government. Observation of various crops at various altitude levels indicates that this problem is not only reducing production PER SE but reduces efficient utilization of fertilizers and water by the infested plants. No promotion of the beneficial effects of adequate levels of fertilizer use can possibly be successful without adequate control of the nematode population present in some of Colombia's cultivated areas. Such high levels of infestation have been seen in the valley around Medellín and in the Cauca valley that it is quite probable that reduction in yield in graminaceous crops such as sugar cane, maize and pasture grasses can be readily traceable to this cause. Without adequate attention to control of this pest the efficiency of the present FAO demonstration and promotion program in fertilizer utilization in the Valle del Cauca will be ineffective. This can also lead to erroneous conclusions to whatever extent the University of North Carolina Contract personnel on soil fertility work in Colombia.

I.I.T. Fruit Processing, Food Dehydration, Meat Processing - Another group of consultants which must be considered are those required to furnish proper utilization of the processing equipment grant made to Instituto de Investigaciones Tecnológicas. The original request from the I.I.T. for assistance included three technicians for one year tours of duty each. These men were to be recruited from the Utilization Research Laboratories in the following fields: fruit processing, food dehydration and meat processing. It was requested that they be obtained in the order listed here. Altogether then this means planning for a three-year program of

AID FORM 10-120 (7-62)	DATE PREPARED 10 November 1963	COOPERATING COUNTRY COLOMBIA	UNCLASSIFIED	514-25-130-050	AGR. DIVERSIFICATION
------------------------	-----------------------------------	---------------------------------	--------------	----------------	----------------------

technical assistance to I.I.T. to properly utilize the equipment grant of US\$139,000 made in FY-63. The request also included a minimum of two short term consultants each year in assisting the Instituto staff with various specific problems. These consultants will be needed for varying periods from one to three months each. During the course of work by the three long term consultants it is expected that a counterpart technician from the Instituto staff would be adequately oriented in each particular field to justify one to three years participant training in the U.S. adequately to prepare these Colombians for taking charge of a section of industrial research within the Instituto organization. Under PL 480 Title IV counterpart funds the Instituto is receiving a loan of one million pesos to partially pay the cost of construction of new offices, laboratories and pilot plant facilities near the campus of the National University. This location will also permit closer liaison between the Instituto de Ciencias Naturales and this Institute for the joint studies which must be made in developing new crops.

Plant Quarantine Service - Another consultant activity is required in FY-65 to assist the GOC in establishing an effective plant quarantine service. Obviously, as the rural area develops there will be great need for an efficient plant quarantine service in Colombia. Unfortunately, the only law relating to this is over 30 years old and is merely permissive legislation to allow the Minister of Agriculture to establish whatever orders he felt were needed. A consultant in this field they must start with a draft of enabling legislation for a plant quarantine service preferably based on the FAO International Plant Quarantine Proposals, combined with whatever clauses are needed from our U.S. Plant Quarantine Law to strengthen the basic legislation. This must be followed by the drafting of ministerial orders covering operation of a plant quarantine service which will include inspection facilities and penalty assessments. In addition, the table of organization of the Ministry of Agriculture must be modified

to include personnel and funds to make such a service effective. A consultant will be needed for not less than 6 months to cover these duties.

Seed Law Specialist - One specific consultant activity to be included in the FY-65 program is the 4 months' service of a skilled advisor in assisting the technical and legal staffs of the Ministry of Agriculture in the drafting of a basic national seed and planting materials law. This should be a very comprehensive law which could be anticipated to need only slight modifications within the next 10 years and should establish a base for simultaneous or later drafting of ministerial orders to make it effective and to establish budgetary and personnel requirements for protection of the seed buying public.

This consultant's work would also include assistance in preparing job descriptions, organizational patterns, programs of operation, etc. to guide the Ministry of Agriculture in establishment of this regulatory group in its organization.

Fertilizer Law Specialist - One consultant is needed for 4 months in FY-65 to review and suggest changes in a recently issued fertilizer decree, as well as to counsel the Ministry of Agriculture on the type of organization, program of operation, budgeting and other problems needing solution to insure a fertilizer inspection service within Colombia which can give consumers confidence in the quality and correctness of the kinds of fertilizers being purchased.

Grading Standards for Tropical Fruits - To follow the work of the FY-65 marketing consultants who reviewed current packaging and marketing procedures and detailed some of the urgent problems in this field, an experienced grading expert is needed for five months in FY-65 to assist the

AID FORM 10-120 (7-62)	DATE PREPARED 10 November 1963	COOPERATING COUNTRY COLOMBIA	UNCLASSIFIED	514-25-130-050	AGR. DIVERSIFICATION
------------------------	-----------------------------------	---------------------------------	--------------	----------------	----------------------

Ministry of Agriculture in preparing acceptable grading standards for the more prevalent tropical fruits. The work of the FY-64 consultant was detailed at the beginning of Section 2 of this presentation. The FY-65 consultant will also assist in preparing promotional and educational programs aimed at both producer and consumer on the purposes and needs of such standards. He will also advise the Ministry of Agriculture on planning and operation of national staff required to make such a grading standards program effective.

Agricultural Marketing Promotion - Many products exist in Colombia which are exotic in temperate zone areas of the world and can easily be marketed if buyers and sellers make contact. To follow the preliminary study in this field made in FY-64, it is proposed to use a consultant for 10 months in expanding this export program, stimulating dealers and processors in the U.S. to take advantage of new materials, stimulating Colombian interest and investment in such a program, and creating a broader productive base in agriculture and in export. This class of products includes tropical flowers, tropical fresh fruits, basic food materials saleable to the growing Latin American population in the U.S., and a number of other items which require simple processing for transporting and marketing in temperate zone markets of North America and Europe.

Tropical Horticulture - A consultant in this field is required to follow-up on the work started by Dr. Lazo, USAID consultant during parts of FY-63 and 64. A specialist is required to amplify the plant introduction program of improved strains of fruits and vegetables adapted here because the Colombian agricultural research program sponsored by the Rockefeller Foundation still has this glaring gap in its research activities. This is not only for improving local diets but also enhances the potential for efficient processing of many of these items for export.

3. Resources Required

Direct Hire Personnel Activities - Because this activity affects all economic and political levels, as well as diverse governmental, quasi-governmental and private organizations, a vigorous accelerated program in agricultural diversification concentrated on the indicated targets of this activity requires an amplification of personnel in FY-65. The leads for development which have been discovered in the brief period of this activity's existence cannot adequately or effectively be pursued by one U.S. advisor, one Colombian professional and one bilingual secretary. The following are proposed:-

- 1 U.S. Agricultural Diversification Advisor
- 1 U.S. Economic Botanist & Tropical Agronomist
- 1 Colombian Agronomist for Industrial Crops
- 1 Colombian Horticulturist
- 1 Colombian Agronomist for Food Crops
- 1 Colombian Public Administration Expert to work with legal problems, administrative procedures, etc., which presently hamper development in the rural area economy.
- 2 Bilingual secretaries to serve requirements of these direct hire personnel and the consultants proposed in this activity.

Funding and logistic support for these individuals, as well as other personnel - consultants and participants - and commodities are tabulated in section, 5. FUNDING REQUIREMENTS.

A survey of the work underway or planned by various U.S. foundations - Ford, Rockefeller and Kellogg - by FAO groups, OAS groups, various international banking groups, various other governments, Colombian government agencies and so on show gaps

AID FORM 10-120 (7-62)	DATE PREPARED 10 November 1963	COOPERATING COUNTRY COLOMBIA	UNCLASSIFIED	514-25-130-050	AGR. DIVERSIFICATION
------------------------	-----------------------------------	---------------------------------	--------------	----------------	----------------------

which the specific proposals noted above will fill or accelerate. This activity is needed to reach the goals in crop production, processing and marketing which have been established under the Alliance for Progress. The credit requirement, both domestic and foreign, for this activity will exceed 200 million dollars over the next 10 years. Planning for this activity includes and should generate the major portion of the required credit from Colombian sources.

Similarly, the major portion of the technical assistance necessary for this expected development will come as part of the private industry investment in this program. That portion proposed here for AID support is only a nucleus for stimulation and promotion of the opportunities and possibilities which exist here. No AID loan fund requirements are anticipated at this time. Financing will come from private sources locally or abroad either as direct business investment from whatever credit sources are available to private industry or it will come from international banking organizations.

Summaries here show planned expenditures by E-1 breakdown and by sub-activity breakdowns. It is difficult in most cases to relate or assign percentages of time of either U.S. or Colombian technicians to individual crops or groups of crops because of shifting emphasis different periods during the year.

In the same way it is very difficult to arrive at realistic estimates of either local currency or foreign currency investment in this program because of the large portion anticipated as coming from private investment. The National Planning Board is presently working on some overall investment figures which should include a part of this funding.

U.S. AID Funding Estimates (DG)

Type of Expenditure	FY 64		FY 65	
	No.	US\$000	No.	US\$000
U.S. Technicians	1	21	2	42
Direct hire consultants	2	7	8	93
Contract consultants	4	40	4	60
Participants	1	4	4	24
Colombian Technicians	1	5	4	24
Bilingual secretaries	1	3	2	6
Local travel for all personnel	-	2	-	11
Commodities	-	1	-	17
Total (US\$000)		83		277

AID FORM 10-120 (7-62)	DATE PREPARED 10 November 1963	COOPERATING COUNTRY COLOMBIA	UNCLASSIFIED	514-25-130-050	AGR. DIVERSIFICATION
------------------------	-----------------------------------	---------------------------------	--------------	----------------	----------------------

LOCAL CURRENCY ESTIMATES OF EXPENDITURES AND INVESTMENTS
IN FY 65 AGR. DIVERSIFICATION ACTIVITIES

(\$US000 at equivalent of \$Col.9.00 = US\$1.00

	US\$000
Ministry of Agriculture	50
Various State Depts. of Agriculture	75
National Technological Investigations Institute (IIT)	130
Cotton Promotion Institute (IFA) in oil crops	75
National Agrarian Reform Institute (INCOA)	300
Agrarian Bank (Caja Agraria)	100
National University - Bogota	5
National Planning Board (Planeación) in Feasibility Surveys	10
State of Caldas (IDB Loan and local funds)	12,000
Cauca Valley Corporation (CVC)	100
Cundinamarca Regional Authority (CAR)	50
Magdalena Valley Authority (CVM)	50
National Coffee Federation (FEDECAFE)	1,000
State of Antioquia	100
Private Industry Sector (this includes oil palm, sugar, bananas, tropical fruits, vegetables, kenaf, cacao, rubber, essential oils, pharmaceuticals, etc.)	5,000
Total	\$ 19,045

While these estimates above are only estimates, they are conservative estimates in all cases. Any reduction in U.S. funding will probably slow down the Colombian expenditures. - At the same time such a reduction in U.S. funding will require assessment of priorities on consultant activities and participant training with some delay occurring in the development of certain phases of the planned program.

External Financing Estimates - It is obvious that the two variables of percentage of total financing needs coming from local sources and the rate at which some phases will develop are extremely difficult to assess. For these reasons the estimates tabulated below by crop areas are possible external financing needs rather than probable needs.

FUTURE FOREIGN FINANCING REQUIREMENTS #

Crop Type	FY 64	FY 65	FY 66-74
	US\$000	US\$000	US\$000
Edible oils	1,000	2,500	80,500
Industrial and essential oils	50	200	1,000
Waxes and resins	-	100	1,000
Pharmaceuticals	-	500	3,000
Rubber	-	500	5,000
Tropical fruits and vegetables	1,000	3,000	10,000
Small scale processing and marketing	-	200	1,000
Fiber crops	100	500	2,000
Basic food crops (cacao, yuca, sugar, etc.)	35,000	500	3,000
Exotic items (flowers, etc.)	-	100	500
Total (US\$000)	37,150	8,100	107,000

Except for \$35 million Hanover Trust loan to sugar industry all figures are preliminary and conservative estimates of expenditures to be made by private industry of U.S. which includes Corn Products, W.R. Grace and others as well as Dutch, French, West German and Japanese sources.

4. Progress To Date

a. Local capital purchased all available kenaf seed and a new

AID FORM 10-120 (7-62)	DATE PREPARED 10 November 1963	COOPERATING COUNTRY COLOMBIA	UNCLASSIFIED	514-25-130-050	AGR. DIVERSIFICATION
---------------------------------	-----------------------------------	---------------------------------	--------------	----------------	----------------------

- company has planted over 40 has. of kenaf fibre trials in 2 to 7 ha. plots in a 300 km. strip along the Magdalena River. First reports indicate excellent growth in all trials. For second semester of FY 64 over 120 has. of seed production will be planted. More fiber processing machinery will be purchased from abroad and a Cuban expert, now resident in the U.S., is being hired by this company to be technical advisor for future operations.
- b. Increasing banana plantings are being made in the Urabá region and first commercial harvest is scheduled for March, 1964 under United Fruit Co. buying contracts. As part of investment by UF, access roads are being rapidly pushed to completion between barge loading points and the main highway in the area. Nursery areas to supply disease and nematode free planting material are being expanded.
 - c. COLDESA (Holland-Colombian oil palm company) have over 2,000 has. of a proposed 5,000 has. planted and construction of a complete pulp and kernel oil processing plant has commenced with anticipated start-up time in CY-65
 - d. The oil palm processing plant in the Buenaventura area is scheduled to start operation in November, 1963 with fruit from the only planting in Colombia which has received complete balanced fertilizer applications from original planting date. This has speeded up growth and maturity by more than one year.
 - e. More fertile hullless seeded oil palm trees have been located and tested in Colombia than exist in all of the other oil palm producing countries of the world combined. This gives Colombia a genetic lead which will probably never be overcome. Within three years, it is expected that all hybrid seed distributed to growers will be of controlled pedigree producing the intermediate thickness of hull on the kernels which increases percentage of both pulp and kernel oil recovered from the bunches.
 - f. Private Investment Fund loans within the past six months increase cacao plantings and ipecac production in the state of Meta.
 - g. Another PIF loan will finance a new model tropical housing project for laborers on one of the new banana plantations in the Urabá region.
 - h. The Fruco-Maizena combine, backed by Corn Products Co., now have three company operated farms engaged in extensive vegetable trials and production to supply the demands of their processing plant which includes conventional canning procedures and frozen dehydration operations.
 - i. The La Rosa company, backed by W.R. Grace Co., are installing new equipment to expand their marmalade, jelly and fruit processing production. Orange marmalade and canned pineapple for domestic market and export are being concentrated on at present.
 - j. The comprehensive 5 year development plan for the State of Caldas prepared by the Interamerican Agr. Development Commission (CIDA) has been completed and published. The importance of this plan lies in the fact that this next-to-the-smallest state contains 20% of the coffee growing families and has the highest density of rural smallholders of any part of Colombia. Diversification agriculturally is to be concentrated on poultry, milk, fruits and vegetable production. Currently, two truck loads of graded eggs (U.S. Standards) are coming to Bogotá each week.

AID FORM 10-120 (7-62)	DATE PREPARED 10 November 1963	COOPERATING COUNTRY COLOMBIA	UNCLASSIFIED	514-25-130-050	AGR. DIVERSIFICATION	
---------------------------------	-----------------------------------	---------------------------------	--------------	----------------	----------------------	--

- k. The Sugar Cane Growers Association have negotiated a Hanover Trust Co. loan of 35 million dollars to rapidly expand large scale sugar production in the state of Valle.
- l. The state university of Nariño thru recruitment of U.S. and European staff, purchase of additional farmland near the campus, expansion of the library and inclusion of new courses now has the best all round agronomy school by U.S. concepts in the country.
- m. Strains of papaya from Hawaii have been found to produce well in Colombia and carry some resistance to mosaic. If enough seed can be purchased or produced locally, the basis for a successful papaya production and processing industry is assured.
- n. A distinctive strain of pineapple, which in the parlance of the U.S. vegetable seed trade would be called coreless, has been found and is produced by the Ticuna Indians. Another new white fleshed pineapple, excellent for color contrast in fresh or processed fruit cocktail mixes, is being expanded in production in several parts of the country.
- o. Two new passion fruit strains of outstanding merit were accidentally discovered in commercial plantings last year. One of the "granadillo" type has apricot color and flavor of pulp and yields much greater than usual strains. The other is of the "curuba" type and is highly resistant or possibly immune to the common local mildew which rapidly becomes an epiphytotic in most curuba plantings. Pulp of both these make excellent fruit drinks with milk and are being considered by the local Pepsicola plant for addition to their bottled drink line.
- p. As the first phase of follow-up on the Economic Botany course definite budget estimates are in preparation utilizing staff and laboratory facilities of the Natural Science, Pharmacy and Chemical Divisions of the National University with funding from local feasibility survey funds to start cultivation and industrialization of native plants. First surveys are being made on a hard wax plant which produces two crops a year in wild stands containing a wax equivalent of carnaúba wax.
- q. The Special Services Division of the National Police, who have jurisdiction over Indian tribes in the four eastern political subdivisions of Colombia, have started a program of enticing voluntary village settlement of isolated Indian family units near the police posts for the purpose of developing improvements in the primitive agriculture practiced by these peaceful tribes.
- r. There are now four small commercial growers and processors of essential oils as compared to the two reported last year.
- s. The Economic Botany Course presented by Dr. R.E. Schultes, Harvard University, had a surprising enrollment of 137 of which 95 completed the course and 45 completed the laboratory. Unfortunately, no larger laboratory enrollment could be permitted because of space and materials problems. Six of the students came from Peru, Panama and U.S.
- t. First export of bananas was recently made from Tumaco on the Pacific Coast, which came from a plantation financed and operated by Japanese funds.

AID FORM 10-120 (7-62)	DATE PREPARED 10 November 1963	COOPERATING COUNTRY COLOMBIA	UNCLASSIFIED	514-25-130-050	AGR. DIVERSIFICATION
------------------------	-----------------------------------	---------------------------------	--------------	----------------	----------------------

5. Funding Requirements

For FY-63 the funds allocated to this activity included one U.S. technician, one Colombian technician, one bilingual Colombian secretary, completion of tours for two U.S. technicians from the "Servicio" operation and a sum for reference books and periodicals for use of the Mission staff working on the varied phases of this activity. There were also included funds for the FY-63 portion of one direct hire consultant in Economic Botany and for the entire period of one consultant in Tropical Horticulture.

The pipeline consists of the expenditures for the reference books which are on order but have not arrived and for the completion of the one consultant contract (ca. 8 months in FY-64). No difficulties are foreseen with either of these pipeline items.

In FY-64 there is included the same direct hire personnel, the completion of the direct hire contract in Economic Botany as well as some additional short term consultants and one participant. The consultants include:

One rubber specialist for 2 weeks to advise a Colombian agency on a feasibility study to determine the better approaches for a natural rubber development program.

This is to be followed later in FY-64 with a consultant for 10 mos. in the same field for advisory services in preparing detailed operational plans and counselling the OBC in initial phases of the program.

One short term consultant (2 months) is to advise the National Planning Commission in procedures of exporting a number of readily marketable local items. This will entail a cataloging of kinds, sources and quanti-

ties of available items and the potential market outlets for them. This will include a survey of Colombia's export regulations and the import regulations of the U.S. because preliminary effort will be focused on U.S. market outlets.

One consultant in Agricultural Marketing will be required for 5 months to identify and itemize the farm-to-market problems of the fruit and vegetable industry. This study will determine the cultural, grading, packaging, transportation and selling problems which are responsible for the insufficient quantity and deplorable quality found in fruits and vegetables here. Future programming in this phase will be concerned with solutions to the major problems uncovered by this study.

One short term consultant representing the Land Grant University Association is here as part of the team to determine which of the Rural Development Division problems can be solved utilizing U.S. Government and Land Grant University staffs in the local programs and activities. There is potential here for the use of the proposed FY-65 consultants to come from these sources.

One participant is to be sent to the U.S. for 5 months in the field of marketing of fruits and vegetables. This study is to cover farm operations of harvesting, grading and packing; transportation to the market; market handling, re-

AID FORM 10-120 (7-62)	DATE PREPARED 10 November 1963	COOPERATING COUNTRY COLOMBIA	UNCLASSIFIED	514-25-130-050	AGR. DIVERSIFICATION	
------------------------	-----------------------------------	---------------------------------	--------------	----------------	----------------------	--

distribution and sales in consumer outlets; and research operations at Rutgers University in the farm-to-market programs. This will also include observation of various sized farming and marketing operations between the Everglades section of Florida and northward into New Jersey. Timing for this participant is very important because he should see peak operations in the different Atlantic Coast fruit and vegetable regions. Arrival in Florida should be no later than February with northward travel to New Jersey by June of the particular year in which this study is undertaken.

No pipeline problems are foreseen from the FY64 programming. The only potential pipeline will be the extent to which forward funding is required on any consultant contracts that carry into FY-65.

For FYs 64 and 65 summary table of all personnel required and funding was given in Section 3, Resources Required. In Section 2, Course of Action, a breakdown of all personnel was given with descriptions of consultant and contract personnel anticipated activities. FY-65 estimates of GOC contributions were also shown tabularly in Section 3 above.

The more detailed table here gives a brief recapitulation of titles, lengths of service and proposed expenditures associated with each individual and item.

FY-64-65 Expenditures by Individuals and Items.

Items Technicians	FY-64		FY-65	
	Months	US\$000	Months	US\$000
Agr. Divers. Adv.	12	21	12	21
Econ. Botanist (Trop. Agronomist)	2	2	12	21
Land Grant Univ. Adv.	1	4		
Mkt. Survey Analyst	5	11	2	5
Mktg. Specialist (grading)	-	-	8	17
Ent. Quarantine Adv.	-	-	6	13
Nematologist	-	-	6	14
Seed Law Adv.	-	-	4	9
Fertilizer Law Adv.	-	-	4	9
Fruit Processing Adv.	-	-	6	13
Food Technol. (Dehydration)	-	-	6	13
<u>Participants</u>				
Horticulturist, Trop (Ext.)	1	4	-	-
Food Technology	-	-	12	6
Pkg. Mktg. Technicians	-	-	12-	6
Trop Horticulturist	-	-	12	6
Plt. Quar. Admin.	-	-	12	6
<u>Contract Serv.</u>				
Rubber Specialist	0.5	1	-	-
Rubber Specialist	10	23	-	-
Mktg. Consultant	2	5	-	-
Mktg. Promotion Adv.	-	-	10	25
Potato Industrialization	-	-	3	7
Food Technologist	-	-	3	7
Trop. Horticulturist	-	-	10	21
<u>Commodities</u>	-	1	-	17

AID FORM 10-120 (7-62)	DATE PREPARED 10 November 1963	COOPERATING COUNTRY COLOMBIA	UNCLASSIFIED	514-25-130-050	AGR. DIVERSIFICATION
------------------------	-----------------------------------	---------------------------------	--------------	----------------	----------------------

FY-64-65 Expenditures by Individuals and Items (continuation..)

Other Costs	FY-64		FY-65	
	Months	US\$000	Months	US\$000
<u>Technicians</u>				
Agronomist, Col. (Ind. Crops)	12	5	12	6
Agronomist, Col. (Food Crops)	-	-	12	6
Horticulturist	-	-	12	6
Agronomist (Conslt.Support)	-	-	12	6
Secretary Bilingual	1	3	2	16
<u>Local Travel</u>	-	2	-	11
TOTAL US\$ (DG)	-	83		277

To support the work of the personnel who will be located in Colombia a commodity total of US\$17,000 is required and an overall internal travel fund for all technical personnel of US\$11,000 is needed in FY-65. The commodity item breakdown is as follows: Exchange of seeds and planting materials needed for intensification of development, \$8,000; reference books, publications, etc. \$2,000; replacement of car assigned to this activity, \$3,000; and purchase of a 4 wheel drive station wagon or similar vehicle for necessary investigatory and exploratory trips within Colombia which this activity requires, \$4,000. This gives the "Commodities" total of US\$17,000.

Participants to be trained in FY-65 have been noted in the summary table of personnel above. The training of each one is for one year in U.S. and will be at the post graduate level.

In connection with the consultant technician in fruit processing who will work one year at the National Technology Investi-

gations Institute a Colombian counterpart technician is to be selected for training in this same field. This participant will later become section chief in this work in the Institute.

A second participant is to be trained in the comprehensive field of grading of fruits and vegetables commonly grown here. This will also require training in consumer education techniques, nutritional correlations to grades and types of products, and so on. On his return he will be in charge of such a regulatory, promotional and educational program in Colombia.

Because no provisions have been made in any of the current aid programs from whatever source for intensive training in tropical horticulture, it is proposed to send for one year a participant in this field. His program may include one semester or two quarters of study with the remainder to be practical training. Part of this training could well be in Hawaii.

As a means of more effectively producing results from plant quarantine legislation proposed for drafting in FY-65 a participant will be sent for training in the administration of plant quarantine legislation and in the supervision and operation of plant quarantine services, inspections, etc. both at national and state levels to comprehend the interplay of regional or state quarantines in combatting outbreaks of new pests. On his return to Colombia he would be expected to be in an influential position in this work in the Ministry of Agriculture.

Because of the inherent and necessary diversity in this activity and because of the attempts of this activity to influence private industry in Colombia, it is obviously

AID FORM 10-120 (7-62)	DATE PREPARED 10 November 1963	COOPERATING COUNTRY COLOMBIA	UNCLASSIFIED	514-25-130-050	AGRI. DIVERSIFICATION	
---------------------------------	-----------------------------------	---------------------------------	--------------	----------------	-----------------------	--

difficult to assess and evaluate the varied investments which could be legitimately called "local costs". The same holds true for "cooperating country contributions". The immediate activity needs in local currency are confined to salaries of local employees and the internal travel costs for all personnel concerned with this activity.

In the same manner it is difficult to evaluate what other organizations will be contributing to the activity. This is partly due to the fact that some planned activities such as the Marketing Institute from U.N. Special Funds is just getting started and no activity history is available to predict estimates of FY-65 expenditures at this time.

The costs of this activity are expanding as a process of natural growth of this activity in its third year of existence. Expenditures of U.S. grant funds should be anticipated at about this level for FY-66 and FY-67 unless tax reforms and other proposed accelerations in Colombia operations produce more stimulation to natural internal Colombian economic growth than is expected. If the initial stimuli to accelerated growth proposed under this activity are as effective as hoped, this activity should be terminated in FY-70 and should see significant reductions for the fiscal years 68 thru 70.

Of course, there is still pending in AID/W a development loan application of October 1961 for African Palm Development (edible oils). Edible oils are still Colombia's largest single item of import in value (between \$15 and \$20 million a year).

I. Year of Obligation, Authorization or Contribution Began FY 1961 End FY 1968	A. AID Dollar Grant Obligations (\$1,000), Loan Authorizations (\$1,000) and Numbers of People										B. Other Contributions (\$1,000 equivalent)						
	Function of Funds	TOTAL \$	U.S. Technicians		PARTICIPANTS			Contract Services		Commodities	Other Costs including Service Contribution	PL 480 Commodities		U.S. Owned or Controlled		Cooperating Country Financing	Other External Financing
			\$	No.	\$	Non-Contract U.S.	3rd C.	Contract	\$			No.	Title	Sales & Grants	Type		
A. Cumulative through the Actual Year	DL											I & IV	U.S. Owned		140,000	1/	
	DG	192	176		0	0	0	0		0	16	201 & III	Counterpart				
	SA											Sec. 202	PL 480				
B. Net During Actual FY 1963	DL											I & IV	U.S. Owned				
	DG	91	83	4	0	0	0	0		0	8	201 & III	Counterpart		2,500	2/	
	SA											Sec. 202	PL 480				
C. During Operational FY 1964	DL	4,000									4,000	I & IV	U.S. Owned				
	DG	63	52	1							11	201 & III	Counterpart		3,000	2/	
	SA											Sec. 202	PL 480				
D. During Budget FY 1965	DL	9,000										I & IV	U.S. Owned				
	DG	130	73	1	4	2		30	1	7	16	201 & III	Counterpart		3,000	2/	
	SA											Sec. 202	PL 480				
E. During All Subsequent FYs	DL	28,000										I & IV					
	DG	230										201 & III			10,000	2/	
	SA											Sec. 202					
F. Total All Years	DL	41,000										I & IV					
	DG	615										201 & III			156,000	2/	
	SA											Sec. 202					

2 Dollar Obligation and Expenditure	Function of Funds	ALL PRIOR		ACTUAL FY 63				OPERATIONAL FY 64			BUDGET FY 65		
		Cumulative Expenditures	Unliquidated Obligations	Obligations During FY	Total Available for Expenditures	Actual Expenditures During FY	Unliquidated end of year	Obligations	Estimated Expenditures During FY	Unliquidated end of year	Obligations	Estimated Expenditures During FY	Unliquidated end of year
A. ALL PRIOR YEAR FUNDS	DL												
	DG	90	11	0	11	0	11		6	5		5	
	SA												
B. ACTUAL YEAR FUNDS	DL												
	DG			91	91	91	0		0	0			
	SA												
C. OPERATIONAL YEAR FUNDS	DL												
	DG							4,000	3,000	1,000			
	SA							63	63	0			
D. BUDGET YEAR FUNDS	DL										9,000	8,000	
	DG										130	120	
	SA											10	
E. TOTAL ALL FUNDS	DL								3,000	1,000		8,000	
	DG	90	11	91	102	91	11		69	5		125	
	SA											10	

3 REMARKS

Also addresses Goal 1.

1/ Includes credit available for livestock producers.

2/ Does not include credit available nor private investment in livestock industry.

3/ U.N. Special Fund, OAS(PASB), and others contribute unspecified amounts of assistance.

SECURITY CLASSIFICATION
UNCLASSIFIED

PAGE 51

AID FORM 10-120 (7-62)	DATE PREPARED 10 NOV. 63	COOPERATING COUNTRY COLOMBIA	UNCLASSIFIED	514-25-130-055	LIVESTOCK DEVELOPMENT
---------------------------------	-----------------------------	---------------------------------	--------------	----------------	-----------------------

1. The Activity Target

The activity target is to promote an increase in livestock production for the purpose of developing a sizeable export market within the next five years and, at the same time, to permit an adequate meat protein diet for a rapidly increasing Colombian population. This activity is directly focused toward the correction of the balance of payments problem.

The activity target will be best achieved by actions to: (a) increase livestock production credit, (b) develop market potentials and (c) control animal diseases. These three categories of the activity target are treated separately under each of the main subject headings.

a. Increase Livestock Production Credit

This will promote an increase in livestock production over normal production by increasing the capability of the Livestock Bank to provide Directed Production Credit. It is estimated that the increase in production as a result of the proposed development loan for FY 1965 will be 30,000 head of cattle within three years and 86,000 head by the year 1970. The value of this increased production is calculated at US\$3.3 million and US\$ 9.5 million respectively.

Development loans for this purpose amounting to US\$25 million and granted in a five year period starting with FY 1964 will influence management decisions on an estimated 5,200 ranches involving 15% of the cattle population. The cumulative effects of the loan will be continual expansion of livestock production for both export and internal markets with the additional production valued at

US\$31 million by 1970. The loans are to be repaid in twenty years with amortization of the principal to start at the fifth year.

These estimates are supported by data from economic studies made by Dr. Harold Riley of the University of Michigan; by the Booz, Allen, and Hamilton study of the meat packing industry, and by the National Planning Commission.

The Livestock Industry Development Plan stated that the need for credit in the livestock production sector, based on capital invested in this activity at the end of 1962, is Col\$2,281,045.00. Credit available for livestock enterprises totaled Col\$1,360,653,821 in December, 1962. Therefore, the apparent credit availability deficit is estimated to be Col\$920,391,829 as of December 1962. At the official rate of exchange of Col\$9 = US\$1, the need for credit to expand the livestock industry at an increased rate is equal to US\$103 million.

This program carries a high GOC priority as expressed by the President, the Minister of Agriculture, and the National Planning Commission. The local institutions are already established and growing. The purpose of this activity is to help the local institutions to grow at a more rapid rate so underdeveloped natural resources possessed by Colombia can be utilized more completely. Any cut in this program will keep the rate of growth of the cattle industry below the rate of growth of the human population with attendant problems of malnutrition and social unrest.

This project can contribute significantly to the correction of the balance of payments problem of Colombia without adversely affecting business interests of the United States.

b. Develop Market Potentials

The proposal is to sell on foreign markets 42,000 metric tons of carcass beef or its equivalent in canned beef to earn foreign

AID FORM 10-120 (7-62)	DATE PREPARED 10 NOV. 63	COOPERATING COUNTRY COLOMBIA	UNCLASSIFIED	514-25-130-055	LIVESTOCK DEVELOPMENT	
---------------------------------	-----------------------------	---------------------------------	--------------	----------------	-----------------------	--

exchange estimated at \$19,740,000 to help solve the balance of payments problem. A secondary, but closely related target is to increase domestic marketing efficiency so per capita annual consumption of meat can rise from 26 kgs. by 1970 to improve the nutrition of Colombians.

The geographical position of Colombia with seaports on two oceans near the equator; the existing herd of more than 16 million head of cattle; the large land area with a climate best suited to grazing of livestock; and the roads, railroads, slaughterhouses, and canning factories already in existence combine to place Colombia in a favorable position to compete for a share of international meat markets. It is essential to search for and develop good foreign and domestic markets and to establish the marketing machinery required to serve those markets efficiently. Because the U.S. is a net importer of beef, it is particularly advantageous to the U.S. to assist the GOC in resolving its balance of payments problems through development of the livestock product export potential which exists.

Effectiveness of this activity can be measured by statistics of export of meat, domestic per capita consumption, and average retail price levels. Also, the amount of Colombian private investment attracted to establish meat packing and selling facilities is subject to measurement.

Market development activities are essential to livestock production promotion activities which must be carried on simultaneously to have the desired economic development effects.

c. Control Animal Diseases

By providing this assistance, the GOC will be helped in its campaign to control foot-and-mouth disease and other infectious diseases which increase production costs or present a threat to human health.

The presence of foot-and-mouth disease in Colombia contributes to inefficiency of production for domestic markets and limits export possibilities to canned meats or to countries which have a similar infection. In addition, there are contagious diseases of cattle which affect their production and reproduction and which are transmittable to humans.

The control of infectious diseases is not a problem which can be solved by individual ranchers except to the extent of protecting his own herd by systematic vaccination and quarantine measures. It is a problem which must be faced by governments working together on a regional basis.

The U.S. should assist the GOC in its animal disease control efforts on two counts. The first is that animal disease control is essential to low production costs so that Colombia can compete for a share of international meat markets to earn foreign exchange. The second is to reduce possibilities of introducing foot-and-mouth disease into the U.S. by eliminating sources of infection.

Progress toward these objectives can be measured by GOC statistics of incidence of the disease or diseases in the country and by calculation of the annual extraction rate.

AID FORM 10-120 (7-62)	DATE PREPARED 10 NOV. 63	COOPERATING COUNTRY COLOMBIA	UNCLASSIFIED	514-25-130-055	LIVESTOCK DEVELOPMENT	
---------------------------------	-----------------------------	---------------------------------	--------------	----------------	-----------------------	--

2. The Course of Action

a. Increase Livestock Production Credit

A Development Loan of US\$4 million will be provided in FY 1964 to the Livestock Bank to carry on a Directed Livestock Production Credit Program designed to make possible the adoption of improved animal husbandry practices on 900 to 1,000 ranches. A similar loan amounting to US\$5 million will be made in FY 1965. Additional loans will bring the total to US\$25 million by the end of FY 1968.

The Livestock Bank has the responsibility under Colombian Law to provide Directed Livestock Production Credit to promote an efficient livestock industry. The proposed development loan will permit them to extend this type of credit to more ranchers and promote the growth of this Institution at a more rapid rate, building on the experience and facilities which already exist.

Loans will be made by the Bank to individual ranchers in conformance with investment and management plans mutually agreed upon by the Bank and the borrower. These plans will be technically designed to increase efficiency of production. Necessary legal controls for this type of loans to ranchers are provided by Colombian Law 26 of 1959.

The effectiveness of the program can be tested and measured by comparative growth of the Livestock Bank, statistics with respect to meat exports, domestic per capita consumption, analysis of results on individual ranches where additional investments have been made and retail price levels.

b. Develop Market Potentials

The prime movers of this program are the private investors who will establish the facilities and organization required to develop and serve foreign markets and eliminate unnecessary "middlemen" in domestic marketing. The following activities are proposed to promote that investment:

(1) That proposed Law 63 of 1963 be enacted by the GOC to establish a National Livestock Development Fund from a tax on capital invested in livestock which will finance a Federation of Livestock Producers. The Federation, to which every major livestock producer of Colombia will be obliged to make a financial contribution, will develop markets, provide technical assistance, promote disease control, and represent the interests of the livestock industry in the legislative process.

(2) That the Latin American Agricultural Marketing Institute, sponsored by the United Nations Special Fund and several Colombian public and private agencies, provide training which will produce an estimated 100 marketing specialists annually. The first graduates will be ready to work by 1966. It is estimated that, in the next ten years, Colombia will need 176 executives, 700 specialists, and 933 foremen, skilled in different fields of agricultural marketing. 30% of this requirement is for marketing of perishable products, including meat, milk, cheese, and ice-cream.

(3) That the vast experience of the USDA in livestock products grading, inspection, pricing, market reporting, market forecasting, and sanitary regulations be made available to the GOC through the Federation of Livestock Producers by the assignment of specialists working in Colombia for varying periods of time, who could make specific recommendations for action by the producers or the GOC as appropriate.

AID FORM 10-120 (7-62)	DATE PREPARED 10 NOV. 63	COOPERATING COUNTRY COLOMBIA	UNCLASSIFIED	514-25-130-055	LIVESTOCK DEVELOPMENT
------------------------	-----------------------------	---------------------------------	--------------	----------------	-----------------------

It is anticipated that this group would make specific recommendations to the GOC with respect to pricing policies, grading, inspection, export quotas, market reporting and forecasting, which are needed to promote private investment in livestock production.

(4) That a wide base of ownership of meat processing and marketing facilities, which will eliminate unnecessary middlemen, be promoted by a development loan to underwrite popular purchase of shares of an export oriented meat packing complex in an installment purchase plan. Plans to build this complex are now under study by Colombian investors, who predict success for the enterprise if it has wide ownership by producers, or failure if it is owned by a few powerful investors.

c. Control Animal Diseases

The GOC will strengthen and increase the capacity of the Ministry of Agriculture and the Instituto Zootecnico Colombiano by combining human, economic, and material resources in a semi-autonomous Institute for Animal Health. Technical and professional advice will be provided by the Pan American Sanitary Bureau which has presented to the GOC a plan of action now under consideration.

The type of US assistance which is now foreseen is the provision of a development loan, when and if the GOC presents a plan and proper justification. The program will probably involve control of the diseases and not complete eradication, except in a few areas of the country where terrain and communications permit massive systematic vaccination and present export possibilities.

The USAID will contract the services of a veterinarian, specialized in control of contagious and infectious

diseases of livestock, to evaluate the programs proposed by the GOC and guarantee the effective use of development loans being provided to support these programs. He will also assist the GOC in the implementation and evaluation of existing programs, including veterinary training.

3. The Resources Required

a. Increase Livestock Production Credit

The contribution of the host country can be measured by the fact that the Livestock Bank, Regional Livestock Funds, Commercial Banks, finance corporations, and the Caja Agraria made credit available to the livestock industry from their own resources under Law 26 of 1959 amounting to Col\$1,400,000,000.00 at the end of 1962. The tax on capital invested in livestock will add approximately Col\$13 million or US\$1.3 million annually to the growth of these institutions in addition to the growth due to reinvestment of profits. The Livestock Bank is an established institution which will be strengthened by this activity.

The AID is to provide a development loan of US\$4 million in FY 1964. It is proposed to provide US\$5 million in FY 1965 and additional amounts totaling US\$25 million by the end of FY 1968, depending upon availability of funds and effective use of loans granted in previous budgets.

The amounts by years is as follows:

FY 1964	-	US\$ 4 million
FY 1965	-	US\$ 5 million
FY 1966	-	US\$ 7 million
FY 1967	-	US\$ 5 million
FY 1968	-	<u>US\$ 4 million</u>
Total	-	US\$25 million

AID FORM 10-120 (7-62)	DATE PREPARED 10 NOV. 63	COOPERATING COUNTRY COLOMBIA	UNCLASSIFIED	514-25-130-055	LIVESTOCK DEVELOPMENT	
---------------------------------	-----------------------------	---------------------------------	--------------	----------------	-----------------------	--

Because 90% of this money will be required in Colombian pesos and only 10% will be used for importation of breeding stock or special equipment, this development loan is not attractive to the Ex-Im Bank or other international lending agencies.

Recommended terms for this loan to the Livestock Bank are 20 years with a 5 year grace period, at not to exceed 2% interest so the Bank can offer terms to ranchers which are consistent with the long range financial requirements of breeding herds.

Loans will be made to ranchers at 7% and 8% for terms varying from three to ten years. Funds generated as a result in the difference in interest rates will be used to expand the technical assistance and investment control section of the Bank, for training of personnel responsible for development of ranch investment and management plans, and to contract for advisory services as they become necessary. Equipment and vehicles required by the technical assistance section of the Bank to carry on its duties will also come from this source.

It is proposed that a development grant be made to provide the services of short term consultants, experienced in the organization of credit agencies, for a total of ten man months through a USDA contract. They will advise the Bank with respect to its lending policies and training programs for supervisors to assure the best possible use of development loan funds. This involves two men for a total of ten man months at a cost estimated at US\$22 thousand.

It is proposed that a development grant be made to provide third country participant training for two live-

stock production credit supervisors in Mexico, Uruguay, or Puerto Rico, for a total of 6 man months.

b. Develop Market Potentials

The Colombian livestock producers will tax themselves an amount equal to $\frac{1}{2}$ % of the capital invested in livestock on each farm in excess of US\$2,000.00. For FY 1965 this is estimated at Col\$13,000,000.00 or US\$1,300,000.00. This fund will be used to finance the activities of the Federation of Livestock Producers.

The budget of the Latin-American Agricultural Marketing Institute (ILMA) will be financed by the United Nations Special Fund and various Colombian agencies.

The activities of the proposed USDA contract will involve 13 man months and development grant funds of US\$30,000.00 in FY 1965 and US\$30 thousand in FY 1966.

The terms of the proposed development loan to promote popular ownership of an export oriented meat packing complex should be:

Amount of the Loan: Col\$20,000,000.00 = US\$2,000,000.00
Term of Loan: Ten years with a 3 year grace period.
Interest rates: 5% per annum.

This would make possible extension of loans to private individuals on a 6 year term with a two year grace period and 8% per annum fully covered by collateral to purchase capital shares of the proposed meat packing complex. In turn this capital would be used to purchase the equipment and machinery required.

The development loan would be disbursed within the budget year. It should be attractive to Ex-Im Bank, because this money would be used to purchase the machinery and equipment components which must be imported.

AID FORM 10-120 (7-62)	DATE PREPARED 10 NOV. 63	COOPERATING COUNTRY COLOMBIA	UNCLASSIFIED	514-25-130-055	LIVESTOCK DEVELOPMENT
---------------------------------	-----------------------------	---------------------------------	--------------	----------------	-----------------------

c. Control Animal Diseases

The basis for any program to control animal diseases must rest in the adequate training and availability of sufficient veterinarians and animal husbandry men to staff the vaccine production laboratories, the Ministry of Agriculture, and provide professional services to producers.

The reports of veterinary consultants hired by USAID/Colombia in FY 1963 and FY 1964 show that there were only 359 licensed veterinarians in Colombia in 1961 and unlicensed veterinarians to bring the total to 500. The Commission on Higher Agricultural Education (Kellogg Report - 1962) stated that Colombia would need to produce 10% more per year than present facilities permit to fill an estimated need of 970 veterinarians by 1970.

The GOC provides budget support for the Colleges of Veterinary Medicine of the National University and the University of Caldas. The Rockefeller, Ford and Kellogg Foundations and the United Nations have made contributions or are planning to do so to assist in providing the human resources required.

The Instituto Zoonofiláctico Colombiano is presently producing some vaccines, primarily for control of foot-and-mouth disease. Also, advisory services on control of foot-and-mouth disease will be provided by the Pan American Sanitary Bureau.

The problem of animal disease control is so costly that it is anticipated Colombia will require grants in aid and/or loans at long terms and very low interest rates to carry out even limited scope programs. It is anticipated that the GOC will ask for a development loan in FY 1965

amounting to US\$2,000,000.00 and a total of US\$20 million over a seven year period. Terms will probably be asked in the nature of 1% per annum and 30 year repayment schedules.

4. Progress to Date

a. Livestock Production Credit

The Livestock Bank has grown steadily since 1956 within the limits of its resources. The loan portfolio index for 1962 was 366 compared to 100 in 1957. Deposits in the Bank have also shown a steady increase. The other agencies providing credit to the livestock industry have grown in approximately the same proportion.

b. Develop Market Potentials

The proposed law forming the Fund for Livestock Development and the Federation of Livestock Producers is in the Colombian Congress and has the support of the President and the Minister of Agriculture.

The Booz, Allen, and Hamilton report on the Colombian meat packing industry has awakened interest on the part of private investors to the extent that they are seeking detailed feasibility studies for specific plant locations.

The GOC actions to establish export quotas, canning regulations, and freedom from price control on export quality meat are steps in the right direction to promote export trade in meat.

c. Control Animal Diseases

Progress to date has been negative, as foot-and-mouth disease and brucellosis have been spreading. Recent breaks in the

AID FORM 10-120 (7-62)	DATE PREPARED 10 NOV.63	COOPERATING COUNTRY COLOMBIA	UNCLASSIFIED	514-25-130-055	LIVESTOCK DEVELOPMENT	
------------------------	----------------------------	---------------------------------	--------------	----------------	-----------------------	--

immunizing power of the vaccines produced in Colombia have resulted in a mutual lack of confidence between vaccine producers, veterinarians, and ranchers. The publicity effect, however, has caused the GOC to form a study commission and seek active help in solving the problem from international agencies.

Veterinary consultants brought in by the USAID and Rockefeller Foundation during FY 1963, and to be provided in FY 1964, have helped a great deal in analyzing the problems involved in improving the quality and quantity of Colombian veterinarians who must carry out the animal disease control program.

5. Funding Requirements

a. <u>Development Grants</u>	FY-1964	FY-1965
Direct Hire Technicians (1)	\$21,000	(1) \$ 21,000
Consultants-short-term (5)	31,000	(6) 52,000
Contract Technicians	0	(1) 30,000
Non-Contract Participants	0	(2) 4,000
Commodity Costs	0	7,000
Other	11,000	16,000 ^{1/}
	<u>\$63,000</u>	<u>\$130,000^{1/}</u>

^{1/}Total budget for FY 1965 (D.G.) funding submitted separately provided \$70,000 for this activity. Actual requirements total \$130,000. Therefore, the total budget for this submission will exceed that formerly submitted by \$60,000.

b. Proposed Development Loans

(1) Increase Livestock Production Credit	
	FY 1964 - US\$4 million
	FY 1965 - US\$5 million
	FY 1966 - US\$7 million
	FY 1967 - US\$5 million
	FY 1968 - US\$4 million
	Total = US\$25 million
(2) Develop Market Potentials	
	FY 1965 - US\$2 million
	Total = US\$2 million
(3) Control Animal Diseases	
	FY 1965 - US\$2 million
	FY 1966 - US\$5 million
	FY 1967 - US\$5 million
	FY 1968 - US\$3 million
	FY 1969 - US\$2 million
	FY 1970 - US\$2 million
	FY 1971 - US\$1 million
	Total = US\$20 million

AID FORM 10-120 (7-62)	DATE PREPARED 10 NOV. 63	COOPERATING COUNTRY COLOMBIA	UNCLASSIFIED	514-25-130-055	LIVESTOCK DEVELOPMENT
---------------------------------	-----------------------------	---------------------------------	--------------	----------------	-----------------------

c. Colombia Contributions

(1) In regards to increased livestock production credit, the Livestock Bank contributes resources (totalling Col\$247,856,653.00 at the end of 1962) in cooperation with a corresponding organization. Other Banks also extend credit for livestock production accompanied by a small amount of technical assistance and investment control. This brings the total amount of credit available for livestock producers to Col\$1,360,000,000.00, as of December 1962.

(2) In regards to the development of market potentials, the contribution of the livestock producers to the Federation of Livestock Producers is estimated at the peso equivalent of US\$1.3 million. This organization will provide office facilities and promote application of the recommendations of the USDA team. The National Statistics Agency will provide data needed by the USDA team. Private investors in Colombia have already invested huge amounts of money in facilities for marketing of livestock products and will invest more as the markets expand. The capital investment by Colombians at the present time could easily reach the peso equivalent of US\$200 million.

(3) In regards to controlling animal diseases, the Veterinary Colleges produce 100 new veterinarians annually, Instituto Zooprofiláctico Colombiano produces 6 million doses of vaccine annually in addition to maintaining 18 diagnostic laboratories, and the Ministry of Agriculture has an annual peso budget equivalent to about US\$1.3 million for animal disease control and livestock industry programs.

d. Other Sources Contributions

(1) The Private Investment Fund is providing credit for export marketing facilities where the investment needed is for capital projects of an industrial nature. These are loan funds.

(2) The budget and personnel of the Latin-American Institute for Training and Research in Agricultural Marketing (ILMA) is sponsored by the UN Special Fund and Colombian Agencies at a level of about US\$400,000 a year.

(3) The OAS supports the services of the Pan American Sanitary Bureau which does research and coordination of disease control programs, especially foot-and-mouth disease.

1 Year of Obligation, Authorization or Contribution Began FY End FY	Function of Funds	A. AID Dollar Grant Obligations (\$1,000), Loan Authorizations (\$1,000) and Numbers of People										B. Other Contributions (\$1,000 equivalent)					
		TOTAL \$	U.S. Technicians		PARTICIPANTS			Contract Services		Commodities	Other Costs including Service Contribution	PL 480 Commodities		U.S. Owned or Controlled		Cooperating Country Financing	Other External Financing
			\$	No.	\$	U.S.	3rd C.	Contract	\$			No.	Title	Sales & Grants	Type		
A. Cumulative through the Actual Year	DL											I & IV		U.S. Owned			
	DG	1697	0		65			463		1169	0	201 & III		Counterpart		1/	
	SA					51	2					Sec. 202		PL 480			
B. Net During Actual FY 1963	DL											I & IV		U.S. Owned			
	DG	277	0		37	34	2	0		240	0	201 & III		Counterpart			
	SA											Sec. 202		PL 480			
C. During Operational FY 1964	DL											I & IV		U.S. Owned			
	DG	60			30	19				30		201 & III		Counterpart			
	SA											Sec. 202		PL 480	270		
D. During Budget FY 1965	DL											I & IV		U.S. Owned			
	DG	235	147	7	58	45				30		201 & III		Counterpart			
	SA											Sec. 202		PL 480			
E. During All Subsequent FYs	DL											I & IV					
	DG	750										201 & III					
	SA											Sec. 202					
F. Total All Years	DL											I & IV					
	DG	2742										201 & III			270		
	SA											Sec. 202					

2 Dollar Obligation and Expenditure	Function of Funds	ALL PRIOR		ACTUAL FY 1963				OPERATIONAL FY 1964			BUDGET FY 1965		
		Cumulative Expenditures	Unliquidated Obligations	Obligations During FY	Total Available for Expenditures	Actual Expenditures During FY	Unliquidated end of year	Obligations	Estimated Expenditures During FY	Unliquidated end of year	Obligations	Estimated Expenditures During FY	Unliquidated end of year
A. ALL PRIOR YEAR FUNDS	DL												
	DG	0	1420	0	1420	116	1304		1000	304	304	0	
	SA												
B. ACTUAL YEAR FUNDS	DL												
	DG			277	277	23	254		254	0			
	SA												
C. OPERATIONAL YEAR FUNDS	DL												
	DG						60		50	10	10	0	
	SA												
D. BUDGET YEAR FUNDS	DL												
	DG									235	210	25	
	SA												
E. TOTAL ALL FUNDS	DL												
	DG		1420	277	1697	139	1558		1304	314	524	25	
	SA												

3 REMARKS

1/ Cooperating country financing is difficult to estimate, since it is mostly concerned with employees added to IGAC staff.

SECURITY CLASSIFICATION
UNCLASSIFIED

PAGE 60

AID FORM 10-120 (7-62)	DATE PREPARED 10 NOV. 63	COOPERATING COUNTRY COLOMBIA	UNCLASSIFIED	514-11-120-060	BASIC RESOURCES SURVEY
------------------------	-----------------------------	---------------------------------	--------------	----------------	------------------------

1. The Activity Target

Sound basic planning of land settlement projects and of land development projects (irrigation, drainage, flood control, land clearing) requires sound basic soil studies, climatic data, stream flow data, aerial photos and maps. These studies are the primary responsibility of the IGAC which at present has only about 30% of the overall capacity required for providing such studies. Target of this activity is to assist the IGAC (Instituto Geográfico Agustín Codazzi) to develop the required capacity to provide such studies as required by INCORA (Agrarian Reform Institute) and related agencies. The activity is expected to be completed by FY 1968.

2. The Course of Action

This is a continuing activity begun in FY 1962. For FY 1965 emphasis is on continuation of the incountry personnel training program for soils, cartography, hydrology, etc. which is to be started in FY 1964. A total of 13 AID advisors were formerly programmed to be hired under the proposed Corps of Engineers (IAGS) Participating Agency Service Agreement. Six are proposed to be hired in FY 1964 and 7 more in FY 1965. These advisors will train a much increased IGAC Colombian counterpart staff both by formal classes and on-the-job training. This staff increase is required principally to service INCORA (Agrarian Reform Institute) needs for agrarian reform project studies.

In 1964 a loan from P.L. 480, Title IV funds was allotted to permit IGAC to make an addition to the present building to accommodate additional staff. Staff training is scheduled to get under way in FY 1964. The entire program is about two years behind the original schedule so the training program that was programmed to start early in 1962 is expected to

begin in December 1963 or January 1964. Most of the vehicles have been received (as of October 1963) and the laboratory, drafting and field survey equipment have barely begun to arrive. Some time will be required to receive and install equipment, to complete the building program, to train personnel and to get into a program of increased operational output.

Seven additional AID contract (Corps of Engineers) personnel for the training program are planned for the full year of FY 1965. \$30,000 of additional funds are programmed for equipment purchase to complement equipment already on order. Participant training funds for 40 IGAC personnel are programmed to give training in special IAGS courses in the Canal Zone and 5 for specialized training in the U.S. This training is particularly important since a number of skilled cartographic personnel left IGAC recently to accept jobs with U.S. firms.

3. Resources Required

It is proposed that IGAC will add 97 new people in the cartographic section, 111 in the cadastral section, and 184 in the soils and climatological section. It is proposed that six training advisors be furnished by AID under Corps of Engineers, IAGS, service agreement in FY 1964. "No Year" Funds are already available to pay these training advisors for two years each. It is proposed in FY 1965 to add 7 more training advisors to bring the total number to 13 as proposed in the IAGS Service Agreement.

AID has furnished 78 Jeeps, panel wagons and other transport units for use by IGAC with 15 still on order (FY 1963 funds) for the speeded-up work program. Laboratory, cartographic and soils equipment are in process of being furnished by AID. Total grants from AID for this purpose now total \$1,632,000.

A loan of P.L. 480, Title IV funds totaling 2,700,000 pesos is being made in FY 1964 for completion of an added wing on the IGAC building. This is needed because of the increased staff of

AID FORM 10-120 (7-62)	DATE PREPARED 10 NOV. 63	COOPERATING COUNTRY COLOMBIA	UNCLASSIFIED	514-11-120-060	BASIC RESOURCES SURVEY	
------------------------	-----------------------------	---------------------------------	--------------	----------------	------------------------	--

the IGAC.

From the U.S. 1963 budget support loan to Colombia, \$189,000 was earmarked for IGAC.

4. Progress to Date

The only effective support which AID has given to IGAC, to date, is the transport units (jeeps, etc.) which began to arrive in May 1963. The soils department hired some 30 new people and the cartographic department hired 35 to 40 in January 1962 in anticipation of AID training assistance. When AID help did not develop as anticipated, IGAC held a training program on their own. Some increases in production have occurred as a result of these new people but no figures are available.

When the balance of the equipment being purchased for IGAC under AID grants for FY 1962 and 1963 are completed, this will allow a very substantial increase in effectiveness in IGAC, provided increased budgets are made available by GOC for hiring additional personnel. INGEORA has already started to pay IGAC for specific projects such as mapping soils in a particular area as a contractual arrangement which in turn provides extra funds for IGAC to hire additional personnel.

5. Funding Requirements

The pipeline is quite large, although most is for commodities which have been ordered but have been late in delivery. Many items are now beginning to arrive and the pipeline will be considerably reduced shortly.

<u>U.S. Contributions (DG)</u>	<u>64</u>	<u>65</u>
Technicians	-	(7)\$147,000
Participants	(19)\$30,000	(45) 58,000
Commodities	<u>30,000</u>	<u>30,000</u>
Total	\$60,000	\$235,000
<u>Loans</u>	<u>64</u>	<u>65</u>
P.L. 480, Title IV, funds to IGAC for building expansion	\$270,000	-

GOC contributions are difficult to estimate but IGAC will hire many additional employees to carry out this activity, as stated under part 3 - Resources Required.

I. Year of Obligation, Authorization or Contribution Began FY 1964 End FY 1968	A. AID Dollar Grant Obligations (\$1,000), Loan Authorizations (\$1,000) and Numbers of People										B. Other Contributions (\$1,000 equivalent)					
	Function of Funds	TOTAL \$	U.S. Technicians		PARTICIPANTS			Contract Services		Commodities	Other Costs including Servicio Contribution	PL 480 Commodities		U.S. Owned or Controlled Local Currency	Cooperating Country Financing	Other External Financing
			\$	No.	\$	Non-Contract U.S.	3rd C.	Contract	\$			No.	Title			
A. Cumulative through the Actual Year	DL											I & IV	U.S. Owned			
	DG											201 & III	Counterpart			
	SA											Sec. 202	PL 480			
B. Net During Actual FY 68	DL											I & IV	U.S. Owned			
	DG											201 & III	Counterpart			
	SA											Sec. 202	PL 480			
C. During Operational FY 64	DL											I & IV	U.S. Owned			
	DG	72			12	2		60	2			201 & III	Counterpart	70		
	SA											Sec. 202	PL 480			
D. During Budget FY 65	DL											I & IV	U.S. Owned			
	DG	85	21	1				60	2		4	201 & III	Counterpart	170		
	SA											Sec. 202	PL 480			
E. During All Subsequent FYs	DL											I & IV				
	DG	185										201 & III		510		
	SA											Sec. 202				
F. Total All Years	DL											I & IV				
	DG	292										201 & III		750		
	SA											Sec. 202				

2 Dollar Obligation and Expenditure	Function of Funds	ALL PRIOR		ACTUAL FY 63			OPERATIONAL FY 64		BUDGET FY 65		3 REMARKS	
		Cumulative Expenditures	Unliquidated Obligations	Obligations During FY	Total Available for Expenditures	Actual Expenditures During FY	Unliquidated end of year Obligations	Estimated Expenditures During FY	Unliquidated end of year Obligations	Estimated Expenditures During FY		Unliquidated end of year
A. ALL PRIOR YEAR FUNDS	DL										Also addresses Goal 6.	
	DG											
	SA											
B. ACTUAL YEAR FUNDS	DL											
	DG											
	SA											
C. OPERATIONAL YEAR FUNDS	DL											
	DG						72	58	14	14		—
	SA											
D. BUDGET YEAR FUNDS	DL											
	DG								85	75		10
	SA											
E. TOTAL ALL FUNDS	DL											
	DG						58	14	89	10		
	SA											

AID FORM 10-120 (7-62)	DATE PREPARED Nov. 6, 1963	COOPERATING COUNTRY Colombia	UNCLASSIFIED	514-11-190-085	Nat. Agr. Planning	
---------------------------------	-------------------------------	---------------------------------	--------------	----------------	--------------------	--

1. The Activity Target

The activity target is to establish within five years a smoothly functioning office in the Ministry of Agriculture for planning and assigning responsibilities for specific objectives as they relate to the functions within the Ministry, and as they are of concern to the Mission in its assistance program for Colombia.

This is a highly important target objective because it strikes at a major weakness in the project programming structure of the Colombian Government. A successful USAID assistance program requires that the Colombian Government (Ministry of Agriculture in Rural Development) activate an interest to accomplish certain objectives, and also that they assign certain tasks for accomplishment as they pertain to specific administrative offices. Because such responsibilities have not been pin-pointed in the past there has been no central area of jurisdiction, under which the Rural Development Division could look to for working out a long range program of assistance. This has resulted in fragmented working relationships with the Ministry of Agriculture with limited success in the promotion of needed long term program objectives.

Both Planeación and the Ministry officials are definitely interested in this program to strengthen the planning in the Ministry.

At the conclusion of the five year activity it is anticipated that a planning organization will be successfully operating at the Ministry level and no further assistance will be required, since further contact will involve mainly the necessary coordination of work objectives between the Ministry and USAID.

The benefits to be derived from this project can not be measured in financial terms or in volume of increased loans that may result. It would accomplish the means for making concrete advancement in the entire Colombian Agricultural structure by placing the Ministry in a stronger national position, and the Ministry could within a relatively short period of time (two to four years) become a more responsible agency under the planning support and program direction that would be provided by USAID. If this is accomplished it should bring about favorable reactions such as the passage of regulatory laws needed for expansion of all types of industries in the rural sector, and the opening up of a broad field of investment opportunities that should attract large amounts of private and public capital investments.

2. The Course of Action

The National Planning Commission "Planeación" has plans for high level planning groups being established in the Ministry of Agriculture for the purpose of completing sound plans for program accomplishment. The National Agricultural Planning advisors in the Division of Rural Development will work through Planeación and directly with the Ministry of Agriculture in developing annual and long term goals for accomplishment covering the numerous fields of activity. From these established goals and based on official requests for assistance from Planeación the USAID assistance program will be developed as it concerns the Ministry of Agriculture.

This Branch of Agricultural Planning will also be responsible for drafting joint or group project proposals, inter-agency agreements and contract agreements with Colombian Agencies and with the U. S. operation agencies (Agriculture, Interior, Universities,

AID FORM 10-120 (7-62)	DATE PREPARED	COOPERATING COUNTRY	SECURITY CLASSIFICATION																					
	Nov. 6, 1963	Colombia	UNCLASSIFIED	514-11-190-085	Nat. Agr. Planning																			
<p>Army, private businesses) covering agency responsibilities and time schedules for work accomplishment.</p> <p>Major emphasis will be placed on the initial big job of planning and program coordination during the first two years, after which the need for such USAID services will decrease and planning work by USAID personnel at the Ministry should cease at the end of five years.</p> <p>3. <u>The Resources Required</u></p> <p>Three high level agricultural economists or program economists are programmed, one under direct hire and two under contract services.</p> <p>The staff will be reduced to one direct hire technician after 1966. The total US cost for FY-1965 is \$ 85,000.</p> <p>4. <u>Progress to Date</u></p> <p>This project is to be initiated the latter part of FY-1964.</p> <p>5. <u>Funding Requirements</u></p> <p>A new program beginning in January 1964.</p> <table data-bbox="262 768 913 916"> <thead> <tr> <th></th> <th><u>FY-1964</u></th> <th><u>FY-1965</u></th> </tr> </thead> <tbody> <tr> <td>Direct Hire Technicians</td> <td></td> <td>21,000</td> </tr> <tr> <td>Participants</td> <td>12,000</td> <td></td> </tr> <tr> <td>Contact Technicians</td> <td>60,000</td> <td>60,000</td> </tr> <tr> <td>Other Costs</td> <td></td> <td>4,000</td> </tr> <tr> <td></td> <td><u>72,000</u></td> <td><u>85,000</u></td> </tr> </tbody> </table> <p>The Country will contribute to this activity by establishing a planning group in the Ministry of Agriculture, and also by supporting that portion of the office of Planeación that pertains</p> <p>to the Agricultural Sector. It is estimated that the approximate cost for Colombia would be approximately double the U.S. proposed contribution for FY-1965.</p>								<u>FY-1964</u>	<u>FY-1965</u>	Direct Hire Technicians		21,000	Participants	12,000		Contact Technicians	60,000	60,000	Other Costs		4,000		<u>72,000</u>	<u>85,000</u>
	<u>FY-1964</u>	<u>FY-1965</u>																						
Direct Hire Technicians		21,000																						
Participants	12,000																							
Contact Technicians	60,000	60,000																						
Other Costs		4,000																						
	<u>72,000</u>	<u>85,000</u>																						
			SECURITY CLASSIFICATION	UNCLASSIFIED		PAGE 65																		

Year of Obligation, Authorization or Contribution Began FY 1965 End FY 1969	Function of Funds	A. AID Dollar Grant Obligations (\$1,000), Loan Authorizations (\$1,000) and Numbers of People										B. Other Contributions (\$1,000 equivalent)					
		TOTAL \$	U.S. Technicians		PARTICIPANTS			Contract Services		Commodities	Other Costs including Service Contribution	PL 480 Commodities		U.S. Owned or Controlled		Cooperating Country Financing	Other External Financing
			\$	No.	\$	Non-Contract U.S.	Contract 3rd C.	\$	No.			Title	Sales & Grants	Type	Local Currency		
A. Cumulative through the Actual Year	DL											I & IV		U.S. Owned			
	DG											201 & III		Counterpart			
	SA											Sec. 202		PL 480			
B. Net During Actual FY 1963	DL											I & IV		U.S. Owned			
	DG											201 & III		Counterpart			
	SA											Sec. 202		PL 480			
C. During Operational FY 1964	DL											I & IV		U.S. Owned			
	DG											201 & III		Counterpart			
	SA											Sec. 202		PL 480			
D. During Budget FY 1965	DL											I & IV		U.S. Owned			
	DG	448						408	5			201 & III		Counterpart		3,300 ^{1/}	
	SA											Sec. 202		PL 480		2/	
E. During All Subsequent FYs	DL											I & IV					
	DG	500										201 & III				13,200	
	SA											Sec. 202					
F. Total All Years	DL											I & IV					
	DG	948										201 & III				16,500	
	SA											Sec. 202					

Dollar Obligation and Expenditure	Function of Funds	ALL PRIOR		ACTUAL FY 1963				OPERATIONAL FY 1964			BUDGET FY 1965		REMARKS
		Cumulative Expenditures	Unliquidated Obligations	Obligations During FY	Total Available for Expenditures	Actual Expenditures During FY	Unliquidated end of year	Estimated Expenditures During FY	Unliquidated end of year	Estimated Expenditures During FY	Unliquidated end of year		
A. ALL PRIOR YEAR FUNDS	DL												3 REMARKS Also Addresses Goal 3. 1/ Includes budget of Department of Agricultural Investigation. 2/ Ford, Rockefeller and Kellogg Foundations' contributions have not yet been determined. They will probably total well over \$1.0 million per year.
	DG												
	SA												
B. ACTUAL YEAR FUNDS	DL												
	DG												
	SA												
C. OPERATIONAL YEAR FUNDS	DL												
	DG												
	SA												
D. BUDGET YEAR FUNDS	DL												
	DG								448	248	200		
	SA												
E. TOTAL ALL FUNDS	DL												
	DG									248	200		
	SA												

AID FORM 10-120 (7-62)	DATE PREPARED Nov. 6, 1963	COOPERATING COUNTRY Colombia	UNCLASSIFIED	514-11-110-047	Adv. Agr. Training	
---------------------------------	-------------------------------	---------------------------------	--------------	----------------	--------------------	--

1. The Activity Target

To assist in the development of the Colombian Institute of Agriculture and Animal Husbandry (ICA), an institution which will combine agricultural research, teaching and extension.

One of the greatest problems in the development of the rural sectors of Colombia is the lack of trained personnel. A number of Facultades de Agronomía, etc. are located in the Country, but the number of graduates is inadequate for the rural need and the usual type of training is oriented too much towards the theoretical. A reason for the imbalance in training is the inability of the Colombians thus far to combine into one institution a diversified curriculum of agricultural teaching, research and extension along the pattern of the Land Grant Universities in the United States.

The Rockefeller Foundation Group has a technical assistance program with DIA, the Department of Agricultural Investigations of the Ministry of Agriculture. These two groups have been greatly concerned about this problem and for several years have promoted the idea of one institution providing agricultural research, teaching and extension. The Rockefeller Foundation Group, the Ford Foundation Group and the Kellogg Foundation were influential in having a Decree passed by the Colombian Government which established the Colombian Institute of Agriculture and Animal Husbandry (ICA).

Recently, representatives of the Ford and Rockefeller Foundations and the Minister of Agriculture visited the United States. Discussions with the Directors of these two Foundations, and the Director of the Kellogg Foundation, resulted in a statement to the Minister that they would give wholehearted support to the planned institution (ICA).

AID was considered as a probable contributor to the proposed project from the beginning. The Foundations are planning to take

care of most external assistance requirements. AID's participation would be involved in furnishing outside faculty members which will be required to administrate the graduate level program in the teaching of agricultural sciences .

External assistance support would last five years at the minimum. The proposed support of AID for the present calls for supplying five faculty members on a College Contract basis for a two year period with provision for an additional three years, if funds are available.

This activity is receiving exceptionally high local priority. As stated previously a Decree has been made which established the Institution. A Director has been appointed and the Department of Agricultural Investigations (DIA) which was formerly a part of the Ministry of Agriculture has been placed in ICA. The Agrarian Reform Institute (INCORA) is giving substantial support.

2. Course of Action

The Foundations are bringing in a high level team of four men on November 17, 1963 to develop specific and realistic proposals on the following issues for ICA:

- a) The overall scope of a graduate level program (agronomy, agricultural engineering, animal husbandry, agricultural economics, rural sociology, home economics, etc.).
- b) To determine specific possibilities for major improvements in the coordination of teaching, research and extension in those agronomy faculties which are expected to collaborate in the program of ICA.

AID FORM 10-120 (7-62)	DATE PREPARED Nov. 6, 1963	COOPERATING COUNTRY Colombia	UNCLASSIFIED	514-11-110-047	Adv. Agr. Training
------------------------	-------------------------------	---------------------------------	--------------	----------------	--------------------

- c) To determine in cooperation with INCORA the numbers and types of courses and priorities for training INCORA personnel.
- d) To determine which institutions of primary, secondary and intermediate level should be selected for reform and development and sketch out a possible pattern of operation.
- e) To recommend a pilot extension program to be taken over by ICA, and to determine a program for extension training to be developed either at Tibaitatá or other locations.
- f) To complete a summary of the actual number of programs to be established on a priority basis. This will include an estimate of additional resources required, and an estimate of possible additional resources which might be available over a five year period.

At the present time a representative of the Land Grant College Association is in Colombia studying the potentials of ICA and the details of assistance which could be rendered through a Land Grant University.

The five faculty members to be supported by AID under the College Contract are to assist in the establishment of a graduate level program for instruction in agronomy, agricultural engineering, animal husbandry, agricultural economics and rural sociology. They will be expected to establish the curriculum for instruction and to participate in the teaching program.

The effectiveness of this institution will be measured in the number of students trained and in the quality of training given --- that is, how the students compare to those trained abroad. Since the

institution will also be engaged in research it will be judged by achievements in this field which will include publications, agricultural practices recommended, etc. Its overall effectiveness will be judged on its ability to bring the research requirements of the farmers thru the medium of the extension service into the institution for development, and returning the solutions and recommended practices back to the farmers thru the extension service.

3. Resources Required

The total cost of this activity has not yet been determined and will largely depend upon the success in arranging the cooperation and pooling of resources by those institutions which are expected to cooperate.

The entire agricultural research facilities under the control of DIA have been placed in ICA. Pilot agricultural extension areas representative of the full range of soils and climate of Colombia will be required.

A reduction of 25% in the funding proposed would have serious adverse effects on the program for establishing an effective institution. A full program is essential to gain the momentum required to make it an impressive organization which would attract the maximum country support and cooperation.

The Agrarian Reform Institute (INCORA) has placed at the disposal of this institution \$ 5,000,000 pesos. A Colombian Director has been appointed and the entire organization of DIA made a part of the ICA. DIA has numerous experiment stations scattered throughout the country with 145 technical employees, total assets of between \$ 400,000,000 and \$ 500,000,000 pesos and an annual budget of approximately \$ 22,000,000 pesos. Its annual support by the Rockefeller

AID FORM 10-120 (7-62)	DATE PREPARED 10 NOV. 63	COOPERATING COUNTRY COLOMBIA	SECURITY CLASSIFICATION UNCLASSIFIED	514-11-110-047	ADV. AGR. TRAINING
---------------------------------	-----------------------------	---------------------------------	---	----------------	--------------------

Foundation is from US\$ 750,000 to \$ 1,000,000.

4. Progress to Date

The Decree establishing ICA was made in June 1962. The Minister of Agriculture under the previous administration spent almost full time during the last three or four months of his tenure in laying the groundwork for ICA. One of the last acts of President Lleras Camargo was the laying of the cornerstone of the Institution at Tibaitatá, the chief station of DIA. When the new administration took over, the first Minister of Agriculture had a rather hostile attitude towards the establishment of the ICA and refused to continue with the proposed plans for the development. He apparently resented the removal of DIA from under the direct administration of the Ministry of Agriculture, although he had no objections to the principles of the ICA organization. The present Minister of Agriculture came into office in June 1963 and he immediately announced his full support for establishing ICA and has given it a first priority in his attention. One of the specific actions in this connection was his trip to the United States with the leaders of the local Rockefeller Foundation and Ford Foundation Groups, explicitly for the purpose of promoting support for the Institution.

GOC contribution is estimated to total 33,000,000 pesos per year for the life of the activity (includes budget of DIA). Exact contributions from the Ford, Rockefeller and Kellogg Foundations have not been decided but the Directors have formally committed their support to the Minister of Agriculture

5. Funding Requirements

Five graduate level University professors for a two year contract	<u>FY-1965</u> US\$ 408,000
Other costs for local support	<u>\$ 40,000</u>
Total	US\$ 448,000

SECURITY CLASSIFICATION	UNCLASSIFIED	PAGE 69
-------------------------	--------------	---------

AID FORM 10-109 (7-62)	DATE PREPARED 10 NOV. 63	COOPERATING COUNTRY COLOMBIA	SECURITY CLASSIFICATION UNCLASSIFIED	CODE 514-11-110-047	TITLE AGR. ENG. TRAINING (TERMINATING)	E-1
------------------------	-----------------------------	---------------------------------	---	------------------------	---	-----

1 Year of Obligation, Authorization or Contribution Began FY 1959 End FY 1964	Function of Funds	A. AID Dollar Grant Obligations (\$1,000), Loan Authorizations (\$1,000) and Numbers of People										B. Other Contributions (\$1,000 equivalent)					
		TOTAL \$	U.S. Technicians		PARTICIPANTS			Contract Services		Commodities	Other Costs including Service Contribution	PL 480 Commodities		U.S. Owned or Controlled		Cooperating Country Financing	Other External Financing
			\$	No.	\$	Non-Contract U.S.	3rd C.	Contract	\$			No.	Title	Sales & Grants	Type		
A. Cumulative through the Actual Year	DL																
	DG	448	393		27	12	2						28	I & IV		U.S. Owned	
	SA													201 & III		Counterpart	
B. Net During Actual FY 1963	DL													I & IV		U.S. Owned	
	DG	47	44	3		0	0						3	201 & III		Counterpart	
	SA													Sec. 202		PL 480	
C. During Operational FY 1964	DL													I & IV		U.S. Owned	
	DG	29	-29	4										201 & III		Counterpart	
	SA													Sec. 202		PL 480	
D. During Budget FY 1965	DL													I & IV		U.S. Owned	
	DG													201 & III		Counterpart	
	SA													Sec. 202		PL 480	
E. During All Subsequent FYs	DL													I & IV			
	DG													201 & III			
	SA													Sec. 202			
F. Total All Years	DL													I & IV			
	DG	477												201 & III			
	SA													Sec. 202			

2 Dollar Obligation and Expenditure	Function of Funds	ALL PRIOR		ACTUAL FY 1963				OPERATIONAL FY 1964		BUDGET FY 1965		3 REMARKS
		Cumulative Expenditures	Unliquidated Obligations	Obligations During FY	Total Available for Expenditures	Actual Expenditures During FY	Unliquidated end of year Obligations	Estimated Expenditures During FY	Unliquidated end of year Obligations	Estimated Expenditures During FY	Unliquidated end of year	
A. ALL PRIOR YEAR FUNDS	DL											This activity terminated in FY 1964. The \$29,000 budget item for FY 1964 was programmed for direct hire personnel who were transferred early in the fiscal year.
	DG	379	23	(1)	22	16	6	6	0			
	SA											
B. ACTUAL YEAR FUNDS	DL											
	DG			47	47	47	0	0	0			
	SA											
C. OPERATIONAL YEAR FUNDS	DL											
	DG							29	29	0		
	SA											
D. BUDGET YEAR FUNDS	DL											
	DG											
	SA											
E. TOTAL ALL FUNDS	DL											
	DG	379	23	47	69	63	6	35	0			
	SA											

SECURITY CLASSIFICATION
UNCLASSIFIED

Numbers of People		B. Other Contributions (\$1,000 equivalent)					
Commodities	Other Costs including Service Contribution	PL 480 Commodities		U.S. Owned or Controlled		Cooperating Country Financing	Other External Financing
		Title	Sales & Grants	Type	Local Currency		
		I & IV.		U.S. Owned			
		201 & III		Counterpart			
		Sec. 202		PL 480			
		I & IV		U.S. Owned			
		201 & III		Counterpart			
		Sec. 202		PL 480			
10,000		I & IV		U.S. Owned			
		201 & III		Counterpart		2/	3/
		Sec. 202		PL 480			
		I & IV		U.S. Owned			
		201 & III		Counterpart		2/	3/
		Sec. 202		PL 480			
		I & IV					
		201 & III				2/	3/
		Sec. 202					
		I & IV					
		201 & III				2/	3/
		Sec. 202					

OPERATIONAL FY 64		BUDGET FY 65		3 REMARKS
Estimated expenditures During FY	Unliquidated end of year Obligations	Estimated Expenditures During FY	Unliquidated end of year	
				<p>1/ As of date of this submission, the USAID understands that the EX-IM Bank is considering the application for this loan.</p> <p>2/Unable to calculate at this time.</p> <p>3/ Suppliers credits for agricultural machinery are being provided by DAC countries in indeterminate amounts.</p>
2,500	7,500	7,500	-	
2,500	7,500	7,500	-	

AID FORM 10-120 (7-62)	DATE PREPARED 10 NOV. 63	COOPERATING COUNTRY COLOMBIA	SECURITY CLASSIFICATION UNCLASSIFIED	514-22-190-095	AGRICULTURAL MACHINERY																					
<p>1. <u>The Activity Target</u></p> <p>The purpose is to increase and improve agricultural production through the financing of Colombian imports from the United States of agricultural machinery, diesel engines, equipment for irrigation and spraying, spare parts, etc.</p> <p>2. <u>The Course of Action</u></p> <p>An application for this heavy machinery loan of \$10 million was filed with the USAID by the Colombian Agriculture Credit Bank, the Caja de Crédito Agrario. The application was sent to AID/W in August 1963 and is under consideration by the EX-IM Bank. Through this loan under consideration for FY 1964 funding, agricultural machinery for the general increase of agricultural production and heavy equipment to be used in reclamation projects will be imported. The Caja provides credit facilities to farmers for the acquisition of such equipment through a system whereby the Caja sells the machinery or equipment directly from its own supply stores or finances the importation through private importers.</p> <p>3. <u>Resources Required</u></p> <p>The borrower, Caja de Crédito Agrario, has the application approved by the Colombian National Planning Commission (Planeación) and the loan was analyzed by the USAID as being appropriate for EX-IM Bank financing. Resources required will entail the financing of the above stated agricultural machinery and equipment in the amount of \$10 million.</p> <p>4. <u>Progress to Date</u></p> <p>Because of the nature of this loan proposal, no feasibility studies have been made, nor is there any significant progress to</p> <p>report outside of the realm of analytical justification for machinery and heavy equipment needs in the developing agricultural sector.</p> <p>5. <u>Funding Requirements</u></p> <table border="0" data-bbox="1079 330 1845 660"> <thead> <tr> <th></th> <th style="text-align: right;"><u>FY 1964</u></th> <th style="text-align: right;"><u>FY 1965</u></th> </tr> </thead> <tbody> <tr> <td>a. <u>U.S. Contributions</u>^{1/}</td> <td></td> <td></td> </tr> <tr> <td> Financing of agricultural machinery and equipment</td> <td style="text-align: right;">\$10,000,000</td> <td style="text-align: center;">-</td> </tr> <tr> <td>b. <u>GOC Contributions:</u></td> <td></td> <td></td> </tr> <tr> <td colspan="3"> These contributions will be formulated and specified during the loan negotiations.</td> </tr> <tr> <td>c. <u>Other External Assistance:</u></td> <td></td> <td></td> </tr> <tr> <td colspan="3"> Suppliers credits for imports of farm machinery and heavy land reclamation equipment are being provided by some of the DAC countries in amounts indeterminate at this time.</td> </tr> </tbody> </table> <p>^{1/} This loan presently is under consideration by the EX-IM Bank in Washington, D. C.</p>							<u>FY 1964</u>	<u>FY 1965</u>	a. <u>U.S. Contributions</u> ^{1/}			Financing of agricultural machinery and equipment	\$10,000,000	-	b. <u>GOC Contributions:</u>			These contributions will be formulated and specified during the loan negotiations.			c. <u>Other External Assistance:</u>			Suppliers credits for imports of farm machinery and heavy land reclamation equipment are being provided by some of the DAC countries in amounts indeterminate at this time.		
	<u>FY 1964</u>	<u>FY 1965</u>																								
a. <u>U.S. Contributions</u> ^{1/}																										
Financing of agricultural machinery and equipment	\$10,000,000	-																								
b. <u>GOC Contributions:</u>																										
These contributions will be formulated and specified during the loan negotiations.																										
c. <u>Other External Assistance:</u>																										
Suppliers credits for imports of farm machinery and heavy land reclamation equipment are being provided by some of the DAC countries in amounts indeterminate at this time.																										
			SECURITY CLASSIFICATION UNCLASSIFIED	PAGE 72																						

I. Year of Obligation, Authorization or Contribution Began FY End FY	A. AID Dollar Grant Obligations (\$1,000), Loan Authorizations (\$1,000) and Numbers of People										B. Other Contributions (\$1,000 equivalent)							
	Function of Funds	TOTAL \$	U.S. Technicians		PARTICIPANTS			Contract Services		Commodities	Other Costs including Service Contribution	PL 480 Commodities		U.S. Owned or Controlled		Cooperating Country Financing	Other External Financing	
			\$	No.	\$	No.	Contract	\$	No.			U.S.	3rd C.	Title	Sales & Grants			Type
A. Cumulative through the Actual Year	DL											I & IV	U.S. Owned					
	DG											201 & III	Counterpart					
	SA											Sec. 202	PL 480					
B. Net During Actual FY 1963	DL											I & IV	U.S. Owned					
	DG											201 & III	Counterpart					
	SA											Sec. 202	PL 480					
C. During Operational FY 1964	DL											I & IV	U.S. Owned					
	DG											201 & III	Counterpart		200			
	SA											Sec. 202	PL 480					
D. During Budget FY 1965	DL	10,000									10,000	I & IV	U.S. Owned					
	DG											201 & III	Counterpart		1,000	2/		
	SA											Sec. 202	PL 480					
E. During All Subsequent FYs	DL											I & IV				4,000	2/	
	DG											201 & III						
	SA											Sec. 202						
F. Total All Years	DL	10,000										I & IV					5,200	2/
	DG											201 & III						
	SA											Sec. 202						

2. Dollar Obligation and Expenditure	Function of Funds	ALL PRIOR		ACTUAL FY 63				OPERATIONAL FY 64			BUDGET FY 65	
		Cumulative Expenditures	Unliquidated Obligations	Obligations During FY	Total Available for Expenditures	Actual Expenditures During FY	Unliquidated end of year Obligations	Estimated Expenditures During FY	Unliquidated end of year Obligations	Estimated Expenditures During FY	Unliquidated end of year	
A. ALL PRIOR YEAR FUNDS	DL											
	DG											
	SA											
B. ACTUAL YEAR FUNDS	DL											
	DG											
	SA											
C. OPERATIONAL YEAR FUNDS	DL											
	DG											
	SA											
D. BUDGET YEAR FUNDS	DL									10,000	3,000	7,000
	DG											
	SA											
E. TOTAL ALL FUNDS	DL										3,000	7,000
	DG											
	SA											

3 REMARKS

1/ Includes \$70,000 loan from \$4,000,000 DL for feasibility studies signed in June 1963 and documented in E-1 for Financial Development.

2/ Cannot be calculated at this time.

AID FORM 10-120 (7-62)	DATE PREPARED 10 NOV. 63	COOPERATING COUNTRY COLOMBIA	UNCLASSIFIED	514-22-120-096	ROLDA/BUGA RECL. LOAN (LA VICTORIA-CARTAGO)	
---------------------------------	-----------------------------	---------------------------------	--------------	----------------	---	--

1. The Activity Target

To complete a unified development program of the Cauca Valley, specifically as concerns here the funding for the La Victoria-Cartago project. This program for the development of the Cauca Valley has been placed under the administrative jurisdiction of the Corporación Autónoma Regional del Cauca (CVC), and requires long-term activity involving an expenditure of many millions of dollars in land resources development, such as for flood control, drainage, irrigation and power.

It is expected that a \$10 million DL will be involved in FY 1965 for development operations in the La Victoria-Cartago Project.

2. The Course of Action

The development of the Cauca Valley will be done in stages. The first stage of development includes the reclamation of lands that concern (a) the Roldanillo-La Union-El Toro reclamation project, (b) the Bugalagrande reclamation project, and (c) the La Victoria-Cartago project. All of these are located in the lower Cauca Valley.

The second stage of development of the Cauca Valley will include up-stream flood control projects and involve construction of a dam on the Cauca River.

Projects (a) and (b) mentioned for the first stage of development are to be financed by the INCORA, the Colombian Institute for Agrarian Reform. The first of these is already under construction. Project (c), of primary concern in this E-1, involves requests for financial assistance in both FY 1964 and 1965. In FY 1964 a loan application will be made in the amount of \$70,000 for feasibility studies for the La Victoria-

Cartago project, and it is anticipated that this will generate application for a construction loan in FY 1965 amounting to \$10 million.

3. Resources Required

The development program of the Cauca Valley will require a coordinated and major financial effort on the part of the GOC and private sources, plus considerable external assistance. Resources for the La Victoria-Cartago project (the other two aforementioned projects will receive FY 1964 and FY 1965 funds from INCORA) from the proposed \$10 million DL will be mainly commodity financing, with some small amount of engineering services to be provided. Local materials will be used, with required imported machinery and equipment to be funded from the proposed \$10 million loan.

The feasibility study of the La-Victoria-Cartago project will require a loan to the CVC of approximately \$70,000 in FY 1964. This \$70,000 is not programmed in this specific E-1, but is included under a \$4 million DL signed in June 1963 for feasibility studies and documented under the E-1 for Financial Development. As stated earlier, in FY 1965 a \$10 million loan for La Victoria-Cartago project is proposed.

4. Progress to Date

The CVC has completed partial construction of the Roldanillo-La Union-El Toro project and is planning to begin construction of the Bugalagrande project in the near future.

Preliminary field investigations have been completed on the La Victoria-Cartago project. Financing will now be needed for completion of the engineering feasibility studies prior to

AID FORM 10-120 (7-62)	DATE PREPARED 10 NOV. 63	COOPERATING COUNTRY COLOMBIA	UNCLASSIFIED	514-22-120-096	ROLDA/BUGA RECL. LOAN (LA VICTORIA-CARTAGO)
---------------------------------	-----------------------------	---------------------------------	--------------	----------------	---

the completion of the detailed construction plans.

5. Colombian Requirements

a. <u>U.S. Contributions</u>	<u>FY 1964</u>	<u>FY 1965</u>
La Victoria-Cartago project for land reclamation (agrarian reform)	--	\$10,000,000
b. <u>GOC Contributions</u>	\$ 200,000	\$ 1,000,000
c. <u>Other External Financing</u>		

This cannot be calculated at the present time.

AID FORM 10-120 (7-62)	DATE PREPARED 10 NOV. 63	COOPERATING COUNTRY COLOMBIA	UNCLASSIFIED	GOAL 3	MORE EFFECTIVE AND OPEN EDUCATIONAL SYSTEM
------------------------	-----------------------------	---------------------------------	--------------	--------	--

A. The Statement of the Goal

A more effective, efficient and open educational system, responding increasingly to merit and interest, rather than ability to pay, and aimed at meeting, as first priority, the trained manpower requirements of the development process.

A major obstacle to an accelerated rate of social and economic development in Colombia has proven to be the lack of adequately educated and trained personnel. The vicious circle of underdevelopment, on the one hand, and weak and insufficient education, on the other, must be broken with the help of external aid to selected areas of the educational system.

By financing two studies in depth, and through subsequent negotiations, USAID intends to assist the GOC to achieve the goal of a reformed, more open and effective educational system. Major financial assistance from external sources, including the U.S., should be concentrated on producing the middle-level technicians and professionals required most urgently for development. Increased, and better employment of, GOC educational resources will improve the context in which selected U. S. assistance is to be rendered.

B. The Goal Plan Analysis and Schedule

In order to derive optimum benefits from the allocation of resources to education, Colombian public education must be reorganized into a more rational and coherent system. The huge drop-out rates are indicative of the enormous problem confronting the GOC: around 90% in primary education; around 80% in secondary education. In higher education there is also wasted effort and unnecessary duplication among the 24 or more accredited universities, which have limited funds at their disposal.

Reorganization is expected to follow a survey or study in depth which is about to be initiated and for which T/A will be given by AID, UNESCO and IBRD in the fields of elementary and secondary education (Nat. Ed. Planning, 514-11-680-083). A survey of higher education (Higher Educ., 514-15-660-076) will be conducted concurrently by the Association of Colombian Universities with the assistance of the University of Michigan. These surveys will begin around January 1, 1964 and will terminate around June 30, 1965. They will constitute necessary steps towards the reorganization of Colombian education.

The survey of elementary and secondary education will be conducted by a strengthened and reorganized Planning Office in the Ministry of Education with the assistance of the AID-IBRD-UNESCO team. USAID's participation in this activity, is, of course, contingent on a cooperative Planning Office leadership. USAID will be prepared to consider a loan application for PL 480 funds, if required, for the initial two-year staffing of this office and will seek the opportunity to assure the selection of competent personnel representing the pertinent sectors of Colombian society who can later support the implementation of findings.

Thus, the execution of the survey will serve the double purpose of specifying the structural weaknesses of the public education system and of training the new personnel of the Planning Office in the techniques of educational planning. As the survey proceeds, recommendations by the survey team will be made with the purpose of influencing current operations and policies. Initial high priority attention will be given to the administrative problems of the Ministry.

The basic self-help measures which will emerge from the studies will undoubtedly entail an increase in Colombian funds devoted to education (from 2% to perhaps 4% of the GNP) as well as changes in the tax sources of this funding and in the financial

AID FORM 10-120 (7-62)	DATE PREPARED 10 NOV. 63	COOPERATING COUNTRY COLOMBIA	UNCLASSIFIED	GOAL 3	MORE EFFECTIVE AND OPEN EDUCATIONAL SYSTEM	
------------------------	-----------------------------	---------------------------------	--------------	--------	--	--

flow, in order to support a needed reorganization and administrative decentralization of the public school system. The Ministry of Education should be relieved of much of its administrative routine and red-tape so that it can play the role for which it was established and truly carry out its basic responsibilities for supervision and enforcement, evaluation and guidance.

USAID will urge the GOC to employ the findings and recommendations of the survey in the development of an integrated national plan for public education. As mentioned above, in order to accelerate and assure the basic first steps towards the development of a national plan which will incorporate fundamental self-help measures, USAID intends, if required, to lend local currency from PL 480 funds to help the GOC staff a strengthened and reorganized ministerial planning office with the best available personnel for a period of two years.

In the field of higher education, the Association of Colombian Universities has requested a survey team for the specific purpose of assistance in the development of a Higher Education National Plan which will re-orient curricula and facilities towards development manpower needs. This survey, funded in February 1963, has recently begun.

As the two surveys are being carried out, USAID will be providing direct technical assistance at the two levels (Higher Education 514-15-660-076 and Secondary Education 514-21-650-080). This assistance will have as its main target the preparation of needed middle-level technicians and professionals required in industry, agriculture and public administration. Preliminary to the termination of the survey obvious and necessary reforms are expected to be made and division heads and other officials are expected to be prepared for the implementation of a national plan. The technicians provided under these two activities will be advising at an operational

level and working with Ministry department heads, the Association of Colombian Universities and the coordinators of the recently established ministerial regional centers in the fields of teacher training, curriculum, instructional materials, school administration, etc. They will, however, collaborate closely with the Planning Office Survey Team group and thus contribute to improved coordination between planning and operational functions.

Meanwhile, it is expected that accelerated construction and expansion of secondary schools under a planned development loan of U.S. \$5,000,000 will contribute to the realization of the goal of an educational system which responds increasingly to merit and interest, rather than to the ability to pay. At present, approximately 80% of secondary school students attend private schools. Whether the external sources of this loan will be the United States or, perhaps, the IBRD has yet not been determined. It is expected that there will be simultaneous external lending for primary education. This is treated under Goal 4.

It is planned that an increase of 300% in secondary school enrollment will be achieved in four years by means of three basic programs: (1) a reduction of the present 80% drop-out rate, through improved instruction and facilities, to 50% or less; (2) the conversion of at least 100 four-year normal schools to the first four-year cycle of secondary education; (3) the construction of new secondary schools.

By establishing vocational education and a program of guidance services as an integral part of the secondary program, and by helping the Ministry to organize comprehensive schools and eliminating premature vocational choice, the conditions for more adequate preparation of badly needed middle-level technicians will have been established. Necessary improvements in instruction, curriculum and administration are detailed in the secondary Education E-1. The findings of the survey and exchanges with GOC and foreign planning officials will be of prime importance in directing activities in this field.

AID FORM 10-120 (7-62)	DATE PREPARED 10 NOV. 63	COOPERATING COUNTRY COLOMBIA	UNCLASSIFIED	GOAL 3	MORE EFFECTIVE AND OPEN EDUCATIONAL SYSTEM
---------------------------------	-----------------------------	---------------------------------	--------------	--------	--

Similarly, in the higher education activity, assistance will be given in the implementation of survey recommendations. Efforts will be concentrated on improvements in curricula and organization and improvement of selected university libraries. Consideration of the substantial progress already achieved by Colombia in higher education and of the dedication and effectiveness of the Colombian Association of Universities leads USAID to expect that in the near future in Colombia new students will be able to find training equivalent in quality to that which they would obtain abroad.

The survey activities will terminate in FY 65. It is expected, however, that technical and financial assistance in the fields of secondary and higher education will be provided for an additional four or five years in order to assure the successful implementation of national educational plans.

Cooperation and exchange of information with other donors interested in education will be actively maintained so that all foreign assistance in this field, insofar as possible, will be reinforcing not duplicative. Other donors will be urged to accept an increasingly larger share of the external financing responsibilities. At present the Ministry is planning to request a U.S. \$5,000,000 loan from the IBRD for secondary school construction. UNESCO, Ford, Rockefeller and Kellogg are also active in Colombia, primarily in the field of higher education. A Higher Education National Plan will contribute to improved coordination among interested parties.

A loan application for U.S. \$1,000,000 to be made to ICETEX is presently under review in AID/W. ICETEX is an efficient organization that was created for the purpose of lending money to selected students for study abroad. The record of repayments is extraordinarily good. The purpose of the loan, however, is to send selected secondary school students who can not now afford a university education to Colombian Universities

on a similar basis.

Two other continuing activities contribute to the above goal. Under the activity Educ. Bus. Administration 514-13-770-023, Syracuse University has been assisting the Medellin School of Business and Finance develop staff and curriculum. Under Univ. Ed. Econ. 514-13-660-061, the University of Minnesota is helping the Department of Economics in the University of Los Andes establish a research center and graduate courses at the M. A. level. These activities will be funded through FY 65 and FY 66, respectively.

C. The Goal Plan Summary

The failure of sporadic technical assistance and piecemeal reform to solve the basic problems in the Colombian public educational system has led to the conclusion that total reorganization is required. The probable broad lines of this reorganization appear under Self-Help Requirements (Part II, LAS) but fuller and more detailed recommendations will emerge from studies in depth of the three educational levels and these recommendations should be incorporated in a National Educational Plan. The quality of education must be up-graded through necessary changes in curriculum, teaching methods, etc. For example, graduation of the full amount of middle-level technicians required cannot be assured through a simple program of expansion and partial reform when 80% of the children that now enter secondary school fail to graduate. The causes for this high drop-out rate are various and complex and they must be fully met and solved before the above goal can be achieved. Thus, the preparation of a satisfactory National Plan and its implementation have been established as the broad necessary self-help measures required for the provision of continuing U. S. financial and technical assistance.

1 Year of Obligation, Authorization or Contribution Began FY End FY	A. AID Dollar Grant Obligations (\$1,000), Loan Authorizations (\$1,000) and Numbers of People										B. Other Contributions (\$1,000 equivalent)						
	Function of Funds	TOTAL \$	U.S. Technicians		PARTICIPANTS			Contract Services		Commodities	Other Costs including Service Contribution	PL 480 Commodities		U.S. Owned or Controlled		Cooperating Country Financing	Other External Financing
			\$	No.	\$	Non-Contract U.S.	3rd C.	Contract	\$			No.	Title	Sales & Grants	Type		
A. Cumulative through the Actual Year	DL											I & IV		U.S. Owned			
	DG	957			279	226	5	678				201 & III		Counterpart		50	
	SA											Sec. 202		PL 480			
B. Net During Actual FY 63	DL											I & IV		U.S. Owned			
	DG	381			144	60	5	237	7			201 & III		Counterpart		-	
	SA											Sec. 202		PL 480			
C. During Operational FY 64	DL	1,000										I & IV		U.S. Owned			
	DG	362	22	1	65	13		408	15		4	201 & III		Counterpart	128	-	
	SA											Sec. 202		PL 480			
D. During Budget FY 65	DL	2,500										I & IV		U.S. Owned			
	DG	747			102	17		445	10	200		201 & III		Counterpart	38	2,550	
	SA											Sec. 202		PL 480			
E. During All Subsequent FYs	DL											I & IV					
	DG	550										201 & III			55	-	
	SA											Sec. 202					
F. Total All Years	DL	1,000										I & IV					
	DG	2,753										201 & III			235	2,600	
	SA											Sec. 202					

2 Dollar Obligation and Expenditure	Function of Funds	ALL PRIOR		ACTUAL FY 63			OPERATIONAL FY 64		BUDGET FY 65		3 REMARKS	
		Cumulative Expenditures	Unliquidated Obligations	Obligations During FY	Total Available for Expenditures	Actual Expenditures During FY	Unliquidated end of year Obligations	Estimated Expenditures During FY	Unliquidated end of year Obligations	Estimated Expenditures During FY		Unliquidated end of year
A. ALL PRIOR YEAR FUNDS	DL	-										
	DG	187	393	(4)	389	84	305	286	19	19	0	
	SA											
B. ACTUAL YEAR FUNDS	DL											
	DG			381	381	13	368	258	115	115	0	
	SA											
C. OPERATIONAL YEAR FUNDS	DL											
	DG							1,000	200	800	400	
	SA							499	309	190	0	
D. BUDGET YEAR FUNDS	DL									2,500	1,200	
	DG									747	483	
	SA										1,300	
E. TOTAL ALL FUNDS	DL									1,200	1,300	
	DG	187	393	377	770	97	673	848	324	795	276	
	SA											

AID FORM 10-112 (7-62)		DATE PREPARED	COOPERATING COUNTRY	SECURITY CLASSIFICATION	MULTI-YEAR LISTING		GOAL 3 MORE EFFECTIVE AND OPEN EDUCATIONAL SYSTEM					E-4		
Goal Code or Activity Code		Title of Goal or Activity		\$ 1,000 Obligations	Cumulative Through Actual Year	Actual Year	Operational Year	Budget	Budget +1	Budget +2	Budget +3	Budget +4	All Subsequent Years	Total All Years
					FY 63	FY 64	FY 65	FY 66	FY 67	FY	FY	FY	FY	
514-11-680-083	Nat. Ed. Planning (Terminating)	DL												
		DG				137								137
		SA												
		480												
		L/C												
		Coop. C.					10							
Other														
514-13-110-023	Ed. - Bus. Admin.	DL												
		DG	248	42	123	166								537
		SA												
		480												
		L/C												
		Coop. C.				85								
Other														
514-13-660-061	Univ. Ed. - Econ.	DL												
		DG	281	20	10	168								459
		SA												
		480												
		L/C												
		Coop. C.												
Other														
514-15-660-076	Higher Education	DL				1,000								1,000
		DG	175	175	75	167	150	100						667
		SA												
		480												
		L/C												
		Coop. C.				12	12	13	12					
Other														
514-21-650-080	Secondary Education	DL						2,500						2,500
		DG				142	204	200	100					646
		SA												
		480												
		L/C												
		Coop. C.				11	15	20	20					
Other														
2,500														

SECURITY CLASSIFICATION

UNCLASSIFIED

PAGE 80

Goal Code or Activity Code	Title of Goal or Activity	\$ 1,000 Obligations	Cumulative Through Actual Year	Actual Year FY <u>63</u>	Operational Year FY <u>64</u>	Budget FY <u>65</u>	Budget +1 FY <u>66</u>	Budget +2 FY <u>67</u>	Budget +3 FY _____	Budget +4 FY _____	All Subsequent Years	Total All Years	
514-15-990-031	Gen. Training	DL											
		DG	253	144	12	42						307	
		SA											
		480											
		L/C											
		Coop. C.											
	Total Goal	DL				1,000	2,500					3,500	
		DG	957	381	499	747	350	200				2,753	
		SA											
		480											
		L/C											
		Coop. C.				118	27	32	32				210
		Other	50			2,550						2,600	
		DL											
		DG											
		SA											
		480											
		L/C											
		Coop. C.											
		Other											
		DL											
		DG											
		SA											
		480											
		L/C											
		Coop. C.											
		Other											
		DL											
		DG											
		SA											
		480											
		L/C											
		Coop. C.											
		Other											
		DL											
		DG											

SECURITY CLASSIFICATION

UNCLASSIFIED

AID FORM 10-109 (7-62)	DATE PREPARED Nov. 10, 1963	COOPERATING COUNTRY Colombia	SECURITY CLASSIFICATION Unclassified	CODE 514-11-680-083	TITLE NAT. ED. PLANNING	E-1
------------------------	--------------------------------	---------------------------------	---	------------------------	----------------------------	-----

1 Year of Obligation, Authorization or Contribution Began FY End FY	Function of Funds	A. AID Dollar Grant Obligations (\$1,000), Loan Authorizations (\$1,000) and Numbers of People										B. Other Contributions (\$1,000 equivalent)				
		TOTAL \$	U.S. Technicians		PARTICIPANTS			Contract Services		Commodities	Other Costs including Servicio Contribution	PL 480 Commodities		U.S. Owned or Controlled	Cooperating Country Financing	Other External Financing
			\$	No.	\$	Non-Contract U.S.	3rd C.	Contract	\$			No.	Title			
A. Cumulative through the Actual Year	DL											I & IV		U.S. Owned		
	DG											201 & III		Counterpart		
	SA											Sec. 202		PL 480		
B. Net During Actual FY 1963	DL											I & IV		U.S. Owned		
	DG											201 & III		Counterpart		
	SA											Sec. 202		PL 480		
C. During Operational FY 1964	DL											I & IV		U.S. Owned		
	DG	137						137	4			201 & III		Counterpart	10	1/
	SA											Sec. 202		PL 480		
D. During Budget FY 1965	DL											I & IV		U.S. Owned		
	DG											201 & III		Counterpart		
	SA											Sec. 202		PL 480		
E. During All Subsequent FYs	DL											I & IV				
	DG											201 & III				
	SA											Sec. 202				
F. Total All Years	DL											I & IV				
	DG	137										201 & III			10	
	SA											Sec. 202				

2 Dollar Obligation and Expenditure	Function of Funds	ALL PRIOR		ACTUAL FY 1963				OPERATIONAL FY 1964		BUDGET FY 1965	
		Cumulative Expenditures	Unliquidated Obligations	Obligations During FY	Total Available for Expenditures	Actual Expenditures During FY	Unliquidated end of year Obligations	Estimated Expenditures During FY	Unliquidated end of year Obligations	Estimated Expenditures During FY	Unliquidated end of year
A. ALL PRIOR YEAR FUNDS	DL										
	DG										
	SA										
B. ACTUAL YEAR FUNDS	DL										
	DG										
	SA										
C. OPERATIONAL YEAR FUNDS	DL										
	DG						137	65	72	60	12
	SA										
D. BUDGET YEAR FUNDS	DL										
	DG										
	SA										
E. TOTAL ALL FUNDS	DL										
	DG							65	72	60	12
	SA										

3 REMARKS
1/ UNESCO and IBRD contributions are not known at this time. Also addresses Goal 6.

AID FORM 10-120 (7-62)	DATE PREPARED 10 NOV. 63	COOPERATING COUNTRY COLOMBIA	UNCLASSIFIED	514-11-680-083	NAT. ED. PLANNING	
---------------------------------	-----------------------------	---------------------------------	--------------	----------------	-------------------	--

1. The Activity Target

The target of this activity is to conduct a comprehensive study of primary and secondary education and to develop the planning function of the Ministry of Education which will lead to an efficient and effective system of public education. The experience in providing USAID technical assistance to public education at the national level during the last two years, has led it to the conclusion that thoroughgoing reform and reorganization of the system is necessary before optimum benefits can be derived from foreign aid and T/A. The survey conducted by the Ministry Planning Office with the advice and assistance of foreign specialists, will establish the detailed provisions for reorganization.

It is anticipated that the activity will not require a longer period than 18 months. The proposed study is considered one of the most important undertakings for Colombian education. It will concern the reorganization of the national and local governmental structure for the organization and administration of educational programs as well as the relationships between levels of preparation and the quality of programs. The anticipated benefits to be derived from this activity have been announced by the Minister of Education to the Colombian Congress and the public in general.

2. The Course of Action

Personnel to be provided by agencies furnishing advisory services include the following seven specialists for a period of 12 to 18 months: Head of mission, specialists in the areas of organization and administration, primary education, secondary education, statistics and reporting, school finance and primary teacher education. A second group of seven specialists are to serve for a period of 6 to 12 months in the areas of teaching

materials, secondary education, rural education, adult education in the teaching of reading and writing, special education for women.

The Minister of Education has named the members of a steering committee to serve with him and the Secretary General in giving direction to the work of the survey and planning team. One representative each from UNESCO, AID and IBRD will serve on this committee.

It is proposed that a definite decision be reached at the earliest date concerning participating personnel to be provided by each agency - including the GOC, the planning organization that is to be developed to implement the recommendations of this study, and the role of the National Planning Board in this activity.

Present USAID policy recommendations for the improvement of the public education system are presented in a condensed form below, although USAID recognizes that the study in depth to be carried out under the survey may alter some of these recommendations and establish additional policy guidelines, as well as provide the needed courses of action in detailed and complete form.

a. The Financial Framework. The amount of funds allocated to education should be increased. The sources of collection, flow and distribution of taxes must be changed to support a more decentralized and expeditious administrative framework.

b. The Administrative Framework should be decentralized so that the Ministry is better able to play its essential role of supervision, enforcement and evaluation and so that the state secretariats of education can more adequately perform the function of administration and implementation of projects.

AID FORM 10-120 (7-62)	DATE PREPARED 10 NOV. 63	COOPERATING COUNTRY COLOMBIA	SECURITY CLASSIFICATION UNCLASSIFIED	514-11-680-083	NAT. ED. PLANNING	
<p>c. The staff of the Ministry Planning Office should be strengthened and trained so that it can more fully serve the Ministry in establishing policy guidelines.</p> <p>d. GOC educational policy should be re-oriented towards an acceptance of the goal of balanced growth as regards primary and secondary education and the present secondary school shortage should be eliminated insofar as possible.</p> <p>e. There should be an improvement in the quality (curriculum, teaching methods, etc.) of both primary and secondary education so that presently high drop-out rates will be radically reduced.</p> <p>f. There should be both an expansion and improvement of secondary education and a substantial reorganization at this level aimed at producing middle-level technicians required for economic development but also eliminating premature specialization.</p> <p>g. The now excessive number of normal schools should be reduced through a conversion of at least 100 of these into first-cycle four year secondary schools.</p> <p>h. A broadened and strengthened Planning Office should become the main guide and source of improvement for Colombian elementary and secondary education.</p> <p>i. School construction should become, in greater measure, a responsibility of the departments, whatever the source of funding may be, and the role of the Ministry in this field should become one of planning, research, general up-grading and supervision.</p> <p>j. The above self-help requirements and others that may emerge from the survey should all be carefully related in a comprehensive and coherent national plan.</p> <p>3. <u>Resources Required</u></p> <p>To support the services of four contract technicians, funds in the amount of \$137,000 are required. Any reduction in available funds would seriously limit participation in this activity. Fourteen technician positions are projected and USAID is only providing for four of these.</p> <p>4. <u>Progress to Date</u></p> <p>The National Ministry of Education requested that representatives of AID, UNESCO and IBRD constitute a joint committee to study the general planning of primary and secondary education in the country as well as the present educational system, and to present recommendations for improved educational planning. By decree of the Colombian Government, the Minister of Education and the Secretary General of the Ministry were appointed as liaison officers to the committee and an advisory committee was constituted consisting of officials from the Ministry of Education, National Planning Board, National University, Colombian Association of Universities, SENA, ICETEX, UNESCO and USAID. The report of the committee was submitted to the Minister of Education in February 1963, and the enthusiastic acceptance of the proposed recommendations for planning constitutes the basis for the request of contract technicians for this activity.</p> <p>5. <u>Funding Requirements</u></p> <p>There are no prior obligations and no pipeline problem is anticipated.</p> <p>a. <u>Staff Requirements</u></p> <p>Four contract technicians who will work with UNESCO and Colombian personnel in the following areas:</p>						
			SECURITY CLASSIFICATION UNCLASSIFIED	PAGE 84		

AID FORM 10-120 (7-62)	DATE PREPARED 19 NOV. 63	COOPERATING COUNTRY COLOMBIA	UNCLASSIFIED	514-11-680-083	NAT. ED. PLANNING
---------------------------------	-----------------------------	---------------------------------	--------------	----------------	-------------------

Educational Organization and Administration	\$ 37,000
Secondary Education	37,000
School Finance	37,000
Teacher Education	<u>26,000</u>
	\$137,000

g. Contributions from Other Sources

UNESCO will provide the services of a professional staff the exact number and in which of the specialized fields has not been determined to date. It is anticipated that the IERD will also provide some limited technical service.

b. Commodity Requirements

None.

c. Training Requirements

None.

d. Local Costs

None.

e. Local Currency Requirements

Local currency from PL-480 sources in the amount of Col.\$1,000,000 pesos is needed to assure the participation of high-level Colombian professional personnel.

f. Cooperating Country Contribution

The National Ministry of Education will make available members of its staff to collaborate and assist the UNESCO/AID planning team. The Ministry will use its influence to involve leaders from all professional sectors. Administrative services, including bilingual secretaries, equipment and supplies essential to the success of this activity will be supplied by the GOC. It is estimated that the cost of these services will amount to approximately Col.\$100,000 pesos (U.S.\$10,000).

AID FORM 10-120 (7-62)	DATE PREPARED 10 NOV. 63	COOPERATING COUNTRY COLOMBIA	SECURITY CLASSIFICATION UNCLASSIFIED	514-13-770-023	ED. - BUS. ADMIN.
------------------------------	-----------------------------	---------------------------------	---	----------------	-------------------

1. The Activity Target

The target of this activity is to help develop an effective School of Business Administration and Finance at Medellin which can, in turn, make a significant contribution to the nation's economic development by preparing needed executive and managerial personnel. The specific aims are as follows:

- a. To increase the output of the School as rapidly as possible. The goal was previously set at 120-140 students per semester in each of the two programs.
- b. To assist in developing sound administrative practices and procedures, including financing.
- c. To assist in developing a full-time and competent professional faculty.
- d. To develop courses of study and instructional materials that reflect Colombian conditions.
- e. To assist in the development of a Business Research Center, and programs of adult education.

2. Course of Action

- a. Continue to provide professors for the improvement program for administrative and faculty personnel using the "counterpart" system of on-the-job supervisory assistance.
- b. Further develop library and visual aid materials.
- c. Accelerate participant training programs in order that personnel may fit smoothly into staff positions prior to termination of activity.

- d. Give greater emphasis to the development of a Business Research Center.

3. Resources Required

The total AID obligation to date is \$248,000. Additional financing in the amount of \$289,000 (FY-64 and FY-65) is needed to realize the target objectives of this activity which will terminate under FY-65 funding.

4. Progress to Date

A university contract was signed in February 1962 with Syracuse University to provide technical and related assistance to the School of Business Administration and Finance at Medellin.

The School, established in August 1960, is the only institution in Colombia providing comprehensive instruction at the university level for the preparation of technical and administrative personnel in this field. It is performing a vital role for the country since the GOC ten-year plan for industrial development projects very large requirements for trained managers. The School has a five-year program of business administration and finance and a two-year course in industrial and textile engineering. The latter program, now known as the Technological Institute, was organized in February 1962 with the financial help of the Whirlpool Corporation.

The enrollment of the School has increased at a very satisfactory rate in view of the necessary time that is always needed to introduce a new program at the university level. There is an increasing number of students from other parts of the country which is in keeping with the School's objectives. As of August 1963 there were more than 350 students enrolled, which represents an 80 percent increase over the previous year's

SECURITY CLASSIFICATION UNCLASSIFIED	PAGE 87
---	---------

AID FORM 10-120 (7-62)	DATE PREPARED. 10 NOV. 63	COOPERATING COUNTRY COLOMBIA	SECURITY CLASSIFICATION UNCLASSIFIED	514-13-770-023	ED. - BUS. ADMIN.																										
<p>enrollment.</p> <p>The organization and administration of the School has been greatly improved. Marked improvements may be noted in courses of studies, reference and instructional materials available and in the general quality of instruction.</p> <p>In August 1963 the first two buildings of a new school plant for the School of Administration and Finance were inaugurated.</p> <p>5. <u>Funding Requirements</u></p> <p>\$123,000 has been proposed as funding for FY-64 (\$81,000 contract services, \$38,000 non-contract participants, \$4,000 other costs).</p> <p>FY-65 funding breakdown is as follows:</p> <p>a. <u>Staff Requirements</u></p> <p>Salaries</p> <table data-bbox="241 726 861 834"> <tr> <td>3 technicians for a total of 12 months</td> <td>\$52,500</td> </tr> <tr> <td>1 technician for 12 months</td> <td>18,000</td> </tr> <tr> <td>1 technician for 6 months</td> <td><u>9,000</u></td> </tr> <tr> <td></td> <td>\$79,500</td> </tr> </table> <p>The above staff is in the fields of administration, accounting, economics, and management.</p> <table data-bbox="205 949 861 1015"> <tr> <td>On Campus</td> <td>\$ 6,000</td> </tr> <tr> <td></td> <td><u>\$85,500</u></td> </tr> </table> <p>b. <u>Other Costs</u></p> <table data-bbox="1249 223 1827 487"> <tr> <td>Allowances, housing and education</td> <td>\$11,040</td> </tr> <tr> <td>International travel and transportation</td> <td>11,980</td> </tr> <tr> <td>Other direct costs</td> <td>6,000</td> </tr> <tr> <td>Overhead</td> <td>20,610</td> </tr> <tr> <td>Equipment</td> <td>7,000</td> </tr> <tr> <td>Participant training: 3 at \$8,000</td> <td><u>24,000</u></td> </tr> <tr> <td></td> <td><u>\$80,630</u></td> </tr> </table> <p>c. <u>Cooperating country contribution</u></p> <p>The Colombian contributions to this project will be made in the form of donations by business concerns and other entities to the Corporación Educativa de la Industria, a non-profit educational foundation. This agency agreed to underwrite 1963 deficits which will amount to about \$85,000. Income from tuition fees amounts to more than \$50,000 per year.</p> <p>d. <u>Contributions from other sources</u></p> <p>In 1962 the School received a bequest from the Whirlpool Foundation, Benton Harbor, Michigan, in the amount of \$50,000. An additional contribution from this organization of \$50,000, or more, is anticipated.</p>						3 technicians for a total of 12 months	\$52,500	1 technician for 12 months	18,000	1 technician for 6 months	<u>9,000</u>		\$79,500	On Campus	\$ 6,000		<u>\$85,500</u>	Allowances, housing and education	\$11,040	International travel and transportation	11,980	Other direct costs	6,000	Overhead	20,610	Equipment	7,000	Participant training: 3 at \$8,000	<u>24,000</u>		<u>\$80,630</u>
3 technicians for a total of 12 months	\$52,500																														
1 technician for 12 months	18,000																														
1 technician for 6 months	<u>9,000</u>																														
	\$79,500																														
On Campus	\$ 6,000																														
	<u>\$85,500</u>																														
Allowances, housing and education	\$11,040																														
International travel and transportation	11,980																														
Other direct costs	6,000																														
Overhead	20,610																														
Equipment	7,000																														
Participant training: 3 at \$8,000	<u>24,000</u>																														
	<u>\$80,630</u>																														
			SECURITY CLASSIFICATION UNCLASSIFIED	PAGE 88																											

1 Year of Obligation, Authorization or Contribution Began FY End FY	Function of Funds	A. AID Dollar Grant Obligations (\$1,000), Loan Authorizations (\$1,000) and Numbers of People										B. Other Contributions (\$1,000 equivalent)					
		TOTAL \$	U.S. Technicians		PARTICIPANTS			Contract Services		Commodities	Other Costs including Service Contribution	PL 480 Commodities		U.S. Owned or Controlled		Cooperating Country Financing	Other External Financing
			\$	No.	\$	Non-Contract U.S.	3rd C.	Contract	\$			No.	Title	Sales & Grants	Type		
A. Cumulative through the Actual Year	DL											I & IV		U.S. Owned			
	DG	281	0	0	0	0	0	281		0	0	201 & III		Counterpart			
	SA											Sec. 202		PL 480			
B. Net During Actual FY 63	DL											I & IV		U.S. Owned			
	DG	20	0	0	0	0		20		0	0	201 & III		Counterpart			
	SA											Sec. 202		PL 480			
C. During Operational FY 64	DL											I & IV		U.S. Owned		10	
	DG	10						10	3			201 & III		Counterpart			
	SA											Sec. 202		PL 480			
D. During Budget FY 65	DL											I & IV		U.S. Owned		15	
	DG	168					10	168	3			201 & III		Counterpart			
	SA											Sec. 202		PL 480			
E. During All Subsequent FYs	DL											I & IV					
	DG	0										201 & III					
	SA											Sec. 202					
F. Total All Years	DL											I & IV				25	
	DG	459										201 & III					
	SA											Sec. 202					

2 Dollar Obligation and Expenditure	Function of Funds	ALL PRIOR		ACTUAL FY 63				OPERATIONAL FY 64			BUDGET FY 65		3 REMARKS	
		Cumulative Expenditures	Unliquidated Obligations	Obligations During FY	Total Available for Expenditures	Actual Expenditures During FY	Unliquidated end of year	Estimated Expenditures During FY	Unliquidated end of year	Estimated Expenditures During FY	Unliquidated end of year			
A. ALL PRIOR YEAR FUNDS	DL													
	DG	0	261	0	261	0	261		261	0				
	SA													
B. ACTUAL YEAR FUNDS	DL													
	DG			20	20	0	20		20	0				
	SA													
C. OPERATIONAL YEAR FUNDS	DL													
	DG							10	10	0				
	SA													
D. BUDGET YEAR FUNDS	DL													
	DG									168	70	98		
	SA													
E. TOTAL ALL FUNDS	DL													
	DG	0	261	20	281	0	281		291	0	70	98		
	SA													

AID FORM 10 - 120 (7-62)	DATE PREPARED 10, NOV. 63	COOPERATING COUNTRY COLOMBIA	SECURITY CLASSIFICATION UNCLASSIFIED	614-13-660-061	UNIV. EDUC. ECON.
-----------------------------------	------------------------------	---------------------------------	---	----------------	-------------------

1. The Activity Target

To assist the University of Los Andes in the development of a full graduate program in economics directed toward a Master of Arts degree, together with the research activities, and library and other materials required by such a program.

2. Course of Action

A university contract was negotiated in May 1962 with the University of Minnesota to provide technical and related assistance to the Faculty of Economics of the University of Los Andes at Bogotá.

This activity is for two years but plans have been projected over a four-year period. The complete graduate program will not begin before August 1964.

Attention will be given to the following during FY-64:

- a) Design and publicity of the new M.A. program.
- b) Selection and improvement of staff.
- c) Provision of facilities for teaching and research.
- d) Initiation of research project.

During FY-65 the following activities will be emphasized:

- a) Training of Colombian counterpart personnel in basic fields of economics.
- b) Assistance in the selection and procurement of library and other materials, equipment and facilities that may be required for successful completion of this activity.
- c) Assistance in the selection, translation and publication of research and teaching materials.
- d) Assistance in holding conferences, national and international in scope, to increase economic understanding and encourage economic research.

3. Resources Required

The total AID obligation to date is \$281,265, to cover contract services for two years. The desirable extension of this activity for an additional two years involves \$178,265 (\$10,000 FY 64, \$168,000 FY-65) Funding will terminate in FY-65.

4. Progress to Date

This project has just begun and there is little significant progress to report at this time.

5. Funding Requirements

FY 65 funding breakdown is as follows:

- a) Staff Requirements

AID FORM 10-120 (7-62)	DATE PREPARED 10, NOV. 63	COOPERATING COUNTRY COLOMBIA	SECURITY CLASSIFICATION UNCLASSIFIED	514-13-660-061	UNIV. ED - ECON.
1 Coordinator - Economics	\$ 12,000	classroom and office space, bilingual secretarial service, translation service and local transportation. The University will advance funds for local costs, travel, etc., on an as needed basis. The total contribution is estimated at more than \$250,000 pesos (US\$25,000).			
4 Economic Specialists	40,000				
Benefits: Quarter, education allowance, travel and transportation	<u>40,900</u>				
	<u>\$ 92,900</u>				
The University has invested considerable funds in its economics program. It has increased its faculty of economics; sent faculty to the U. S. for training; increased its economic library buildings; and built an additional building for its economic library.					
b) <u>Commodity Requirements</u>					
Station Wagon	\$ 2,500				
Library books and periodicals	5,000				
Other supplies	<u>2,500</u>				
	<u>\$ 10,000</u>				
c) <u>Training Requirements</u>					
Ten participants for one year of training	\$ 50,000				
d) <u>Other costs</u>					
	15,100				
e) <u>Cooperating country contribution</u>					
The University of Los Andes, Faculty of Economics, will employ counterparts for each technician, furnish					
			SECURITY CLASSIFICATION	UNCLASSIFIED	
					PAGE 91

AID FORM 10-109 (7-62)	DATE PREPARED 10 NOV. 63	COOPERATING COUNTRY COLOMBIA	SECURITY CLASSIFICATION UNCLASSIFIED	CODE 514-15-660-076	TITLE HIGHER EDUCATION	E-1
------------------------	-----------------------------	---------------------------------	---	------------------------	---------------------------	-----

1 Year of Obligation, Authorization or Contribution Began FY 1963 End FY 1967	A. AID Dollar Grant Obligations (\$1,000), Loan Authorizations (\$1,000) and Numbers of People											B. Other Contributions (\$1,000 equivalent)						
	Function of Funds	TOTAL \$	U.S. Technicians		PARTICIPANTS			Contract Services		Commodities	Other Costs including Servicio Contribution	PL 480 Commodities		U.S. Owned or Controlled		Cooperating Country Financing	Other External Financing	
			\$	No.	\$	Non-Contract		Contract	\$			No.	Title	Sales & Grants	Type			Local Currency
						U.S.	3rd C.											
A. Cumulative through the Actual Year	DL											I & IV		U.S. Owned				
	DG	175						175				201 & III		Counterpart				
	SA											Sec. 202		PL 480				
B. Net During Actual FY 1963	DL											I & IV		U.S. Owned				
	DG	175						175	7			201 & III		Counterpart				
	SA											Sec. 202		PL 480				
C. During Operational FY 1964	DL	1,000										I & IV		U.S. Owned				
	DG	75		15	3			60	2			201 & III		Counterpart	12	1/		
	SA											Sec. 202		PL 480				
D. During Budget FY 1965	DL											I & IV		U.S. Owned				
	DG	167		30	5			37	1	100		201 & III		Counterpart	12			
	SA											Sec. 202		PL 480				
E. During All Subsequent FYs	DL											I & IV						
	DG	250										201 & III			25			
	SA											Sec. 202						
F. Total All Years	DL	1,000										I & IV						
	DG	667										201 & III			49			
	SA											Sec. 202						

2 Dollar Obligation and Expenditure	Function of Funds	ALL PRIOR		ACTUAL FY 63				OPERATIONAL FY 64			BUDGET FY 65		3 REMARKS
		Cumulative Expenditures	Unliquidated Obligations	Obligations During FY	Total Available for Expenditures	Actual Expenditures During FY	Unliquidated end of year Obligations	Estimated Expenditures During FY	Unliquidated end of year Obligations	Estimated Expenditures During FY	Unliquidated end of year		
A. ALL PRIOR YEAR FUNDS	DL												1/ Ford Foundation is contributing some assistance which indirectly concerns this activity.
	DG												
	SA												
B. ACTUAL YEAR FUNDS	DL												
	DG			175	175	0	175	100	75	75	0		
	SA												
C. OPERATIONAL YEAR FUNDS	DL												
	DG						1,000	200	800	400	400		
	SA						75	60	15	15	0		
D. BUDGET YEAR FUNDS	DL												
	DG									167	130	37	
	SA												
E. TOTAL ALL FUNDS	DL			175	175	0	175						SECURITY CLASSIFICATION UNCLASSIFIED
	DG							160	90	220	37		
	SA												

AID FORM 10-120 (7-62)	DATE PREPARED November 10, 1968	COOPERATING COUNTRY Colombia	Unclassified	514-15-660-076	Higher Education
------------------------	------------------------------------	---------------------------------	--------------	----------------	------------------

1. The Activity Target

The improvement of higher education in Colombia is highly significant if this level of education is to develop the effective leadership essential to social and economic development. To date little attention has been given to the adjustment of program offerings in the 24 official universities to more adequately meet the manpower needs of the nation. The small total university enrollment and high professor-student ratio represent a waste of human and financial resources.

Targets for the complete period of this activity will need to be developed or revised in light of the university education study. The following activity targets are proposed at this time:

- a) To assist with the implementation of recommendations made to the Association of Colombian Universities by the contract team.
- b) To assist in the organization and improvement of selected university libraries.
- c) To assist in the improvement of one or more faculties of education, and in the development of educational research programs.
- d) To provide technical advice to universities seriously concerned with organizing the "general studies" program.

It is anticipated that this activity will continue for approximately four years. This is a new project area and the proposed assistance is vital to the establishment of contacts with the University contract team and the Association of Colombian Universities, and as a means of making a beginning in some of the deficient areas which are obviously of high priority. The Association gives ample assurance that this activity will be successfully continued.

2. Course of Action

This activity is concerned with many of the typical weaknesses of

Latin American universities, namely: too many universities and too many faculties within each, few fulltime faculty, inadequate library and laboratory facilities, over-emphasis on traditional subjects to the neglect of other fields essential for country development, weak intellectual discipline and poor university organization and administration.

The survey and planning to be carried out under contract will be underway by January 1964 and will require approximately 16 months. It is proposed that this activity be reviewed with the joint Association-U.S. University team in reference to the selection of faculties of education and university libraries. The improvement of library facilities and services should preferably be in a university that is organizing the "general studies" program. Since the Ford Foundation is providing assistance to selected university schools of education, the technician assigned to higher education will plan and closely collaborate with local Ford Foundation representatives. It is proposed that all available sources of information be consulted as well as first-hand investigations prior to determining specific lines of action.

3. Resources Required

For FY-64, funds in the amount of \$ 75,000 are required to support two contract technicians (\$ 60,000) and three non-contract participants (\$ 15,000).

The total FY-65 funds amount to \$ 167,000 and are distributed as follows: one contract service technician \$ 37,000; five non-contract participants \$ 30,000; and \$ 100,000 to meet commodity costs of educational materials and equipment.

A 25 percent reduction in available funds would seriously handicap this activity. Less funds for FY-64 would mean a reduction in the number of participants, and for FY-65 commodity costs would have to be reduced.

The Ford Foundation initiated assistance to selected faculties of

AID FORM 10-120 (7-62)	DATE PREPARED November 10, 1963	COOPERATING COUNTRY Colombia	Unclassified	514-15-660-076	Higher Education
------------------------	------------------------------------	---------------------------------	--------------	----------------	------------------

education with the understanding that this effort would be supplemented with AID assistance.

4. Progress to Date

A contract has been negotiated between AID and the University of Michigan providing for technical assistance to the Association of Colombian Universities in conducting a study of university education.

Contract personnel from the Perkins and Will Architectural and Engineering Firm of Chicago have conducted a seminar for University Rectors on school plant planning.

ICETEX will soon complete a survey of high-level human resources in Colombia, which will provide valuable information for university program planning.

5. Funding Requirements

In FY-63, \$ 175,000 were funded to meet the cost of seven contract technicians who are to make a university study with the Association of Colombian Universities. No pipeline problem is anticipated.

a) Staff requirements

For FY-64 the following contract positions are requested:

1 Research, Reporting and Data Gathering	\$ 30,000
1 Educational Administration and Finance	<u>30,000</u>
	<u>\$ 60,000</u>

While these technicians are charged under this activity, their work will also pertain to the programs at the primary and secondary levels. In all instances the first priority will be to supplement the work of the survey teams and to see that recommendations are implemented at the earliest possible date.

There is one contract service technician in the general field of higher education at an estimated cost of \$ 37,000 for FY-65. The duties and responsibilities are adequately defined under parts 1 and 2.

b) Commodity Requirements - FY-65

Library equipment and books	\$ 50,000
Materials and equipment for faculties of education	<u>50,000</u>
	<u>\$100,000</u>

c) Training Requirements

From FY-64 funding three participants to the United States at a cost of \$ 15,000, in the fields of Educational Supervision and Administration (2) and Guidance, Counseling and Testing (1).

From FY-65 funds five participants to the United States for one year of graduate studies in the fields of university administration (2) and teacher education (3). \$ 30,000

d) Local Costs

None.

e) Local currency requirements

None.

f) Cooperating Country contribution

Local costs for the university contract team are to be met by the Association of Colombian Universities. These include travel, bilingual secretary and translation services, office space, equipment and supplies. It is estimated that these costs will amount to more than Col. 120,000 pesos (U.S.\$ 12,000).

g) Contributions from Other Sources

No direct contributions to this activity are contemplated from other sources.

BUDGET SUMMARY

<u>U.S. Contributions</u>	<u>FY-64</u>		<u>FY-65</u>	
	<u>No.</u>	<u>Cost</u>	<u>No.</u>	<u>Cost</u>
Participants	(3)	\$ 15,000	(5)	\$ 30,000
Contract Services	(2)	\$ 60,000	(1)	\$ 37,000
Commodity Costs				<u>100,000</u>
Total		<u>\$ 75,000</u>		<u>\$ 167,000</u>

ICETEX, a highly successful semi-autonomous entity that has specialized in lending money to students for advanced study abroad, has made a loan application for US\$1,000,000 which is presently under consideration in AID/W. These funds are to be employed by ICETEX as loans to carefully selected students for study in Colombian universities.

AID FORM 10-109 (7-62)	DATE PREPARED 10 NOV 63	COOPERATING COUNTRY COLOMBIA	SECURITY CLASSIFICATION UNCLASSIFIED	CODE 514-21-650-080	TITLE SECONDARY EDUCATION	E-1
------------------------	----------------------------	---------------------------------	---	------------------------	------------------------------	-----

1 Year of Obligation, Authorization or Contribution Began FY End FY	Function of Funds	A. AID Dollar Grant Obligations (\$1,000), Loan Authorizations (\$1,000) and Numbers of People										B. Other Contributions (\$1,000 equivalent)					
		TOTAL \$	U.S. Technicians		PARTICIPANTS			Contract Services		Commodities	Other Costs including Service Contribution	PL 480 Commodities		U.S. Owned or Controlled		Cooperating Country Financing	Other External Financing
			\$	No.	\$	Non-Contract U.S.	3rd C.	Contract	\$			No.	Title	Sales & Grants	Type		
A. Cumulative through the Actual Year	DL												I & IV		U.S. Owned		
	DG												201 & III		Counterpart		
	SA												Sec. 202		PL 480		
B. Net During Actual FY 1963	DL												I & IV		U.S. Owned		
	DG												201 & III		Counterpart		
	SA												Sec. 202		PL 480		
C. During Operational FY 1964	DL												I & IV		U.S. Owned		
	DG	142	22	1				120	2				201 & III		Counterpart	11	
	SA												Sec. 202		PL 480		
D. During Budget FY 1965	DL	2,500											I & IV		U.S. Owned		2,500 ^{1/}
	DG	204			30	5		74	2	100			201 & III		Counterpart	15	
	SA												Sec. 202		PL 480		
E. During All Subsequent FYs	DL												I & IV				
	DG	300											201 & III			40	
	SA												Sec. 202				
F. Total All Years	DL												I & IV				
	DG	646											201 & III			66 ^{2/}	2,500
	SA												Sec. 202				

2 Dollar Obligation and Expenditure	Function of Funds	ALL PRIOR		ACTUAL FY 63				OPERATIONAL FY 64			BUDGET FY 65	
		Cumulative Expenditures	Unliquidated Obligations	Obligations During FY	Total Available for Expenditures	Actual Expenditures During FY	Unliquidated end of year Obligations	Estimated Expenditures During FY	Unliquidated end of year Obligations	Estimated Expenditures During FY	Unliquidated end of year	
A. ALL PRIOR YEAR FUNDS	DL											
	DG	0	0									
	SA											
B. ACTUAL YEAR FUNDS	DL											
	DG			0	0	0	0					
	SA											
C. OPERATIONAL YEAR FUNDS	DL											
	DG							142	82	60	60	0
	SA											
D. BUDGET YEAR FUNDS	DL									2,500	1,200	1,300
	DG									204	154	50
	SA											
E. TOTAL ALL FUNDS	DL										1,200	1,300
	DG								82	60	214	50
	SA											

3 REMARKS
^{1/} IBRD loan.
^{2/} It is hoped that, in addition, the GOC will contribute the peso equivalent of five million dollars to the loan funds under this activity.

AID FORM 10-120 (7-62)	DATE PREPARED 10 NOV, 1963	COOPERATING COUNTRY COLOMBIA	SECURITY CLASSIFICATION UNCLASSIFIED	514-21-650-080	SECONDARY EDUCATION
<p>1. <u>The Activity Targets</u></p> <p>The main purpose of this activity is to help the GOC increase public secondary school enrollment by 300% in four years, with particular attention to vocational education, so that the present shortage of middle-level technicians is drastically reduced. This activity will be closely coordinated with the Nat. Ed. Planning Activity, 514-11-680-083.</p> <p>This activity is directed principally to extending secondary school preparation to the vast numbers of qualified youth who do not presently have access to this opportunity; to the development of effective organization and administration for public secondary education; to up-grading the level of vocational preparation and integrating this training into the secondary program; and to the development and improvement of curricula, with appropriate emphasis given to improving the quality of teaching.</p> <p>The expansion and improvement of public secondary education is considered the first priority in an effort to orient or redirect educational programs toward the socio-economic betterment of Colombia. More significance can be placed on this project in view of the fact that only 26.6 percent of secondary school age youth (ages 15-19) was enrolled in 1962. The percentage of attendance is always lower than enrollment and suggests an even greater number in the out-of-school group. Such a situation where a nation of fifteen million inhabitants has 1,175,000 school age youth out of school is not only a waste of valuable potential manpower but is also a fertile breeding ground for unrest. An exhaustive analysis is needed, including all types of secondary programs and their appropriate relation to primary and higher education. The secondary school program, with 65 percent of its schools representing approximately 80 percent of the total enrollment in the hands of private entities, has only recently been recognized as a proper concern of the National Ministry of Education.</p> <p>Accomplishment of the above-stated activity target involves the following achievements to be realized by FY-1967:</p> <ol style="list-style-type: none"> a. Increase the enrollment in public secondary schools by 300 percent. b. Construct 15 new public secondary schools that reflect sound educational planning and design, and assist in the improvement and enlargement of 15 selected schools. c. Reduce the school dropout rate from its present 80 percent to 50 percent or less. d. Convert approximately 100 of the more than 300 schools to the first four-year cycle of secondary education and thus realize a better utilization of these facilities. There is a great excess of Normal Schools in Colombia. e. Establish vocational education and a program of guidance services as an integral part of the secondary program. f. Help the Ministry organize comprehensive schools as a means of providing greater educational opportunities and more efficient administration, and to eliminate the present procedure which encourages premature vocational choice. g. Improve the curricula, particularly in reference to a reduction in the number of subjects and the number of class hours, permit lateral movement of students between different types of programs, and provide extra-curricular activities. h. Improve the quality of teaching through the provision of instructional aids and materials, and improvement in teacher 					
			SECURITY CLASSIFICATION UNCLASSIFIED	PAGE 97	

AID FORM 10-120 (7-62)	DATE PREPARED 10 NOV. 1963	COOPERATING COUNTRY COLOMBIA	SECURITY CLASSIFICATION UNCLASSIFIED	514-21-650-080	SECONDARY EDUCATION
---------------------------------	-------------------------------	---------------------------------	---	----------------	---------------------

professional standards.

i. Encourage the use of scholarships to deserving students at the second cycle, or last two years, of secondary school, and thus reduce the amount of drop-outs because of costly living away from home.

j. Assist the Ministry with the implementation of organizational and administrative reforms. Encourage decentralization of secondary education administration.

k. Increase sharply the number of middle-level technicians in the agricultural and vocational-technical fields. As an example, there are presently few more than 1,000 agricultural technicians in Colombia and approximately 1,000 agronomic engineers. A conservative estimate would place the need for these counterpart technicians at 10 for each engineer, or 10,000. More than 15 years ago in the United States, studies revealed that 16 technicians were needed for each college trained engineer.

2. Course of Action

This activity is projected for a minimum period of four years, which is recognized as too brief a period to expect complete reform and expansion of the public secondary school program. The limited financial and technical assistance is to serve as a stimulus to the federal and local governments in carrying out their function of providing adequate public education. The inadequacy of private schools, particularly in reference to prohibitive costs and accessibility to all who are qualified, is well known. Due to domination of secondary education by the private sector, the GOC is inexperienced in this level of education and is in need of guidance and assistance in its planning and implementation. This project will be both demonstrational and of nation-wide significance. The introduction of the comprehensive school concept with improved facilities and an enriched curriculum will be carefully planned and introduced on a demonstra-

tional basis, while the extension of secondary education to the many additional students will be a country-wide effort. Unquestionably, this activity will receive enthusiastic local support, as evidenced by the frequent expressions of interest on the part of the Ministry, local governments, private entities and citizens.

Specific actions intended to assure these achievements include the following:

The increase in enrollment of students in public secondary schools will be affected by: (1) new schools constructed and the completion of existing schools; (2) the normal anticipated enrollment increase; and (3) the conversion of at least 100 existing normal schools to first cycle secondary schools. While the latter stands to produce the most immediate enrollment increase, it is important to consider the effect of the new primary schools that have been completed during the past two years or are planned for completion under the Alliance for Progress.

Under this activity: (1) 100 national normal schools will be selected and a plan developed for their conversion to secondary schools; (2) a plan of action will be developed for the conversion of local government and private normal schools; (3) the sites for construction of 15 new secondary schools will be selected in addition to the selection of 15 schools for improvement and enlargement; (4) school planning and construction design will proceed with a clear understanding of the educational program that is to be developed.

The high dropout rate in secondary schools presents a vital problem. With only 12 percent of those entering the first year completing the sixth, this represents a waste of budget as well as human resources. Assuming that the major causes are economic, lack of educational guidance services, and the low quality of programs, the following lines of action should greatly improve

SECURITY CLASSIFICATION UNCLASSIFIED	PAGE 98
---	---------

AID FORM 10-120 (7-62)	DATE PREPARED 10 NOV. 63	COOPERATING COUNTRY COLOMBIA	SECURITY CLASSIFICATION UNCLASSIFIED	514-21-650-080	SECONDARY EDUCATION
<p>the holding power of the school: (1) free secondary education that will relieve the parent of this financial burden; (2) adult education programs for parents; (3) guidance services for students; (4) delay of the need for vocational choice until the fourth year of secondary school; (5) provision of instructional aids and teaching materials; and (6) a professional improvement program for teachers. A comprehensive study and analysis of the dropout problem will be made by the survey team. A program which the comprehensive type school might offer should prove more attractive to the needs of individual students.</p> <p>During FY-64 the U.S. technicians will assist Ministry personnel in selecting the locations for new schools and in selecting schools for improvement and enlargement. Local education officials will conduct educational surveys as a basis for determining the need for new or improved school plant facilities. The contract technician in school plant planning under the primary education activity is to work with Ministry architects, U.S. technicians and Ministry program personnel in planning and designing 5 new schools, and in developing improvement plans for 5 selected schools. A plan for the selection and conversion of normal schools to secondary schools will be developed and placed into effect for 100 national schools. The procedure for adaptation of vocational education to the two-cycle secondary program will be determined and given official approval by the Ministry. Equipment, instructional aids and staff needs are to be planned for the new and selected secondary schools. The teacher education technician will give full attention at this level to developing programs for the preparation of vocational teachers, and to determining teacher needs in the general secondary area.</p> <p>During FY-65 plans and design for an additional 5 new schools and 5 schools selected for improvement will be made. The U.S. and Ministry technical personnel will determine equipment and instructional needs to be provided the new comprehensive type schools. A program of guidance and testing service will be planned and initiated on a limited basis as a part of over-all curriculum improvement. Selected administrative and supervisory personnel are to receive participant training for the secondary education program which they helped to plan. A plan for the selection of students for scholarships at the second cycle level will be initiated. The U.S. and Ministry technical staff will give special attention to follow-up and implementation of the recommendations of the national education survey team.</p> <p>A reform of the general secondary school (bachillerato) curriculum was effected in 1962. The new program represents substantial improvements, e.g. reduction in the number of class hours per week, and the provision for elective courses in such areas as vocational education, music and art. In general, this is a more flexible curriculum that is less university oriented. This new-curriculum is now in force in the second year of the six-year program, but will become increasingly difficult to implement as it moves to the latter years of specialization. Even at present the elective courses cannot be effectively taught without the benefit of special equipment and shop facilities. There is also a need for teachers prepared in the new subject matter areas. It is proposed that assistance be provided to selected schools in the effective implementation of this program. These same schools may be used to demonstrate further curriculum and program improvements.</p> <p>It is impossible to teach effectively without the aid of textbooks, reference materials, laboratory equipment, shop supplies and other such needs. In general terms, most public secondary schools do not have these teaching necessities in sufficient quantity for student use. Every effort will be made to a Ministry of Education operating budget sufficient to meet minimum teaching needs. An increase in returns available from tax resources and a more equitable distribution of these funds is essential. Also the use and administration of available funds is an essential area for improvement. The improvement of the quality of instruction in existing schools must precede or accompany the construction of new schools.</p>					
			SECURITY CLASSIFICATION UNCLASSIFIED	PAGE 99	

AID FORM 10 - 120 (7-62)	DATE PREPARED 10 NOV. 1963	COOPERATING COUNTRY COLOMBIA	SECURITY CLASSIFICATION UNCLASSIFIED	514-21-650-080	SECONDARY EDUCATION
-----------------------------------	-------------------------------	---------------------------------	---	----------------	---------------------

Frequently, funds based on inadequate budgets for school construction and for school operation are not made available due to inefficient administration. As previously mentioned, improvements in the organizational and administrative structure are basic to any reform of secondary education. Consequently, loans and technical assistance should be closely related to Ministry implementation of reforms recommended by the national planning team (AID, UNESCO, IBRD).

3. Resources Required

From FY-64 funding, \$142,000 is requested to support the services of one direct hire technician (\$22,000) and two contract technicians for two years each (\$120,000).

The GOC intends to make a request for loans totalling U.S. \$10,000,000: \$5,000,000 from AID and \$5,000,000 from IBRD. The plan of GOC is that these funds are to be divided equally in support of actions to realize target objectives concerning both primary and secondary education. It is anticipated that the GOC will contribute 50,000,000 pesos (U.S. \$5,000,000) to this target.

In consideration of the loan request, it is proposed that on the basis of a global plan AID loan funds be used to support certain priority needs at both the primary and secondary levels. The total of \$5,000,000 in support of secondary education is considered a minimum requirement in the light of the activity target.

The total FY-65 budget is \$204,000 and is distributed as follows: two contract technicians \$74,000, five non-contract participants \$30,000 and \$100,000 of commodity costs for educational equipment and materials.

This is the highest priority activity in education and any reduction in funds would greatly limit its effectiveness. Should a reduction be necessary it would have to be made under commodity costs.

4. Progress to Date

The major phase of this activity relates to general secondary education which is a new area for technical assistance. The problems and needs for improvement and extension of public secondary education have been discussed with the Minister of Education and members of his staff on many occasions during joint staff planning sessions. A marked increase in Ministry interest and desire to invest in the development of secondary education has been noted.

The vocational education phase of secondary education is a continuing program which was initiated under the Cooperative Education Service in 1959. The major continuing programs under industrial and agricultural education pertain to teacher education. In reference to accomplishments in these fields, the Ministry adopted the six-year program which was developed more than three years ago for the National Agricultural Normal School at Buga. The program is designed to prepare agricultural technicians as well as teachers of vocational agriculture. The first group of teachers with superior preparation will complete their studies in December 1963. At present, the more essential facilities of a new school plant are being completed at a cost to the Ministry of Education of Col. \$1,600,000 pesos (US\$160,000). In the area of industrial education, the industrial school of Cali has been improved and developed as a model institution. More than ten trade and industrial areas have been developed to meet the skilled technical needs of the industrial city of Cali. The "rotation" shop program introduced at this school for the first year students has been duplicated in other industrial schools over the country. The Municipality of Cali has been encouraged to invest, over the normal operating budget, the sum of Col. \$3,000,000 pesos in this program over a three-year period.

SECURITY CLASSIFICATION	UNCLASSIFIED	PAGE 100
-------------------------	--------------	----------

In 1962 the reformed curriculum for general secondary schools was placed into effect for first year students. This program is a decided improvement in regard to flexibility and university orientation.

5. Funding Requirement

There are no prior obligations and no pipeline problem is anticipated.

U.S. Contribution (DG)	FY-64		FY-65	
	No.	Cost	No.	Cost
Direct Hire Technicians	(1)	\$ 22,000		
Contract Service Technicians	(2)	120,000	(2)	\$ 74,000
Non-Contract participants			(5)	30,000
Commodity cost				<u>100,000</u>
		<u>\$ 142,000</u>		<u>\$204,000</u>

As stated under "Resources Required", DL funds of \$5.0 million are required to support this activity with possible inclusion of Primary Education.

a. Staff requirements

FY-64

Teacher Education
Vocational-Technical Education
Agricultural Education

FY-65

Vocational-Technical Education
Agricultural Education

The incumbent of direct hire position, Education Advisor, (funded under technical support) will provide leadership and supervision to

this activity. He and the two contract technicians will work closely with Ministry and local government officials, universities, SENA and other agencies concerned with public secondary education. It is not anticipated that technical personnel will become directly involved in activities at the school operational level, but will work in an advisory capacity to high level officials in the areas of planning, evaluation, organization and administration.

b. Commodity requirements

Laboratory equipment for chemistry, physics and biology	\$ 30,000
Audio-Visual equipment	15,000
Basic new school needs for cafeteria, library and shop	15,000
Library books and instruction materials	40,000
	<u>\$100,000</u>

c. Training requirements

Four participants to the United States for one year of preparation at the graduate level in educational administration and supervision.

One participant to the United States for a year of study in educational guidance and testing.

d. Local currency requirements

None.

e. Cooperating country contribution

The Ministry of Education will assign the necessary

AID FORM 10-120 (7-62)	DATE PREPARED 10 NOV. 63	COOPERATING COUNTRY COLOMBIA	UNCLASSIFIED	514-21-650-080	SECONDARY EDUCATION	
---------------------------------	-----------------------------	---------------------------------	--------------	----------------	---------------------	--

technical personnel to work in the planning of new schools or in the improvement and expansion of selected schools. The national and local governments will meet the salary costs of official employees selected for participant training. The above yearly costs are estimated at 115,000 pesos (\$11,500). As stated under part pertaining to "Resources Required", the GOC is expected to match the \$5,000,000 of loan funds.

f. Contributions from other sources

The GOC plans for a loan of \$5,000,000 from IBRD for support of primary and secondary education activities. It is anticipated that both the AID and the IBRD loans will be divided equally between primary and secondary education, and this division appears on the face sheets.

1 Year of Obligation, Authorization or Contribution Began FY End FY	Function of Funds	A. AID Dollar Grant Obligations (\$1,000), Loan Authorizations (\$1,000) and Numbers of People										B. Other Contributions (\$1,000 equivalent)					
		TOTAL \$	U.S. Technicians		PARTICIPANTS			Contract Services		Commodities	Other Costs including Servicio Contribution	PL 480 Commodities		U.S. Owned or Controlled		Cooperating Country Financing	Other External Financing
			\$	No.	\$	U.S.	3rd C.	Contract	\$			No.	Title	Sales & Grants	Type		
A. Cumulative through the Actual Year	DL											I & IV		U.S. Owned			
	DG	253		253	222	5						201 & III		Counterpart			
	SA											Sec. 202		PL 480			
B. Net During Actual FY 1963	DL											I & IV		U.S. Owned			
	DG	144		144	60	5						201 & III		Counterpart			
	SA											Sec. 202		PL 480			
C. During Operational FY 1964	DL											I & IV		U.S. Owned			
	DG	12		12	5							201 & III		Counterpart			
	SA											Sec. 202		PL 480			
D. During Budget FY 1965	DL											I & IV		U.S. Owned			
	DG	42		42	7							201 & III		Counterpart			
	SA											Sec. 202		PL 480			
E. During All Subsequent FYs	DL											I & IV					
	DG											201 & III					
	SA											Sec. 202					
F. Total All Years	DL											I & IV					
	DG	307										201 & III					
	SA											Sec. 202					

2 Dollar Obligation and Expenditure	Function of Funds	ALL PRIOR		ACTUAL FY 63				OPERATIONAL FY 64			BUDGET FY 65	
		Cumulative Expenditures	Unliquidated Obligations	Obligations During FY	Total Available for Expenditures	Actual Expenditures During FY	Unliquidated end of year	Estimated Expenditures During FY	Unliquidated end of year	Estimated Expenditures During FY	Unliquidated end of year	
												Obligations
A. ALL PRIOR YEAR FUNDS	DL											
	DG	87	26	(4)	22	19	3		3	0		
	SA											
B. ACTUAL YEAR FUNDS	DL											
	DG			144	144	13	131		91	40	40	0
	SA											
C. OPERATIONAL YEAR FUNDS	DL											
	DG							12	12	0		
	SA											
D. BUDGET YEAR FUNDS	DL											
	DG										42	18
	SA											
E. TOTAL ALL FUNDS	DL											
	DG	87	26	140	166	32	134		106	40	64	18
	SA											

3 REMARKS
Funding proposed is to provide for non-contract participant training which does not properly fall within established activities.

AID FORM 10-120 (7-62)	DATE PREPARED 10 NOV. 63	COOPERATING COUNTRY COLOMBIA	SECURITY CLASSIFICATION UNCLASSIFIED	GOAL 4	FAVORABLE POLITICAL AND SOCIAL FRAMEWORK FOR DEVELOPMENT
------------------------	-----------------------------	---------------------------------	---	--------	--

A. Statement of the Goal

The basic elements for steady economic growth are present on the Colombian scene. Pursuit of other U.S. goals will contribute directly toward economic development, but there are certain political and social pre-conditions to the establishment of an expanding economy. Activities under this goal are designed to help the GOC establish a more favorable political and social environment for continuing economic development, while preserving and strengthening the nation's free institutions and democratic mores. Expectations for steady economic expansion and the U.S. desire to help Colombia become an outstanding example of successful development, achieved within the framework of a free society, have led the Country Team to devote increased attention to the GOC task of strengthening the country socio-political fabric with greater cohesion.

It is a harsh fact that, in Colombia's presently underdeveloped state, with rising mass ambitions and desires for higher living standards, in the face of an annual net population increase of three per cent, it will be difficult to sustain a rate of economic growth that will satisfy these popular aspirations. It is therefore essential that the GOC and state governments proceed apace with the development of political and social programs which will (a) provide other satisfactions to large sectors of the populace, (b) strengthen free institutions and expand direct public participation in the affairs of government, and (c) instill in the public mind a more positive political and social sense, thereby helping to establish those conditions conducive to rapid economic growth. The AID activities discussed below meet these criteria.

These AID activities are grouped in terms of their confrontation with social and political problems in rural and urban areas. In the former case, it is significant that the traditional patrón-campesino relationship with its overtones of feudal tenure, is fast disintegrating and in the process creating a socio-political vacuum which must be

filled by developing a new way of life. Rural violence, arising from causes both political and social, has been a serious problem and major obstacle to economic development in Colombia for many years. In the latter case (i.e., urban areas), the influx of rural peoples into centers of population has created grave social stresses which must be relieved by GOC programs of the types supported by the following AID activities. In both cases it is desirable to increase the confidence of the people in their leaders by encouraging them to participate more actively and directly in public affairs and self-help programs, which may augment their hope and faith in a future under freedom and self-government.

The entire AID program will have its effect toward the achievement of this goal in one way or another; the activities listed below are those directed specifically toward Goal 4.

B. Goal Plan Analyses and Schedule

1. Activities Addressed to Rural Problems

a. Public Order

By way of rendering sorely needed assistance to the GOC in solving the pressing problem of restoration and maintenance of law and order in rural areas, the USAID proposes for FY 1965 continuation of the following activities:

(1) Civic Action - 514-11-550-067, Field Dispensaries to provide basic medical supplies for isolated rural peoples, heretofore neglected.

(2) Civic Action - 514-11-520-068, Well Drilling, to bring potable water to rural communities and, by so doing, raise hygiene and health standards.

	SECURITY CLASSIFICATION UNCLASSIFIED	PAGE 104
--	---	----------

AID FORM 10-120 (7-62)	DATE PREPARED 10 NOV. 63	COOPERATING COUNTRY COLOMBIA	SECURITY CLASSIFICATION UNCLASSIFIED	GOAL 4	FAVORABLE POLITICAL AND SOCIAL FRAMEWORK FOR DEVELOPMENT
<p>(3) <u>Civic Action - 514-11-310-069, Road Improve. and Maint.</u>, to improve rural communications and bring rural communities closer together, socially and politically.</p> <p>(4) <u>Civic Action - 514-11-310-071, Tolima Highway</u>, to close the remaining road gap and open communications through a violence area, via this principal artery.</p> <p>(5) <u>Civic Action - 514-11-640-087, Rural School Const.</u>, to build schools in isolated rural areas, on a self-help basis, where none now exist; these basic educational facilities will probably be funded with local currency, if available.</p> <p>(6) <u>Civic Action - 514-11-820-088, Youth Camps</u>, to instruct underprivileged rural youth in basic habits relating to hygiene, cooperative effort and the rights of others; probably to be funded with local currency.</p> <p>(7) <u>Civic Action - 514-11-820-089, C.C.C.</u>, to provide facilities for utilizing unemployed young men to conserve national resources, while learning useful trades through vocational training courses at the camps; probably to be funded with local currency.</p> <p><u>Note:</u> USAID participation in the foregoing (7) Civic Action (C/A) activities, as well as other C/A activities, is in the main limited to provision of commodity support to the Colombian armed forces, which, with MAAG collaboration, are administering the C/A program in Colombia. There is mounting evidence to demonstrate that the C/A program is producing social and political dividends in the form of increasing trust and respect among rural peoples themselves and increasing rural confidence in government and the armed forces.</p> <p>b. <u>Alleviation of Social Pressures</u></p> <p>In recognition of the need for helping the GOC deal with social pressures caused by poverty in rural areas, the USAID proposes</p> <p>for FY 1965 continuation of the following activities:</p> <p>(1) <u>Activity 514-21-120-051, Agrarian Reform</u>, to assist the GOC in carrying out its major social program for rural betterment - Colombia's most dramatic attack on rural backwardness. T/A provided here will also be directed to a more productive and diversified agriculture (Goal 2), thereby yielding economic as well as social benefits to the rural populace.</p> <p>(2) <u>Activity 514-25-140-056, Rural Credit & Co-ops.</u>, to help the GOC establish a modern system for servicing the credit needs of small farmers, to give the latter the status of independent producers and provide them with the benefits of cooperative effort. T/A here will also be concerned with proper utilization of the \$10 million loan extended by AID for supervised credit.</p> <p>(3) If a positive decision is reached on participation in the CIDA project for agricultural diversification and rural betterment in Caldas, this activity will also apply to Goal 4.</p> <p><u>Note:</u> The above programs are also designed to alleviate social pressures on the rural populace by providing new opportunities for the unemployed and underemployed, and further to promote social stability by helping these rural peoples improve their status as responsible citizens.</p> <p>2. <u>Activities Addressed to Urban Problems</u></p> <p>a. <u>Public Order</u></p> <p>To assist the GOC in developing more effective machinery for the maintenance of law and order in urban centers, the USAID proposes for FY 1965 further support of law enforcement agencies under the following activity: 514-11-710-066, Public Safety. Here the task is to raise the level of police efficiency by training personnel in modern law enforcement techniques, by developing an esprit d'corps</p>					
			SECURITY CLASSIFICATION UNCLASSIFIED	PAGE 105	

AID FORM 10-120 (7-62)	DATE PREPARED 10 NOV. 63	COOPERATING COUNTRY COLOMBIA	SECURITY CLASSIFICATION UNCLASSIFIED	GOAL 4	FAVORABLE POLITICAL AND SOCIAL FRAMEWORK FOR DEVELOPMENT
---------------------------------	-----------------------------	---------------------------------	---	--------	---

and leadership that will inspire public confidence and cooperation, and by providing police with modern apparatus, facilities and equipment to enable them to discharge their responsibilities to the public.

b. Alleviation of Social Pressures

In accordance with the priority assigned to Colombia's social problems by President Valencia and to support the GOC's efforts to cope with rising social pressures in urban centers, caused by the influx of people into the cities, a growing labor movement and an acute housing shortage, the USAID proposes for FY 1965 further assistance in the following fields:

(1) Activity 514-13-410-015, Labor, to provide local and U.S. training for union leaders and potential union leaders, as a means of demonstrating to Colombian organized labor the benefits accruing from a democratic labor movement. In addition to training, two consultants will come to Colombia to advise local labor leaders on the need for relating wage demands to increased productivity and other basic issues, techniques and practices devolving upon responsible labor leadership.

(2) Activity 514-25-830-058, Housing, to help the Instituto de Crédito Territorial (ICT), Colombia's twenty-year, national housing agency, deal more effectively with the nation's serious housing problems. T/A here proposed will include training in the U.S. in FHA administration, mortgage banking, and savings and loan association practices; also, four technicians and two consultants to advise ICT in these fields, as well as the development of social service programs in low-cost housing projects. These technicians will also have responsibility for assisting ICT in administration of the DL loans for Self-Help Housing (\$12 million) and the low-cost housing loan (\$7.5 million), together with two loans (totalling \$10 million) now under consideration for cooperative housing projects. Efforts will be continued to achieve passage of savings and loan system authorizing legislation which will

lead to the mobilization of increased Colombian resources for housing and permit the utilization of \$5 million in DLF funds which have been reserved for seed capital purposes. It is anticipated that the IADB will provide additional funds to ICT for low-cost housing out of the EIF.

(3) Loans for Bogota and Medellin sewerage projects which are under preliminary consideration would have beneficial political and social effects, as will the implementation of the Cali sewerage loan, the agreement for which was signed in September 1963.

(4) City to city relationships such as that developing between Cali and Oakland County also contribute to Goal 4. Also the Mission has concurred in the use of 20 million pesos from P.L. 480 funds for slum eradication.

3. Activities Addressed to Both Rural and Urban Problems

Apart from the above problems, which are rural or urban in character, the USAID proposes for FY 1965 assistance aimed at the solution of certain problems common to both, through the following activities:

(1) Activity 514-11-640-039, Primary Education, to provide T/A in the form of U.S. technicians and training to help MOE and its regional educational centers prepare and upgrade primary school teachers and improve instructional methods, and to help MOE implement recommendations of the Education Survey; to provide some basic laboratory and library facilities; and to assist MOE with its textbook development program. A DL loan (\$5 million) for primary/secondary education is under preliminary consideration.

(2) Activity 514-22-550-065, Nat. Health Plan, under which two U.S. technicians will assist MOH with administration of the National Health Plan, for which a DL loan (potentially, \$21 million)

AID FORM 10-120 (7-62)	DATE PREPARED 10 NOV. 63	COOPERATING COUNTRY COLOMBIA	SECURITY CLASSIFICATION UNCLASSIFIED	GOAL 4	FAVORABLE POLITICAL AND SOCIAL FRAMEWORK FOR DEVELOPMENT	
<p>is under consideration. This program entails the establishment and/or improvement of health centers throughout Colombia and is one of the Valencia Administration's higher priorities. Some U.S. training is proposed for the same purposes.</p> <p>(3) <u>Activity 514-11-370-029, Civil Aviation</u>, for T/A to help MOC install and operate modern ground-to-air communications systems at airports presently lacking such facilities, and to help MOC organize and administer the SATENA program, for which aircraft and spares are expected to be obtained through the U.S. Excess Property Program (the SATENA program will extend air communications to presently isolated communities in the vast Llanos area and thus contribute to integration of this area into the national community - socially, politically and economically).</p> <p>(4) The proposed credit for rural industries which will be mentioned in more detail under Goal Plan 5 will also have a beneficial social effect. Moreover, AID may in the course of the next year be approached for assistance to community development beyond that presently being provided by the Peace Corps and from P.L. 480 proceeds (2 million pesos).</p> <p>C. <u>Positive Mystique</u></p> <p>Through travel and speeches by the Ambassador and other members of the Country Team, through contacts in the joint programming operation, through work with Colombia's Alliance for Progress committee, and through judicious administration of the special development activities fund now available to the Ambassador and the Mission Director, a continuing attempt will be made to contribute to that positive and confident point of view toward Colombia's future which can have a material effect on the investments made and the progress achieved.</p> <p>D. <u>Goal Plan Summary</u></p> <p>As detailed in the following E-1s, the various activities directed</p> <p>toward the establishment of a favorable political and social framework for Colombian development are viewed by the USAID as essential support to the GOC attack on Colombia's most threatening social problems. In the rural areas, the AID activities will help the GOC raise living standards and restore law and order; in the urban centers, AID activities will help promote more positive social behavior and thereby contribute to greater political stability. Aid to agrarian reform, primary education and public health are based on GOC/USAID recognition that a greater measure of social justice in these areas is a prerequisite of a more unified and harmonious society intent upon orderly development. The SATENA program, too, will contribute toward better national integration and greater political unity.</p>						
			SECURITY CLASSIFICATION UNCLASSIFIED			PAGE 107

1 Year of Obligation, Authorization or Contribution Began FY End FY	A. AID Dollar Grant Obligations (\$1,000), Loan Authorizations (\$1,000) and Numbers of People											B. Other Contributions (\$1,000 equivalent)				
	Function of Funds	TOTAL \$	U.S. Technicians		PARTICIPANTS			Contract Services		Commodities	Other Costs including Service Contribution	PL 480 Commodities		U.S. Owned or Controlled Type	Cooperating Country Financing	Other External Financing
			\$	No.	\$	Non-Contract U.S.	3rd C.	Contract	\$			No.	Title			
A. Cumulative through the Actual Year	DL	52,500										I & IV	1,500	U.S. Owned		
	DG	8,675	1,392		889	417	4		321	1,008	4,077	201 & III		Counterpart	24,587	15,710
	SA	735	37							197	501	Sec. 202		PL 480		
B. Net During Actual FY 63	DL	32,500										I & IV	1,500	U.S. Owned		
	DG	2,363	546	27	219	92	3		132	772	672	201 & III		Counterpart	12,755	510
	SA	175								175		Sec. 202		PL 480		
C. During Operational FY 64	DL	41,300							22,550	4,475	2,775	I & IV	2,000	U.S. Owned		
	DG	2,265	565	27	181	151			495	1,186	88	201 & III		Counterpart	25,007	12,586
	SA											Sec. 202	500	PL 480		
D. During Budget FY 65	DL	21,500							7,200	6,300	500	I & IV	3,000	U.S. Owned		
	DG	3,081	463	22	262	177			327	1,654	215	201 & III		Counterpart	35,876	21,013
	SA											Sec. 202	150	PL 480		
E. During All Subsequent FYs	DL	57,500										I & IV	5,000			
	DG	4,546										201 & III			59,375	48,480
	SA											Sec. 202				
F. Total All Years	DL	172,800										I & IV	11,500			
	DG	17,544										201 & III			144,840	97,789
	SA											Sec. 202	650			

2 Dollar Obligation and Expenditure	Function of Funds	ALL PRIOR		ACTUAL FY 63				OPERATIONAL FY 64			BUDGET FY 65		3 REMARKS
		Cumulative Expenditures	Unliquidated Obligations	Obligations During FY	Total Available for Expenditures	Actual Expenditures During FY	Unliquidated end of year Obligations	Estimated Expenditures During FY	Unliquidated end of year Obligations	Estimated Expenditures During FY	Unliquidated end of year		
A. ALL PRIOR YEAR FUNDS	DL	17,300	12,700	-	12,700	10,100	2,600	2,600	-	-	-		
	DG	2,357	2,967	(5)	2,962	1,306	1,656	1,642	14	14	-		
	SA	410	150	-	150	150	-	-	-	-	-		
B. ACTUAL YEAR FUNDS	DL			32,500	32,500	-	32,500	19,500	13,000	12,500	500		
	DG			2,363	2,363	645	1,718	1,689	29	29	-		
	SA			175	175	145	30	30	-	-	-		
C. OPERATIONAL YEAR FUNDS	DL						41,300	9,500	31,800	30,800	1,000		
	DG							1,618	647	647	-		
	SA										-		
D. BUDGET YEAR FUNDS	DL								21,500	7,600	13,900		
	DG								3,081	2,325	756		
	SA										-		
E. TOTAL ALL FUNDS	DL	17,300	12,700	32,500	45,200	10,100	35,100	31,600	44,800	50,900	15,400		
	DG	2,357	2,967	2,358	5,325	1,951	3,374	4,949	690	1,730	210		
	SA	410	150	175	325	295	30	30	-	-	-		

AID FORM 10-112 (7-62)	DATE PREPARED	COOPERATING COUNTRY	SECURITY CLASSIFICATION	MULTI-YEAR LISTING	GOAL 4, FAVORABLE POLITICAL AND SOCIAL FRAMEWORK FOR DEVELOPMENT						E-4		
Goal Code or Activity Code	Title of Goal or Activity	\$ 1,000 Obligations	Cumulative Through Actual Year	Actual Year FY 63	Operational Year FY 64	Budget FY 65	Budget +1 FY 66	Budget +2 FY 67	Budget +3 FY 68	Budget +4 FY 69	All Subsequent Years	Total All Years	
514-25-830-058	Housing	DL	34,500	22,500	10,000							44,500	
		DG	117	57	78	184	60	60	60			559	
		SA	500									500	
		480	1,500	1,500	2,000	2,000	2,000	2,000	1,000			10,500	
		L/C			500	150						650	
		Coop. C.	12,700	6,100	7,000	12,000	12,000	12,000	12,000	12,000			67,700
		Other	15,200		10,000	15,000	15,000	15,000	15,000				85,200
514-11-370-029	Civil Aviation	DL			8,000							8,000	
		DG	591	108	279	333						1,202	
		SA											
		480											
		L/C											
		Coop. C.	267	75	7,490	10,975							18,732
514-11-640-039	Primary Education	DL				2,500						2,500	
		DG	4,268	302	319	273	100					4,960	
		SA											
		480				1,000						1,000	
		L/C											
		Coop. C.	9,000	4,000	4,500	5,000	5,000						23,500
514-22-550-065	Nat. Health Plan	DL			7,000	7,000	7,000					21,000	
		DG	30	30		84	170					284	
		SA											
		480											
		L/C											
		Coop. C.			910	1,210	7,210						9,330
514-13-410-015	Labor	DL											
		DG	496	130	67	75	100	100	100	100		1,038	
		SA											
		480											
		L/C											
		Coop. C.											

SECURITY CLASSIFICATION

UNCLASSIFIED

PAGE 109

AID FORM 10-112 (7-62)		DATE PREPARED	COOPERATING COUNTRY	SECURITY CLASSIFICATION	MULTI-YEAR LISTING		GOAL 4, FAVORABLE POLITICAL AND SOCIAL FRAMEWORK FOR DEVELOPMENT						E-4
		10 NOV. 63	COLOMBIA	UNCLASSIFIED									
Goal Code or Activity Code	Title of Goal or Activity	\$ 1,000 Obligations	Cumulative Through Actual Year	Actual Year FY 63	Operational Year FY 64	Budget FY 65	Budget +1 FY 66	Budget +2 FY 67	Budget +3 FY 68	Budget +4 FY 69	All Subsequent Years	Total All Years	
514-21-120-051	Agrarian Reform	DL					7,000	7,000	7,000	7,000	6,500	34,500	
		DG	341	213	259	337	200	100	100	100	100	1,537	
		SA	60										60
		480											
		L/C											
		Coop. C.											
514-25-140-056	Rural Credit & Co-ops.	DL	18,000	10,000	1,500	5,000	4,000	3,000	3,000			34,500	
		DG	268	161	107	283	200	200	200			1,258	
		SA											
		480											
		L/C											
		Coop. C.			1,000	3,000	2,000	2,000	2,000				10,000
514-11-710-066	Public Safety	DL											
		DG	578	578	304	362	240	241				1,725	
		SA	175	175								175	
		480											
		L/C											
		Coop. C.	25	25	250	275	200	200					950
514-11-540-046	Nursing Ed. (Terminating)	DL											
		DG	295	86	100								395
		SA											
		480											
		L/C											
		Coop. C.	55	15	15								70
514-11-550-067	Field Dispensaries (C/A)	DL											
		DG	90	90	120	160	180	200	170	140		1,060	
		SA											
		480											
		L/C											
		Coop. C.	100	100	125	150	208	208	235	270			1,296
Other	300	300	32	30	44	36	28	16			486		

SECURITY CLASSIFICATION

UNCLASSIFIED

AID FORM 10-112 (7-62)	DATE PREPARED 10 NOV. 63	COOPERATING COUNTRY COLOMBIA	SECURITY CLASSIFICATION UNCLASSIFIED		MULTI-YEAR LISTING			GOAL 4, FAVORABLE POLITICAL AND SOCIAL FRAMEWORK FOR DEVELOPMENT					E-4
Goal Code or Activity Code	Title of Goal or Activity		\$ 1,000 Obligations	Cumulative Through Actual Year	Actual Year FY 63	Operational Year FY 64	Budget FY 65	Budget +1 FY 66	Budget +2 FY 67	Budget +3 FY 68	Budget +4 FY 69	All Subsequent Years	Total All Years
514-11-520-068	Well Drilling (C/A)		DL DG SA 480 L/C Coop. C. Other	90	90	120	140	150	130	110	90		830
514-11-310-069	Road Improve. & Maint. (C/A)		DL DG SA 480 L/C Coop. C. Other	113	113	116	250	250	235	200	160		1,324
514-11-310-071	Tolima Highway (C/A)		DL DG SA 480 L/C Coop. C. Other	30	30	370	400	410	425	450	500		2,585
514-22-520-086	Cali Sewerage Loan		DL DG SA 480 L/C Coop. C. Other	160	160	175	650	500	450	400	400		2,735
514-11-310-071	Tolima Highway (C/A)		DL DG SA 480 L/C Coop. C. Other	405	405	400	700						1,505
514-22-520-086	Cali Sewerage Loan		DL DG SA 480 L/C Coop. C. Other			3,700							3,700
514-22-520-093	Medellin Sewerage Loan		DL DG SA 480 L/C Coop. C. Other			4,100							4,100
						1,025							1,025

SECURITY CLASSIFICATION
UNCLASSIFIED

AID FORM 10-112 (7-62)	DATE PREPARED	COOPERATING COUNTRY	SECURITY CLASSIFICATION	MULTI-YEAR LISTING		GOAL 4, FAVORABLE POLITICAL AND SOCIAL FRAMEWORK FOR DEVELOPMENT						E-4
	10 NOV. 63	COLOMBIA	UNCLASSIFIED									
Goal Code or Activity Code	Title of Goal or Activity	\$ 1,000 Obligations	Cumulative Through Actual Year	Actual Year FY 63	Operational Year FY 64	Budget FY 65	Budget +1 FY 66	Budget +2 FY 67	Budget +3 FY 68	Budget +4 FY 69	All Subsequent Years	Total All Years
514-22-520-094	Bogotá Sewerage Loan	DL			7,000	7,000	4,000	2,000				20,000
		DG										
		SA										
		480										
		L/C										
		Coop. C.			1,750	1,750	1,000	750				
		Other										
Total - Goal 4	DL	52,500	32,500	41,300	21,500	22,000	12,000	10,000	7,000	6,500	172,800	
	DG	7,682	2,363	2,269	3,181	1,650	1,266	940	590	100	17,678	
	SA	735	175	-	-	-	-	-	-	-	735	
	480	1,500	1,500	2,000	3,000	2,000	2,000	1,000	-	-	11,500	
	L/C	-	-	500	150	-	-	-	-	-	650	
	Coop. C.	24,587	24,352	25,007	35,876	28,079	15,655	14,778	863	-	144,845	
	Other	15,710	510	12,586	21,013	17,066	15,538	15,450	426	-	97,789	
		DL										
		DG										
		SA										
		480										
		L/C										
		Coop. C.										
		Other										
514-11-640-087	Rural School Const. (C/A-USA)	DL										
		DG				90	100	110	100	90		490
		SA										
		480										
		L/C										
		Coop. C.				30	35	45	55	65		230
		Other				8	8	8	8	8		40
514-11-820-088	Youth Camps (C/A-USA)	DL										
		DG				55	55					110
		SA										
		480										
		L/C										
		Coop. C.				17	17					
		Other				5	5					10

SECURITY CLASSIFICATION
UNCLASSIFIED

AID FORM 18-112 (7-62)	DATE PREPARED	COOPERATING COUNTRY	SECURITY CLASSIFICATION	MULTI-YEAR LISTING	Goal 4 - Favorable Political and Social Framework for Development							E-4	
Goal Code of Activity Code	Title of Goal or Activity	\$ 1,000 Obligations	Cumulative Through Actual Year	Actual Year FY 63	Operational Year FY 64	Budget FY 65	Budget +1 FY 66	Budget +2 FY 67	Budget +3 FY 68	Budget +4 FY 69	All Subsequent Years	Total All Years	
514-11-820-089	C.C.C. (C/A - USA)	DL											
		DG				19	16					35	
		SA											
		480											
		L/C											
514-11-520-090	Rodent Control (C/A - USN)	Coop. C.				31	29					60	
		Other				25	10					35	
		DL											
		DG					30	30	40	40	40		180
		SA											
514-11-050-091	Habor Improve. (C/A - USN)	480											
		L/C											
		Coop. C.			23	40	40	42	42	42			229
		Other			172	109	30	9	9	9			338
		DL					150	250	100	100	100		700
Total	Total	DG											
		SA											
		480											
		L/C											
		Coop. C.			23	160	163	134	144	154			778
		Other			172	154	54	18	18	18			434
		DL											

SECURITY CLASSIFICATION
UNCLASSIFIED

AID FORM 10-109 (7-62)	DATE PREPARED 10 NOV. 63	COOPERATING COUNTRY COLOMBIA	SECURITY CLASSIFICATION UNCLASSIFIED	CODE 514-25-830-058	TITLE HOUSING	E-1
------------------------	-----------------------------	---------------------------------	---	------------------------	------------------	-----

1 Year of Obligation, Authorization or Contribution Began FY End FY	A. AID Dollar Grant Obligations (\$1,000), Loan Authorizations (\$1,000) and Numbers of People										B. Other Contributions (\$1,000 equivalent)						
	Function of Funds	TOTAL \$	U.S. Technicians		PARTICIPANTS			Contract Services		Commodities	Other Costs including Servicio Contribution	PL 480 Commodities		U.S. Owned or Controlled		Cooperating Country Financing	Other External Financing
			\$	No.	\$	U.S.	3rd C.	Contract	\$			No.	Title	Sales & Grants	Type		
A. Cumulative through the Actual Year	DL	34,500										PL 480 IV 201 & III	1,500	U.S. Owned Counterpart PL 480	12,700	15,200 ^{2/}	
	DG	117	97	12	4						8						
	SA	500									500						
B. Net During Actual FY 63	DL	22,500 ^{1/}										PL 480 IV 201 & III	1,500	U.S. Owned Counterpart PL 480	6,100		
	DG	57	41	2	12	4					4						
	SA																
C. During Operational FY 64	DL	10,000										PL 480 I & IV 201 & III	2,000	U.S. Owned Counterpart PL 480	7,000	10,000 ^{3/}	
	DG	78	24	1				50	1		4						
	SA												500				
D. During Budget FY 65	DL											PL 480 I & IV 201 & III	2,000	U.S. Owned Counterpart PL 480	12,000	15,000 ^{4/}	
	DG	184	12	1	54	18		112	4		6						
	SA																
E. During All Subsequent FYs	DL											PL 480 I & IV 201 & III	5,000				
	DG	180															
	SA																
F. Total All Years	DL	44,500										I & IV 201 & III	10,500		67,700	85,200	
	DG	559															
	SA	500										650					

2 Dollar Obligation and Expenditure	Function of Funds	ALL PRIOR		ACTUAL FY 63				OPERATIONAL FY 64		BUDGET FY 65	
		Cumulative Expenditures	Unliquidated Obligations	Obligations During FY	Total Available for Expenditures	Actual Expenditures During FY	Unliquidated end of year	Estimated Expenditures During FY	Unliquidated end of year	Estimated Expenditures During FY	Unliquidated end of year
A. ALL PRIOR YEAR FUNDS	DL	12,000	10,000	—	10,000	8,000	2,000	2,000	—	—	—
	DG	55	5	—	5	5	—	—	—	—	—
	SA	350	150	—	150	150	—	—	—	—	—
B. ACTUAL YEAR FUNDS	DL			22,500	22,500	—	22,500	12,500	10,000	10,000	—
	DG			57	57	42	15	15	—	—	—
	SA										—
C. OPERATIONAL YEAR FUNDS	DL						10,000	2,000	8,000	8,000	—
	DG						78	50	28	28	—
	SA										—
D. BUDGET YEAR FUNDS	DL									184	144
	DG										40
	SA										—
E. TOTAL ALL FUNDS	DL	12,000	10,000	22,500	32,500	8,000	24,500	16,500	18,000	18,000	—
	DG	55	5	57	62	47	15	65	28	172	40
	SA	350	150	—	150	150	—	—	—	—	—

3 REMARKS

1/ \$10.0 million of this from \$60.0 program loan authorized in FY 1963; \$5.0 million authorized in FY 1963 for seed capital-savings & loan system; \$7.5 million AID loan for housing.

2/ IDB Social Progress Trust Fund.

3/ Application to IDB pending.

4/ Anticipated IDB loan request.

AID FORM 10-120 (7-62)	DATE PREPARED 10 NOV. 63	COOPERATING COUNTRY Colombia	SECURITY CLASSIFICATION UNCLASSIFIED	514-25-830-058	HOUSING
<p><u>1. Activity Target</u></p> <p>Establishment of institutions and mechanisms to utilize the home building industry to alleviate social and political problems and to channel Colombian capital and other resources to the home building industry on a sound and permanent basis, thus enabling that industry to utilize its potential as an important lever in economic development.</p> <p>Target: 60,000 units in FY-1964; 75,000 in FY-1965; increasing to 100,000 units per annum in FY-1968.</p> <p>A. To assist the GOC to utilize housing as an integral part of its efforts to resolve its critical social and political problems, with particular reference to the incipient unrest prevalent among people who live traditionally in squalid, uninhabitable conditions. Published statistics indicate a deficit of 280,000 units in urban areas with an increase of 50,000 units per annum. This does not take into account the great mass of people who live in quarters without satisfactory facilities for decent living, a large percentage of whom are without sewer and water.</p> <p>The low cost housing efforts of the GOC are carried out through the Instituto de Crédito Territorial (ICT), the autonomous housing agency of the GOC organized in 1938. The ICT is a well run, capable organization which has developed experience and commendable esprit de corps under dedicated non-political leadership. With external assistance as described below, the ICT has been able to increase its activities in urban areas from 2,000 units per annum (from 1952 to 1962) to 30,000 units in FY-1962 and likewise in FY-1963. Considering the limited resources available and the policy of reaching as many people as possible, the program has proven to be satisfactory as it applies to shelter, although additional efforts are required to insure that utility installations keep pace with house construction.</p> <p>Nevertheless, low cost housing is not satisfactory when considered only from a shelter point of view. The USAID program in FY-1964 and FY-1965 is directed to assist the ICT to develop a fully rounded low cost housing program which will result in attractive low cost community projects having complete community facilities to the end that the Colombian homeowner will achieve a self dignity and pride in his way of life and his community.</p> <p>To accomplish the objective, the FY-1964 and FY-1965 program is planned as follows:</p> <ol style="list-style-type: none"> (1) Continued loan and technical assistance to ICT to maintain the present level of completed houses (30,000 per annum) and to maximize the target annual increase for the housing industry as a whole. (2) Increased emphasis on the ICT social program, including technical assistance to develop a more meaningful social program and to train an augmented staff of social assistants needed to execute said program. (3) Coordination of ICT projects with an effective community development organization of the GOC, and to insure and expedite construction of schools, health centers and other community facilities. (4) Continued support and social assistance to a program directed particularly to the eradication of slums. (5) Continued support to cooperative housing organizations, including union cooperatives, to utilize cooperative techniques and assistance to such groups to channel savings and other 					
			SECURITY CLASSIFICATION UNCLASSIFIED	PAGE 115	

AID FORM 10 - 120 (7-62)	DATE PREPARED 10 NOV. 63	COOPERATING COUNTRY COLOMBIA	SECURITY CLASSIFICATION UNCLASSIFIED	54-25-830-058	HOUSING		
<p>resources into construction of complete community projects.</p> <p>B. With a complete recognition of the critical necessity of the housing shortage from a social and political point of view, as evidenced by the program discussed below, the USAID program is cognizant of the fact that eventual relief must come through increased employment and the rise in the standard of living resulting from a steady economic development of the country. The USAID considers housing an integral part of this economic development and a means for stimulating industry and employment.</p> <p>To this end, the program is directed to assist the GOC and private enterprise to establish institutions to attract capital at reasonable rates tied into mechanisms leading to the development of secondary and tertiary markets to serve the home building industry on a sound and permanent basis.</p> <p>The home building industry should, in addition to relieving the housing shortage, become an important lever in the economic development of the country through the onsite employment related to housing, utilities and community facilities, and through the increased development of the building material supply industry and other industries directly and indirectly related to the construction and occupancy of new homes.</p> <p>To this end, the FY-1964 and FY-1965 program includes the following:</p> <p>(1) Technical assistance in mortgage banking with particular reference to the Central Mortgage Bank.</p> <p>(2) Introduction and assistance to a central savings and loan system to attract savings to home construction.</p> <p>(3) Continued technical assistance to the ICT to assist</p> <p>that organization in performing the functions of an FHA.</p> <p>(4) Continued assistance to US builders and investors in utilizing their experience and capital in the furtherance of the country program.</p> <p>(5) Continued assistance, both to Colombian and US businessmen, in the development of the material supply industry.</p> <p>(6) Assistance in the establishment of a statistical reporting system for the construction industry.</p> <p>(7) Development of a program in urban and city planning.</p> <p>The programs outlined above have been developed in joint discussion with various agencies of the GOC and with representatives of the international organizations and private business. The programs will be supported by the national budget, National Planning Commission, local community efforts, the private business community and the aided self help efforts of the people.</p> <p><u>2. Course of Action</u></p> <p>A. (1) The USAID is of the opinion that it is unrealistic and self deceiving to attack the low cost housing problem from a statistical point of view. The program approach is to best utilize available resources, both financial and technical, and self help in the directions outlined in the target activities, with a realization that the problem is never completely resolved even in well advanced societies. Also, that self help efforts, both GOC and local, and assistance can effectively relieve the critical nature of the problem as it relates to Colombian political and social unrest.</p> <p>The USAID recommends that the ICT be afforded financial assistance through the GOC budget, and external assistance from</p>							
			SECURITY CLASSIFICATION UNCLASSIFIED				PAGE 116

the Social Progress Trust Fund to enable it to continue its aided self help program at the present volume of 30,000 units per annum.

	GOC	SPTF
FY-1964	\$ 7,000,000	\$10,000,000
FY-1965	\$10,000,000	\$15,000,000

The USAID will provide assistance, coordination and direction in FY-1964 and FY-1965 by a housing specialist and USAID's urban and industrial development officer.

The program will continue to be necessary until such time as general economic conditions improve to the point where the social and political problem is no longer critical. Although revolving funds are continually generated by repayment of loans, external loans from the SPTF will be required for this program until the GOC is in financial position to support the program completely from its budget.

(2) Assistance to the ICT social program, as begun in FY-1963, is planned to continue in FY-1964 with the cooperation of 50 additional Peace Corps volunteers trained in social service work. It is recommended that the Peace Corps continue its assistance in FY-1965 with 50 volunteers. ICT has programmed one additional ICT social assistant to work with each four man Peace Corps team and has further programmed logistic support. The USAID has recommended that the IIB consider a requirement for ICT emphasis in this area as part and parcel of the proposed financial assistance from the SPTF in FY-1964 and thereafter.

The FY-1965 program provides for a contract for technical assistance by four expert social workers oriented to community development, in order to develop an effective social

program and to train the ICT social assistants in its implementation. ICT has agreed to increase its staff to a minimum of 200 social assistants to be trained under this program.

The Centro Interamericano de Vivienda (CINVA), an OAS low cost housing organization, will cooperate in this program by inaugurating courses in FY-1965 in the training of Colombian social workers on a continuing basis. It is recommended that the IIB support this program of CINVA through the SPTF.

(3) The USAID has recommended the establishment of an autonomous community action agency by the GOC in FY-1964. This organization must be free of political pressures and supported by a budget sufficient to enable it to maintain a trained and adequate staff. A definitive portion of the budgets of the Ministries of Education, Public Health and Government should be set aside and earmarked for low cost projects through community action. In FY-1965, utilizing the aided self help efforts of the people in ICT projects as assisted and stimulated by the augmented social program as programmed above, and with land and technical assistance from ICT architects and engineers, complete community facilities (including schools, public health centers, civic centers, etc.) would be constructed and staffed with a substantial saving to the GOC.

(4) It is proposed to continue the program, initiated in FY-1963 with the assistance of \$1,500,000 in PL-480 funds, directed to the eradication of slum areas. The USAID will continue to cooperate with ICT to encourage local communities to develop programs for slum removal, making use of the coordinated efforts of civic groups and committees representing the occupants of the slum areas.

The USAID has programmed the peso equivalent of \$2,000,000

AID FORM 10-120 (7-62)	DATE PREPARED 10 NOV. 63	COOPERATING COUNTRY COLOMBIA	SECURITY CLASSIFICATION UNCLASSIFIED	514-25-830-058	HOUSING
<p>for FY-1964 and FY-1965, subject to availability of said pesos in order to support 50% of the cost of this program (described more fully in the progress to date section below). Additional assistance to this program has been planned under the Food for Work program to the extent of 5,000,000 pesos in FY-1964 and 1,500,000 pesos in FY-1965 (Respectively about \$500,000 and \$150,000 in dollar equivalents).</p>			<p>communities in accordance with cooperative ideals and principles.</p>		
<p>(5) The USAID has programmed a \$10,000,000 loan in FY-1964, in order to utilize cooperative techniques, to assist groups which include labor unions to work and plan together, and to channel savings and other resources to the construction of houses and community facilities for the lower-middle and middle class people.</p>			<p>Democratic Colombian labor unions will be assisted to form union housing cooperatives to enable the unions to use cooperative techniques for housing benefits to union members, and to strengthen the organization and effectiveness of the existing union federations.</p>		
<p>Loans will be channelled through the Central Mortgage Bank which will handle the disbursement of loans and the collection of monthly payments. Appraisals, inspections and guarantees will be handled by the ICT, performing the role of an FHA. They shall also insure compliance with minimum property standards and uniformity of appraisals. It is planned to introduce mechanisms with respect to maintenance of value so that the available funds will be utilized on a continuing basis and, with the guarantees of ICT, be attractive in a secondary market.</p>			<p>The USAID introduced a labor housing program in FY-1963 funded with 90,000,000 pesos (about \$10,000,000) generated from the dollar loan to the GOC for supporting exports from the US. Under this, 6,000 houses will be constructed for industrial workers with financial assistance from employers and through cooperating ICT efforts.</p>		
<p>The program will, by reason of local conditions, be implemented through the ICT and The Federation of Housing Cooperatives (FEDECOOP). FEDECOOP will be assisted in strengthening and directing its organization, in order to become a parent body for a network of member cooperative organizations, other than union cooperatives, devoted to housing and community development. Responsibilities of FEDECOOP will include supervision, education, technical assistance in preparation and submission of projects, technical assistance in construction and purchase of materials, and education in maintenance of</p>			<p>It has become evident that, although the program met with an enthusiastic reception, and although individual union members secured houses as intended, the Federation of Unions (CTC-UTC) were technically unable to present projects and to utilize the plan to further their ends. The USAID, in preparation of the anticipated Union Cooperative Housing program, requested assistance from AIFLD under the contract of that organization with AID/W. The AIFLD has now assigned three technicians to Colombia to assist the democratic unions in their utilization of housing programs. The cooperative housing program will be channelled through the Democratic Housing Alliance of the UTC and the CTC, Colombia's largest confederations of democratic unions. This has been organized through the technical assistance provided under this AIFLD contract. This organization will perform the same services for the unions as outlined above to be performed by FEDECOOP. AIFLD also has planned to assist CINVA in scheduling education courses to train union personnel in cooperative techniques.</p>		
<p>Technical assistance to FEDECOOP is planned to be provided out of loan funds. The projects under these loans are scheduled to be completed in FY-1964 and FY-1965. It is anticipated that the cooperatives will participate in the savings and loan system to be established in accordance with the USAID program and that</p>			<p>SECURITY CLASSIFICATION</p>		
<p>UNCLASSIFIED</p>				<p>PAGE 118</p>	

AID FORM 10-120 (7-62)	DATE PREPARED 10 NOV. 63	COOPERATING COUNTRY COLOMBIA	UNCLASSIFIED	514-25-830-058	HOUSING	
---------------------------------	-----------------------------	---------------------------------	--------------	----------------	---------	--

further and continuous financing for these projects will be available through that source. The All Risk Guarantee program will be utilized, if US union welfare funds are made available to assist union cooperative housing projects.

B.(1) The attack upon basic problems of housing in Colombia depends upon the establishment of institutions and mechanisms intended to attract private capital to mortgage lending for long terms with reasonable rates. In Colombia, where there has been an historic currency devaluation, we cannot expect banks or private investors to make long term loans. Mechanisms must be introduced into the mortgage note to protect the lender against the expected depreciating value of his investment. The devise now proposed, subject to further study, is a readjustment system of both the principal balance and the monthly payments as introduced at the recommendations of AID consultants for the Chilean Savings and Loan system.

The Central Mortgage Bank of Colombia, an experienced organization with branches in all parts of the country, raises capital through the issuance of tax exempt fixed interest rate cedulas (bonds) in the free market, and through a forced investment plan to savings banks, commercial banks, insurance companies, and employers. By reason of the traditional peso devaluation, this has proven to be unattractive free investment; thus, the operations of the Central Mortgage Bank have resulted in a total of only 6,000 units financed in calendar year 1962. The mortgages issued by the Bank represent an average of 50% of the value of the property and are tied into a forced savings plan (purchase of capitalization bonds) so that the terms can not be considered reasonable by acceptable home purchase standards.

The FY-1965 USAID program is directed to technical assistance looking forward to the establishment of a sound operation by means of which the Central Mortgage Bank will attract substantially increased amount of private capital and under a system whereby

it will be in a position to offer reasonable mortgages to private home building constructors. An extensive study is necessary to avoid the disastrous consequences which might result from the introduction of a more attractive investment, i.e. a simultaneous drop in the value of existing cedulas held by important segments in the Colombian economy.

The USAID has programmed a study of the Central Mortgage Bank cedula system by a US mortgage banking consultant for 6 months, and participant training for 6 CMB employees to visit the US and study US mortgage banking and procedures.

(2) Indications are clear that the introduction of a sound savings and loan system would meet with success. Under existing systems which afford no devaluation protection to the saver, and no loan advantage, Colombian savings amount to 150,000,000 pesos (\$15,000,000) per annum. The USAID is working with the GOC and interested Colombians to introduce a savings and loan system to attract private savings and channel them to the home building industry. The system envisages a central organization to stimulate and supervise the establishment of local branches to be available to persons in all parts of the country. The system should be tied into a mechanism to protect against peso devaluation, as described above, and an FHA system of guarantees, valuations and inspections to insure uniformity in mortgage practices and to set the stage for re-discounting and the multiplying use of savings through secondary and tertiary markets. The attempt to introduce this system in FY-1962 and FY-1963 has been frustrated mainly by reason of the concern in banking circles that the introduction of this system would have serious consequences in the operation of the Central Mortgage Bank. With the program of assistance to the CMB as described above, it is anticipated that the savings and loan system will be introduced in FY-1965.

The success of a savings and loan system depends to a great extent upon the validity of the supervisory regulations and the activities of the Board of Directors of the Central organization. Although Colombia has many qualified persons with extensive

AID FORM 10-120 (7-62)	DATE PREPARED 10 NOV. 63	COOPERATING COUNTRY COLOMBIA	SECURITY CLASSIFICATION UNCLASSIFIED	514-25-830-058	HOUSING
---------------------------------	-----------------------------	---------------------------------	---	----------------	---------

experience, this experience has not extended to this specialized field. The central organization will require the advice and assistance of a US technician to guide it in its activities. Technical help will also be necessary to assist the member associations throughout the country.

The USAID anticipated this requirement by providing participant training for 2 Colombians and supporting attendance of Colombians at savings and loan international conferences in FY-1963. Further participation of this nature is planned for FY-1964 and FY-1965. These men are expected to take a leading role in the inauguration of the system in FY-1965.

\$5,000,000 set aside in prior year funding will be utilized as a seed capital loan to assist this project. Technical assistance will be provided in the form of a US expert in Savings and Loan to be paid out of the proceeds of the loan. Provision has been made in the USAID FY-1965 DG Budget for training 6 participants with reference to US savings and loan practices and procedures.

It is expected that, with the establishment of this system, the cooperative housing organizations under FEDECOOP and the Free Workers Housing Alliance, among others, will form member savings and loan associations to attract savings for the continuation of their housing programs. Also, the introduction of a sound savings and loan system in Colombia would set the stage for participation by US savings and loan associations, assuming passage of pending US legislation permitting such investments.

(3) Technical advise and assistance to ICT to enable that organization to undertake FHA functions is programmed to continue in FY-1964 with the services of an FHA technician to work with the ICT for one year. This will lead to the establishment and

acceptance of minimum property standards, sound underwriting and appraisal techniques, and inspection to insure proper construction and maintenance of value of homes constructed. The guarantee system and acceptance of the certificate of the ICT, together with maintenance of value measures as described above, will serve to attract capital to mortgages and to enable mortgages to be bought and sold freely in the capital market for volume activity.

The major problem with ICT operations has been caused by centralization of authority in the national office. Inability of regional offices to assume responsibility has resulted both in unnecessary delays and a lack of respect for the organization at local levels. The USAID program for FY-1965 has made provision for a FHA expert to work with particular reference to that problem. Provision has further been made in FY-1965 for the training of 6 ICT participants in the FHA practices and procedures.

(4) US private investors will be encouraged and assisted in pilot FHA type projects, with guarantees available under the All Risk Guarantee Insurance program. The program is scheduled to be initiated in Colombia in FY-1964 with a project of 2,000 middle class homes in Cali. By reason of background and experience of US investors, and size of venture for a single project, the program lends itself to much needed urban renewal projects in the form of high-rise multifamily projects in the major cities of Colombia. Applications are pending for investment guarantees in the amount of \$50,000,000 to participate in the construction of 10,000 units for sale under this program in FY-1964 and FY-1965.

The difficult and negative aspects of the program lie in the obligation of the GOC to guarantee the rate of exchange on repayment of the investment. The GOC has been reluctant to undertake this risk and has for the time being agreed to approve projects on an individual basis as deemed advisable. The GOC charge 3% per annum, although low in view of the historic rate of devaluation,

SECURITY CLASSIFICATION	UNCLASSIFIED	PAGE 120
-------------------------	--------------	----------

AID FORM 10 - 120 (7-62)	DATE PREPARED 10 NOV. 63	COOPERATING COUNTRY COLOMBIA	SECURITY CLASSIFICATION UNCLASSIFIED	514-25-830-058	HOUSING
<p>when added to other necessary fees, presents a sizeable burden to the home purchaser. This same problem will have to be faced directly with reference to investments by US savings and loan associations in the event of passage of the proposed US legislation permitting such investments as mentioned above. The introduction of a readjustment system based upon a valid index would minimize the GOC risk.</p> <p>Technical assistance has been programmed for FY-1964 and FY-1965 to guide and assist US investors and builders to find suitable locations, hire reputable and competent architects and engineers and advise them with reference to their negotiations with Colombian financial institutions. It will be necessary to evaluate proposed projects and encourage those which will be of value in the country program and to advise AID/W with reference to priorities in the approval of specific projects. In FY-1965 and FY-1966 this program should be directed to the high-rise urban renewal projects and low cost community development projects, with particular reference to participation of US union welfare funds in support of Colombian union projects.</p> <p>(5) Assistance is programmed for FY-1964 and FY-1965 to insure continued expansion of private activity in the building material supply industry.</p> <p>(6) To further the above aspect of the housing program in FY-1964, the USAID has programmed the services of a contractor engaged on a regional basis to introduce a statistical reporting system in the Colombian construction industry.</p> <p>(7) The FY-1964 and FY-1965 program has recognized the necessity of urban planning with utilization of AID/W regional</p>				<p>contracts for experts to study and assist Colombian officials in this important area. The USAID program includes cooperation with the University of Valle, which conducts courses in city planning.</p> <p>The USAID is cooperating with the City of Bogotá with reference to an FY-1965 program involving a city demonstration and training program in urban planning being undertaken in cooperation with OAS, with particular reference to the planning in Lima, Perú.</p> <p><u>3. The Resources Required</u></p> <p>A continuation of the ICT low cost housing projects at present levels will probably be adviseable for the foreseeable future. The funding for this program should be undertaken to as great an extent as possible directly by the GOC and assisted by long term loans from the Social Progress Trust Fund. Long term loans from the SPTF to ICT are estimated to be required at \$10,000,000 in FY-1964 and \$15,000,000 in FY-1965; and for the next five years to be supplemented by GOC budget support of \$10,000,000 per annum. This sum would include sums necessary for 200 ICT social assistants and logistic support to the social program as established by the FY-1965 AID supported social program. The USAID DG FY-1965 budget proposes a contract expenditure of \$100,000 for the services of a four community development oriented experts in social services to introduce an effective social service system and to train ICT personnel for one year.</p> <p>Continuity in technical assistance in subsequent years will be carried through CINVA. Financial assistance to that organization estimated at \$25,000 per annum should be the responsibility of the Social Progress Trust Fund. The aided self help of the home-owner is an important source of the necessary resources with respect to all phases of this program.</p>	
			SECURITY CLASSIFICATION UNCLASSIFIED	PAGE 121	

AID FORM 10-120 (7-62)	DATE PREPARED 10 NOV. 63	COOPERATING COUNTRY COLOMBIA	SECURITY CLASSIFICATION UNCLASSIFIED	514-25-830-058	HOUSING						
<p>The community development program will require the establishment of an autonomous, well-supported "Acción Comunal" structure in the GOC. \$1,000,000 per annum will be required to be set aside and earmarked from the budgets of the Ministries of Health and Education for construction and staffing of schools and health centers to insure logistic support for this program.</p>			<p>The services of US technicians under inter-agency agreements with FHA will be required to introduce the FHA system in the ICT and to train ICT employees as follows:</p>								
<p>The assistance to cooperative housing, FEDECOOP and Free Workers Housing is tied in closely with particular US objectives in these areas and should therefore be the responsibility of the USAID. Technical assistance to these organizations to provide implementation of the \$10,000,000 AID loan in FY-1964 is provided from loan proceeds and under the regional contract with AIFLD. Continuation of AIFLD assistance to Colombian unions is of substantial value in the development of the democratic unions in Colombia.</p>			<table> <tr> <td>FY-1964 - One technician for one year</td> <td>\$24,000</td> </tr> <tr> <td>FY-1965 - One technician for six months</td> <td>\$12,000</td> </tr> <tr> <td>Participant training re FHA methods for six participants, six months.</td> <td>\$18,000</td> </tr> </table>			FY-1964 - One technician for one year	\$24,000	FY-1965 - One technician for six months	\$12,000	Participant training re FHA methods for six participants, six months.	\$18,000
FY-1964 - One technician for one year	\$24,000										
FY-1965 - One technician for six months	\$12,000										
Participant training re FHA methods for six participants, six months.	\$18,000										
<p>FY-1964 and FY-1965 DG funds are required for technical assistance and participant training with reference to the introduction of sound mortgage banking practises by the Central Mortgage Bank and the proposed savings and loan system.</p>			<p>The evaluation of the program, however, depends completely on the success of the institutions as planned and established, in order to attract private capital to long term mortgages. The program is particularly directed to utilize private Colombian capital. Further AID assistance, assuming the above, will be required only in so far as it relates to the guarantee of investment of US capital under the all risk guarantee program and the guarantees afforded US savings and loan associations under pending legislation.</p>								
<p>Services of a Mortgage Banking Consultant with reference to CMB practises, FY-1965 \$12,000</p>			<p>The necessary stimulation of the building material supply industry is completely a matter of private industry, with credit assistance from the Private Investment Fund and the Export-Import Bank as the only US government assistance contemplated.</p>								
<p>Participant training has been programmed for FY-1965 as follows:</p>			<p>The contract services of a housing technician have been programmed for FY1964 to assist, advise and direct the ICT in all its activities and to assist the Urban and Industrial Development Officer with reference to the housing program. \$50,000 has been budgeted in FY-1964 for this contract.</p>								
<p>Six employees of CMB for six months to study mortgage banking practises \$18,000</p>			<p><u>4. Progress to date</u></p>								
<p>Six officials of savings and loan associations for six months to study savings and loan system in US. \$18,000</p>			<p>The introduction of USAID assistance to low cost housing in Colombia has resulted in an increase of ICT activity from an average of 2,000 houses per annum for the previous 10 years to 30,000</p>								
SECURITY CLASSIFICATION			UNCLASSIFIED		PAGE 122						

AID FORM 10-120 (7-62)	DATE PREPARED 10 NOV. 63	COOPERATING COUNTRY COLOMBIA	SECURITY CLASSIFICATION UNCLASSIFIED	514-25-830-058	HOUSING
<p>units in FY-1962 and FY-1963.</p> <p>Financial assistance during this period was as follows:</p> <p>FY-1962 - \$ 500,000 - AID supporting assistance grant. \$12,000,000 - AID Development Loan \$15,200,000 - Social Progress Trust Fund (IDB)</p> <p>FY-1963 - \$ 7,500,000 - AID Development Loan \$10,000,000 - AID Labor Housing Loan (Part of the \$60 million program loan)</p> <p>These funds represent 50% of the total cost of each house, the balance being supported by the GOC budget.</p> <p>The GOC has been increasing its budget support to ICT as follows:</p> <p>1961 - \$2,300,000 1962 - \$4,300,000 1963 - \$6,100,000</p> <p>All of the houses funded include individual sewer, water and electricity connections, whereas former projects supplied only communal facilities of one set of units for each 100 families. Technical assistance to the ICT has enabled that organization to evolve into a capable administrative organiza- tion which, by no means perfect, is now operating with increased efficiency and efficacy.</p> <p>The program, although satisfactory from a volume point of view, is properly subject to criticism by reason of an inadequate social program and the lack of schools, health centers, and other facilities necessary to complete a community. These facilities, although included in ICT planning,</p>			<p>were the responsibility of other agencies. The ICT has a reasonably good social program but cannot satisfactorily effectuate an adequate social program with its present staff of 80 social assistants. In FY-1963 the USAID enlisted the cooperation of 25 Peace Corps volunteers who assisted ICT social workers in slum areas.</p> <p>In FY-1963 the USAID assisted ICT in inaugurating a subside- zed program directed to eradication of slums. The program has been put into effect as a four year program with utilization of pesos derived from sale of surplus food under the PL-480 program.</p> <p>The USAID housing technicians have been visiting various communities together with ICT officials to stimulate community action with respect to this program. Various communities have submitted plans and work has been commenced on a number of projects with particular emphasis being made to date on the installation of sewer and water facilities. Community "juntas" have also been very active the last several years in varied spots of the country, trying to solve specific bits of the entire Colombian slum problem.</p> <p>Colombia has an active and relatively strong cooperative movement, the leaders of which have strongly supported US hemispheric efforts in cooperative activities. Groups of people in Colombia have banded together and pooled resources to form housing cooperatives since the early 1930's, in an attempt to resolve their housing problems in the face of an impossible mortgage situation.</p> <p>There are presently 60 housing cooperatives in Colombia, including labor union cooperatives, with memberships ranging up to 12,000 persons. Some of these have acquired land and have proceeded to urbanize and build houses. The effective results have been limited by meagre credit and faulty organization. In</p>		
			SECURITY CLASSIFICATION	UNCLASSIFIED	
					PAGE 123

AID FORM 10-120 (7-62)	DATE PREPARED 10 NOV. 63	COOPERATING COUNTRY COLOMBIA	UNCLASSIFIED	514-25-830-058	HOUSING
------------------------	-----------------------------	---------------------------------	--------------	----------------	---------

1962 the Colombian Federation of Housing Cooperatives was formed under the sponsorship of the Colombian Association of Cooperatives.

In FY-1963 the USAID undertook a study, through a contract with the Foundation for Cooperative Housing. This resulted in a comprehensive report with recommendations for organizational structure and a program to assist the organization and implementation of a cooperative housing program. This program is being prepared for FY-1964.

The FY-1964 and FY-1965 programs directed to attract private capital to the home building industry anticipates an increase of total housing activity from a FY-1963 rate of 20,000 units per annum to a level of 100,000 units in FY-1968. This will necessitate a proportionate increase in the production of building materials. The USAID instituted a program to assist and encourage expansion in this industry in FY-1962. The program has resulted in the establishment of new facilities in areas such as concrete block, asphalt tile, wood products, plywood and plumbing fixtures. Projects are pending in FY-1964 for increased production of cement, bricks, block, nails, plastic tubing and electric wire fixtures.

The US investors are particularly interested in all aspects of the building material supply industry. Extensive use is being made of the investment guarantee program in this area. Projects are pending for FY-1964 and FY-1965 which will introduce new and substitute materials such as plywood and prefabricated concrete, both for housing projects, schools and component parts. Pilot projects are being assisted and encouraged through AID participation in survey grants.

Financing from the Export-Import Bank is being utilized to purchase imports from the US in this industry. The Colombian

Private Investment Fund, as established with AID assistance, offers attractive financing in this bottle-neck industry.

The critical necessity of study and programming, with reference to sound urban planning as an integral part of the Alliance for Progress efforts, has been implemented by regional contracts in this field through AID/W.

5. Funding Requirements

In FY-1963, AID provided a loan for self help housing in the amount of \$7,500,000. There were no IDB loans in FY-1963. USAID DG funds totalled \$61,000 in FY-1963: \$44,000 for two technicians and one short term consultant, \$4,000 for 12 participants and \$5,000 for other costs.

<u>Development Loans</u>	<u>FY-1964</u>	<u>FY-1965</u>
1. Cooperative Housing - AID	\$10,000,000	-
2. Savings and Loan -AID \$5,000,000 per year financing, first year previously approved.		

Staff

1. FHA technician - 1 year	\$ 24,000	-
2. FHA consultant - six months	-	\$ 12,000

Contract Services

1. Housing specialist - 2 years	\$ 50,000	-
---------------------------------	-----------	---

AID FORM 10-120 (7-62)	DATE PREPARED 10 NOV. 63	COOPERATING COUNTRY COLOMBIA	SECURITY CLASSIFICATION UNCLASSIFIED	514-25-830-058,	HOUSING																																																																														
<table> <tr> <td data-bbox="338 170 716 219">2. Mortgage Banking Consultant 6 months</td> <td data-bbox="785 199 800 216">-</td> <td data-bbox="930 191 1024 219">\$12,000</td> <td colspan="3"></td> </tr> <tr> <td data-bbox="338 244 716 294">3. Contract for Social Service 4 persons for one year</td> <td data-bbox="785 274 800 290">-</td> <td data-bbox="919 265 1024 294">\$100,000</td> <td colspan="3"></td> </tr> <tr> <td colspan="6" data-bbox="338 323 443 348"><u>Training</u></td> </tr> <tr> <td data-bbox="338 373 688 422">18 participants for 6 months each.</td> <td data-bbox="785 403 800 419">-</td> <td data-bbox="930 394 1024 422">\$54,000</td> <td colspan="3"></td> </tr> <tr> <td colspan="6" data-bbox="338 447 478 472"><u>Other Costs</u></td> </tr> <tr> <td data-bbox="338 497 615 522">Sectional, travel etc.</td> <td data-bbox="758 497 835 522">\$4,000</td> <td data-bbox="930 497 1024 522">\$ 6,000</td> <td colspan="3"></td> </tr> <tr> <td colspan="6" data-bbox="338 546 772 596"><u>Local Currency</u> (US\$ equivalent in Colombian pesos)</td> </tr> <tr> <td data-bbox="338 621 415 645">Pl-480</td> <td data-bbox="726 621 846 645">\$2,500,000</td> <td data-bbox="884 621 1010 645">\$2,150,000</td> <td colspan="3"></td> </tr> <tr> <td data-bbox="338 670 615 695">GOC budget support-ICT</td> <td data-bbox="726 670 846 695">\$7,000,000</td> <td data-bbox="873 670 1010 695">\$10,000,000</td> <td colspan="3"></td> </tr> <tr> <td data-bbox="338 720 653 745">GOC Community Development</td> <td data-bbox="785 720 800 736">-</td> <td data-bbox="884 720 1010 745">\$2,000,000</td> <td colspan="3"></td> </tr> <tr> <td colspan="6" data-bbox="338 769 590 794"><u>Cooperating Entities</u></td> </tr> <tr> <td data-bbox="338 819 663 844">Social Progress Trust Fund</td> <td data-bbox="716 819 846 844">\$10,000,000</td> <td data-bbox="863 819 999 844">\$15,000,000</td> <td colspan="3"></td> </tr> <tr> <td data-bbox="338 868 688 918">Long Term Loan - OAS through CINVA</td> <td data-bbox="785 898 800 915">-</td> <td data-bbox="852 898 999 923">\$ 25,000</td> <td colspan="3"></td> </tr> </table>						2. Mortgage Banking Consultant 6 months	-	\$12,000				3. Contract for Social Service 4 persons for one year	-	\$100,000				<u>Training</u>						18 participants for 6 months each.	-	\$54,000				<u>Other Costs</u>						Sectional, travel etc.	\$4,000	\$ 6,000				<u>Local Currency</u> (US\$ equivalent in Colombian pesos)						Pl-480	\$2,500,000	\$2,150,000				GOC budget support-ICT	\$7,000,000	\$10,000,000				GOC Community Development	-	\$2,000,000				<u>Cooperating Entities</u>						Social Progress Trust Fund	\$10,000,000	\$15,000,000				Long Term Loan - OAS through CINVA	-	\$ 25,000			
2. Mortgage Banking Consultant 6 months	-	\$12,000																																																																																	
3. Contract for Social Service 4 persons for one year	-	\$100,000																																																																																	
<u>Training</u>																																																																																			
18 participants for 6 months each.	-	\$54,000																																																																																	
<u>Other Costs</u>																																																																																			
Sectional, travel etc.	\$4,000	\$ 6,000																																																																																	
<u>Local Currency</u> (US\$ equivalent in Colombian pesos)																																																																																			
Pl-480	\$2,500,000	\$2,150,000																																																																																	
GOC budget support-ICT	\$7,000,000	\$10,000,000																																																																																	
GOC Community Development	-	\$2,000,000																																																																																	
<u>Cooperating Entities</u>																																																																																			
Social Progress Trust Fund	\$10,000,000	\$15,000,000																																																																																	
Long Term Loan - OAS through CINVA	-	\$ 25,000																																																																																	
			SECURITY CLASSIFICATION UNCLASSIFIED	PAGE 125																																																																															

AID FORM 10-109 (7-62)	DATE PREPARED 10 NOV. 63	COOPERATING COUNTRY COLOMBIA	SECURITY CLASSIFICATION UNCLASSIFIED	CODE 514-11-370-029	TITLE CIVIL AVIATION	E-1
------------------------	-----------------------------	---------------------------------	---	------------------------	-------------------------	-----

I Year of Obligation, Authorization or Contribution Began FY End FY	Function of Funds	A. AID Dollar Grant Obligations (\$1,000), Loan Authorizations (\$1,000) and Numbers of People										B. Other Contributions (\$1,000 equivalent)					
		TOTAL \$	U.S. Technicians		PARTICIPANTS			Contract Services		Commodities	Other Costs including Service Contribution	PL 480 Commodities		U.S. Owned or Controlled		Cooperating Country Financing	Other External Financing
			\$	No.	\$	Non-Contract U.S.	3rd C.	Contract	\$			No.	Title	Sales & Grants	Type		
A. Cumulative through the Actual Year	DL											I & IV		U.S. Owned			
	DG	591	306	144	69	0		62		40	39	201 & III		Counterpart	267		
	SA											Sec. 202		PL 480			
B. Net During Actual FY 1963	DL											I & IV		U.S. Owned			
	DG	108	71	24	9	0			9	4		201 & III		Counterpart	75		
	SA											Sec. 202		PL 480			
C. During Operational FY 1964	DL	8,000								500		I & IV		U.S. Owned			
	DG	275	50	15	6				207	3		201 & III		Counterpart	7,490	1,302	
	SA											Sec. 202		PL 480			
D. During Budget FY 1965	DL											I & IV		U.S. Owned			
	DG	333	31	15	6				284	3		201 & III		Counterpart	10,975	1,737	
	SA											Sec. 202		PL 480			
E. During All Subsequent FYs	DL											I & IV					
	DG											201 & III					
	SA											Sec. 202					
F. Total All Years	DL	8,000										I & IV					
	DG	1,199										201 & III			18,732	3,039	
	SA											Sec. 202					

2 Dollar Obligation and Expenditure	Function of Funds	ALL PRIOR		ACTUAL FY 1963				OPERATIONAL FY 1964			BUDGET FY 1965		3 REMARKS
		Cumulative Expenditures	Unliquidated Obligations	Obligations During FY	Total Available for Expenditures	Actual Expenditures During FY	Unliquidated end of year	Estimated Expenditures During FY	Unliquidated end of year	Estimated Expenditures During FY	Unliquidated end of year		
A. ALL PRIOR YEAR FUNDS	DL												Also addresses Goal 7.
	DG	376	114	(7)	107	77	30	30	0				
	SA												
B. ACTUAL YEAR FUNDS	DL												
	DG			108	108	72	36	36	0				
	SA												
C. OPERATIONAL YEAR FUNDS	DL												
	DG						8,000	3,500	4,500	4,500	0		
	SA						275	143	132	132	0		
D. BUDGET YEAR FUNDS	DL												
	DG									333	212	121	
	SA												
E. TOTAL ALL FUNDS	DL												
	DG	376	114	101	215	149	66	3,500	4,500	4,500	0		
	SA							209	132	344	121		

AID FORM 10-120 (7-62)	DATE PREPARED Nov. 6, 1963	COOPERATING COUNTRY Colombia	UNCLASSIFIED	514-11-370-029	CIVIL AVIATION
------------------------	-------------------------------	---------------------------------	--------------	----------------	----------------

1. The Activity Target

The purposes of this activity are: (a) to provide the necessary air transport services in the 250,000 square mile area of the Llanos and Amazonas regions in order to integrate these neglected territories into the political, and social framework of the nation; (b) to strengthen the GOC institutions required to encourage the development of an effective air transportation system adequate for the over-all political, social and economic development of Colombia, helping assure a 7.5% annual rate of growth in air commerce; and (c) to provide for the construction at Barranquilla of a new airport.

Nature has interposed many obstacles to the development of surface transportation facilities in Colombia. Construction costs are high, both in terms of financial resources and time required. Climatic conditions make maintenance of roads and railroads extremely costly and difficult. Nearly 65% of the total geographical area has only the most primitive of transportation facilities.

a-b) Attempts by colonists to settle the land in the undeveloped areas are frustrated by the lack of basic commodities and services needed to improve their living, economic and educational standards. In order to make possible the integration with the rest of the nation of the two most remote regions of the country, the Llanos and Amazonas, which comprise 57% of the total land area of Colombia, SATENA (Servicio de Aeronavegación a los Territorios Nacionales) will provide air transportation in collaboration with the efforts of most of the GOC's ministries and independent agencies working toward Colombia's development, as well as the National Planning Department. Each of the ministries and agencies will pursue the objectives for which established, i.e., the Ministry of Agriculture will promote agriculture and grazing in the areas, the Ministry of Public Health will promote health and sanitation, and so on. SATENA will provide the transportation needed by the government entities and by the settlers in the initial stages of development. Year by year accomplishments can be measured directly by the rate of increases in numbers of passengers carried and tons of cargo transported. The measurement also will provide an indirect indication of the over-all

results being achieved by the other agencies as a result of the SATENA support.

Short-term economic assistance for two years is proposed, because it is believed that the activity can become self-supporting after the initial economic aid. However, if GOC self-help requirements are fulfilled, longer term technical assistance is suggested in order to insure continued growth of air transportation in Colombia. Though the economic assistance is expected to last only two years, the technical assistance phase may be required for three or four years.

Though the locus of this specific project is the GOC, the collective efforts of the over-all activity are directed to the grass roots level -- the settler and his family. Nevertheless, the emphasis with respect to SATENA is in the public sector rather than in the private, because it offers the greatest possibility of providing effective transportation facilities with the minimum loss of time and the minimum drain on available financial resources. There are, and have been, limited commercial air transport services to some of the locations in the Llanos/Amazonas. However, the rates are the highest in the country and the services are completely inadequate for the political unification desired. The history of payment of direct subsidies to airlines in the United States is well known. In Colombia the Government lacks the legal and technical mechanisms, as well as the resources, to undertake an airline subsidy program at this time. After the first two years of economic assistance it is expected that SATENA will be self-sustaining without further foreign economic assistance and without any support from the national budget.

The first year of assistance to SATENA will be for a test demonstration rather than for a full scale operation; only one-half the number of aircraft requested will be furnished. Economic assistance in the second year will be contingent upon satisfactory operation during the first year. (The SATENA institution is in being, but is unable to provide the necessary services without the assistance to be provided through this activity.)

AID FORM 10-120 (7-62)	DATE PREPARED Nov. 6, 1963	COOPERATING COUNTRY Colombia	UNCLASSIFIED	514-11-370-029	CIVIL AVIATION	
---------------------------------	-------------------------------	---------------------------------	--------------	----------------	----------------	--

Until quite recently the Government took virtually no part in the development of air commerce. Individual airline companies found it necessary to construct and maintain their own airports, as well as to install and operate the navigational aids which they felt they needed or could afford. Many facilities required for safe and efficient air operations were marginal or lacking entirely. Competitive practices were destructive. Now the Government is showing a definite responsiveness and demonstrating a positive determination to take the self-help measures necessary to strengthen the government institutions needed to foster an air transportation system adequate for present and future economic growth.

While no specific numerical standing has been assigned to this activity, it is accorded a relatively high priority by the host government. The appropriate institutional framework is in being, and the activity as directed toward its improvement.

c) In the North Coast region of Colombia, where surface transportation networks are not well developed, air transport can be applied advantageously to the carriage of cargo as well as passengers. Barranquilla is the principal industrial and commercial hub of this region. The present runway is badly deteriorated, and there is no taxiway. The existing terminal building is completely inadequate. John P. Gilbert and Associates, Inc., in the "Tourist Evaluation Study of the Republic of Colombia", prepared for the USAID, recommends improvement of this airport as one of the first steps in the development of Colombia's tourist industry. It is proposed to provide for the construction of a new runway, taxiway, platform, terminal building and access roads, and the installation of lighting and communications equipment plus acquisition of fire fighting, sweeper and baggage conveyor equipment.

This is the first request for economic assistance in the field of airport construction and acquisition of commodities. The finally desired result is the provision of airport and navigational facilities adequate for international as well as domestic air commerce. The National Planning Department has assigned it a high priority in the development program. A long-term loan is proposed in order that

the facility itself can amortize the construction and equipment costs, without adding a drain on the national budget.

2. The Course of Action

a) Five aircraft, two C-54s and three C-47s, will be obtained from excess property sources on an as-is-where-is basis, and economic support will be provided for rehabilitation, spare parts and ground equipment in FY 1964. This will be the first of two phases in a project of economic assistance to SATENA. Upon satisfactory demonstration of successful operation on the first phase, it is planned to furnish equal number and types of aircraft in FY 1965. All economic assistance would terminate after the second year. Technical assistance may be required for an additional one or two years. The major problems intended to be largely solved by this activity are to provide the necessary standards of safety in flight operations, and to establish an efficient organization which will make the operation completely self-sustaining after two years of economic assistance.

It is proposed to:

Provide the organization and staff for the operation in FY 1964 of 16 aircraft (3 four-engine, 11 twin-engine and 2 single-engine). This will require 17 executive and pilot personnel, to be provided by detail of regular officers from the Colombian Air Force, and to be supported by the latter's budget. The Air Force will benefit from air transport training and experience of its personnel, without the normal drain on its budget for the expenses of maintenance, fuel, oil, etc., required to maintain pilot proficiency. Also, to provide 19 civil personnel for administration and operation of the organization, plus other items of overhead. This number will be increased to 102 by the end of FY 1965. Maintenance will be accomplished by contract with aircraft repair shops. After the second year of operation, it is expected that the SATENA will be self-supporting, without further foreign assistance. As constituted, SATENA cannot receive funds from the national budget.

AID FORM 10-120 (7-62)	DATE PREPARED Nov. 6, 1963	COOPERATING COUNTRY Colombia	UNCLASSIFIED	514-11-370-029	CIVIL AVIATION
---------------------------------	-------------------------------	---------------------------------	--------------	----------------	----------------

b) The GOC will continue its efforts to improve the effectiveness of the institutions needed to provide airport and airway facilities and services, and to promote the development of an air transportation system adequate for the political, social and economic growth of Colombia. The main problems in this area have been the lack of funds to strengthen the existing institutions, and the scarcity of executive, administrative and technical resources.

This activity subtarget proposes to:

Provide two full-time and two short-term advisors in FY 1964 to assist the GOC in its institutional development program. It is proposed to decrease the number of full-time advisors in FY 1965 to one.

Construct the building at Bogotá for the National Aeronautical Training Center for government personnel, with six technical laboratories, four class rooms and a projection/assembly hall. Provision is made for future expansion, if desired as a regional training facility.

Provide administrative and instructor staff consisting of a director, four full-time instructors and part-time instructors as required, and two secretaries.

Provide locally available supplies, including class room furniture, office equipment, working supplies and maintenance.

Provide non-locally available supplies, such as textbooks, mockups, computers and films.

Provide training at advanced levels in the United States for six participants for a total of 30 months.

Carry out the program of airport construction and air navigation modernization, in accordance with the national plan for transportation improvement.

c) It is proposed to grant a development loan for the construction of a new airport at Barranquilla. Earlier this calendar year, the Consultative Group for Colombia placed this project on the list to be considered by AID. The existing runway is inadequate for the piston-engine aircraft now serving the location, and constant runway repair is necessary. The airport cannot be used by jet transport aircraft, which have almost completely replaced piston-powered aircraft on the international airlines. There is no taxiway, and the terminal building is woefully inadequate. The North Coast is the logical point to start development of Colombia's tourist industry, and a jet-capable airport is indispensable to providing the means for tourists to arrive in the country.

3. The Resources Required

There has been no indication of interest in funding this activity on the part of U.N., FAO or the IBRD, with the exception of nine U.N. training grants at the Aeronautical Training Center in Mexico City. A foreign firm has been interested in financing the construction of the airport at Barranquilla, but on terms which have been entirely unacceptable to the GOC Planning Department.

The effect of a 25% reduction in available funds would retard the rate of progress toward accomplishment of objectives. However, it would not cause the activity to drop out. The execution of the USAID/DG activity will not require external non-technical assistance resources.

In 1961, AVIANCA, the principal commercial airline of Colombia, obtained an EXIM loan of 9.5 million dollars for the purchase of two jet aircraft. Definite information is not available regarding future financing of this type, but it can be expected that Colombian airlines, sooner or later, will obtain additional aircraft through EXIM financing. During previous years GOC has obtained communications, navigation aid and airport equipment in the amount of about 5.5 million dollars, with financing through short-term credits directly from the U. S. and European equipment manufacturers.

AID FORM 10-120 (7-62)	DATE PREPARED Nov. 6, 1963	COOPERATING COUNTRY Colombia	UNCLASSIFIED	514-11-370-029	CIVIL AVIATION
------------------------	-------------------------------	---------------------------------	--------------	----------------	----------------

Since the inception of this activity, GOC has invested the peso equivalent of about 50 million dollars in its development. Aviation is a continuing program, so there is no anticipated completion date. The total U.S. contribution has been \$591,000. Three more years of assistance, on a greatly reduced scale after FY 1965, are planned, with a total estimated cost of the project from inception to completion of \$9,265,000.

The following is a summary of the resources required (US\$):

	<u>FY 1964</u>	<u>(No.)</u>	<u>FY 1965</u>	<u>(No.)</u>
<u>USAID</u>				
Technicians	\$ 40,000	2	\$ 21,000	1
Consultants	10,000	2	10,000	2
Participants	15,000	6	15,000	6
Commodities	207,000		284,000	
Other costs	3,000		3,000	
Development loan	8,000,000		---	
Total	\$ 8,275,000		\$ 333,000	
<u>GOC</u>				
Salaries and overhead	\$ 3,580,000		\$ 5,450,000	
Airport construction, acquisition & equip.	3,910,000		5,525,000	
Total	\$ 7,490,000		\$ 10,975,000	
<u>OTHER</u>				
Com. & nav. equip.	\$ 1,300,000		\$ 1,735,000	
Training grants	2,000		2,000	
Total	\$ 1,302,000		\$ 1,737,000	

4. Progress to Date

Accomplishments which have a positive effect on the activity target as follows:

a) Institutions

Colombia has established two civil aviation institutions, the Colombian Airports Corporation, and the Administrative Department of Civil Aeronautics, to provide airports and air navigational facilities and services, and to foster the safe, efficient and economical air transportation. Strong GOC self-help measures are being taken to increase their effectiveness. SATENA has been created for the purpose of providing air transport services in the Llanos and Amazonas regions on a scale adequate to integrate these remote areas into the political, social and economic framework of the nation. The existing scale of operations will be tripled with the acquisition of the five aircraft proposed in 1964 and doubled in 1965 with addition of five more aircraft.

b) Air Navigation Facilities and Services

Six new Visual Omni Radio Range (VOR) installations have been completed. Equipment is on hand for a total of ten such facilities, and when installation is finished will provide Colombia with badly needed navigational aids. Six new non-directional radiobeacons have been installed along the principal airways. New radioteletypewriter circuits have been installed for communication between Bogotá and Miami, Balboa and Caracas. Modernization of the radioteletypewriter circuit between Bogotá and Barranquilla has been completed. A modern message switching station is nearly completed at Bogotá. A DC-3 aircraft has been acquired, and equipment has been installed for electronically flight checking the performance of the Visual Omni Radio Range equipment. With further training of personnel, this facility can assist the neighboring countries of Ecuador and Venezuela in facility site selection and inspection.

c) Air Traffic Control Services

Three new approach control facilities have been commissioned.

AID FORM 10-120 (7-62)	DATE PREPARED Nov. 6, 1963	COOPERATING COUNTRY Colombia	UNCLASSIFIED	514-11-370-029	CIVIL AVIATION
------------------------	-------------------------------	---------------------------------	--------------	----------------	----------------

at Barranquilla, Cali, and Cúcuta, making a total of four terminal areas in which aircraft are provided separation during instrument flight conditions. Flight Advisory Service is being provided, which fulfills international commitments for Colombia for such service. Air ground communication services have been improved at four locations by the addition of new VHF equipment. An independent side-band (ISB) circuit, for direct voice communication between Bogotá air traffic control and the air route traffic control center at Balboa, has been finished.

d) Training

Local training has been provided in the fields of air traffic control, electronics, communications and meteorology for a total of 150 students. Participant training has been provided in the United States for 12 trainees in the fields of air traffic control, flight standards, airport engineering and telecommunications. Of the total of 47 participating trainees who received aviation training in the United States, 43 are still employed by the government civil aviation institutions, and 42 are using the specific skills for which trained. All except one are working in the field of aviation. Training has been provided through auspices of the International Civil Aviation Organization (U.N.) for training of four employees in Meteorology, and five in Air Traffic Control at Mexico City.

A building is being constructed in Bogotá to provide a National Aeronautical Training Center, for a continued program to raise the technical and executive level of capability for government employees of the basic civil aviation institutions.

e) Airport Improvements

Major runway, taxiway, ramp and structural improvements have been completed in five Colombian cities. Grading and preparation for construction of a new runway at Barranquilla have been completed.

5. Funding Requirements

No pipeline problems are expected.

Two full-time technicians and two short-term consultants will be required to guide Colombian officials in their institution building efforts as follows: Chief of Project, Air Traffic Services Specialist (full-time) and Aviation Medicine Advisor, and Facility Flight Inspection Advisor, for 1964. In FY 1965 it is proposed to decrease the technicians to one. The consultants will be for short-term assistance in procedures for economic control of airlines, and for follow-up assistance in aviation medicine. The other skills and duties of the technicians will be the same.

The commodity requirements for FY 1964 are aircraft, rehabilitation, spare parts and ground handling equipment, plus demonstration equipment, consisting of textbooks, mockups, films and computers. The requirements for 1965 will be the same with the addition of \$102,000 for radiobeacons, and a reduction of \$25,000 in aircraft commodities.

Training requirements will be for the training in the United States with the FAA and CAB for six participants each year for a total of 30 man-months.

USAID funds for activity subtarget (a) will provide the necessary commodities (spare parts, rehabilitation, navigation equipment, etc.), with the complete funding breakdown for this activity as follows:

	FY 1964 (US\$)	FY 1965 (US\$)
Commodities	\$ 200,000 (DG)	\$ 277,000 (DG)
Executives and pilots	75,000 (GOC)	150,000 (GOC)
Civil employees and overhead	260,000 (GOC)	1,200,000 (GOC)
Aircraft maintenance	500,000 (GOC)	750,000 (GOC)
	<u>\$ 1,035,000</u>	<u>2,377,000</u>

AID FORM 10-120 (7-62)	DATE PREPARED Nov. 6, 1963	COOPERATING COUNTRY Colombia	UNCLASSIFIED	514-11-370-029	CIVIL AVIATION
------------------------	-------------------------------	---------------------------------	--------------	----------------	----------------

The complete funding breakdown for activity subtarget (b) is as follows:

	FY 1964 (US\$)	FY 1965 (US\$)
U.S. Technicians	\$ 40,000 (DG)	\$ 21,000 (DG)
Consultants	10,000 (DG)	10,000 (DG)
Participants	15,000 (DG)	15,000 (DG)
Commodities	7,000 (DG)	7,000 (DG)
Other	3,000 (DG)	3,000 (DG)
School construction	50,000 (GOC)	-----
Training Center staff	20,000 (GOC)	25,000 (GOC)
Institutional Salaries & overhead	2,669,000 (GOC)	3,325,000 (GOC)
Airport construction and acqui.	3,916,000 (GOC)	5,525,000 (GOC)
Com. and navigation equipment	1,300,000 (Other)	1,735,000 (Other)
Training grants	2,000 (Other)	2,000 (Other)
Total:	\$ 8,032,000	\$10,668,000

In summary U. S. contributions total for FY 1964 \$275,000 (D.G.) and \$8,000,000 (D.L.). For FY 1965 \$333,000 (D.G.) only.

GOC contributions total for FY 1964 \$7,490,000 and for FY 1965 \$10,975,000.

Other external source contributions are estimated to total \$1,302,000 in FY 1964 and \$1,737,000 in FY 1965.

The complete funding breakdown for activity subtarget (c) is as follows:

Construction & local materials	\$ 7,500,000 (AID/DL)	---
Commodities	500,000 (AID/DL)	---
Total	\$ 8,000,000	
Grand Total:	\$17,067,000	\$ 13,045,000

1 Year of Obligation, Authorization or Contribution Began FY End FY	A. AID Dollar Grant Obligations (\$1,000), Loan Authorizations (\$1,000) and Numbers of People											B. Other Contributions (\$1,000 equivalent)					
	Function of Funds	TOTAL \$	U.S. Technicians		PARTICIPANTS			Contract Services		Commodities	Other Costs including Service Contribution	PL 480 Commodities Title	Sales & Grants	U.S. Owned or Controlled		Cooperating Country Financing	Other External Financing
			\$	No.	\$	Non-Contract U.S.	3rd C.	Contract	\$					No.	Type		
A. Cumulative through the Actual Year	DL DG SA	4,268	442		102	33	1		65		297	3,362	I & IV 201 & III Sec. 202		U.S. Owned Counterpart PL 480	9,000	
B. Net During Actual FY 63	DL DG SA	302	117	7	16	2			65		97	7	I & IV 201 & III Sec. 202		U.S. Owned Counterpart PL 480	4,000	
C. During Operational FY 64	DL DG SA	319	75	3	50	10			130	2	50	14	I & IV 201 & III Sec. 202		U.S. Owned Counterpart PL 480	4,500	
D. During Budget FY 65	DL DG SA	2,500 273							75	2	40	65	I & IV 201 & III Sec. 202	1,000	U.S. Owned Counterpart PL 480	5,000	2,500 ^{1/}
E. During All Subsequent FYs	DL DG SA	100											I & IV 201 & III Sec. 202			5,000	
F. Total All Years	DL DG SA	2,500 4,960											I & IV 201 & III Sec. 202	1,000		23,500	2,500

2 Dollar Obligation and Expenditure	Function of Funds	ALL PRIOR		ACTUAL FY 63				OPERATIONAL FY 64			BUDGET FY 65		3 REMARKS
		Cumulative Expenditures	Unliquidated Obligations	Obligations During FY	Total Available for Expenditures	Actual Expenditures During FY	Unliquidated end of year Obligations	Estimated Expenditures During FY	Unliquidated end of year Obligations	Estimated Expenditures During FY	Unliquidated end of year		
A. ALL PRIOR YEAR FUNDS	DL DG SA	1,357	2,607	2	2,609	1,197	1,412	1,412	--			^{1/} IBRD Loan. Also addressed to Goal 3.	
B. ACTUAL YEAR FUNDS	DL DG SA			302	302	121	181	181	--				
C. OPERATIONAL YEAR FUNDS	DL DG SA						319	300	119	119	-		
D. BUDGET YEAR FUNDS	DL DG SA								2,500 273	1,100 251	1,400 22		
E. TOTAL ALL FUNDS	DL DG SA	1,357	2,607	304	2,911	1,318	1,593	1,793	119	1,100 251	1,400 22		

AID FORM 10-120 (7-62)	DATE PREPARED 10 NOV. 63	COOPERATING COUNTRY COLOMBIA	SECURITY CLASSIFICATION UNCLASSIFIED	514-11-640-039	PRIMARY EDUCATION
---------------------------------	-----------------------------	---------------------------------	---	----------------	-------------------

1. The Activity Targets

Although primary education, which includes five years of study for children ranging in age from seven to fourteen, generally, is viewed as a necessary part of the socio-economic process, it is being recognized increasingly that education at the secondary and higher level contributes more immediately and directly to economic development. On the other hand, primary education is the base of the entire educational structure and is considered a fundamental social right by the population at large.

USAID recognizes that further expansion of the public primary school system must become the exclusive responsibility of the government of Colombia. This responsibility must be carried out in terms of a reorganized public school system which has reduced the present human and financial waste to a minimum. Moreover, expansion must be based on a precise calculation of the resources available to pay for the operation and the proper maintenance of an increased number of schools. USAID activity in primary education will cease after the basic reorganization and fundamental reforms that follow the survey of primary and secondary education have been carried out.

The following specific targets are proposed:

a. Assist the National Ministry of Education with the construction and furnishing of the 2,138 classrooms programmed for completion during CY-64.
b. Assist the National Ministry of Education in the preparation of a program which has as its goal the provisions of a qualified teacher in every primary school classroom by 1969 through (a) pre-service preparation and (b) in-service preparation.
c. Provide technical assistance in the further decen-

tralization of the administration of education.

d. Work cooperatively toward increasing the holding power of the primary schools. Reduce the dropout rate from the present 90% to 70% within a four-year period.
e. Assist in providing textbooks and other basic learning materials to the greatest extent possible but at least to the minimum of three books per child per year.

2. Course of Action

The Government of Colombia will assume an increasingly greater portion of the responsibility for the school house construction phase of this activity and it will orient the teacher training phase into greater prominence. Greater emphasis will be given to the development of more and better qualified teachers rapidly.

Because no school program can be more effective than the teachers, the up-grading of qualifications of the 5,678 teachers in the primary schools who have no formal schooling beyond the primary school itself, not to mention the additional 14,855 who have less than a high school education, will be a major emphasis of this activity.

The construction of rural primary school classrooms will increasingly become an activity of local community effort stimulated by Peace Corps type effort, municipal and departmental programming, and initiative from other emerging leadership as well as collaboration with other interested agencies.

In order to accomplish the specific targets cited above, the following program of action is proposed:

a. Using present Ministry of Education organization or an improved one, proceed with the completion of construction of the new classrooms already programmed in the 17 departamentos for CY-64.

SECURITY CLASSIFICATION	UNCLASSIFIED	PAGE 134
-------------------------	--------------	----------

AID FORM 10-120 (7-62)	DATE PREPARED 10 NOV. 63	COOPERATING COUNTRY COLOMBIA	SECURITY CLASSIFICATION UNCLASSIFIED	514-11-640-039	PRIMARY EDUCATION
<p>b. The provision of qualified teachers is to be achieved by working along several fronts. An intensive improvement program is to begin during FY-64 through cooperative planning in the six to ten selected second cycle normal schools with the view of producing more qualified teachers as rapidly as possible. Vacancies would be filled by these graduates.</p> <p>Assistance would be provided the Ministry of Education in the eradication of sub-standard teachers from service through an intensified program of in-service preparation geared, through the Six Regional Centers, to the selected normal schools. Numerous intensified field courses, workshops, and evening courses along with a stepped-up summer program would be provided cooperatively with INCADELMA so that each teacher so enrolled will receive course credit toward graduation from normal school or university and coincidentally progress upward on the national salary schedule. This situation specifically applies to the 5,768 teachers who themselves have not studied above the primary school level, to the 14,855 who have less than high school or normal school preparation, and to the 4,683 who have less than second cycle normal school training.</p> <p>c. There are four features as follows of the assistance to the Ministry of Education in the achievement of decentralization:</p> <p>(1) Strengthen each of the Six Regional Centers so that each may effectively accomplish the in-service teacher development functions recently delegated by INCADELMA. Help the Regional Centers assume responsibility in the development of an improved teacher development program at the selected normal schools. Provide a vehicle at each Regional Center during FY-64 to facilitate the program.</p> <p>(2) For FY-65, work toward the assumption of more responsibility by the 17 departmental secretaries of education and toward improvement in staffing and organization of the secretariats. Seek a reduction in the high turnover rate among secre-</p>			<p>taries of education.</p> <p>Encourage greater assumption of responsibility for primary school operation and maintenance at the departmental, municipal and local level. Conduct special conferences, seminars, or courses for local officials who have the care and custody of schools in charge. Develop and circulate among them appropriate school maintenance manuals. Work cooperatively toward a movement for greater public support for education. Use newspapers, the radio, TV and other channels available. Assist in the collection, interpretation and dissemination of educational statistics with the view of helping the public to a greater awareness of the monetary and social value of practical learning in the life of the individual.</p> <p>(3) Sponsor cooperatively six conferences per year - one at each of the Six Regional Centers of the Ministry of Education - for educational personnel at the national, departmental and local level. Purpose: to seek solutions to problems, adopt programs of work and to evaluate programs under way.</p> <p>(4) Cooperate and collaborate during the impending National Planning Study of primary and secondary education and work toward the implementations of recommendations eventuating from the study.</p> <p>d. In a cooperative effort with the Ministry of Education to increase the holding power of the primary school, the following four procedures are proposed: (1) Increase the qualifications of primary school teachers as previously outlined to insure richer instruction, (2) increase the quality and quantity of books, supplies, and other learning aids in the classrooms, (3) increase the functioning of organizations of parents and teachers. Activate new organizations where none exist, (4) work toward an increase in quality instruction through intensive inter-school communication among teachers and others.</p>		
			SECURITY CLASSIFICATION UNCLASSIFIED	PAGE 135	

AID FORM 10-120 (7-62)	DATE PREPARED 10 NOV. 63	COOPERATING COUNTRY COLOMBIA	SECURITY CLASSIFICATION UNCLASSIFIED	514-11-640-039	PRIMARY EDUCATION
---------------------------------	-----------------------------	---------------------------------	---	----------------	-------------------

e. In providing textbooks and other basic learning materials, it is proposed that U.S. technicians assist Ministry personnel in the selection, purchase, and distribution of suitable teaching-learning books and other aids for the classroom.

3. Resources Required

From FY-64 funding, \$319,000 is proposed to support the service of three direct hire technicians (\$75,000), two contract technicians and one consultant (\$130,000), ten non-contract participants (\$50,000), commodity costs (\$50,000), other costs (\$14,000).

For FY-65 the total costs amount to \$273,000 distributed as follows: three direct hire technicians (\$63,000), two contract technicians (\$75,000), five non-contract participants (\$30,000), commodity costs (\$40,000), other costs (\$65,000).

The GOC intends to make a request for loans totalling \$10,000,000: \$5,000,000 from AID and \$5,000,000 from IBRD. The plan of GOC is that these funds are to be divided equally in support of actions to realize target objectives concerning both primary and secondary education. It is anticipated that the GOC will match the loan funds with Col. \$50,000,000 pesos.

Should the request for AID loan funds be granted, it is proposed that approval be based on a global plan and that funds go to support certain priority needs at both the primary and secondary levels.

Any reduction in available funds would have to be made under commodity costs. While this activity could be continued, a reduction in funds would produce serious limitations.

4. Progress to Date

As of July 31, 1963, the following achievements had been

realized with respect to the construction of primary school classrooms:

a. Number completed:	529
b. Under construction:	1,169
c. Under contract:	2,014

As of the same date, the following aspects of teacher development had been achieved:

a. More than 15,000 classrooms teachers had been enrolled in one or more ten-day intense course or courses for teachers.

b. More than 1,500 supervisors and school principals had been enrolled in ten-day courses for leadership development.

c. More than 75 conferences and seminars of the round table type had been conducted with departmental and municipal leaders where educational topics were the subject of discussion.

As of July 31, 1963, six regional centers of the National Ministry of Education had been established with offices at Cali, Cartagena, Medellin, Bucaramanga and Bogotá. Regional Coordinators and other supporting personnel were on the job at each.

5. Funding Requirements

There is a remaining pipeline of \$1,200,000 of the \$3,540,000 grant funds embodied in the Primary Education Project agreement signed December 1961. Obligations have been incurred for most of pipeline funds but contributions to the project are made only on the basis of expenditure or need.

SECURITY CLASSIFICATION UNCLASSIFIED	PAGE 136
---	----------

AID FORM 10-120 (7-62)	DATE PREPARED 10 NOV. 63	COOPERATING COUNTRY COLOMBIA	SECURITY CLASSIFICATION UNCLASSIFIED	514-11-640-039	PRIMARY EDUCATION	
------------------------	-----------------------------	---------------------------------	---	----------------	-------------------	--

U. S. Contributions:	FY-64		FY-65	
	No.	Cost	No.	Cost
Direct hire technicians (3)		\$ 75,000	(3)	\$ 63,000
Contract technicians and consultants (3)		130,000	(2)	75,000
Non-Contract participants(10)		50,000	(5)	30,000
Commodity costs		50,000		40,000
Other costs		14,000		65,000
		<u>\$ 319,000</u>		<u>\$ 273,000</u>

a. Staff Requirements

For FY-64: Two Primary Education direct hire technicians with responsibility at Regional Centers. One Primary Education direct hire technician with responsibility at National Center.

Direct hire technicians will operate in the areas of curriculum, supervision and administration. The Ministry will provide the other necessary technical personnel.

The two contract technicians will work in the areas of educational organization, administration and finance, and teaching materials.

The contract consultant will be assigned in the area of school plant planning.

For FY-65: the same direct hire positions are requested, and for contract services the positions are in instructional materials, and school plant planning.

b. Commodity Requirements

The commodity requirements include textbooks, maps, charts, globes, audio-visual and other equipment, tape recorders, opaque projects, and phonographs.

c. Training Requirements

For FY-64: Ten participants to the United States for one year of training: 4 in teacher education; 4 in school administration and supervision, 2 in textbook writing and production.

For FY-65: Five participants to the United States for one year of training: 3 in teacher education, 2 in educational supervision.

d. Local Currency Requirements

Ten million pesos from PL-480 sources have been requested to support the request of textbook development programs for primary education.

AID FORM 10-109 (7-62)	DATE PREPARED 10 NOV. 63	COOPERATING COUNTRY COLOMBIA	SECURITY CLASSIFICATION UNCLASSIFIED	CODE 514-22-550-065	TITLE NAT. HEALTH PLAN	E-1
------------------------	-----------------------------	---------------------------------	---	------------------------	---------------------------	-----

1 Year of Obligation, Authorization or Contribution Began FY 1964 End FY 1966	A. AID Dollar Grant Obligations (\$1,000), Loan Authorizations (\$1,000) and Numbers of People											B. Other Contributions (\$1,000 equivalent)					
	Function of Funds	TOTAL \$	U.S. Technicians		PARTICIPANTS			Contract Services		Commodities	Other Costs including Service Contribution	PL 480 Commodities		U.S. Owned or Controlled	Cooperating Country Financing	Other External Financing	
			\$	No.	\$	U.S.	3rd C.	Contract	\$			No.	Title				Sales & Grants
A. Cumulative through the Actual Year	DL DG SA	30						0		15	15	I & IV 201 & III Sec. 202	U.S. Owned Counterpart PL 480				
B. Net During Actual FY 1963	DL DG SA	30								15	15	I & IV 201 & III Sec. 202	U.S. Owned Counterpart PL 480				
C. During Operational FY 1964	DL DG SA	7,000						250	8	3,975	2,775	I & IV 201 & III Sec. 202	U.S. Owned Counterpart PL 480	910	500		
D. During Budget FY 1965	DL DG SA	7,000 84	42	2	36	6		200	8	6,300	500 6	I & IV 201 & III Sec. 202	U.S. Owned Counterpart PL 480	1,210	500		
E. During All Subsequent FYs	DL DG SA	7,000 170											I & IV 201 & III Sec. 202		7,210	1,500	
F. Total All Years	DL DG SA	21,000 254											I & IV 201 & III Sec. 202		9,330	2,500	

2 Dollar Obligation and Expenditure	Function of Funds	ALL PRIOR		ACTUAL FY 63				OPERATIONAL FY 64			BUDGET FY 65		3 REMARKS
		Cumulative Expenditures	Unliquidated Obligations	Obligations During FY	Total Available for Expenditures	Actual Expenditures During FY	Unliquidated end of year	Estimated Expenditures During FY	Unliquidated end of year	Estimated Expenditures During FY	Unliquidated end of year		
												Obligations	
A. ALL PRIOR YEAR FUNDS	DL DG SA	0	0	0									
B. ACTUAL YEAR FUNDS	DL DG SA			30	30	0	30	30	0				
C. OPERATIONAL YEAR FUNDS	DL DG SA						7,000	2,000	5,000		5,000		
D. BUDGET YEAR FUNDS	DL DG SA									7,000 84	2,000 64	5,000 20	
E. TOTAL ALL FUNDS	DL DG SA			30	30	0	30	2,000 30	5,000		7,000 64	5,000 20	

AID FORM 10-120 (7-62)	DATE PREPARED 10 NOV. 63	COOPERATING COUNTRY COLOMBIA	SECURITY CLASSIFICATION UNCLASSIFIED	514-22-550-065	NAT. HEALTH PLAN
<p>1. <u>The Activity Target</u></p> <p>This activity is directed toward provision of financial and technical assistance to the GOC in implementing the first three years of the National Health Plan by providing a development loan and closely related development grant funds. The National Health Plan will require 10 years for development. It includes provisions for integrated health districts throughout the country, and as a part thereof, the construction of 270 health centers and 15 hospitals with the equipment necessary, the construction of 900 water supply systems in communities with a population of under 1,000, a country-wide tuberculosis control program, a large general training program, and a planned effort to bring curative and preventive medical services to the entire country, concentrating during these ten years on the ten leading causes of morbidity and mortality. Present public health conditions are poor and badly in need of improvement.</p> <p>Thus, to assist the Colombian Government in initiating the first forty integrated health districts of the 160 total included in the Ten Year Plan by providing financial and technical assistance for the first three years of the Ten Year Plan, the development loan will make possible the following:</p> <ul style="list-style-type: none"> a. Construction and equipping of 15 hospitals, b. Construction and equipping of 100 health centers, c. Purchase of 20 complete mobile units for tuberculosis control programs, d. Construction of water supply systems for 75 villages with population of about 1000 persons each, e. Purchase of equipment for latrine plants, f. Purchase of equipment and providing scholarships for a general training program, and g. Purchase of essential equipment for other health centers and hospitals within the 40 health districts which comprise the area to be served through the loan application. <p>The above work is to be accomplished in the 40 integrated health districts selected from the total of 160 in the whole country. These 40 under the loan will be the beginning of the nation-wide plan. It is hoped to accomplish this work under the loan during 1964, 1965 and 1966.</p> <p>The Ten Year Health Plan is part of the GOC's overall plan for economic and social development. This is an important segment of its overall plan due to the need of improving the poor health facilities which exist at present. The Ministry of Health and local Health Departments, as well as training institutions, will be improved both physically and in terms of personnel as a result of this program. The National Health Plan will greatly reduce morbidity and early mortality, thus contributing to the economic development of the country. The exact amount of improvement cannot be stated but should result in at least 50% reduction in the incidence of communicable diseases.</p> <p>It is expected to accomplish the work under the loan in a period of four years although financing will be requested for only the first three of these four years. The work accomplished under the loan will be entirely devoted to local communities and local Government entities rather than to the central government. This loan application has been given high priority by the Colombian Government and has been approved by its National Planning Office.</p>					
			SECURITY CLASSIFICATION UNCLASSIFIED	PAGE 139	

AID FORM 10-120 (7-62)	DATE PREPARED 10 NOV. 63	COOPERATING COUNTRY COLOMBIA	SECURITY CLASSIFICATION UNCLASSIFIED	514-22-550-065	NAT. HEALTH PLAN
---------------------------------	-----------------------------	---------------------------------	---	----------------	------------------

2. Course of Action

Although the loan will be submitted for a total of 21 million dollars, it is presently hoped that this amount might be received in three equal parts for the three years beginning FY 1964. If the first loan is approved in the amount of 7 million dollars during FY 1964 the following work will be accomplished:

- a. Completion of construction and equipment of 10 hospitals, three of which are teaching hospitals, and all but one of which are general hospitals.
- b. Provide funds for training, for equipment and for scholarships.
- c. Purchase 10 complete mobile units for TB control.
- d. Construct 36 small water supply systems in towns of 1,000 inhabitants each, and provide 144 wells with hand pumps in smaller communities. The labor for these activities will be provided through community action on a self-help basis at no cost to funds of the loan.
- e. Provide equipment for latrine plants. This is also a self-help program.

The above work would initiate the Ten Year Health Plan and could be financed from the first loan of 7 million dollars. Even if the second and third year loans were never approved, this first loan would still be the first step in beginning the Ten Year Plan and would be of great benefit to the country, in and of itself alone.

Should the second and third loan applications be approved for the additional 14 million dollars these funds would be used as follows:

- a. Providing additional funds for training.
- b. Providing necessary equipment for health centers in the 40 districts.
- c. Providing necessary equipment for other hospitals in the 40 districts.
- d. Provide 10 additional TB units for the 40 districts.
- e. Provide funds for equipment and construction of 88 additional health centers in the 40 districts.
- f. Provide funds for additional environmental sanitation projects in the 40 districts.

The large problems to be solved are the training of additional personnel and reduction of the prevalence of infectious diseases, improvement of environmental sanitation, reduction in morbidity and loss of time from work, and increasing the life span of the population. The ten leading causes of morbidity and mortality are mostly in the communicable disease group. This program will be directed toward the control of those diseases. Also, the leading causes of death are gastro-enteritis and colitis. This is extremely severe among the age group under 15 years of age. Thus, the leading cause of death is largely the result of poor environmental sanitation. This program will be directed toward improving all such conditions, as well as providing better facilities for clinical medical services.

3. Resources Required

Technical and administrative facilities of the Ministry of Public Health will be utilized in the execution of this work.

	SECURITY CLASSIFICATION UNCLASSIFIED		PAGE 140
--	---	--	----------

AID FORM 10-120 (7-62)	DATE PREPARED 10 NOV. 63	COOPERATING COUNTRY COLOMBIA	SECURITY CLASSIFICATION UNCLASSIFIED	514-22-550-065	NAT. HEALTH PLAN
------------------------	-----------------------------	---------------------------------	---	----------------	------------------

Also, the Ministry and local units will furnish all personnel and all costs for operating the units after construction and installation of equipment. During the execution of the work, in addition to Ministry and USAID personnel, it will be necessary to have some additional assistance. A construction engineer will be required and will be financed by a contract under loan funds. The same is true for hospital administration services. In addition, it is planned to provide as direct-hire a chief public health advisor and a hospital administrator to assist in the implementation of this loan and in the overall Ten Year Health Plan. As to maintenance and operation, the Ministry and the Departments are committed to provide funds and personnel. No project will be undertaken under the loan for which this is not clearly established.

The resources needed from AID for the three year program are approximately \$ 11.0 million, and the equivalent of US\$ 10 million in pesos. For the first loan approximately \$ 3,500,000 are needed in dollars, and an equivalent amount in pesos.

This is not the type of project which is ordinarily undertaken by the International Banks nor by the United Nations. AID is probably the agency of last resort in this case.

The total estimated cost and project duration, as between Colombia and the USAID, is as follows:

	<u>U.S.</u>	<u>Colombia</u>
FY 1964	\$ 7,000,000 D.L.	\$ 910,000
Sub Total	7,000,000	
FY 1965	7,000,000 D.L.	1,210,000
Sub Total	84,000 D.G. 7,084,000	

	<u>U.S.</u>	<u>Colombia</u>
FY 1966	\$ 7,000,000 D.L.	\$1,210,000
Sub Total	84,000 D.G. 7,084,000	
Total three years	\$ 21,000,000 D.L. 168,000 D.G.	\$3,330,000

Upon the completion of these various units, the GOC will assume the cost of operation, estimated at the equivalent of US\$ 3,000,000 per year. Presently available from national and local sources are funds to operate the facilities being constructed and to assure the agreed-upon counterpart effort, but only as regards the FY 1964 loan request. Before any loan is approved beyond FY-64, AID needs sufficient verification that the GOC has adequate revenues to operate these new facilities being constructed and that the GOC can fulfill the necessary counterpart effort as regards the funding of all operating costs.

The number of U.S. technicians deemed necessary for this program are four, two to be direct-hire and paid from DG funds: the Chief of the Public Health Division of USAID and a Hospital Administrator; and two are to be contract employees paid from DL funds, a Construction Engineer and a hospital equipment specialist. The number of participants included under the loan will be approximately 1,500.

The commodities involved are building and construction materials available locally, water pipe and fittings available locally, hospital and medical equipment to be imported from the U.S., and drilling equipment and vehicles also to be imported from the U.S. The magnitude of imported commodities will be approximately US\$ 11,000,000 worth; whereas the commodities produced and purchased in Colombia will cost approximately

SECURITY CLASSIFICATION
UNCLASSIFIED

PAGE 141

AID FORM 10-120 (7-62)	DATE PREPARED 10 NOV. 63	COOPERATING COUNTRY COLOMBIA	SECURITY CLASSIFICATION UNCLASSIFIED	514-22-550-065	NAT. HEALTH PLAN
---------------------------------	-----------------------------	---------------------------------	---	----------------	------------------

6,000,000 pesos. If U.S. owned pesos are available, they could be used for all local costs, equivalent to about US\$10,000,000.

A 25% cut on the total \$21,000,000 would not remove all effectiveness of the program, but would be a very drastic cut if applied to the first year's request of \$7,000,000.

The DG activities related to this program are the two U.S. technicians, direct-hire, to work in conjunction with implementing the loan; and the regional contract for training engineers in water supply, and the nursing education program.

The first year's (FY 1964) loan of \$7,000,000 is so planned as not to increase the operating costs of the Ministry, as the Ministry does not have additional funds for additional operations at this time. Manpower requirements will only be slightly increased, and are available.

As to the future loans after the first year, some parts would not increase the Ministry's operating expenses, while others would. Unless the Ministry's budget were increased accordingly, loans for such additional installations would not be requested. With additional government revenues resulting from recent tax reforms, it is believed that the Ministry's budget may be increased to permit expanded operations in FY 1965.

4. Progress to Date

The progress to date consists of:

Training for 220 persons in public health through scholarships awarded by the U.S. Government in the United States or other countries. Most of these persons are now working with national or local health departments and would be involved in this program. In addition, some 400 persons have been trained locally in various public health fields.

Engineering plans have been completed in detail for 270 new health centers, and 15 hospitals. Also, equipment lists in detail have been prepared for the requirements of hospitals and health centers included in the loan application. In addition, complete surveys and studies have been made throughout the country for the planning of the execution of the Ten Year Health Plan. Plans and benefit cost ratios have been made of all water supplies to be built in the forty integrated districts. Twenty new health centers have already been built by the Ministry with some USAID assistance and are now in operation. These were built through community action. Intensive programs have been carried out over a period of years against malaria, yaws, and carate. These diseases have been almost eradicated in comparison with their former high prevalence.

5. Funding Requirements

	<u>U.S.</u>	<u>Colombia</u>
FY 1964	\$ 7,000,000DL	\$ 910,000
	\$ 7,000,000	\$ 910,000
FY 1965	\$ 7,000,000DL	\$1,210,000
	84,000DG	
	\$ 7,084,000	\$1,210,000

Staff requirements consist of one Chief Public Health Administrator (FSR-2 or 3) and one Hospital Administrator (FSR-3 or 4) to guide and assist in the implementation of the loan, and to also render technical assistance to the Ministry of Health in the accomplishment of the overall Ten Year Health Plan.

AID FORM 10-120 (7-62)	DATE PREPARED 10 NOV. 63	COOPERATING COUNTRY COLOMBIA	SECURITY CLASSIFICATION UNCLASSIFIED	514-22-550-065	NAT. HEALTH PLAN
---------------------------------	-----------------------------	---------------------------------	---	----------------	------------------

Costs as follows:

FY 1964: No DG requested. Chief Advisor financed by Technical Support

FY 1965: (2 hospital administration technicians, \$42,000; 6 participants, \$36,000; and other costs, \$6,000). \$84,000

Commodity requirements are estimated as follows:

	<u>Purchase in U.S.</u>	<u>Purchase in Colombia</u>
FY:1964: DL		
Hospital equipment for 10 hospitals	\$ 1,850,000	\$ 400,000
Ten mobile T.B. Control Units	1,000,000	-
Machinery for making latrines	38,000	-
Water pipe and fittings	-	475,000
Drilling equipment	100,000	-
Training equipment	100,000	-
4 Vehicles	<u>12,000</u>	<u>-</u>
Total	3,100,000	875,000
FY 1965: DL		
Equipment for 88 health centers	1,700,000	300,000
Construction of 88 health centers	-	800,000
10 mobile T.B. Control Units	1,000,000	-
Water pipe & fittings	-	800,000
Equipment for other hospitals in the 40 districts	1,000,000	400,000
Training equipment	<u>300,000</u>	<u>-</u>
Total	4,000,000	2,300,000

Contract services required will consist of the following:

	<u>U.S. Paid</u>	<u>Colombian Paid</u>
FY 1964	250,000	-
FY 1965	200,000	-

The contract will cover FY 1964, 1965 and 1966. Two technicians will be required full-time, one a construction engineer and one a specialist in hospital equipment. They will supervise construction and equipment. Local assistants will also be employed.

Training provisions are as follows:

	<u>U.S. Funds</u>	<u>Colombian Funds</u>
FY 1964	100,000	200,000
FY 1965	200,000	500,000

It is expected to train 500 persons for each year, thus providing 1,500 persons in various categories for the Ten Year Plan. It is expected that all but 15 to 20 of these will be trained within the country in national institutions, including universities, National School of Public Health, teaching hospitals, and special courses given by the Ministry. The training period will vary from three months to one year depending upon the types of training.

Local costs in addition to locally purchased commodities and training are as follows:

SECURITY CLASSIFICATION

UNCLASSIFIED

PAGE 143

AID FORM 10-120 (7-62)	DATE PREPARED 10 NOV. 63	COOPERATING COUNTRY COLOMBIA	SECURITY CLASSIFICATION UNCLASSIFIED	514-22-550-065	NAT. HEALTH PLAN
------------------------------	-----------------------------	---------------------------------	---	----------------	------------------

	<u>U.S.Funds</u>	<u>Colombian Funds</u>
FY 1964 Labor for construction of hospitals	2,675,000	300,000
FY 1965 Labor for service projects	300,000	500,000

studies for this activity. Also, Colombia spends about \$35,000,000 per year on its present health program.

There are contributions from PASE and UNICEF to the public health program in the form of grants, equivalent to about \$500,000 per year.

About 900 persons would be employed for about two years in the hospital construction program, using FY 1964 loan funds. The FY 1965 requirements would be much less, as construction of health centers and water supplies would all be free self-help labor. Contracts for construction of hospitals would be open to U.S. and Colombian private contractors.

U.S. owned local currency, if available, could be used for all local costs. If so, the breakdown would be about as follows:

	<u>Total</u>	<u>Dollars</u>	<u>Local Currency Expressed in US\$</u>
FY 1964	\$7,000,000 DL	\$3,350,000	\$ 3,650,000
FY 1965	7,000,000 DL	4,200,000	2,800,000

The country contribution in cash to this program will be as follows:

FY 1964	\$ 910,000
FY 1965	1,210,000

In addition, it will bear cost of operating all completed units, calculated at \$3,000,000 per year for units included in FY 1964 loan, and will be more for additional units in FY 1965 proposal. Source of funds is national revenue.

There has been a large contribution in kind in the past in preparing

SECURITY CLASSIFICATION

UNCLASSIFIED

PAGE 144

I. Year of Obligation, Authorization or Contribution Began FY 53 End FY 69	A. AID Dollar Grant Obligations (\$1,000), Loan Authorizations (\$1,000) and Numbers of People										B. Other Contributions (\$1,000 equivalent)						
	Function of Funds	TOTAL \$	U.S. Technicians		PARTICIPANTS			Contract Services		Commodities	Other Costs including Service Contribution	PL 480 Commodities		U.S. Owned or Controlled		Cooperating Country Financing	Other External Financing
			\$	No.	\$	U.S.	3rd C.	Contract	\$			No.	Title	Sales & Grants	Type		
A. Cumulative through the Actual Year	DL											I & IV	U.S. Owned				
	DG	496		449	264	0		47				201 & III	Counterpart				
	SA											Sec. 202	PL 480				
B. Net During Actual FY 1963	DL											I & IV	U.S. Owned				
	DG	130		83	31	0		47				201 & III	Counterpart				
	SA											Sec. 202	PL 480				
C. During Operational FY 1964	DL											I & IV	U.S. Owned				
	DG	67		46	20			13	8			201 & III	Counterpart				
	SA											Sec. 202	PL 480				
D. During Budget FY 1965	DL											I & IV	U.S. Owned				
	DG	75		50	20			10	2	10	5	201 & III	Counterpart				
	SA											Sec. 202	PL 480				
E. During All Subsequent FYs	DL											I & IV					
	DG	400										201 & III					
	SA											Sec. 202					
F. Total All Years	DL											I & IV					
	DG	1,038										201 & III					
	SA											Sec. 202					

2 Dollar Obligation and Expenditure	Function of Funds	ALL PRIOR		ACTUAL FY 63				OPERATIONAL FY 64			BUDGET FY 65		3 REMARKS
		Cumulative Expenditures	Unliquidated Obligations	Obligations During FY	Total Available for Expenditures	Actual Expenditures During FY	Unliquidated end of year	Estimated Expenditures During FY	Unliquidated end of year	Estimated Expenditures During FY	Unliquidated end of year		
												Obligations	
A. ALL PRIOR YEAR FUNDS	DL												
	DG	309	57	0	57	4	53		53	0			
	SA												
B. ACTUAL YEAR FUNDS	DL												
	DG			130	130	51	79		79	0			
	SA												
C. OPERATIONAL YEAR FUNDS	DL												
	DG							67	51	16	16	0	
	SA												
D. BUDGET YEAR FUNDS	DL												
	DG									75	27	48	
	SA												
E. TOTAL ALL FUNDS	DL												
	DG	309	57	130	187	55	132		183	16	43	48	
	SA												

AID FORM 10-120 (7-62)	DATE PREPARED 10 NOV. 63	COOPERATING COUNTRY COLOMBIA	SECURITY CLASSIFICATION UNCLASSIFIED	514-13-410-015	LABOR (LABOR AFFAIRS)	
<p>1. <u>The Activity Target</u></p> <p>The target of this activity is to train trade unionists to be capable of instructing and demonstrating the advantages of responsible, democratic free trade unionism. There is a great danger of the Colombian trade union movement to look to radical solutions to their problems, unless proper training and assistance is given. It is expected that this training activity will continue indefinitely. Another goal is to improve the skills of workers so that their wages will be increased, and so that they will be able to make a greater contribution to Colombia's economic progress. This can be done by direct assistance in the form of surplus U.S. machinery and technical text books.</p> <p>2. <u>The Course of Action</u></p> <p>AID has contributed \$70,000 to purchase \$500,000 worth of surplus machinery for SENA, and will continue to assist this organization by purchasing textbooks. SENA is the most important instrument in the country to help increase labor's productivity and to permit Colombian labor to compete with the rest of the world.</p> <p>3. <u>Resources Required</u></p> <p>The only financing for these projects is from AID. Without AID assistance, the increasing Soviet-Sino contributions will be able to take effect and subvert the Colombian trade union movement. In Medellín the concentration of Communist and anti-American oriented unions already is taking strong root. Effective, immediate, financial assistance is needed. Without a healthy labor climate there will be reluctance of private capital to invest in Colombia and Colombia's economic progress will be in serious danger.</p> <p>AID participation in FY 64 will be \$46,000 to provide training for 20 trade unionists in the US, plus \$13,000 for direct training assistance to the UTC and the CTC. \$8,000 will be used to purchase vocational educational books. In addition, regional funds will give \$90,000 for the American Institute for Free Labor Development (AIFLD) educational efforts in Colombia.</p> <p>In FY 65, 20 trade unionists will be trained in the US at a cost of \$50,000. The direct assistance to the two federations will cease, but it is expected that the \$90,000 level of AID assistance from regional funds to the AIFLD will continue. Two US labor economists, at a total cost of \$10,000, will visit, study and advise Colombian trade unions for two months. \$10,000 will be used to purchase vocational education textbooks for SENA. \$5,000 will be used for miscellaneous expenses (other costs), for local labor training.</p> <p>4. <u>Progress to Date</u></p> <p>213 trade unionists have been trained in the US since 1952. 3,990 labor union officials have received local training. Over 40% of the top union and Ministry of Labor leadership have been exposed to active training and observation under AID auspices.</p> <p>Though the labor budget is small, it has a tremendous and salubrious effect on the organized Colombian trade union movement. The trade union movement is a responsible one and aware of its important role in Colombia's economic development. The Communist offensive is directed against the democratic trade union movement in cities such as Medellín, Cali and Bogotá, and it is essential that we continue our assistance.</p>						
			SECURITY CLASSIFICATION UNCLASSIFIED	PAGE 146		

SENA is one of the foremost vocational educational institutions in this hemisphere and our continued help will not only enhance their programs, but also enhance our Alliance projects throughout Central and Latin America.

5. Funding Requirements

USAID funding requirements for this activity amounted to \$130,000 in FY 1963 primarily \$83,000 for 33 participants trained in the U.S. Contract costs for one technician and various counter-parts amounted to \$47,000 to establish training courses with the AIFLD.

<u>U.S. Contribution</u>	<u>FY-64 (US\$)</u>	<u>FY-65 (US\$)</u>
Technicians	-- -- ^{1/}	-- --
Contract Services	13,000 ^{1/}	(2) 10,000 ^{2/}
Participants	(20)46,000	(20)50,000
Commodities	8,000	10,000
Other Costs	-- --	5,000
	<u>67,000</u>	<u>75,000</u>

Note, the above does not include AID regional funds to be provided at a level of \$90,000 for each FY-1964 and FY-1965. These funds will be utilized by the AIFLD for labor education in Colombia, to cover at least 600 trade union leaders during each of these years.

- ^{1/} Local training for about 12,000 Colombian workers.
^{2/} Labor educationist and vocational educationists; both economists, and each to be in Colombia for about two months.

AID FORM 10-109 (7-62)	DATE PREPARED 10 NOV. 63	COOPERATING COUNTRY COLOMBIA	SECURITY CLASSIFICATION UNCLASSIFIED	CODE 514-21-120-051	TITLE AGRARIAN REFORM	E-1
------------------------	-----------------------------	---------------------------------	---	------------------------	--------------------------	-----

1 Year of Obligation, Authorization or Contribution Began FY 1960 End FY 1970	A. AID Dollar Grant Obligations (\$1,000), Loan Authorizations (\$1,000) and Numbers of People											B. Other Contributions (\$1,000 equivalent)					
	Function of Funds	TOTAL \$	U.S. Technicians		PARTICIPANTS			Contract Services		Commodities	Other Costs including Service Contribution	PL 480 Commodities Title	Sales & Grants	U.S. Owned or Controlled		Cooperating Country Financing	Other External Financing
			\$	No.	\$	Non-Contract U.S.	3rd C.	Contract	\$					No.	Type		
A. Cumulative through the Actual Year	DL											I & IV		U.S. Owned			
	DG	341	300		24	2					17	201 & III		Counterpart			
	SA	60	37							22	1	Sec. 202		PL 480			
B. Net During Actual FY 63	DL											I & IV		U.S. Owned			
	DG	213	195	9	5	2					13	201 & III		Counterpart			
	SA											Sec. 202		PL 480			
C. During Operational FY 64	DL											I & IV		U.S. Owned			
	DG	259	239	13							20	201 & III		Counterpart		1/	
	SA											Sec. 202		PL 480			
D. During Budget FY 65	DL											I & IV		U.S. Owned			
	DG	237	168	8	30	5				15	24	201 & III		Counterpart			
	SA											Sec. 202		PL 480			
E. During All Subsequent FYs	DL	34,500															
	DG	600															
	SA																
F. Total All Years	DL	34,500															
	DG	1,437															
	SA	60															

2 Dollar Obligation and Expenditure	Function of Funds	ALL PRIOR		ACTUAL FY 63				OPERATIONAL FY 64			BUDGET FY 65										
		Cumulative Expenditures	Unliquidated Obligations	Obligations During FY	Total Available for Expenditures	Actual Expenditures During FY	Unliquidated end of year Obligations	Estimated Expenditures During FY	Unliquidated end of year Obligations	Estimated Expenditures During FY	Unliquidated end of year										
A. ALL PRIOR YEAR FUNDS	DL																				
	DG	107	21		21		21	15	6	6											
	SA	60																			
B. ACTUAL YEAR FUNDS	DL																				
	DG												213	213	179	34	30	4	4		
	SA																				
C. OPERATIONAL YEAR FUNDS	DL																				
	DG															259	259				
	SA																				
D. BUDGET YEAR FUNDS	DL																				
	DG																	237	225	12	
	SA																				
E. TOTAL ALL FUNDS	DL																				
	DG											107	21	213	234	179	55	304	10	235	12
	SA											60									

3 REMARKS
Also addresses Goal 2.
 1/ GOC through INCORA will invest considerable resources in this activity in the form of personnel, transportation, engineering, etc. A precise estimate is very difficult although it will probably exceed the U.S. (DG) funding.

SECURITY CLASSIFICATION
 UNCLASSIFIED

AID FORM 10-120 (7-62)	DATE PREPARED 10 NOV. 63	COOPERATING COUNTRY COLOMBIA	SECURITY CLASSIFICATION UNCLASSIFIED	514-21-120-051	AGRARIAN REFORM
<p>1. <u>The Activity Target</u></p> <p>The activity target is to assist Colombia in the technical phases involved in the execution of a comprehensive land settlement, development and reclamation program for carrying out the provisions of the social agrarian reform legislation, and intended to further farm production. This activity target will be phased out by FY 1970.</p> <p>The Colombian Agrarian Reform Institute (INCORA) is convinced that the establishment of family type farms must be done on the best lands available. The device of setting up irrigation districts in the fertile valleys is being used because irrigation, flood control and drainage is often required to make the areas best suited to intensive agriculture. However, Colombia has little experience in the analytical work required in establishing such districts as planning valley development on a total basis. Since it now appears that a major portion of the agrarian reform resources will be used for valley and irrigation district development and that costly mistakes may be made the USAID is directing its assistance to these two development problems.</p> <p>Two areas have been designated for specific attention to accomplish the overall target:</p> <p>a. <u>Rehabilitation of Coello and Saldaña Irrigation Districts</u></p> <p>Assistance will be given to INCORA in the reorganization of the Coello and Saldaña Irrigation Districts including necessary new construction. This program should also contribute to the strengthening of INCORA's leadership capability in planning, construction and operation of irrigation works.</p> <p>The activity concerns two irrigation projects located in the Department of Tolima in the Magdalena Valley. Proposed is study and analysis of factors contributing to problems associated with these two irrigation districts, in operation</p> <p>for about 10 years. These two financially troubled districts, involving a total of 25,000 hectares, require a study to determine feasible future action concerning their rehabilitation. The results of the study should lead to the reorganization of the irrigation districts and the request for loan assistance in the establishment of drainage and siltation projects works. A three year construction program will probably follow the completion of the study.</p> <p>The U.S. interest involves a broader scope than these two projects. The aforementioned study should be widely useful because a number of irrigation projects involving millions of dollars for construction, are proposed in areas having climate similar to that of Coello and Saldaña.</p> <p>The proposed assistance should also provide improved technical competence to INCORA in the making of future irrigation project investigations. This is particularly important since the Agrarian Reform Law gives INCORA the principal coordinating and planning function in the development of irrigation, drainage and flood control projects.</p> <p>b. <u>Sinu Valley Development</u></p> <p>AID will assist INCORA and the Magdalena Valley Corporation (CVM) in an overall Sinu Valley development analysis which will include evaluation of present studies.</p> <p>INCORA and CVM have studies under way of the Monteria-Cerete and of the Tinajones Projects with irrigation, drainage and flood control works as the objective.</p> <p>The present AID advisory staff considers that irrigation, which is receiving major emphasis in the INCORA studies, if objectively evaluated on a cost-benefit basis is very likely to be a public investment of much less benefit per dollar invested than drainage and flood control programs.</p>					
			SECURITY CLASSIFICATION UNCLASSIFIED	PAGE 149	

AID FORM 10-120 (7-62)	DATE PREPARED 10 NOV. 63	COOPERATING COUNTRY COLOMBIA	SECURITY CLASSIFICATION UNCLASSIFIED	514-21-120-051	AGRARIAN REFORM
------------------------	-----------------------------	---------------------------------	---	----------------	-----------------

Yet, in the case of drainage and flood control, there are undoubtedly some projects and areas that offer high returns as compared to cost and others of doubtful public investment value.

The initial action would be to bring in a qualified team of three specialists to help Colombians: (1) to sort out information presently available; (2) to determine areas and projects having the best prospects for public investment; (3) tentatively to evaluate for selected projects the relative importance and costs of various intensities of treatment, i.e. irrigation plus drainage vs. drainage alone; and (4) plan further required studies leading to an adequate feasibility analysis and at the same time provide necessary data for preparation of an adequate project proposal to serve as a basis for international loans.

The long term objective is to assist Colombia to adequately study a river basin and to develop project proposals which will lead to construction of economically sound projects. A part of this long term target is to train Colombian personnel of INCORA and CVM in the techniques of evaluation of projects, of carrying out the necessary basic studies, and of preparation of sound project proposals.

Drainage and flood control would benefit the 40,000 hectares now classed as "well-drained" by lowering water tables which in the rainy season rise generally to less than three feet below the surface. About 43,000 hectares additional of wet lands would be made available for use as crop land.

Drainage would improve pasture production moderately on 134,000 hectares most of which now has poor surface drainage or occasional overflows. It would materially improve pasture production on 98,000 hectares now under water for long periods of time.

2. Course of Action

a. Coello and Saldaña

In FY 1963 the USAID Agrarian Reform Team made a rapid review of the Coello-Saldaña Irrigation Districts in connection with a general review of 18 proposed reclamation projects. In FY 1964 additional special studies by the USAID staff of these two districts are proposed. A team review by U.S. Bureau of Reclamation personnel under PASA contract is proposed for FY 1964 subject to completion of service agreements with USDI and USDA. In FY 1965 it is proposed that an irrigation economist, a drainage specialist and an irrigation specialist be contracted under the above service agreements to assist INCORA personnel in completion of the necessary detailed plans of reorganization and in initiation of necessary construction and operational changes.

Additional construction to extend the canal system, to install a desilting works and for drainage is anticipated on the basis of preliminary studies but plans and costs are pending. A loan proposal is programmed for FY 1966.

Problems of the districts are complex. Farmers in these two districts have gone broke by the hundreds. Farmers irrigate rice but extensive areas of cotton, sesame, tobacco, corn, etc., which are under the ditch, are not irrigated. This may be because annual rainfall of about 52" is reasonably adequate for two crops per year (except rice). High water table and poor drainage seriously affect extensive areas. Growing rice on medium to light soils, though decreasing in importance, contributes seriously to the drainage problem. Only about 8,000 hectares are currently being irrigated in each cropping season and the diversion works, canals, etc. are designed for about 25,000

AID FORM 10-120 (7-62)	DATE PREPARED 10 NOV. 63	COOPERATING COUNTRY COLOMBIA	SECURITY CLASSIFICATION UNCLASSIFIED	514-21-120-051	AGRARIAN REFORM	
<p>hectares. Sand and silt entering the canals causes high operation and maintenance costs with up to 2,000 m of sand removed daily by dragline from the entrance section of Canal Coello in the peak season.</p> <p>Construction costs about 12½ million dollars and operating and maintenance (O&M) losses from 1952 to 1963 total about 1½ million dollars. Present plans of project repayment indicate less than 1½ million of this will be recovered from farmers in direct project repayment charges. There is no administering organization directed by local farmers, nor is there a clearly defined district boundary or a requirement that specific lands pay irrigation O&M or repay construction charges.</p> <p>It is anticipated that a joint study by AID contract and INCORA technicians of the problems involved and to develop plans to correct the situation, will help INCORA to improve their efforts along the following lines: (1) sound basic studies; (2) objective project planning; (3) a better basic definition of the project boundary and lands that must pay O&M and construction costs; and (4) improved organization and techniques for district O&M. Experience gained in this activity should also help INCORA to train an effective and qualified technical staff with which to carry out its function as the principal Colombian agency for irrigation, drainage and flood control.</p> <p>b. <u>Sinu Valley Development</u></p> <p>It is proposed that USAID contract for three advisors with the USDA and USDI who will work with INCORA and CVM on the overall evaluation of Rio Sinu, in the planning of further required studies for specific projects and, if possible, in the drafting of a satisfactory project plan covering one land development project. This latter should help serve in the documentation required for an international loan.</p> <p>It is proposed that INCORA and CVM furnish field parties to carry out engineering, soils, hydrologic and economic surveys and</p>			<p>studies as required. The USAID contract advisors will work in close collaboration with INCORA and CVM. Also training of Colombian personnel is a major objective.</p> <p>In succeeding years it is expected that specialists will be brought in under AID contract to deal with specific problems such as design of special flood control or drainage works, farm drainage layout, etc.</p> <p>It is anticipated that a substantial part of construction costs will be financed by international financing entities after sound project proposals have been prepared. The amount of such loan could vary greatly. Analysis of estimates by Tipton and Klambach indicate drainage works might cost about \$13 (US) per hectare and irrigation about \$197 per hectare. Past experience with irrigation projects would indicate that such preliminary cost estimates are on the low side. Construction of Coello and Saldaña irrigation projects, with very similar design, cost \$500 per hectare for the designed irrigation area without drainage works.</p> <p>We might anticipate construction of Monteria-Cerete drainage works for 75,000 hectares in the near future. If we allow \$32.50 per hectare (2½ times estimates of \$13 per hectare) total loan might be on the order of 2½ million dollars.</p> <p>3. <u>Resources Required</u></p> <p>a. <u>Coello-Saldaña</u></p> <p>Three contract specialists are programmed for about six months each in FY 1964. Five participating agency contract advisory specialists for a period of seven months each are programmed for FY 1965. These advisors will work directly in and with the irrigation and drainage department of INCORA. Supporting services of counterpart professionals, transportation, drafting, field survey crews, office space, maps and supplies</p>			
SECURITY CLASSIFICATION			UNCLASSIFIED		PAGE 151	

AID FORM 10-120 (7-62)	DATE PREPARED 10 NOV. 63	COOPERATING COUNTRY COLOMBIA	SECURITY CLASSIFICATION UNCLASSIFIED	514-21-120-051	AGRARIAN REFORM
---------------------------------	-----------------------------	---------------------------------	---	----------------	-----------------

will be furnished by INCORA.

Two participants for one year each are proposed to be sent to the U.S. for specialized training at a cost of \$12,000. Commodity costs of \$5,000 are programmed for a vehicle and for reference books, small equipment etc. Other costs of \$7,000 are programmed for a bilingual secretary (\$3,000), and travel \$4,000.

It is anticipated that construction of additional canals, laterals, drains, measuring flumes and a desilting works for Canal Coello will be required. A U.S. loan of approximately \$2,000,000 for carrying out required construction plus part of the necessary soil surveys, topographic surveys, and engineering is anticipated.

b. Sinu Valley Development

Three AID contract advisors, with a total cost for two years of about \$75,000, two from USDI and one from USDA are programmed for FY 1964 and FY 1965 with approximately equal numbers in FY 1966 and FY 1967. This should assure the provision of technicians competent in the analysis, selection and planning of irrigation and watershed projects.

INCORA has 12 professionals, mostly engineers, in the Irrigation and Drainage Division plus 66 professionals in the Field Engineering, Projects, Planning, and Basic Studies Divisions. All these divisions would be involved in the planning and construction of Rio Sinu projects. Special studies such as topographic mapping are also carried out under contracts by private engineering firms.

INCORA will provide transportation, field survey parties, maps, drafting and related services as required. AID will provide the team with a bilingual local secretary.

International loans will be required for the greater part

of the construction. Near term loans, possibly in Fy 1966 might be as follows:

Monteria-Cerete - Drainage 75,000 hec. 2½ million dollars
 " " Irrigation 60,000 hec. 30 million dollars

4. Progress to Date

a. Coello-Saldaña

A general study of Coello and Saldaña was made by the INCORA and USAID staff in FY 1963 and 1964. This has served to better define the problem and to create an awareness as to the gravity of the problem and to indicate what might be done to correct the situation. Administration of Coello and Saldaña was transferred by Caja Agraria to INCORA in September 1963. INCORA hired a Peruvian Irrigation District Manager in September 1963.

b. Sinu Valley Development

In FY 1962 at the request of INCORA the USAID Agrarian Reform staff participated in a review of 18 irrigation projects. The Monteria-Cerete project, a part of the Sinu Valley development scheme, appeared to be one of the most promising of 18 projects studied, although the AID group feels that emphasis should be on drainage and flood control for initial development and the large scale irrigation project be postponed pending further study.

A 1952 study by a U.S. engineering firm entitled "Possibilities for the Development of Water Resources of the Department of Bolivar" and a 1962 study by a Colombian foundation entitled "Preliminary Agro-Economic Study of the Sinu Valley" provide reconnaissance data for overall valley analysis. A 1960 study

SECURITY CLASSIFICATION UNCLASSIFIED	PAGE 152
---	-------------

by the same U.S. firm entitled "Viability of the Irrigation of the Monteria-Cerete Unit" provides additional information. A 1960 report by a U.S. firm entitled "Program of Economic Development of the Magdalena Valley and Northern Colombia" gives some preliminary cost benefit analysis of various alternate projects with special emphasis on flood control.

The alluvial valley includes about 362,000 hectares of which 57,000 are permanently inundated. About 40,000 hectares are well enough drained and of texture suitable for crops without drainage, and about 232,000 hectares are used as pasture. Of the pasture land 98,000 hectares is seasonally flooded for long periods during which it cannot be grazed.

5. Funding Requirements

	<u>FY 1964</u>	<u>FY 1965</u>
U.S. technicians	(13) 239,000	(8) 168,000
Non-Contract participants	-	(5) 30,000
Commodities	-	15,000
Other Costs	<u>20,000</u>	<u>24,000</u>
	\$ 259,000	\$ 237,000

The Country is directing a major effort in agrarian reform support. It established the Agency of Instituto Colombiano de Reforma Agraria (INCORA) in December 1961 to administer a diversified program of agrarian reform. As of March 1963, this agency employed 436 persons, of which 62% are technical personnel. By law the Colombian Congress is to appropriate not less than 100 million pesos (US\$ 10 million) each year for the operation of INCORA. In addition, Colombia supports a large program involving land reclamation projects through three regional authority type agencies in the country.

This activity represents a long term outlook that will no doubt generate millions of dollars in external loan financing. The amount of such requests that can be expected for FY 1964 and FY 1965 is difficult to estimate since considerable preliminary planning information is prerequisite to the filing of a loan application, and it is further dependent upon the emphasis being placed on a particular development by the country. It appears that by FY 1965 the AID office will probably receive loan applications involving reclamation feasibility studies as well as construction loans for reclamation works or watershed resource projects.

AID FORM 10-109 (7-62)	DATE PREPARED 10 NOV. 63	COOPERATING COUNTRY COLOMBIA	SECURITY CLASSIFICATION UNCLASSIFIED	CODE 514-25-140-056	TITLE RURAL CREDIT AND CO-OPS.	E-1
------------------------	-----------------------------	---------------------------------	---	------------------------	-----------------------------------	-----

1 Year of Obligation, Authorization or Contribution Began FY End FY	A. AID Dollar Grant Obligations (\$1,000), Loan Authorizations (\$1,000) and Numbers of People										B. Other Contributions (\$1,000 equivalent)						
	Function of Funds	TOTAL \$	U.S. Technicians		PARTICIPANTS			Contract Services		Commodities	Other Costs including Servicio Contribution	PL 480 Commodities		U.S. Owned or Controlled		Cooperating Country Financing	Other External Financing
			\$	No.	\$	Non-Contract U.S.	3rd C.	Contract	\$			No.	Title	Sales & Grants	Type		
A. Cumulative through the Actual Year	DL	18,000										I & IV		U.S. Owned			
	DG	268	155		34	7	3		32	12	35	201 & III		Counterpart			
	SA											Sec. 202		PL 480			
B. Net During Actual FY 63	DL	10,000										I & IV		U.S. Owned			
	DG	161	74	3	14	7	3		10	12	29	201 & III		Counterpart			
	SA											Sec. 202		PL 480			
C. During Operational FY 64	DL	1,500										I & IV		U.S. Owned			
	DG	107	66	2	21	15					20	201 & III		Counterpart	1,000		
	SA											Sec. 202		PL 480			
D. During Budget FY 65	DL	5,000										I & IV		U.S. Owned			
	DG	283	57	2	21	12			130	5	62	201 & III		Counterpart	3,000		
	SA											Sec. 202		PL 480			
E. During All Subsequent FYs	DL	10,000										I & IV					
	DG	600										201 & III			6,000		
	SA											Sec. 202					
F. Total All Years	DL	34,500										I & IV					
	DG	1,258										201 & III			10,000		
	SA											Sec. 202					

2 Dollar Obligation and Expenditure	Function of Funds	ALL PRIOR		ACTUAL FY 63			OPERATIONAL FY 64			BUDGET FY 65		3 REMARKS
		Cumulative Expenditures	Unliquidated Obligations	Obligations During FY	Total Available for Expenditures	Actual Expenditures During FY	Unliquidated end of year Obligations	Estimated Expenditures During FY	Unliquidated end of year Obligations	Estimated Expenditures During FY	Unliquidated end of year	
A. ALL PRIOR YEAR FUNDS	DL	5,300	2,700		2,700	2,100	600	600				Also addressed to Goal 2.
	DG	79	28		28		28	20	8	8		
	SA											
B. ACTUAL YEAR FUNDS	DL			10,000	10,000		10,000	7,000	3,000	2,500	500	
	DG			161	161	86	75	50	25	25		
	SA											
C. OPERATIONAL YEAR FUNDS	DL						1,500	500	1,000	1,000		
	DG						107	90	17	17		
	SA											
D. BUDGET YEAR FUNDS	DL								5,000	3,000	2,000	
	DG								283	150	133	
	SA											
E. TOTAL ALL FUNDS	DL	5,300	2,700	10,000	10,000	2,100	10,600	8,100	4,000	6,500	2,500	
	DG	79	28	161	189	86	103	160	50	200	133	
	SA											

AID FORM 10-120 (7-62)	DATE PREPARED 10 NOV. 63	COOPERATING COUNTRY COLOMBIA	SECURITY CLASSIFICATION UNCLASSIFIED	514-25-140=056	RURAL CREDIT AND COOPERATIVES
---------------------------------	-----------------------------	---------------------------------	---	----------------	-------------------------------

1. The Activity Target

Rural Credit and Cooperatives is classified under USAID Program Goals II and IV. The activity is designed to assist the GOC and private agencies financially and technically in improving, organizing and operating sound credit and cooperative programs in the country. In the credit phase of the project, major emphasis is being placed on supervised credit to provide the low income farm family of Colombia both technical assistance and credit. A supervised credit division was recently established in INCORA which is being provided a loan of US\$10,000,000. From this loan approximately 10,000 sub-loans will be made to low income farm families during the initial two years of the program. Cooperatives are tools of self-help. They are not to assist people completely without funds and means of livelihood, but are for people with some small resources. They can be important tools for raising individual and family incomes and standards of living.

a. Supervised Agricultural Credit

The activity target is to provide technical and financial assistance to the GOC in organizing, developing and operating a supervised credit program by the INCORA (Instituto Colombiano de la Reforma Agraria). This activity is fundamental to increased agricultural production in Colombia, for both consumption and export.

A loan agreement, AID Loan No. 514-L-027, US\$10,000,000, was signed in June 1963 between the USAID/Bogotá and the INCORA. The purpose of the loan is to assist the GOC through the borrower, INCORA, to carry out a national program of supervised agricultural credit designed to improve the productivity and welfare of low income farmers in accordance with Colombia's overall goals for the expansion and diversification of agricultural production. About 400,000 of a total of 1,200,000 farm families in Colombia qualify

for supervised credit. The program takes technical assistance and credit directly to the low income farm family.

USAID assistance is proposed for this activity over a 5 year period. During this time approximately 100,000 families should receive credit assistance. It is felt that at least 5 years will be necessary to establish a program, assist in the training of administrative personnel, supervisors and others who will have a responsibility for successful continuing supervised credit in the country. The present program is a stimulant for the use of local funds and resources to carry on an expanded supervised credit when USAID assistance is discontinued. It is planned that supervised credit may not be extended for a period greater than 10 years on any one farm. However, the majority of farm families receiving credit should qualify for regular sources of farm credit and use established educational facilities within a period of 5 years.

The need for supervised credit is immense in that about 1/3 of all farmers in the country presently receive little or no credit or technical assistance. Within this group of low income farmers, exists a major economic and social problem.

The supervised credit project is directly related to Colombia's overall plan of social and economic development. It will provide technical and financial assistance to approximately 25% of the total farm population. All of this will not be accomplished under the proposed USAID plan but the program will stimulate and activate the GOC and private sector to carry on a continuous supervised credit program.

Through the program of supervised credit, small and low income families will become independent and free from hunger and will be able to provide an education for their children. It will help to create a better community and reduce the

SECURITY CLASSIFICATION

UNCLASSIFIED

PAGE 155

AID FORM 10 - 120 (7-62)	DATE PREPARED 10 NOV. 63	COOPERATING COUNTRY COLOMBIA	SECURITY CLASSIFICATION UNCLASSIFIED	514-25-140-056	RURAL CREDIT AND COOPERATIVES	
<p>potential for violence and undesirable activities. Supervised credit will make a small contribution for the balance of payment problem in Colombia in the short run, principally in the production of import substitutions. In the long run it will contribute substantially to the balance of payments problem, through the production of export commodities aligned with the plan of crop improvement and diversification. The results of the program can only be measured after it is established and operated for some time in most representative agricultural areas of the country. The acceptance of the program by farm families will be noted by the increased number of participating families and by the support given the program by other people in the communities.</p> <p>Before the national program of supervised credit is established, a 2 year period of pilot demonstrations was observed. One pilot demonstration project was conducted through a coordinated effort of the Caja Agraria, Ministry of Agriculture and USAID. Five other demonstrations were conducted by the Caja. These pilot projects provided valuable guidance needed to establish and operate a national supervised credit program.</p> <p>b. Development of Cooperatives</p> <p>One phase of this activity is to expand cooperative services and improve their efficiency and to strengthen the National Cooperative Association (ASCOOP) which is not equipped to capably render services fundamental to an effective cooperative movement. The Colombian cooperatives shall be assisted in strengthening their organizations. The final result should be better quality in consumer goods, particularly in the area of foodstuffs.</p> <p>The following will be emphasized, using ASCOOP leadership and facilities:</p> <p>(1) To develop a Colombian Bank for Cooperatives.</p>			<p>(2) To increase consumer cooperative wholesaling and buying at source.</p> <p>(3) To increase activity in cooperative housing with USAID technical assistance.</p> <p>Within the near future ASCOOP will establish a large scale training program to train cooperative leaders and employees essential to the development of new cooperatives and the expansion of the presently existing one. Secondly, a large scale promotion program will be undertaken to organize new cooperatives, where they are needed and desired as well as to increase the strength and operation of the existing cooperatives.</p> <p>The marketing of Colombian agricultural products, with the possible exception of coffee, is inefficient by U.S. standards. Marketing and processing lend themselves to effective cooperative development. If consumers cooperatives are rapidly developed, they can within the next two years lower the cost of the majority of food items by 10% or more to all consumers. Colombia has a long history of active interest in cooperatives and at the present time the laws are most favorable to cooperative development. Cooperatives have existed for some 30 years in Colombia and, while growth during these years has been slow, there is acceleration at the present time. This acceleration can be markedly stepped up by outside technical and financial assistance.</p> <p>It will require 5 years of assistance (the time planned for this program) to put ASCOOP and the cooperatives of Colombia at peak strength. Actual development will go on much longer with the impetus thus given.</p>	<p>(1) Cooperative Bank</p> <p>To develop a Bank for Cooperatives in Colombia</p>		
			SECURITY CLASSIFICATION UNCLASSIFIED	PAGE 156		

AID FORM 10 - 120 (7-62)	DATE PREPARED 10 NOV. 63	COOPERATING COUNTRY COLOMBIA	SECURITY CLASSIFICATION UNCLASSIFIED	514-25-140-056	RURAL CREDIT AND COOPERATIVES	
<p>to provide loan services to the Colombian cooperatives throughout Colombia.</p> <p>The purpose of the Cooperative Bank is to serve existing cooperatives and new cooperatives. The Bank would serve all cooperative that are not being serviced in some other specific way. Housing and electric cooperatives would be financed by other means. The Bank for Cooperatives will be part of the overall program of the National Cooperative Association's (ASCOOP) program of cooperative development. This cooperative banking institution is necessary since co-op loans require a source of credit not available in regular institutions and since cooperative loans require specialized supervision, neither of which are available through the regular banking channels of Colombia. The Bank will need to be established with technical assistance so that it will best serve the needs of the cooperatives. Such assistance will be needed in a diminishing degree for five years, with a full time consultant (preferably from the U.S. Bank for Cooperatives system) for the first two years only. His skills will be needed in establishing the Bank, and in loan and supervision policy formulation and operation.</p> <p>(2) Cooperative Wholesale Establishment</p> <p>To develop an effective cooperative wholesale establishment to serve retail cooperatives of Bogotá and vicinity. This wholesale cooperative will do the buying, grading, processing and packaging of items to be sold by the retail cooperatives. Until a system of this type is operational, each cooperative must buy on its own from middle men. This results in an uncertain supply of goods when they are needed and uncertain quality. Also, packaging and general processing for retail sales are now done by each cooperative and this is highly inefficient. The items now sold have to be purchased from a great many suppliers. While this procedure would not be entirely eliminated,</p>			<p>the number of suppliers could be reduced considerably.</p> <p>Development of effective wholesale cooperative buying can greatly reduce the cost of groceries in Colombia -- up to 10% by conservative estimates for the wide spread between producer prices and consumer costs is largely due to inefficiency. The final desired result of this project is an efficient system of getting foodstuffs from the producer to the consumer with the least inefficiency and with the greatest income to the producer and the lowest cost to the consumer, resulting in a higher standard for both producers and consumers.</p> <p>The consumer cooperatives in Colombia have developed fairly well, but slowly, and without combining their wholesale purchasing power until just recently, when a cooperative warehouse was started with only a very few basic commodities in Bogotá. Its success has been immediate, but modern techniques are greatly needed to make the progress what it should be. Two years of technical advice and assistance will be sufficient to accomplish the objectives.</p> <p>(3) Cooperative Housing</p> <p>To increase cooperative home building in the middle economic group in Colombia. With technical assistance from the Cooperative housing people in the U.S., it will be possible to not only build many more homes cooperatively in Colombia, but to enlarge the scope of the cooperative activity in home building so that much greater efficiencies and advantages can be had for the cooperative housing members and builders.</p> <p>Specifically, the groups in cooperative housing now in Colombia, who have made a good start in cooperative,</p>			
			SECURITY CLASSIFICATION UNCLASSIFIED	PAGE 157		

AID FORM 10-120 (7-62)	DATE PREPARED 10 Nov. 1963	COOPERATING COUNTRY COLOMBIA	SECURITY CLASSIFICATION UNCLASSIFIED	514-25-140-056	RURAL CREDIT AND COOPERATIVES
<p>group construction, need to have technical assistance in order to better plan for group construction and the savings that can be obtained thereby, and better organization of the cooperatives so that the cooperatives may help maintain values of the homes built.</p> <p>2. <u>The Course of Action</u></p> <p>a. <u>Supervised Agricultural Credit</u></p> <p>It is expected that funds from the US\$10 million loan to INCORA will be utilized during 1964 and 1965. The loan should provide funds for approximately 10,000 farmers. It is also felt that additional external loans over the next 5 years will amount to some 50 million dollars. During this period it is estimated that some one hundred thousand farm families will be reached through the supervised credit program.</p> <p>One of the major problems in developing and operating the supervised credit program in Colombia is a lack of trained and experienced personnel. INCORA now has a contract with SENA (National Training Center) to provide the major training needed at both national and local levels. When necessary and advisable, personnel at administrative and district levels will be sent to the United States or to Puerto Rico for additional training. During the next five years in which technical and financial assistance from USAID is planned a sufficient number of leaders and technicians at all levels should be trained to carry on and improve the program year by year.</p> <p>At the beginning of FY 1965 approximately 300 prácticos and 60 technicians will have received basic training in supervised credit. It is anticipated that approximately 3,000 farm loans will have been made by the close of FY 1964, and that during FY 1965 at least an additional 7,000 farm loans will have been made.</p> <p>b. <u>Development of Cooperatives</u></p> <p>A five year program of technical assistance is planned. Assistance should be at a diminishing rate as the association itself gets financial strength from the strengthened cooperatives and can carry on its own program.</p> <p>One major difficulty is an attitude on the part of existing cooperatives that while they need services of an association, they should not have to pay for such services -- that while they need promotional and educational programs, such programs should be procured from funds other than their own. At first, AID will provide some of these services through grants of funds to ASCOOP, but will emphasize through the training programs the necessity of the cooperatives paying for the services they require.</p> <p>Training will be given through ASCOOP to book-keepers, managers and necessary technicians to operate the cooperatives and promote more of them. Training will also be provided to co-op directors and other leaders. Training will be provided for techniques necessary in consumer coop grocery handling, etc. Cooperative philosophy will be included in the training programs. A few selected individuals will go to the U.S. for some training, but most of the training will be done locally.</p> <p>One advisor will participate in the field of training managers and technicians in consumer cooperatives. Another advisor will be in the field of training in agricultural products and co-op marketing and he will be working on basic operation with those selected by the co-ops.</p>					
			SECURITY CLASSIFICATION UNCLASSIFIED	PAGE 158	

AID FORM 10 - 120 (7-62)	DATE PREPARED 3 NOV. 63	COOPERATING COUNTRY COLOMBIA	SECURITY CLASSIFICATION UNCLASSIFIED	514-25-140-056	RURAL CREDIT AND COOPERATIVES
-----------------------------------	----------------------------	---------------------------------	---	----------------	-------------------------------

(1) Cooperative Bank

The Bank will probably be established in FY 1964 by ASCOOP. During FY 1965 it should assume full operation. One problem to overcome is that the cooperatives have been, in general, loosely operated in Colombia. To qualify for loans it will be necessary for their management to be better (this is being worked on by ASCOOP). Tighter financial practices will have to be made a condition of any loan. The Bank can accomplish this, and the cooperatives themselves recognize their presently lax operations and organization.

(2) Cooperative Wholesale Establishment

Technical assistance here will help 20 retail cooperatives now operating in Bogotá by assisting their operation in the distribution of groceries and other consumer items. Specific technical assistance in wholesale grocery operation, wholesale buying, packaging, grading, etc. will rapidly increase cooperative development and also encourage orderly marketing of agricultural products on the part of the producers.

Two years of technical assistance should be sufficient. A major obstacle is the lack of knowledge of modern food merchandising methods on a wholesale level — this, the USAID can supply. Lack of adequate financing to do this job well is another difficulty, but this can be solved by the Bank for cooperatives being established during this same time.

(3) Cooperative Housing

One technician will be provided out of a proposed FY 1964 DL for Cooperative Housing in the amount of \$10 million. (This loan is programmed and justified under the E-1 of the Housing Activity Target, a separate E-1. Substantive funding

matters, therefore, for the anticipated \$10 million DL are not mentioned in this particular E-1 covering Rural Credit and Cooperatives). He shall cover the full scope of cooperative housing, i.e., original planning, acquiring of site, urbanizing and sub-dividing it, planning of homes, contracting for construction, full cooperative organization for construction and sale and for continued preservation of property values. He will work with FEDECOOP in assisting them in all projects which their member cooperatives are planning and executing.

3. Resources Required

a. Supervised Agricultural Credit

AID DG funds required under this activity amount to US\$107,000 in FY 1964 and US\$283,000 in FY 1965 to provide the technical assistance, training costs, etc., required. Loan assistance to meet this portion of the activity requires a total of US\$60,000,000 to complete the first five years of the Supervised Credit Program. It is planned to utilize the US\$10,000,000 DL approved in June 1963 during the next two years.

The initial loan of 10 million dollars is to be repaid over a 40 year period with 10 years grace period. The interest rate is 3/4 of 1%.

A PASA with the Farmers Home Administration of USDA in the amount of US\$81,000 will be required to provide technical assistance for supervised credit during FY 1965. This cost will be borne by INCORA.

SECURITY CLASSIFICATION	UNCLASSIFIED	PAGE 159
-------------------------	--------------	----------

AID FORM 10-120 (7-62)	DATE PREPARED 10 NOV. 63	COOPERATING COUNTRY COLOMBIA	SECURITY CLASSIFICATION UNCLASSIFIED	514-25-140-056	RURAL CREDIT AND COOPERATIVES
<p>It is expected that by FY 1965 the GOC will have three hundred local supervisors working in the supervised credit project. It will have 60 zone supervisors and sufficient administrative personnel to provide support to field supervisors. Zone supervisors and local supervisors will have basic training in agriculture, farm management, farm planning and credit. However, it will be necessary for the supervised credit division of INCORA to plan and execute an intensive in-service training program.</p> <p>b. <u>Development of Cooperatives</u></p> <p>The necessary financing to establish and expand cooperatives for the major type of resources required. Also, technicians are essential in order to provide the movement with its necessary leadership. Over a three year period, the investment of US\$25,000,000 is considered adequate for loan funds. However, only US\$15 million is being proposed pursuant to this particular E-1. This is for loans to the Cooperative Bank, US\$ 5 million a year, for each of three years beginning in FY 1965. The other US\$10 million loan is in the form of an AID DL for Cooperative Housing, proposed for FY 1964, and is programmed and justified in the E-1 for Housing. A staff of six cooperative specialists from the U.S. is needed to advise during the period of the Cooperative Bank loans.</p> <p>It is estimated that US\$350,000 in USAID DG will be needed for the total five year program. During this period, the Colombian cooperatives will provide approximately US\$250,000 for the total operation period.</p> <p>An essential phase of the program concerns cooperative educational needs. This involves the local hire of personnel, travel and the purchase of equipment and supplies. A total of US\$50,000 is needed annually for this purpose.</p> <p>This whole development can take place with very little importing. However, refrigeration equipment and some other equipment may have to be imported. Undoubtedly, the producers cooperatives will be directly able to do some exporting of certain items by means of better production and marketing and more careful planning on the consumer cooperative side as to the utilization of local food stuffs. Less importing will result.</p> <p>4. <u>Progress to Date</u></p> <p>a. <u>Supervised Agricultural Credit</u></p> <p>A supervised credit division has been established in INCORA. One consultant is being employed for six months by USAID in FY 1964 to assist INCORA and SENA in the training of approximately 50 prácticos and 21 agrónomos and veterinarians in the basic principles of supervised credit. Also, INCORA has executed a contract with SENA for training personnel in supervised credit at the national and local levels. The contract involves training some 300 local supervisors and 60 or more zone supervisors during the first year of the program. The contract between INCORA and SENA was initiated in July 1963.</p> <p>The two technicians of the USAID supervised credit section have been devoting practically full time in assisting personnel of SENA and the supervised credit division of INCORA in organizing and conducting a supervised credit training program.</p> <p>In regard to the US\$8 million DLF loan #208 of August, 1961 for agricultural credit, US\$7.4 million has been disbursed. About 18,000 farms, totalling almost 2,900,000 acres of land, have received proceeds from this loan. The size of farm receiving these funds ranges from 25-750 acres, with an average size of about 150 acres. The USAID is in the process of sampling and measuring increased production on farm units receiving funds from this loan.</p> <p>b. <u>Development of Cooperatives</u></p> <p>This program is new. A good part of the present rate of acceleration mentioned above is due to the help that has been</p>					
			SECURITY CLASSIFICATION UNCLASSIFIED	PAGE 160	

AID FORM 10-120 (7-62)	DATE PREPARED 10 NOV. 1963	COOPERATING COUNTRY COLOMBIA	SECURITY CLASSIFICATION UNCLASSIFIED	514-25-140-056	RURAL CREDIT AND COOPERATIVES
------------------------	-------------------------------	---------------------------------	---	----------------	-------------------------------

given by many of the cooperative organizations and through past activities of various AID programs.

A grant of US\$25,000 for operations and equipment was made by AID to ASCOOP in FY 1963. This gave ASCOOP a start. Also, ASCOOP has taken preliminary steps to organize the Cooperative Bank which they hope to have in operation in FY 1964.

A total of 16 local cooperatives have started operations of a wholesale cooperative and are handling a few items by contract for direct delivery. Two items (panela and rice) are being purchased wholesale and are sold to cooperatives. This wholesale cooperative is making plans to include about that many more existing consumer cooperatives in the trade area of Bogotá in the very near future.

5. Funding Requirements (Entire Activity)

a. AID contribution, DG:	FY 1964	FY 1965
Technicians	(2) 66,000	(2) 57,000
Contract Services	- - -	(5) 130,000
Non-Contract		
Participants	(15) 21,000	(12) 21,000
Commodities	- - -	13,000
Other Costs	20,000	62,000
	<u>\$107,000</u>	<u>\$283,000</u>
b. AID Development Loans Proposed:	\$1,500,000 ^{1/}	\$5,000,000 ^{2/}

c. Colombian Contribution:

The GOC provides administrative and operating personnel needed to conduct the Supervised Credit Division of INCORA. The cost to the GOC for operating expenses and personnel of the Supervised Credit Division will be approximately \$500,000 in FY 1964 and \$2,000,000 in FY 1965.

In regards to the development of cooperatives, most individual cooperatives provide financial support to their relatively strong national association and this will increase, so that full support will be reached within five years. Also, INA, a GOC agency involved in managing certain food resources, is increasing its cooperative assistance. FAO has a cooperative specialist working effectively in Colombia. The Peace Corps has 24 volunteers and a supervisor in the field of cooperative development in Colombia. In regards to cooperative housing, details are cited under the activity covering Housing. Nevertheless, it should be mentioned that proposed IDB loans and the OAS Housing Center, CINVA, are expanding means to help cooperative housing — both financially and technically.

1/ This project is for the setting up of pilot rural electrification cooperative projects in Colombia. One was prepared by the Cauca Valley Corporation (CVC) for US\$1,235,806. Two were prepared by Centrales Eléctricas del Norte de Santander: (1) in Tibú for US\$400,000 and (1) in Palermo for US\$152,398. The applications were submitted to AID/W in June 1963. Preceding the applications, feasibility studies were completed under contract agreements between AID/W and the US National Rural Electric Cooperative Association, at the instigation of AID following a cooperative conference in Bogotá in November 1961.

2/ Proposed to provide the Bank for Cooperatives. Does not include proposed \$10,000,000 Cooperative Housing loan carried under E-1 for Housing.

AID FORM 10-109 (7-62)	DATE PREPARED 10 NOV. 63	COOPERATING COUNTRY COLOMBIA	SECURITY CLASSIFICATION UNCLASSIFIED	CODE 514-11-710-066	TITLE PUBLIC SAFETY	E-1
------------------------	-----------------------------	---------------------------------	---	------------------------	------------------------	-----

1 Year of Obligation, Authorization or Contribution Began FY 63 End FY 67	A. AID Dollar Grant Obligations (\$1,000), Loan Authorizations (\$1,000) and Numbers of People											B. Other Contributions (\$1,000 equivalent)					
	Function of Funds	TOTAL \$	U.S. Technicians		PARTICIPANTS			Contract Services		Commodities	Other Costs including Service Contribution	PL 480 Commodities		U.S. Owned or Controlled		Cooperating Country Financing	Other External Financing
			\$	No.	\$	Non-Contract U.S.	3rd C.	Contract	\$			No.	Title	Sales & Grants	Type		
A. Cumulative through the Actual Year	DL											I & IV		U.S. Owned			
	DG	578	34		5	0				531	8	201 & III		Counterpart	25		
	SA	175								175		Sec. 202		PL 480			
B. Net During Actual FY 1963	DL											I & IV		U.S. Owned			
	DG	578	34	3	5	19	0			531	8	201 & III		Counterpart	25		
	SA	175								175		Sec. 202		PL 480			
C. During Operational FY 1964	DL											I & IV		U.S. Owned			
	DG	304	91	5	24	95				180	9	201 & III		Counterpart	250		
	SA											Sec. 202		PL 480			
D. During Budget FY 1965	DL											I & IV		U.S. Owned			
	DG	362	90	5	26	105				237	9	201 & III		Counterpart	275		
	SA											Sec. 202		PL 480			
E. During All Subsequent FYs	DL											I & IV					
	DG	481										201 & III			400		
	SA											Sec. 202					
F. Total All Years	DL											I & IV					
	DG	1,725										201 & III			950		
	SA	175										Sec. 202					

2 Dollar Obligation and Expenditure	Function of Funds	ALL PRIOR		ACTUAL FY 63				OPERATIONAL FY 64			BUDGET FY 65		3 REMARKS
		Cumulative Expenditures	Unliquidated Obligations	Obligations During FY	Total Available for Expenditures	Actual Expenditures During FY	Unliquidated end of year Obligations	Estimated Expenditures During FY	Unliquidated end of year Obligations	Estimated Expenditures During FY	Unliquidated end of year		
A. ALL PRIOR YEAR FUNDS	DL												
	DG	0	0										
	SA												
B. ACTUAL YEAR FUNDS	DL												
	DG			578	578	31	547	547	-	-	0		
	SA			175	175	145	30	30	0				
C. OPERATIONAL YEAR FUNDS	DL												
	DG							304	210	94	94	0	
	SA												
D. BUDGET YEAR FUNDS	DL												
	DG									362	212	150	
	SA												
E. TOTAL ALL FUNDS	DL												
	DG	0	0	578	578	31	547	757	234	446	150		
	SA			175	175	145	30	30	0				

AID FORM 10-120 (7-62)	DATE PREPARED Nov. 6, 1963	COOPERATING COUNTRY Colombia	Unclassified	514-11-710-066	Public Safety Division	
------------------------	-------------------------------	---------------------------------	--------------	----------------	------------------------	--

1. Activity Target

This project provides technical assistance to two independent police agencies of Colombia under separate Ministries---the National Police and the Investigative Police (DAS). It is necessary to distinguish between the National Police and DAS when referring to objectives and targets.

The over-all objective of the project is to improve the capability of the police of Colombia to maintain law and order, protect life and property, and maintain internal security. The present level of police service is inadequate and must be raised to a level that is adequate and effective. This requires the following specific targets:

- a. Establishment of effective police training. In the National Police this includes the revision of curricula in the nine police schools with the result that 75% of training will be devoted to basic and technical police materials, training in and increased use of audio visual aids with 50% of training time devoted to practice and demonstration, the training of 20,000 police in Patrol, Investigation, and Riot Control, and the printing of 50,000 training pamphlets. In DAS this requires the establishment of two training centers capable of training 400 DAS members annually, the training of 200 DAS officers at the Inter-American Police Academy in Panamá, and selected technical training when appropriate.
- b. Administrative and Operational Changes. In the National Police this will include a detailed study of the utilization of manpower, and a detailed study of the maintenance and use of police vehicles, with subsequent recommendations and implementation. In the case of DAS this will involve a study of utilization of manpower with subsequent recommendations that will eliminate unnecessary and inappropriate duties, and a study with recommendations that will tighten physical and personal security measures.
- c. Improving Police Mobility and Communications to a Point Considered Adequate. In the National Police this will require implementation of a recent AID communications survey that will put existing equipment in good operating condition, acquire needed replacement parts, and provide additional single-side band equipment for the violence areas. It also will involve a study of the maintenance of police vehicles. For DAS this includes consolidation of the DAS communications network with that of the National Police and the expansion of DAS mobility and communications into areas not now covered.

- d. Improved Police-Public Relations. In the National Police this requires the training of 15 officials in police public relations and adding a 20 hour public relations course to the curricula of the 9 training centers. In DAS this requires a program with law schools to sell the DAS career program to young law graduates, and the inclusion in DAS programs of a public relations course, and a public relations office.
- e. Providing the police adequate crime control and crime prevention capacity. The National Police requires a law or presidential decree that will give it the responsibility of investigating common crimes. (DAS now has this responsibility), the training of 1000 police in investigative methods, and the establishment of basic crime laboratories in four selected cities in Colombia. For DAS this involves the concentration of DAS only upon crimes of National Interest and the creation of a central laboratory and identification bureau available to all government agencies.
- f. Because of the investigative potential from the standpoint of internal security of the Colombian Customs Department, a small program of training and commodity aid is contemplated for this agency in FY-65. This will be coordinated and to a great degree integrated with the DAS program.

The objectives will be accomplished over a period of five years through the technical assistance of five U.S. technicians, occasionally augmented by specialists, on TDY.

2. Course of Action

The problem consists of conditions that make it difficult for the police to maintain law and order and assure internal security. Factors that contribute to this situation are insufficient police communications and mobility, the many varied and in some cases unnecessary duties that leave inadequate numbers of policemen for general law enforcement, training methods and curricula that do not stress sufficiently basic and technical police subjects, and inadequate public support. All specific objectives stated herein are applicable to these problems. The course of action as related to the defined objectives follows:

a. Police Training

1. The National Police. Over a period of two years, by adding police technical materials supplied by AID technicians, the curricula of the 9 police training schools will be revised so that 75% of the subjects will be technical police subjects. (At present 50% of the subjects are academic). In a program not involving

AID FORM 10-120 (7-62)	DATE PREPARED Nov. 6, 1963	COOPERATING COUNTRY Colombia	Unclassified	514-11-710-066	Public Safety Division	
------------------------	-------------------------------	---------------------------------	--------------	----------------	------------------------	--

1. training schools but devoted to in-service training in police stations, over 20,000 men will receive training in patrol, investigation, and riot control. A U.S. technician will provide a two weeks training course in audio-visual aids to 24 police instructors from the 9 schools so as to improve the caliber of instruction.

2. DAS: During the first two years of the plan, the establishment of two training centers. One center, which will train 200 men annually, will provide three months training to recruits. The other, an intelligence school also capable of training 200 men each year, will train rural agents. In addition 200 men over a period of two years will receive training at IAPA.

b. Administrative and Operational Changes

1. The National Police: Inspections will be made of all police stations in Bogotá as well as those in the principal cities of Colombia. Recommendations will follow that will eliminate unnecessary duties and reports, revise working schedules, and make operational changes to assure that a minimum of 20% of personnel is on patrol or engaged in protecting the public at any given moment. (The present figure is 10%). This should be completed in one year. Vehicle maintenance will be improved and schedules of patrol revised with the ultimate goal of having 60% of patrol vehicles in operation at all times. (At the start of the project, the figure was 25%).

2. DAS: The "Certificate of Conduct" and bodyguard duties will be eliminated, 75% of the criminal investigative function will be transferred to the National Police with DAS then concentrating on investigations related to internal security, and physical and personal security measures will be tightened. These recommendations will require five years of constant supervision by USAID Public Safety Advisors.

c. Mobility and Communications

1. The National Police: A detailed study requiring three months, will be made of the police transportation system that will result in improved and less expensive maintenance, as well as more efficient use of vehicles. Implementation of recommendations of this survey will require two years. Through better use and maintenance of present police vehicles and the acquisition of approximately 250 new vehicles over a period of three years, the following goal will

be reached: 300 vehicles in service in Bogotá, and 600 in the Departments (States). Over the three year period, 150 vehicles will be provided by AID and 100 will be provided by city and State governments. In regard to communications, the first step, requiring one year, will be that of placing the present communications network in good operating condition. This will involve the training 50 persons in radio operation and maintenance, and the acquisition of needed replacement parts. Over a period of three years approximately 300 receivers and transmitters will be acquired, with most of these being installed in the violence areas.

2. DAS. 20 vehicles will be acquired to extend DAS operation where it has no transportation. The DAS communications system will be coordinated with that of the National Police, and 50 persons will be trained in communications. 20 portable SSB (single-side band) stations will be installed in selected locations in the Rural Security Service. This plan will be completed in three years, with AID supervision required for an additional year.

d. Police Public Relations

1. The National Police. One police official from each of the 18 Departments (States) will receive two weeks training in Public Relations. These officials, with AID assistance, will inaugurate public relations programs in their respective departments. All departments will have programs underway in one year but will receive AID assistance for an additional year or more. A 20 hour course in public relations will be integrated, within one year, in the curricula of the 9 training centers and will become a permanent part of the instruction.

2. DAS. This program will have three divisions (1) a career program for DAS officers implemented by means of an educational campaign in the law schools to attract qualified applicants (2) public relations course in both DAS training schools and the establishment of a DAS public relations office and speakers bureau. This will require two years.

e. Crime Control

1. The National Police. AID has recommended a law or presidential decree that will give the National Police the responsibility for investigating the majority of common crimes. Improvement of criminal investigation is contingent upon this law or decree. Over a period of three years, 1,000 men will be trained in criminal investigation. Basic police laboratories will be established in four principal cities over a period of two years and 20 persons will be trained in laboratory procedures over a corresponding period.

AID FORM 10-120 (7-62)	DATE PREPARED Nov. 6, 1963	COOPERATING COUNTRY Colombia	Unclassified	514-11-710-066	Public Safety Division	
------------------------	-------------------------------	---------------------------------	--------------	----------------	------------------------	--

2. DAS: Will concentrate on internal security matters and crimes of national interest with a centralized bureau available to all enforcement agencies.
3. Resources Required
The total estimated U.S. cost over a period of five years is US\$1,900,000. A staff of five U.S. technicians, assisted from time to time by specialists on TDY, is required. Approximately 60% of the U.S. cost will be for commodities, principally mobile and communications equipment. This will supplement present police equipment and is necessary to give the police the capacity to assure internal security. The estimated GOC cost is \$250,000. This includes employees, vehicles and offices supplied U.S. technicians, maintenance of U.S. technicians, maintenance of U.S. contributed equipment, and additional training costs necessary to the implementation of the program. In addition, local and department governments of Colombia supported by public contributions are contributing \$150,000 for police vehicles.
4. Progress to Date
- a. Training
Agreement has been reached and implementation underway in revising curricula of the training schools to conform to AID recommendations. In-service training in police stations throughout the Republic is underway in four basic police subjects. A technician on TDY is expected soon who will train police instructors in the use of audio-visual aids. 25,000 pamphlets, each, in "Use of the Baton" and "Patrol Methods" have been printed and distributed to police personnel. 16 DAS officers have completed training at the Inter-American Police Academy in Panamá and thirty are scheduled to begin training in November 1963. Five graduates of the Inter-American Police Academy now are serving as instructors in DAS.
- b. Operational and Administrative Changes
A study of the use of National Police manpower has been completed and implementation of recommendations is underway. A study of the transportation system is underway. A complete survey of DAS has been completed and a detailed report with recommendations submitted to President Valencia. A Project Agreement has been signed that provides \$150,000 for implementing the DAS recommendations if they are accepted by GOC.
- c. Mobility and Communications
A survey of the communications of DAS and the National Police has been completed and copies of the survey report provided GOC. The number of police vehicles on patrol in Bogotá at any given time has been increased from 25% to 40%. The ultimate goal is 60%. 65 vehicles have been purchased by city and department governments supported by public contributions for use of the National Police in principal cities. 102 vehicles contributed by AID (FY-63 funding) have arrived and are being distributed and placed in use according to a plan mutually agreed upon by GOC and AID. 26 vehicles (FY-63 funding) are enroute for DAS.
- d. Police Public Relations
A Public Relations office has been established in the National Police. Training of police officials, representing all departments, will start November 1963.
- e. Crime Control
Implementation is awaiting a presidential decree that will make the National Police responsible for the investigation of common crimes.
5. Funding Requirements
This activity started during the latter half of FY-63. Funds for FY-63 were used for U.S. technicians, participants, and commodities. Commodities were primarily mobile equipment and police type weapons. FY-64 funds will be for U.S. technicians, participants, and commodities. Due to the problems of banditry and terrorism, the police must have adequate communications and considerably more investigative capacity.

AID FORM 10-120 (7-62)	DATE PREPARED Nov. 6, 1963	COOPERATING COUNTRY Colombia	Unclassified	514-11-710-066	Public Safety Division	
------------------------	-------------------------------	---------------------------------	--------------	----------------	------------------------	--

Position	Grade	FY-64	FY-65	(IV) Training Requirements:				
		Cost (US\$)	Cost (US\$)	(FY-64)				
				Number	Type of Training	Location	Duration	Cost (US\$)
Chief Public Safety Advisor	FSR-3	23,500	22,000					
Public Safety Advisor (Inv.)	FSR-5	15,000	17,000	35	Internal Security	IAPA, Canal Zone	5 weeks	4,340
Public Safety Advisor (Rural)	FSR-5	15,500	17,000	58	Gen. Pol. Training	IAPA, Canal Zone		17,400
Public Safety Advisor (Tr.)	FSR-6	14,500	16,000	2	Crime Laboratory	Chile		2,260
Public Safety Advisor (Comm.)	FSR-4,8 mo.	12,500	18,000					
Public Safety Advisor (Vis. aids)	TDY, 2 weeks	400						
Public Safety Advisor (Bank spec.)	TDY, 1 mo.	2,700						
Public Safety Advisor (Lab. spec.)	TDY, 1 mo.	2,700						
Public Safety Advisor (Pol. records)	TDY, 1 mo.	2,700		75	Gen. Pol. Training	IAPA, Canal Zone		22,500
				30	Internal Security	IAPA, Canal Zone		3,500
	<u>TOTAL</u>	<u>91,000</u>	<u>90,000</u>					<u>24,000</u>
								<u>TOTAL</u>
								<u>26,000</u>

(ii) Commodity Requirements:

(FY-64)	Cost (US\$)
Communications Equipment (Replacement and repair parts, 20,000; testing equipment 20,000; teletypes 30,000; single side band transmitters 80,000)	150,000
Police Laboratory Equipment (Basic laboratory equipment, such as cameras, photo lab equipment, microscopes, identification equipment and chemical testing equipment for installing basic police labs in four cities of Colombia)	30,000
<u>TOTAL</u>	<u>180,000</u>
(FY-65)	
Mobile equipment	87,000
Communications Equipment	120,000
Arms and Ammunition	5,000
Laboratory Equipment	15,000
Training Materials	10,000
<u>TOTAL</u>	<u>237,000</u>

(v) Local Costs (US\$ Equivalents)

	(FY-64)	(FY-65)
Local Secretary	2,500	2,500
Local Travel	3,000	3,000
Local Printing	3,500	3,500
<u>TOTALS</u>	<u>9,000</u>	<u>9,000</u>
<u>TOTALS (US\$ or Equivalents)</u>	(FY-64)	(FY-65)
U.S. Technicians	91,000	90,000
Commodities	180,000	237,000
Participants	24,000	26,000
Other Costs	9,000	9,000
<u>TOTALS</u>	<u>304,000</u>	<u>362,000</u>

(vi) Local currency requirements

(vii) Cooperating country contribution

Host country contributions will come from national revenues and from the budgets of the participating police agencies. GOC contributions, in peso equivalents, are estimated as follows: offices, vehicles, and personnel provided U.S. technicians US\$10,000; maintenance of U.S. contributed equipment US\$ 15,000 annually, increased training costs and the establishment of two training centers in DAS, a total of US\$ 375,000.

AID FORM 10-120 (7-62)	DATE PREPARED Nov. 6, 1963	COOPERATING COUNTRY Colombia	Unclassified	514-11-710-066	Public Safety Division	
---------------------------------	-------------------------------	---------------------------------	--------------	----------------	------------------------	--

Local and Department (State) governments are contributing the peso equivalent of US\$150,000 for vehicles to be used by the National Police.

6. Other

This project involves two police agencies, the National Police and DAS, and in FY-65 may involve a third agency, the Customs Police. These agencies have a total personnel of over 35,000 and police a population of over 15,000,000. The project therefore requires a program of the scope outlined herein.

AID FORM 10-109 (7-62)	DATE PREPARED Nov. 10, 1963	COOPERATING COUNTRY COLOMBIA	SECURITY CLASSIFICATION UNCLASSIFIED	CODE 514-11-540-046	TITLE NURSING ED. (NAT. SCHOOLS NURSING)	E-1
------------------------	--------------------------------	---------------------------------	---	------------------------	---	-----

1 Year of Obligation, Authorization or Contribution Began FY 1958 End FY 1964	A. AID Dollar Grant Obligations (\$1,000), Loan Authorizations (\$1,000) and Numbers of People											B. Other Contributions (\$1,000 equivalent)					
	Function of Funds	TOTAL \$	U.S. Technicians		PARTICIPANTS			Contract Services		Commodities	Other Costs including Service Contribution	PL 480 Commodities		U.S. Owned or Controlled		Cooperating Country Financing	Other External Financing
			\$	No.	\$	Non-Contract U.S.	3rd C.	Contract	\$			No.	Title	Sales & Grants	Type		
A. Cumulative through the Actual Year	DL											I & IV		U.S. Owned			
	DG	295	58		119			115			3	201 & III		Counterpart	55	50	
	SA				38	0						Sec. 202		PL 480			
B. Net During Actual FY 1963	DL											I & IV		U.S. Owned			
	DG	86	14	1	60	18	0	10			2	201 & III		Counterpart	15	50	
	SA											Sec. 202		PL 480			
C. During Operational FY 1964	DL											I & IV		U.S. Owned			
	DG	100	20	1	25	5		52	4		3	201 & III		Counterpart	15	50	
	SA											Sec. 202		PL 480			
D. During Budget FY 1965	DL											I & IV		U.S. Owned			
	DG											201 & III		Counterpart			
	SA											Sec. 202		PL 480			
E. During All Subsequent FYs	DL											I & IV					
	DG											201 & III					
	SA											Sec. 202					
F. Total All Years	DL											I & IV					
	DG	395										201 & III			70	100	
	SA											Sec. 202					

2 Dollar Obligation and Expenditure	Function of Funds	ALL PRIOR		ACTUAL FY 1963				OPERATIONAL FY 1964			BUDGET FY 1965		3 REMARKS
		Cumulative Expenditures	Unliquidated Obligations	Obligations During FY	Total Available for Expenditures	Actual Expenditures During FY	Unliquidated end of year Obligations	Estimated Expenditures During FY	Unliquidated end of year Obligations	Estimated Expenditures During FY	Unliquidated end of year		
A. ALL PRIOR YEAR FUNDS	DL												Terminating FY-1964.
	DG	74	135	0	135	23	112	112	0				
	SA												
B. ACTUAL YEAR FUNDS	DL												
	DG			86	86	17	69	69	0				
	SA												
C. OPERATIONAL YEAR FUNDS	DL												
	DG						100	60	40	40	0		
	SA												
D. BUDGET YEAR FUNDS	DL												
	DG												
	SA												
E. TOTAL ALL FUNDS	DL												
	DG	74	135	86	221	40	181	241	40	40	0		
	SA												

AID FORM 10-120 (7-62)	DATE PREPARED 10 NOV 63	COOPERATING COUNTRY COLOMBIA	UNCLASSIFIED	514-11-540-046	NURSING ED. (NAT. SCHOOLS NURSING)
------------------------	----------------------------	---------------------------------	--------------	----------------	------------------------------------

1. The Activity Target

In order for Colombia to fulfil the goals stated in the National Health Plan, more and better prepared nurses are urgently needed. It is estimated that there is only one nurse for 16,000 population (the U.S. has an average of 28 per 10,000 inhabitants). This limited number of nurses is inadequately prepared to give the necessary support and assistance to Colombia's proposed health projects. The preparation is deficient due to the lack of prepared faculty in the six schools of nursing and to the lack of good practice fields for the students. Though all six of the nursing schools belong to universities, there are only four faculty members who have completed a university degree. Two of them have Bachelors' and two have Masters' Degrees, all attained in the U.S.

In the hospital setting, where the nurse students must receive their practical education, there are often no nurses, there are no organized nursing departments and, as a result, the opportunity to observe good nursing care - including the coordination of nursing activities with other disciplines is impossible. The latter fault is especially significant because the National Health Plan places considerable emphasis on the improvement of health services in the rural areas and, to accomplish this, coordination of the activities of the doctors, nurses, health educators, sanitary engineers, nutritionists, etc., is essential.

Since 1959, the USAID has directed its efforts under this activity toward improving the education of the professional nurse so that she would be able to (1) more effectively participate as a member of the health team and (2) more effectively utilize the large number of non-

professional personnel which Colombia will have to use for many years. These efforts are directed in 3 major areas:

a. Participant training of nurses in university programs so that the nursing programs in Colombia could be raised to university level, at least the Bachelor's Degree level. This would eliminate the need for all Colombian nurses who wanted advanced preparation to leave the country.

b. Concentrated assistance to the faculties of the Schools of Nursing by having short term consultants in the major clinical areas come to Colombia to give direct guidance to the nurses who are teaching these subjects.

c. In-service training programs conducted in the hospitals where the nursing students have their practice. These programs are being directed and guided by the USAID direct hire technician funded under this program. A Colombian nurse from the Ministry is assigned to and works closely with her as her counterpart. Many nurses who are in teaching positions, either in professional or practical nurse schools, are attending the seminars and it is intended that either the local Health Departments or Schools of Nursing will continue the teaching after the USAID technician leaves Colombia. The Colombian nurse who is serving as the counterpart will serve as advisor to the various entities who take over this responsibility.

These in-service training programs are intended to orient hospital nursing personnel to some administrative practices so that, when the participants return, they will find a receptive group thus facilitating application of what they learned during their training program.

2. Course of Action

AID FORM 10-120 (7-62)	DATE PREPARED 10 NOV 63	COOPERATING COUNTRY COLOMBIA	UNCLASSIFIED	514-11-540-046	NURSING ED. (NAT. SCHOOLS NURSING)
---------------------------------	----------------------------	---------------------------------	--------------	----------------	------------------------------------

a. In relation to Participants, during FY-1964 (from FY-1963 funds), nine participants will continue university studies in the U.S.; six of whom are enrolled in Bachelor's programs and three in Master's. One participant will continue studies in nursing administration in Sao Paulo, Brazil and ten participants will go on a six-week observation trip to the U.S. to observe selected administrative practices which can be applied to Colombian hospitals.

From FY 1964 funds (DG), four participants will continue in the second year of the Bachelors program. These will be the last nurses sent for undergraduate study because an equivalent program is now available at the National University, Bogota.

Two participants, the first to graduate from the equivalent program here in Colombia will enroll in Masters programs in the U.S.; both in nursing administration, one from the Ministry and the other from the National University College of Nursing. Also, if funds permit, a candidate is ready and would benefit by a three month observation program to observe operating room practices and techniques in various U.S. hospitals.

b. In relation to assistance to the Schools of Nursing, the contract which was established with Catholic University of America in August, 1962 to provide consultation to the six schools of nursing will be continued until August 1964. The full-time Coordinator in Colombia will (1) provide individual consultation to the six schools of nursing regarding curriculum, organization, physical facilities, etc., (2) assist in a survey regarding the nursing educational needs and resources in Colombia and (3) will orient and coordinate the activities of the three short-term consultants who will come to Colombia in

1964.

The short term consultants will each spend four months in Colombia, during which time they will work directly with the faculty of the College of Nursing, National University, in the revision of the curriculum for the particular specialty. Each of them will also assist the faculty of the National University to sponsor a 5-10 day institute, or workshop in the specialty, on some aspect of nursing related to the particular clinical field. These institutes will be open to all Colombian nurses working in the clinical field.

The schedule for the three short term consultants is as follows:

February to May, 1964 - Mental Health
February to May, 1964 - Obstetrics
May to August, 1964 - Pediatrics

c. In relation to in-service training, the series of administration seminars and the follow-up visits to ascertain the effectiveness of the teaching will terminate in January, 1964. After January, based on periodic evaluations presented during the program plus an overall final evaluation, an evaluation will be made by the Section of Nursing in the Ministry regarding necessary revisions and in planning for its continuation. If it is determined that the teaching should be done by entities other than the Ministry, the USAID Nurse Advisor will assist the Institutions in getting started with the program. There will be a sufficient number of Colombian nurses prepared to continue these programs after the termination of the USAID sponsored nursing program at the end of FY 1964.

During the hospital contacts while presenting the seminars, numerous requests have been made for assistance in the control of

AID FORM 10-120 (7-62)	DATE PREPARED 10 NOV 63	COOPERATING COUNTRY COLOMBIA	UNCLASSIFIED	514-11-540-046	NURSING ED. (NAT. SCHOOLS NURSING)
------------------------	----------------------------	---------------------------------	--------------	----------------	------------------------------------

the high rate of post-operative infections. Therefore, a short term consultant has been secured by AID/W and will come to Colombia for four months, January to April, 1964. During this time, she will present three one-week institutes on operating room techniques and asepsis. Following the institutes, she will visit each of the university hospitals to advise regarding physical plant, procedures, supplies, equipment, and personnel. A Colombian nurse in the Section of Nursing in the Ministry has been assigned to accompany the Consultant during the entire four months. She will be the one to follow-up on the recommendations made by the Consultant and will be able to provide consultation to other hospitals. If participant training funds permit, this nurse has been suggested for a three month observation trip to the U.S. to observe techniques and equipment that might be helpful in the Colombian hospital situation.

3. Resources Required

For this continuing project, which terminates at the end of FY-1964, the following resources are required.

U.S.:

One USAID direct hire technician (nursing service administration), whose tour ends in June 1964 - US\$20,000 plus one USAID short-term consultant, 4 months, (operating room), and funded for already from FY 1963 funds.

One contract technician (Country Coordinator), whose contract ends in August 1964; and three short-term contract consultants (mental health, obstetrics and pediatrics) - costing US\$52,000.

Five or six participants costing US\$25,000; plus other costs of US\$3,000.

These resources are provided by the USAID because, at the present time, there are no other agencies assisting the field of nurse education in an organized fashion and neither the Colombian resources nor know-how are sufficient to do the job.

Local costs concerning counterpart staffing, travel, secretarial expenses, materials, etc., will be provided by the cooperating private entities or the GOC.

Assistance by other organizations include the following:

The Pan American Health Organization has 3 Consultants in Colombia, all working in the field of Public Health Nursing. The Rockefeller Foundation has recently assigned a full-time consultant to Cali, but the Foundation has clearly stated that they are going to concentrate their assistance in Cali. There will be no help from them available for the rest of the country. Kellogg Foundation contributions are devoted primarily to funds for construction, library facilities and fellowships. There are no fellowships for nurses this year.

Colombia:

Counterparts for the USAID direct hire technician and the AID direct hire short term consultant will be provided plus all travel costs, secretarial services and office supplies. The paper and mimeograph services for the seminars and institutes will be provided along with the necessary translation services for reports.

An overall reduction of funds for this program would be particularly damaging because the program is so near to phasing out, and, from all appearances, it has contributed greatly to improved resources in nursing education. The major strength of the activity lies in the fact that all planning has been geared so that activities will continue after U.S. technical support is withdrawn. However, premature curtailment of planned activities could destroy much of

AID FORM 10-120 (7-62)	DATE PREPARED 10 NOV 63	COOPERATING COUNTRY COLOMBIA	UNCLASSIFIED	514-11-540-046	NURSING ED. (NAT. SCHOOLS NURSING)
---------------------------------	----------------------------	---------------------------------	--------------	----------------	------------------------------------

what has been accomplished. For instance, in the event of a cut of 25% in proposed funds it would necessitate the most deleterious step of reducing the number of participant trainees - thus harming the proper absorption of this activity by Colombia after USAID termination of assistance.

4. Progress to Date

In relation to participant training, one nurse has completed a year of study in Sao Paulo, Brazil and will return to University Hospital, Cali as Director of Nursing Services. Nine nurses have completed a year of study in U.S. Universities; six toward Bachelors degrees and 3 toward Masters. They are from the following institutions and have the following specialties:

- 1 - University Hospital, Medellin - Pediatric Nursing
- 1 - School of Nursing, Medellin - Education Administration (Masters)
- 1 - University Hospital, Javeriana University, Bogotá, Administration
- 1 - College of Nursing, National University, Bogotá, Medical and Surgical Nursing (Masters)
- 1 - College of Nursing, National University, Bogotá, Psychiatric Nursing (Masters)
- 1 - School of Nursing, Cali, Medical and Surgical Nursing
- 1 - School of Nursing, Cali, Obstetrics Nursing

Contributions by the Rockefeller Foundation include the sponsoring of three nurses who had one year of study each in Sao Paulo, Brazil, and two nurses who had short-term courses in San Juan, Puerto Rico. The contributions by the Kellogg Foundation include the sponsoring of three nurses, who had one year each of University study in the U.S.

Private agencies, primarily the Religious Communities are

contributing to improvement of nursing education by sponsoring university study for their nuns in the U.S. There are at least 5 nuns in regular university programs and requests have been received from 4 communities for permission to sponsor additional sisters on the observation trip being planned for March of this year. Six nuns have completed one year of study in U.S. universities.

In relation to assistance to Schools of Nursing - services given under Contract with The Catholic University of America - two short term consultants spent four months each in Colombia; one a Medical and Surgical Nursing Specialist and the other a Public Health Specialist. Each of the Consultants conducted a ten week demonstration unit in her specialty which was attended by the instructors from the six nursing schools. Because the demonstration was given to a class of students in one of the schools of nursing, the students also derived considerable benefit from the teaching. Consultation to the Directors of the Schools of Nursing has been given by the Country Coordinator. A National Study to determine the conditions and further needs of the nursing schools has been initiated. A supplementary program for graduate nurses leading to a Licenciatura (Bachelor's Degree) was established at National University. 45 nurses enrolled in the first year, 1963, and there are indications that the group will be much larger in 1964.

In relation to in-service hospital training, a total of 9 one-week seminars on various aspects of administration have been presented to hospital supervisory nursing personnel with a total participation of 206. A total of 14 hospitals, have been represented and, on follow-up visits to the hospitals, there are numerous evidences of improved administrative practices. Some examples include planning of hours of work, planning of assignments, development of policies and procedure manuals, and establishment of training programs for the empirical personnel. The USAID has received many letters of appreciation from Hospital Boards of Directors or their representatives expressing appreciation of the program. Also the Rockefeller Foundation sponsored 2 short term consultants at the

AID FORM 10-120 (7-62)	DATE PREPARED 10 NOV 63	COOPERATING COUNTRY COLOMBIA	UNCLASSIFIED	514-11-540-046	NURSING ED. (NAT! SCHOOLS NURSING)
------------------------	----------------------------	---------------------------------	--------------	----------------	------------------------------------

University Hospital in Cali to demonstrate Team Nursing in a medical ward.

No unusual difficulties have been encountered. All personnel, representing governmental or private institutions have been cooperative and responsive to the program. It appears that difficulties encountered in the past were due primarily to the fact that nursing personnel did not know how to put into practice the various recommendations made by consultants and neither did the returning participants. This latter had only a limited specially-planned program with little training to help make the necessary adaptations to the Colombian situation. These factors made the nurses at times appear resistant. However, with the changed emphasis to teaching of techniques and procedures in more detail and in their local setting, and leaving the application of the information up to the nurses, a marked change in reaction and progress has been noted. Also, the changed emphasis on participant programs is to provide a broader academic basis with preparation in the application of principles, rather than the implementation of U.S. nursing procedures. This has reduced the frustration and wastes stemming from the previous type of participant training.

5. Funding Requirements

In FY-63, the USAID funds in the amount of US\$86,000, for this activity, were used for technical assistance and training. There are no pipeline problems. Contract funds allotted for FY-1963 have all been utilized, as have the funds for direct hire technician and participants, though one 4-month consultant arrives in FY-1964.

The following chart lists funding requirements for this activity during FY-1964, after which the USAID terminates

their assistance.

a.	USAID	No. of Technicians	Costs (US\$)
1)	Contract Services	4	52,000
2)	Direct Hire Technicians	1	20,000
3)	Participants	5 or 6	25,000
4)	Other Costs	-	<u>3,000</u>
			100,000
b.	GOC (local staff materials and counterparts)		15,000
c.	Other financing (Rockefeller, OAS and Kellogg)		<u>50,000</u>
		Total	165,000

AID FORM 10-109 (7-62)	DATE PREPARED 10 NOV. 63	COOPERATING COUNTRY COLOMBIA	SECURITY CLASSIFICATION UNCLASSIFIED	CODE 514-11-550-067	TITLE FIELD DISPENSARIES (C/A)	E-1
------------------------	-----------------------------	---------------------------------	---	------------------------	-----------------------------------	-----

1 Year of Obligation, Authorization or Contribution Began FY 1963 End FY 1969	A. AID Dollar Grant Obligations (\$1,000), Loan Authorizations (\$1,000) and Numbers of People										B. Other Contributions (\$1,000 equivalent)						
	Function of Funds	TOTAL \$	U.S. Technicians		PARTICIPANTS			Contract Services		Commodities	Other Costs including Service Contribution	PL 480 Commodities		U.S. Owned or Controlled		Cooperating Country Financing	Other External Financing
			\$	No.	\$	Non-Contract U.S.	3rd C.	Contract	\$			No.	Title	Sales & Grants	Type		
A. Cumulative through the Actual Year	DL											I & IV, 201 & III, Sec. 202	U.S. Owned Counterpart PL 480		100	300	
B. Net During Actual FY 1963	DL										90	I & IV, 201 & III, Sec. 202	U.S. Owned Counterpart PL 480		100	300	
C. During Operational FY 1964	DL									120		I & IV, 201 & III, Sec. 202	U.S. Owned Counterpart PL 480		125	32	
D. During Budget FY 1965	DL									160		I & IV, 201 & III, Sec. 202	U.S. Owned Counterpart PL 480		150	30	
E. During All Subsequent FYs	DL											I & IV, 201 & III, Sec. 202					
F. Total All Years	DL											I & IV, 201 & III, Sec. 202			1,291	486	
	DG	90															
	SA																

2 Dollar Obligation and Expenditure	Function of Funds	ALL PRIOR		ACTUAL FY 63				OPERATIONAL FY 64			BUDGET FY 65		3 REMARKS
		Cumulative Expenditures	Unliquidated Obligations	Obligations During FY	Total Available for Expenditures	Actual Expenditures During FY	Unliquidated end of year Obligations	Estimated Expenditures During FY	Unliquidated end of year Obligations	Estimated Expenditures During FY	Unliquidated end of year		
A. ALL PRIOR YEAR FUNDS	DL												Civic Action activity. Other external financing is MAP contribution.
	DG	0	0										
	SA												
B. ACTUAL YEAR FUNDS	DL			90	90	0	90	90	0				
	DG												
	SA												
C. OPERATIONAL YEAR FUNDS	DL												
	DG							120	120	0			
	SA												
D. BUDGET YEAR FUNDS	DL												
	DG									160	160	0	
	SA												
E. TOTAL ALL FUNDS	DL			90	90	0	90	210	0	160	0		
	DG												
	SA												

AID FORM 10-120 (7-62)	DATE PREPARED 10 NOV. 63	COOPERATING COUNTRY COLOMBIA	UNCLASSIFIED	514-11-550-067	FIELD DISPENSARIES (C/A)
------------------------	-----------------------------	---------------------------------	--------------	----------------	--------------------------

1. The Activity Target

The target of this activity is to supply drugs, medicines, and other expendable medical items to support 21 Civic Action health centers installed and operated under the supervision of the Military Forces of Colombia.

2. The Course of Action

The course of action for this project is as follows:

- a. The time frame for this project is from now through FY 69 or sooner provided the GOC can assume the cost of the project. The Ministry of Health has been informally advised that the GOC must make preparations no later than FY 68 to assume the responsibility of these centers commencing in the third quarter of FY 69.
- b. The operation of these health centers shall be under the direct supervision of the Surgeon of the Military Forces in coordination with the Ministry of Health.
- c. In locations where civilian doctors employed by the Ministry of Health are not available to staff the health centers, the Surgeon of the Military Forces will assign a military doctor until a civilian doctor can be found.
- d. The purchase and resupply of drugs, medicines, and expandable medical items for all Civic Action health centers shall be the responsibility of the Colombian Army Surgeon. Orders for drugs, medicines, and expendable medical items exceeding \$1,000 in cost will be placed on an Invitation for Bid to local Pharmaceutical Firms. Items to be purchased must be of a United States or Colombian Manufacture. On receipt of the Bids, an Abstract of Bid will be prepared, and all Bids will be reviewed. The Colombian Army Surgeon will take action to notify successful bidders and request delivery of the

material ordered. When delivery of the material has been made the Surgeon will certify the Invoice covering the material and will forward it to the Colombian Army Comptroller for payment. The Comptroller shall make the payment from Peso funds provided by USAID Colombia for this project.

e. Funds for purchase of drugs, medicines, and expendable medical items will be provided by USAID.

f. All spare parts for MAP equipment (Generators and Jeep ambulances) will be provided under the Military Assistance Program.

g. The U.S. Military Group to Colombia will provide the necessary technical supervision.

3. Resources Required

The resources required for this project are as follows:

- a. Doctors and other technical personnel.
- b. Drugs, medicines and expendable medical supplies.
- c. Spare parts for MAP provided equipment.

(Note: Only item 3b requires requested support)

4. Progress to Date

This project was planned in 1962 and MAP equipment was ordered to support the project. Installation of equipment was started in August 1963, and to date 11 fixed health centers have been completed, plus two floating health centers on the Magdalena River and Putumayo River. Seven additional fixed health centers will be completed by the first of January 1964, and an Air Mobile health center will be in operation by the

AID FORM 10-120 (7-62)	DATE PREPARED 10 NOV. 63	COOPERATING COUNTRY COLOMBIA	UNCLASSIFIED	514-11-550-067	FIELD DISPENSARIES (C/A)
------------------------	-----------------------------	---------------------------------	--------------	----------------	--------------------------

first of June 1964. The first health center installed provided treatment to over 400 patients in the first 20 days of operation. Reports from other health centers indicate similar success, and projections based on these reports indicate that these centers will be providing medical and dental treatment to some 10 to 15 thousand patients a month. This has been one of the more successful Civic Action projects of the Military Forces of Colombia. The GOC has provided funds for the construction of six new health centers and four more are to be funded in 1964. In several areas the local populace has renovated buildings at their own expense in order to provide a place for the centers and expedite installation of equipment. The U.S. Military Group has programmed for additional medical equipment under the Military Assistance Program to provide one additional Air Mobile center in FY 66, and two to three health centers annually for the next five years.

5. Funding Requirements

The funding requirements for this project are as follows:

FIELD DISPENSARIES

(Cost in thousands)

Agency	Item	FY-64	FY-65	FY-66	FY-67	FY-68	FY-69
GOC	Labor	110	135	185	185	185	185
	Admin.	10	10	15	15	15	15
	Misc.	5	5	8	8	35	70
		125	150	208	208	235	270
MAP	Equip.	24	20	34	24	18	6
	Spare Parts	3	3	3	5	3	3
	Tech. Suprv.	5	7	7	7	7	7
		32	30	44	36	28	16
USAID	Materials	120	160	180	200	170	140

1 Year of Obligation, Authorization or Contribution Began FY 1963 End FY 1969	A. AID Dollar Grant Obligations (\$1,000), Loan Authorizations (\$1,000) and Numbers of People										B. Other Contributions (\$1,000 equivalent)						
	Function of Funds	TOTAL \$	U.S. Technicians		PARTICIPANTS			Contract Services		Commodities	Other Costs including Service Contribution	PL 480 Commodities		U.S. Owned or Controlled		Cooperating Country Financing	Other External Financing
			\$	No.	\$	Non-Contract U.S.	3rd C.	Contract	\$			No.	Title	Sales & Grants	Type		
A. Cumulative through the Actual Year	DL DG SA	90									90	I & IV 201 & III Sec. 202		U.S. Owned Counterpart PL 480			
B. Net During Actual FY 1963	DL DG SA	90									90	I & IV 201 & III Sec. 202		U.S. Owned Counterpart PL 480			
C. During Operational FY 1964	DL DG SA	120							117		3	I & IV 201 & III Sec. 202		U.S. Owned Counterpart PL 480	32	40	
D. During Budget FY 1965	DL DG SA	140							132		8	I & IV 201 & III Sec. 202		U.S. Owned Counterpart PL 480	36	22	
E. During All Subsequent FYs	DL DG SA	480											I & IV 201 & III Sec. 202			309	106
F. Total All Years	DL DG SA	830											I & IV 201 & III Sec. 202			377	168

2 Dollar Obligation and Expenditure	Function of Funds	ALL PRIOR		ACTUAL FY 1963				OPERATIONAL FY 1964			BUDGET FY 1965		3 REMARKS
		Cumulative Expenditures	Unliquidated Obligations	Obligations During FY	Total Available for Expenditures	Actual Expenditures During FY	Unliquidated end of year	Estimated Expenditures During FY	Unliquidated end of year	Estimated Expenditures During FY	Unliquidated end of year		
A. ALL PRIOR YEAR FUNDS	DL DG SA	0	0										Civic Action activity for which other external financing is NAP contribution.
B. ACTUAL YEAR FUNDS	DL DG SA			90	90	0	90	90	0				
C. OPERATIONAL YEAR FUNDS	DL DG SA						120	120	0				
D. BUDGET YEAR FUNDS	DL DG SA									140	140	0	
E. TOTAL ALL FUNDS	DL DG SA			90	90	0	90	210	0		140	0	

AID FORM 10-120 (7-62)	DATE PREPARED 10 November 63	COOPERATING COUNTRY COLOMBIA	SECURITY CLASSIFICATION UNCLASSIFIED	514-11-520-068	WELL DRILLING (C/A)																																																																																																										
<p>1. <u>The Activity Target</u></p> <p>The target for this activity is to provide the necessary supplies such as materials, fuels and lubricants, tires, batteries, spare parts for non-standard MAP equipment, and payment of services to be utilized by the Colombian Armed Forces engaged in this project.</p> <p>2. <u>The Course of Action</u></p> <p>The course of action for this project is as follows:</p> <p>a. The time frame for this project is from the present date through FY 69 or sooner, providing the GOC can assume the cost of the project.</p> <p>b. The work will be accomplished by the Military Forces with assistance of the local populace and under the technical supervision of the US Military Group to Colombia.</p> <p>c. Funds necessary for the purchase of materials, fuels and lubricants, tires and batteries, spare parts for non-standard MAP equipment and payment of services will be provided by the USAID.</p> <p>d. The required engineer equipment replacement and spare parts for standard MAP equipment will be provided by the Military Assistance Program.</p> <p>3. <u>Resources Required</u></p> <p>The resources required for this project are the following:</p> <p>a. Materials.</p> <p>b. Equipment.</p> <p>c. Military Troop Labor.</p> <p>4. <u>Progress to Date</u></p> <p>The Military Forces of Colombia are presently engaged in an extensive Civic Action Program which was originally developed in late 1962. One of the key projects of this program was Well-Drilling-Potable Water Supply. In July 1963 a US Army Mobile Training Team arrived in Colombia to train personnel in operation of the Well Drilling equipment and limited drilling operations got underway in late October 1963. The objective of this project is to provide potable water to small remote villages. Priority is being given to the areas where Medical Health Centers are being installed.</p> <p>5. <u>Funding Requirements</u></p> <p>The funding requirement for this project is as follows:</p> <p style="text-align: center;"><u>WELL DRILLING-POTABLE WATER SUPPLY</u> (Cost in Thousands)</p> <table border="1" data-bbox="1136 707 1906 1077"> <thead> <tr> <th>Agency</th> <th>Item</th> <th>FY 64</th> <th>FY 65</th> <th>FY 66</th> <th>FY 67</th> <th>FY 68</th> <th>FY 69</th> </tr> </thead> <tbody> <tr> <td rowspan="5">GOC</td> <td>Labor</td> <td>12</td> <td>14</td> <td>16</td> <td>16</td> <td>16</td> <td>16</td> </tr> <tr> <td>Food</td> <td>8</td> <td>9</td> <td>10</td> <td>10</td> <td>10</td> <td>10</td> </tr> <tr> <td>Equip.</td> <td>8</td> <td>9</td> <td>10</td> <td>10</td> <td>10</td> <td>10</td> </tr> <tr> <td>Material</td> <td>0</td> <td>0</td> <td>10</td> <td>30</td> <td>50</td> <td>50</td> </tr> <tr> <td>Admin.</td> <td>4</td> <td>4</td> <td>5</td> <td>6</td> <td>7</td> <td>7</td> </tr> <tr> <td></td> <td></td> <td>32</td> <td>36</td> <td>51</td> <td>72</td> <td>93</td> <td>93</td> </tr> <tr> <td rowspan="3">MAP</td> <td>Equip.</td> <td>30</td> <td>10</td> <td>10</td> <td>40</td> <td>10</td> <td>5</td> </tr> <tr> <td>Spare Parts</td> <td>5</td> <td>5</td> <td>5</td> <td>5</td> <td>5</td> <td>2</td> </tr> <tr> <td>Tech. Super.</td> <td>5</td> <td>7</td> <td>7</td> <td>7</td> <td>7</td> <td>3</td> </tr> <tr> <td></td> <td></td> <td>40</td> <td>22</td> <td>22</td> <td>52</td> <td>22</td> <td>10</td> </tr> <tr> <td rowspan="2">USAID</td> <td>Material</td> <td>117</td> <td>132</td> <td>140</td> <td>120</td> <td>100</td> <td>85</td> </tr> <tr> <td>Services</td> <td>3</td> <td>8</td> <td>10</td> <td>10</td> <td>10</td> <td>5</td> </tr> <tr> <td></td> <td></td> <td>120</td> <td>140</td> <td>150</td> <td>130</td> <td>110</td> <td>90</td> </tr> </tbody> </table>							Agency	Item	FY 64	FY 65	FY 66	FY 67	FY 68	FY 69	GOC	Labor	12	14	16	16	16	16	Food	8	9	10	10	10	10	Equip.	8	9	10	10	10	10	Material	0	0	10	30	50	50	Admin.	4	4	5	6	7	7			32	36	51	72	93	93	MAP	Equip.	30	10	10	40	10	5	Spare Parts	5	5	5	5	5	2	Tech. Super.	5	7	7	7	7	3			40	22	22	52	22	10	USAID	Material	117	132	140	120	100	85	Services	3	8	10	10	10	5			120	140	150	130	110	90
Agency	Item	FY 64	FY 65	FY 66	FY 67	FY 68	FY 69																																																																																																								
GOC	Labor	12	14	16	16	16	16																																																																																																								
	Food	8	9	10	10	10	10																																																																																																								
	Equip.	8	9	10	10	10	10																																																																																																								
	Material	0	0	10	30	50	50																																																																																																								
	Admin.	4	4	5	6	7	7																																																																																																								
		32	36	51	72	93	93																																																																																																								
MAP	Equip.	30	10	10	40	10	5																																																																																																								
	Spare Parts	5	5	5	5	5	2																																																																																																								
	Tech. Super.	5	7	7	7	7	3																																																																																																								
		40	22	22	52	22	10																																																																																																								
USAID	Material	117	132	140	120	100	85																																																																																																								
	Services	3	8	10	10	10	5																																																																																																								
		120	140	150	130	110	90																																																																																																								
SECURITY CLASSIFICATION					PAGE 178																																																																																																										

AID FORM 10-109 (7-62)	DATE PREPARED 10 NOV. 63	COOPERATING COUNTRY COLOMBIA	SECURITY CLASSIFICATION UNCLASSIFIED	CODE 514-11-310-069	TITLE ROAD IMPROV. AND MAINT. (C/A)	E-1
------------------------	-----------------------------	---------------------------------	---	------------------------	--	-----

1 Year of Obligation, Authorization or Contribution Began FY End FY	Function of Funds	A. AID Dollar Grant Obligations (\$1,000), Loan Authorizations (\$1,000) and Numbers of People										R. Other Contributions (\$1,000 equivalent)						
		TOTAL \$	U.S. Technicians		PARTICIPANTS			Contract Services		Commodities	Other Costs including Servicio Contribution	PL 480 Commodities		U.S. Owned or Controlled Local Currency	Cooperating Country Financing	Other External Financing		
			\$	No.	\$	Non-Contract		Contract	\$			No.	Title				Sales & Grants	Type
						U.S.	3rd C.											
A. Cumulative through the Actual Year	DL											I & IV	U.S. Owned					
	DG	113							54	59		201 & III	Counterpart	30	160			
	SA											Sec. 202	PL 480					
B. Net During Actual FY 1963	DL											I & IV	U.S. Owned					
	DG	113							54	59		201 & III	Counterpart	30	160			
	SA											Sec. 202	PL 480					
C. During Operational FY 1964	DL											I & IV	U.S. Owned					
	DG	116							111	5		201 & III	Counterpart	370	175			
	SA											Sec. 202	PL 480					
D. During Budget FY 1965	DL											I & IV	U.S. Owned					
	DG	250							240	10		201 & III	Counterpart	400	650			
	SA											Sec. 202	PL 480					
E. During All Subsequent FYs	DL											I & IV						
	DG	845										201 & III		1,785	1,750			
	SA											Sec. 202						
F. Total All Years	DL											I & IV						
	DG	1,324										201 & III		2,585	2,735			
	SA											Sec. 202						

2 Dollar Obligation and Expenditure	Function of Funds	ALL PRIOR		ACTUAL FY 63				OPERATIONAL FY 64			BUDGET FY 65		3 REMARKS
		Cumulative Expenditures	Unliquidated Obligations	Obligations During FY	Total Available for Expenditures	Actual Expenditures During FY	Unliquidated end of year Obligations	Estimated Expenditures During FY	Unliquidated end of year Obligations	Estimated Expenditures During FY	Unliquidated end of year		
A. ALL PRIOR YEAR FUNDS	DL												Civic Action activity. Other external financing is MAP contribution.
	DG	0	0										
	SA												
B. ACTUAL YEAR FUNDS	DL												
	DG			113	113	23	90	90	0				
	SA												
C. OPERATIONAL YEAR FUNDS	DL												
	DG							116	90	26	26	0	
	SA												
D. BUDGET YEAR FUNDS	DL												
	DG									250	190	60	
	SA												
E. TOTAL ALL FUNDS	DL												
	DG			113	113	23	90	180	26		216	60	
	SA												

SECURITY CLASSIFICATION
UNCLASSIFIED

AID FORM 10-120 (7-62)	DATE PREPARED 10 NOVEMBER 63	COOPERATING COUNTRY COLOMBIA	UNCLASSIFIED	514-11-310-069	ROAD IMPROVE. AND MAINT. (C/A)	
---------------------------------	---------------------------------	---------------------------------	--------------	----------------	--------------------------------	--

1. Activity Target

The target of this activity is to provide the necessary supplies such as materials, fuels and lubricants, tires and batteries, and spare parts for non-standard MAP equipment and payment of services (not to exceed 5%) to be utilized by the Military Forces of Colombia in an extensive Civic Action road maintenance project.

2. The Course of Action

The course of action for this project is as follows.

(a) The time frame of this project is from now through FY-68 or sooner, providing the GOC can assume the cost of the project.

(b) All work will be coordinated by the Minister of War with the Minister of Public Works to avoid the possibility of duplication of effort.

(c) All work will be accomplished by the military units with the assistance of the local populace.

(d) The required engineer equipment including replacement will be provided by the Military Assistance Program. This includes spare parts for all standard MAP items.

(e) Funds for the purchase of materials, tires, batteries, fuels and lubricants, spare parts for non-standard engineer equipment and payment of services (not to exceed 5%) shall be provided by USAID.

(f) The U.S. Army Mission to Colombia will provide the necessary technical supervision.

3. Resources Required

The resources required for this project are as follows:

(a) Troop Labor.

(b) Heavy equipment.

(c) Materials, fuels and lubricants, spare parts, etc.

4. Progress to Date

This project was planned in late 1962 in coordination with the GOC. The objective of this project was to provide "Farm to Market" roads in remote rural areas whereby farmers could move their produce to market by vehicle rather than by mule, and to provide access roads to National Police and/or Military Units having the security responsibility of the areas. Equipment for one Colombian Army Engineer Battalion was ordered under the Military Assistance Program to support the project, and in May 1963 the first shipment of equipment arrived in country. In June 1963 some road maintenance work got under way and since then the project has continued to gain momentum. Some 25 miles of road improvement work has been completed and as of 1 November 1963 work is in progress at three separate locations. The local populace is providing assistance in the project, as well as the Coffee Federation and other agencies. The Colombian Army now has one full Engineer Battalion (600 men) committed to this project and is planning to commit part of another battalion in late FY-64.

5. Funding Requirements

The funding requirements for this project are as follows:

AID FORM 10-120 (7-62)	DATE PREPARED 10 NOVEMBER 63	COOPERATING COUNTRY COLOMBIA	UNCLASSIFIED	514-11-310-069	ROAD IMPROVE. AND MAINT. (C/A)	
---------------------------------	---------------------------------	---------------------------------	--------------	----------------	--------------------------------	--

ROAD MAINTENANCE

(Cost in thousands)

Agency	Item	FY-64	FY-65	FY-66	FY-67	FY-68	FY-69
GOC	Labor	225	240	240	240	240	240
	Food	90	100	100	100	100	100
	Equipment	37	40	40	40	40	40
	Material	-	-	10	25	50	100
	Administration	<u>18</u>	<u>20</u>	<u>20</u>	<u>20</u>	<u>20</u>	<u>20</u>
			370	400	410	425	450
MAP	Equipment	100	550	400	350	300	300
	Spare parts	70	95	95	95	95	95
	Tech. Supv.	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>
			175	650	500	450	400
USAID	Materials	111	240	240	225	190	150
	Services	<u>5</u>	<u>10</u>	<u>10</u>	<u>10</u>	<u>10</u>	<u>10</u>
		116	250	250	235	200	160

AID FORM 10-109 (7-62)	DATE PREPARED 10 NOV. 63	COOPERATING COUNTRY COLOMBIA	SECURITY CLASSIFICATION UNCLASSIFIED	CODE 514-11-310-071	TITLE TOLIMA HIGHWAY (C/A)	E-1
------------------------	-----------------------------	---------------------------------	---	------------------------	-------------------------------	-----

1 Year of Obligation, Authorization or Contribution Began FY End FY	Function of Funds	A. AID Dollar Grant Obligations (\$1,000), Loan Authorizations (\$1,000) and Numbers of People										B. Other Contributions (\$1,000 equivalent)					
		TOTAL \$	U.S. Technicians		PARTICIPANTS			Contract Services		Commodities	Other Costs including Servicio Contribution	PL 480 Commodities		U.S. Owned or Controlled		Cooperating Country Financing	Other External Financing
			\$	No.	\$	Non-Contract U.S.	3rd C.	Contract	\$			No.	Title	Sales & Grants	Type		
A. Cumulative through the Actual Year	DL DG SA	405								54	351	I & IV 201 & III Sec. 202		U.S. Owned Counterpart PL 480	1,110		
B. Net During Actual FY 1963	DL DG SA	405								54	351	I & IV 201 & III Sec. 202		U.S. Owned Counterpart PL 480	1,110		
C. During Operational FY 1964	DL DG SA	400								393	7	I & IV 201 & III Sec. 202		U.S. Owned Counterpart PL 480	540	487	
D. During Budget FY 1965	DL DG SA	700								683	17	I & IV 201 & III Sec. 202		U.S. Owned Counterpart PL 480	1,080	574	
E. During All Subsequent FYs	DL DG SA											I & IV 201 & III Sec. 202					
F. Total All Years	DL DG SA	1,505										I & IV 201 & III Sec. 202			2,730	1,061	

2 Dollar Obligation and Expenditure	Function of Funds	ALL PRIOR		ACTUAL FY 63				OPERATIONAL FY64		BUDGET FY 65		3 REMARKS	
		Cumulative Expenditures	Unliquidated Obligations	Obligations During FY	Total Available for Expenditures	Actual Expenditures During FY	Unliquidated end of year Obligations	Estimated Expenditures During FY	Unliquidated end of year Obligations	Estimated Expenditures During FY	Unliquidated end of year		
A. ALL PRIOR YEAR FUNDS	DL DG SA	0	0									Also addresses Goal 7. Civic Action activity in which other external financing is MAP contribution.	
B. ACTUAL YEAR FUNDS	DL DG SA			405	405	23	382	382	0				
C. OPERATIONAL YEAR FUNDS	DL DG SA							400	225	175	175		0
D. BUDGET YEAR FUNDS	DL DG SA									700	550		150
E. TOTAL ALL FUNDS	DL DG SA			405	405	23	382	607	175	725	150		

AID FORM 10-120 (7-62)	DATE PREPARED 10 NOV 63	COOPERATING COUNTRY COLOMBIA	SECURITY CLASSIFICATION UNCLASSIFIED	514-11-310-071	TOLIMA HIGHWAY (C/A)
---------------------------------	----------------------------	---------------------------------	---	----------------	----------------------

1. The Activity Target

The target of this activity is to provide USAID support for procurement of construction supplies and materials, fuel and lubricants, repair parts, and indigenous maintenance personnel for Colombian army engineer units engaged in construction of the Tolima Highway.

2. Course of Action

a. This project involves construction of 96 miles of all-weather, two lane gravel highway between Ataco, Tolima Department and Palmira, Valle Department, and 30 miles of connecting roadway from Chaparral, Tolima, to the point where the highway crosses the Saldaña River. The road was started several years ago as a joint effort of the Colombian army and the Ministry of Public Works. The army was to provide the necessary engineer troops, the Ministry was to provide funds for supplies and material and supplemental engineer construction equipment. Work was progressing very slowly because the Ministry of Public Works was not able to provide adequate funds to insure uninterrupted, full scale work on the project. USAID support was urgently required to insure expeditious completion of this vitally needed route of communication.

b. Basic time frame for this activity is as follows:

- (1) FY-61: Project initiated by Colombia.
- (2) FY-63: USAID support made available for procurement of supplies and equipment.
- (3) FY-62: MAP support made available for replacement of obsolete construction equipment.

(4) FY-65: Project to be completed during their third quarter.

c. To date, 56 miles of roadway have been completed. Progress on the remaining 70 miles will be extremely slow because the trace must traverse extremely difficult mountainous terrain. Improved capabilities resulting from new heavy engineer construction equipment provided under MAP should overcome this problem and permit completion of the road within the time frame cited above.

3. Resources Required

a. The resources required for this activity are:

- (1) Skilled labor (engineer troop units)
- (2) Administrative and logistic support for workforce (food, clothing, pay for military personnel, etc.)
- (3) Equipment (other than MAP equipment)
- (4) Technical supervision
- (5) Equipment provided under MAP
- (6) Repair parts for MAP equipment
- (7) Technical assistance
- (8) *Construction material and supplies
- (9) *Fuel and lubricants
- (10) *Repair parts for equipment other than MAP equipment

AID FORM 10-120 (7-62)	DATE PREPARED 10 NOV 63	COOPERATING COUNTRY COLOMBIA	SECURITY CLASSIFICATION UNCLASSIFIED	514-11-310-071	TOLIMA HIGHWAY (C/A)								
<p>(11) *Tires and batteries could be made available in peso equivalents.</p> <p>(12) *Services (indigenous civilian maintenance technicians, etc., not to exceed 5% of total USAID contribution)</p> <p>g. Total cost of this project, from inception to completion, is estimated to be:</p> <table border="0" data-bbox="1218 305 1743 495"> <tr> <td>(1) GOC</td> <td>\$ 2,730,000.00</td> </tr> <tr> <td>(2) USAID</td> <td>1,500,000.00</td> </tr> <tr> <td>(3) MAP</td> <td><u>1,061,000.00</u></td> </tr> <tr> <td>Total</td> <td>\$ 5,291,000.00</td> </tr> </table> <p>4. <u>Progress to Date</u></p> <p>a. The Tolima Highway project is one of the most successful programs in operation in Colombia. The area bisected by the road was one of the most critical violence areas in the nation. Continued presence of the engineer troops, coupled with the reaction capability provided by the road, have produced a significant reduction in banditry, extortion, and related aspects of violence. Bus lines are operating over all completed sections, hauling passengers and significant quantities of cargo. Small settlements and trading centers have been built along the trace; movement of families into the area appears to be gaining impetus rapidly.</p> <p>b. Fourteen kilometers of roadway have been completed since USAID funds were made available in March 1963. Five of these fourteen kilometers of road represent a significant engineering achievement in that this section traverses some of the most difficult terrain in the central "cordillera" mountain range. This project has been successful to the point that additional military Civic Action road construction are currently under study.</p> <p>b. Items 3a (1), (2), (3), and (4) above will be provided by the GOC.</p> <p>c. Items 3a (5), (6), and (7) above will be provided under MAP.</p> <p>d. USAID support is requested to support items 3a (8), (9), (10), (11), and (12) above. (Marked with asterisks for further identification).</p> <p>e. U.S. funding support for this activity is imperative because this road is essential to the economic development and growth of the area, and is needed to provide access for military and police forces engaged in maintenance of public order. GOC cannot, under present conditions, provide the funds required for expeditious completion of this project. Banditry and violence were rampant in this area prior to the initiation of this project and are dormant rather than eliminated at present. Under these conditions, it is impossible to obtain aid from private enterprise or international agencies for this project.</p> <p>f. A reduction of 25% in funds available during FY-64 and FY-65 would not cause this activity to drop out. Completion date for the activity will be delayed in consonance with delay in receipt of essential funds. The original request of USAID funds for FY-64 was for \$700,000.00; this request was recently changed to \$400,000.00 under the assumption that \$300,000.00 (US)</p>						(1) GOC	\$ 2,730,000.00	(2) USAID	1,500,000.00	(3) MAP	<u>1,061,000.00</u>	Total	\$ 5,291,000.00
(1) GOC	\$ 2,730,000.00												
(2) USAID	1,500,000.00												
(3) MAP	<u>1,061,000.00</u>												
Total	\$ 5,291,000.00												
			SECURITY CLASSIFICATION UNCLASSIFIED	PAGE 184									

c. Work on the Tolima Highway has attracted considerable favorable publicity. A number of good newspaper articles have been published; radio and television coverages have been excellent.

5. Funding Requirements

Funding requirements for this project are the following:

TOLIMA HIGHWAY

(Costs in Thousands)

<u>Agency</u>	<u>Item</u>	<u>FY-64</u>	<u>FY-65</u>
GOC	Labor	310	620
"	Food	180	360
"	Equipment	30	60
"	Administration	20	40
		<u>540</u>	<u>1080</u>
MAP	Equipment	480	560
"	Tech Supervision	7	14
		<u>487</u>	<u>574</u>
USAID	Materials	*393	683
	Services	7	17
		<u>400</u>	<u>700</u>

* FY-64 also include \$300,000 in peso not shown above.

1 Year of Obligation, Authorization or Contribution Began FY 196 End FY 1966	A. AID Dollar Grant Obligations (\$1,000), Loan Authorizations (\$1,000) and Numbers of People										B. Other Contributions (\$1,000 equivalent)						
	Function of Funds	TOTAL \$	U.S. Technicians		PARTICIPANTS			Contract Services		Commodities	Other Costs including Service Contribution	PL 480 Commodities		U.S. Owned or Controlled		Cooperating Country Financing	Other External Financing
			\$	No.	\$	Non-Contract U.S.	3rd C.	Contract	\$			No.	Title	Sales & Grants	Type		
A. Cumulative through the Actual Year	DL											I & IV	U.S. Owned				
	DG											201 & III	Counterpart		1,300		
	SA											Sec. 202	PL 480				
B. Net During Actual FY 1963	DL											I & IV	U.S. Owned				
	DG											201 & III	Counterpart		1,300	0	
	SA											Sec. 202	PL 480				
C. During Operational FY 1964	DL	3,700						3,700				I & IV	U.S. Owned				
	DG											201 & III	Counterpart				
	SA											Sec. 202	PL 480				
D. During Budget FY 1965	DL	0										I & IV	U.S. Owned				
	DG											201 & III	Counterpart				
	SA											Sec. 202	PL 480				
E. During All Subsequent FYs	DL	0										I & IV					
	DG											201 & III					
	SA											Sec. 202					
F. Total All Years	DL	3,700										I & IV			1,300	0	
	DG											201 & III					
	SA											Sec. 202					

2 Dollar Obligation and Expenditure	Function of Funds	ALL PRIOR		ACTUAL FY 63				OPERATIONAL FY 64			BUDGET FY 65		3 REMARKS
		Cumulative Expenditures	Unliquidated Obligations	Obligations During FY	Total Available for Expenditures	Actual Expenditures During FY	Unliquidated end of year Obligations	Estimated Expenditures During FY	Unliquidated end of year Obligations	Estimated Expenditures During FY	Unliquidated end of year		
A. ALL PRIOR YEAR FUNDS	DL												
	DG												
	SA												
B. ACTUAL YEAR FUNDS	DL												
	DG												
	SA												
C. OPERATIONAL YEAR FUNDS	DL						3,700	1,000	2,700	1,700	1,000		
	DG												
	SA												
D. BUDGET YEAR FUNDS	DL												
	DG												
	SA												
E. TOTAL ALL FUNDS	DL							1,000	2,700	1,700	1,000		
	DG												
	SA												

AID FORM 10-120 (7-62)	DATE PREPARED 10 NOV. 63	COOPERATING COUNTRY COLOMBIA	SECURITY CLASSIFICATION UNCLASSIFIED	514-22-520-086	CALI SEWERAGE LOAN
<p>1. <u>The Activity Target</u></p> <p>To improve and expand the combined sanitary and storm water sewerage system in Cali, Colombia, through a development loan of \$3,700,000 to begin in FY 1964 to satisfy the present needs for sewerage and storm water disposal for that city. The project should be completed by June 30, 1966. (The loan agreement was approved and signed September 30, 1963.)</p> <p>2. <u>Course of Action</u></p> <p>The construction work of the expanded sewerage system will be executed through contracts between the Empresas Municipales de Cali and private construction companies, or one company under the supervision of a U.S. engineering firm. About 30 months will be required. No work has been started at this time.</p> <p>3. <u>Resources Required</u></p> <p>The loan has already been approved. Prices are in line with usual engineering estimates for such type of work.</p> <p>Resources required are financing, and engineering and construction services.</p> <p>4. <u>Progress to Date</u></p> <p>The loan has been approved.</p> <p>An engineering firm to supervise the work has been chosen (Buck, Seefers and Jost of New York, N.Y.).</p> <p>5. <u>Funding Requirements</u></p> <p>The only requirements are the \$3,700,000 loan from AID, already approved, and \$1,300,000 promised as a local contribution by the Empresas Municipales. All funds will be spent as contract services. The AID loan is to be spent from dollar funds. The local contribution will be made in pesos.</p>					
			SECURITY CLASSIFICATION UNCLASSIFIED	PAGE 187	

AID FORM 10-109 (7-62)	DATE PREPARED 10 NOV. 63	COOPERATING COUNTRY COLOMBIA	SECURITY CLASSIFICATION UNCLASSIFIED	CODE 514-22-520-093	TITLE MEDELLIN SEWERAGE LOAN	E-1
------------------------	-----------------------------	---------------------------------	---	------------------------	---------------------------------	-----

1 Year of Obligation, Authorization or Contribution Began FY End FY	Function of Funds	A. AID Dollar Grant Obligations (\$1,000), Loan Authorizations (\$1,000) and Numbers of People										B. Other Contributions (\$1,000 equivalent)					
		TOTAL \$	U.S. Technicians		PARTICIPANTS			Contract Services		Commodities	Other Costs including Service Contribution	PL 480 Commodities		U.S. Owned or Controlled		Cooperating Country Financing	Other External Financing
			\$	No.	\$	Non-Contract U.S.	3rd C.	Contract	\$			No.	Title	Sales & Grants	Type		
A. Cumulative through the Actual Year	DL DG SA											I & IV 201 & III Sec. 202		U.S. Owned Counterpart PL 480			
B. Net During Actual FY 1963	DL DG SA											I & IV 201 & III Sec. 202		U.S. Owned Counterpart PL 480			
C. During Operational FY 1964	DL DG SA	4,100						4,100				I & IV 201 & III Sec. 202		U.S. Owned Counterpart PL 480	1,025		
D. During Budget FY 1965	DL DG SA											I & IV 201 & III Sec. 202		U.S. Owned Counterpart PL 480			
E. During All Subsequent FYs	DL DG SA											I & IV 201 & III Sec. 202					
F. Total All Years	DL DG SA	4,100										I & IV 201 & III Sec. 202			1,025		

2 Dollar Obligation and Expenditure	Function of Funds	ALL PRIOR		ACTUAL FY 1963				OPERATIONAL FY 1964		BUDGET FY 1965		3 REMARKS
		Cumulative Expenditures	Unliquidated Obligations	Obligations During FY	Total Available for Expenditures	Actual Expenditures During FY	Unliquidated end of year Obligations	Estimated Expenditures During FY	Unliquidated end of year Obligations	Estimated Expenditures During FY	Unliquidated end of year	
A. ALL PRIOR YEAR FUNDS	DL DG SA											
B. ACTUAL YEAR FUNDS	DL DG SA											
C. OPERATIONAL YEAR FUNDS	DL DG SA						4,100	300	3,800	3,800	2,000	
D. BUDGET YEAR FUNDS	DL DG SA											
E. TOTAL ALL FUNDS	DL DG SA							300	3,800	3,800	2,000	

AID FORM 10-120 (7-62)	DATE PREPARED 10 NOV. 63	COOPERATING COUNTRY COLOMBIA	SECURITY CLASSIFICATION UNCLASSIFIED	514-22-520-093	MEDELLIN SEWERAGE LOAN	
<p>1. <u>The Activity Target</u></p> <p>The purpose is to improve and expand the combined sewerage system of Medellin beginning in FY 1964 through a development loan by AID for improving the inadequate sewerage and storm water collection and disposal system of that city.</p> <p>The time to complete the work will be about three years.</p> <p>Many sections of the city are now unserved by sewers, creating unsanitary conditions detrimental to the health of the population of the city. Emphasis will be placed on alleviating these conditions. Local interest is keen and is shown by a willingness to contribute one-fourth of the cost, and by employing a US engineering firm with local funds to prepare the loan application.</p> <p>It is expected that the loan application will be submitted to USAID by January, 1964.</p> <p>2. <u>The Course of Action</u></p> <p>The work will be accomplished through a development loan from AID under the supervision of a US Engineering Firm, competent in this field of work, and by private contractors either US or Colombian, for execution of the construction work.</p> <p>The loan application will be prepared, also, by a US Engineering Firm at no cost to the USG.</p> <p>3. <u>The Resources Required</u></p> <p>The borrower, Empresas Municipales de Medellin, reports that they have already exhausted other possible sources of</p>			<p>financing without success and that AID is the only source remaining.</p> <p>Resources required will be financing, local materials, some imported equipment, and engineering services.</p> <p>Exact costs are not yet known, as application is not yet completed.</p> <p>4. <u>Progress to Date</u></p> <p>An engineering company from the US has been selected by the Empresas Municipales to prepare the loan application. The company chosen is Greeley and Hansen of Chicago, Illinois. The Empresas are paying cost of the engineering studies. Considerable data has already been accumulated.</p> <p>5. <u>Funding Requirements</u></p> <p>Approximately \$4,100,000 will be requested as a loan from AID. The Empresas will contribute about \$1,025,000 to the project. All funds will be spent for contract services for construction work and construction materials. It is not known at this time what amounts may be spent as pesos and as dollars.</p>			
			SECURITY CLASSIFICATION UNCLASSIFIED			PAGE 189

1 Year of Obligation, Authorization or Contribution Began FY 1964 End FY 1967	A. AID Dollar Grant Obligations (\$1,000), Loan Authorizations (\$1,000) and Numbers of People										B. Other Contributions (\$1,000 equivalent)								
	Function of Funds	TOTAL \$	U.S. Technicians		PARTICIPANTS			Contract Services		Commodities	Other Costs including Servicio Contribution	PL 480 Commodities		U.S. Owned or Controlled	Cooperating Country Financing	Other External Financing			
			\$	No.	\$	Non-Contract		Contract	\$			No.	Title				Sales & Grants	Type	Local Currency
						U.S.	3rd C.												
A. Cumulative through the Actual Year	DL											I & IV		U.S. Owned					
	DG											201 & III		Counterpart					
	SA											Sec. 202		PL 480					
B. Net During Actual FY 63	DL											I & IV		U.S. Owned					
	DG											201 & III		Counterpart					
	SA											Sec. 202		PL 480					
C. During Operational FY 64	DL	7,000										I & IV		U.S. Owned		1,750			
	DG											201 & III		Counterpart					
	SA											Sec. 202		PL 480					
D. During Budget FY 65	DL	7,000										I & IV		U.S. Owned		1,750			
	DG											201 & III		Counterpart					
	SA											Sec. 202		PL 480					
E. During All Subsequent FYs	DL	6,000										I & IV				1,750			
	DG											201 & III							
	SA											Sec. 202							
F. Total All Years	DL	20,000										I & IV				5,250			
	DG											201 & III							
	SA											Sec. 202							

2 Dollar Obligation and Expenditure	Function of Funds	ALL PRIOR		ACTUAL FY 63				OPERATIONAL FY 64			BUDGET FY 65		3 REMARKS	
		Cumulative Expenditures	Unliquidated Obligations	Obligations During FY	Total Available for Expenditures	Actual Expenditures During FY	Unliquidated end of year	Obligations	Estimated Expenditures During FY	Unliquidated end of year	Obligations	Estimated Expenditures During FY		Unliquidated end of year
A. ALL PRIOR YEAR FUNDS	DL													
	DG													
	SA													
B. ACTUAL YEAR FUNDS	DL													
	DG													
	SA													
C. OPERATIONAL YEAR FUNDS	DL													
	DG							7,000	200	6,800	6,800	—		
	SA													
D. BUDGET YEAR FUNDS	DL													
	DG													
	SA													
E. TOTAL ALL FUNDS	DL													
	DG													
	SA													

AID FORM 10-120 (7-62)	DATE PREPARED 10 NOV. 63	COOPERATING COUNTRY COLOMBIA	SECURITY CLASSIFICATION UNCLASSIFIED	514-22-520-094	BOGOTA SEWERAGE LOAN
<p>1. <u>The Activity Target</u></p> <p>To improve and expand the combined sewerage systems of sanitary and storm water sewerage for the District of Bogotá, through a development loan from AID, beginning in FY 1964, to improve the inadequate present collection and disposal facilities, by construction of several interceptors and by construction of additional lateral lines.</p> <p>The time to complete the work will be about three years.</p> <p>Not only are interceptors insufficient but, also, many sectors of the city are not served by sewer lines, thus creating unsanitary conditions detrimental to the health of the inhabitants of the city. Emphasis will be placed on correcting these unsanitary conditions. The Empresas Municipales de Bogotá are very interested in having this project proposal approved, and are willing to contribute about one-fourth of its cost as a cash outlay at the time the work will be in progress. Also, the Empresas have employed a U.S. engineering firm with GOC funds to prepare the loan application. It is anticipated that the loan application will be submitted to USAID by March, 1964.</p> <p>2. <u>The Course of Action</u></p> <p>It is planned to accomplish the work through a development loan from AID. A competent U.S. engineering firm will be engaged to supervise the work. Construction will be accomplished by private contractors, either U.S. or Colombians.</p> <p>3. <u>Resources Required</u></p> <p>Resources that will be required are financing, local materials, imported equipment, and engineering services. The exact cost analysis has not been made yet, as the application has not been completed at this time. The Empresas Municipales de Bogotá have advised USAID that they have already attempted to obtain this loan from other sources and had not succeeded, and that AID is the only possible source now available.</p> <p>4. <u>Progress to Date</u></p> <p>The Engineering firm of Camp, Dresser and McKee of Boston, Mass. have been employed by Empresas Públicas to prepare the feasibility study and the loan application. Considerable work has already been done, and the final documents are now being prepared. The Empresas Municipales are paying cost of this engineering work.</p> <p>5. <u>Funding Requirements</u></p> <p>Although the application has not been completed, it is estimated that 7,000,000 dollars will be requested as a development loan from AID. It is also estimated that the Empresas Municipales will contribute approximately 1,750,000 dollars to this project during the time of its execution. All funds will be utilized for contract services. These contract services will include local materials, some equipment to be imported from the U.S. and engineering and construction services. At this time it is not known as to what amounts might be spent as local currency and as dollars.</p>					
			SECURITY CLASSIFICATION UNCLASSIFIED	PAGE 191	

AID FORM 10-109 (7-62)	DATE PREPARED Nov. 6, 1963	COOPERATING COUNTRY Colombia	SECURITY CLASSIFICATION Unclassified	CODE 514-11-640-087	TITLE Rural School Construction (C/A-USA)	E-1
------------------------	-------------------------------	---------------------------------	---	------------------------	--	-----

I. Year of Obligation, Authorization or Contribution Began FY End FY	A. AID Dollar Grant Obligations (\$1,000), Loan Authorizations (\$1,000) and Numbers of People										B. Other Contributions (\$1,000 equivalent)							
	Function of Funds	TOTAL \$	U.S. Technicians		PARTICIPANTS			Contract Services		Commodities	Other Costs including Service Contribution	PL 480 Commodities		U.S. Owned or Controlled		Cooperating Country Financing	Other External Financing	
			\$	No.	\$	U.S.	3rd C.	Contract	\$			No.	Title	Sales & Grants	Type			Local Currency
A. Cumulative through the Actual Year	DL											I & IV		U.S. Owned				
	DG											201 & III		Counterpart				
	SA											Sec. 202		PL 480				
B. Net During Actual FY 63	DL											I & IV		U.S. Owned				
	DG											201 & III		Counterpart				
	SA											Sec. 202		PL 480				
C. During Operational FY 64	DL											I & IV		U.S. Owned				
	DG											201 & III		Counterpart				
	SA											Sec. 202		PL 480				
D. During Budget FY 65	DL									90		I & IV		U.S. Owned				
	DG	90										201 & III		Counterpart	30	8		
	SA											Sec. 202		PL 480				
E. During All Subsequent FYs	DL											I & IV						
	DG	400										201 & III			200	32		
	SA											Sec. 202						
F. Total All Years	DL											I & IV						
	DG	490										201 & III			230	40		
	SA											Sec. 202						

2. Dollar Obligation and Expenditure	Function of Funds	ALL PRIOR		ACTUAL FY 63			OPERATIONAL FY 64		BUDGET FY 65		3. REMARKS
		Cumulative Expenditures	Unliquidated Obligations	Obligations During FY	Total Available for Expenditures	Actual Expenditures During FY	Unliquidated end of year Obligations	Estimated Expenditures During FY	Unliquidated end of year Obligations	Estimated Expenditures During FY	
A. ALL PRIOR YEAR FUNDS	DL										Civic Action activity with the Col. Army. Addresses Goal 4. Also addressed to Goal 3.
	DG										
	SA										
B. ACTUAL YEAR FUNDS	DL										
	DG										
	SA										
C. OPERATIONAL YEAR FUNDS	DL										
	DG										
	SA										
D. BUDGET YEAR FUNDS	DL										
	DG								90	60	
	SA									30	
E. TOTAL ALL FUNDS	DL										
	DG								60	30	
	SA										

AID FORM 10-120 (7-62)	DATE PREPARED 10 NOV 63	COOPERATING COUNTRY COLOMBIA	UNCLASSIFIED	514-11-640-087	RURAL SCHOOL CONST. (C/A-USA)	
---------------------------------	----------------------------	---------------------------------	--------------	----------------	-------------------------------	--

1. The Activity Target

The target of this activity is to provide the necessary construction and related materials to be utilized by the Military Forces engaged in this project.

2. The Course of Action

The course of action for this proposed project is as follows:

(a) The time frame for this project shall not exceed five (5) years (FY 65 through FY 69) and shall be terminated at the end of FY 69 or sooner if the GOC can assume the cost of the project.

(b) The objective of this project is to provide materials for the construction of a minimum of thirty (30) school buildings annually. All school buildings to be constructed must be located in remote rural areas where violence and/or communist activities exist or are evident.

(c) The average cost of the school buildings shall not exceed \$3,000.00 each and shall be of the one and two classroom type in accordance with standard plans provided by the Coffee Federation of Colombia.

(d) Military Forces having responsibility for Civic Action projects in the violence areas and areas of communist influence will also have the responsibility for rural school construction.

(e) Construction equipment such as trucks, concrete mixers and bulldozers will be provided by the Military Assistance Program.

(f) The necessary technical supervision for this project shall be provided by the US Army Mission to Colombia.

(g) The Minister of War will coordinate this project with the Minister of Education to assure the availability of teachers.

3. Resources Required

The resources required for this project are the following:

- (a) Materials
- (b) Labor
- (c) Equipment
- (d) Technical Supervision
- (e) Building Plans

4. Progress to Date

(Background) The US Government has exhibited considerable interest in school construction under the Alliance for Progress in order to attempt to overcome the problem of illiteracy in Latin America. The majority of this construction is in the metropolitan areas where the facilities (engineers, craftsmen, etc.) are available. In some of the rural areas where the political situation is stable and the population is peaceful the Peace Corps is assisting this program. The violence areas and areas where communist activity or influence is making headway are in need of assistance, and this project is designed to cover these areas. The Military Forces of the GOC are presently engaged in an extensive Civic Action program, and the majority of the Civic Action projects are located in the areas of violence and political instability. Due to reasons of security, the

AID FORM 10-120 (7-62)	DATE PREPARED 10 NOV 63	COOPERATING COUNTRY COLOMBIA	UNCLASSIFIED	514-11-640-087	RURAL SCHOOL CONST. (C/A-USA)	
------------------------	----------------------------	---------------------------------	--------------	----------------	-------------------------------	--

Military Forces represent the only segment of the GOC that can enter these areas and accomplish such work as road construction, road maintenance and school construction.

The progress to date actually concerns a pilot test project to determine the following:

(a) The capability of military units in constructing schools.

(b) The average cost per building utilizing military labor.

(c) The impact such projects would have on these areas.

The result of the test project was most encouraging, and the change in the attitude of the local population in areas of construction was very noticeable. The only problem experienced was the lack of materials. A total of three school buildings were completed and two more are under construction at the present time. If materials had been available, the number of completed buildings could have been increased tenfold.

5. Funding Requirements

The funding requirements for this proposed project are as follows:

Rural School Construction

(Costs in Thousands)

Agency	Item	FY 64	FY 65	FY 66	FY 67	FY 68	FY 69
GOC	Labor		25	30	40	40	40
	Administration		2	2	2	2	2
	Misc		3	3	3	13	23
			30	35	45	55	65
MAP	Equip		5	5	5	5	5
	Spare Parts		1	1	1	1	1
	Tech Supervision		2	2	2	2	2
			8	8	8	8	8
USAID	Materials		90	100	110	100	90

1 Year of Obligation, Authorization or Contribution Began FY End FY	Function of Funds	A. AID Dollar Grant Obligations (\$1,000), Loan Authorizations (\$1,000) and Numbers of People										B. Other Contributions (\$1,000 equivalent)				
		TOTAL \$	U.S. Technicians		PARTICIPANTS			Contract Services		Commodities	Other Costs including Service Contribution	PL 480 Commodities		U.S. Owned or Controlled	Cooperating Country Financing	Other External Financing
			\$	No.	\$	Non-Contract U.S.	3rd C.	Contract	\$			No.	Title			
A. Cumulative through the Actual Year	DL											I & IV	U.S. Owned			
	DG											201 & III	Counterpart			
	SA											Sec. 202	PL 480			
B. Net During Actual FY 63	DL											I & IV	U.S. Owned			
	DG											201 & III	Counterpart			
	SA											Sec. 202	PL 480			
C. During Operational FY 64	DL											I & IV	U.S. Owned			
	DG											201 & III	Counterpart			
	SA											Sec. 202	PL 480			
D. During Budget FY 65	DL											I & IV	U.S. Owned			
	DG	55								55		201 & III	Counterpart	17	5	
	SA											Sec. 202	PL 480			
E. During All Subsequent FYs	DL											I & IV				
	DG	55										201 & III		17	5	
	SA											Sec. 202				
F. Total All Years	DL											I & IV				
	DG	110										201 & III		34	10	
	SA											Sec. 202				

2 Dollar Obligation and Expenditure	Function of Funds	ALL PRIOR		ACTUAL FY 63				OPERATIONAL FY 64		BUDGET FY 65		3 REMARKS
		Cumulative Expenditures	Unliquidated Obligations	Obligations During FY	Total Available for Expenditures	Actual Expenditures During FY	Unliquidated end of year Obligations	Estimated Expenditures During FY	Unliquidated end of year Obligations	Estimated Expenditures During FY	Unliquidated end of year	
A. ALL PRIOR YEAR FUNDS	DL											Civic Action activity with the Col. Army. Addresses Goal 4.
	DG											
	SA											
B. ACTUAL YEAR FUNDS	DL											
	DG											
	SA											
C. OPERATIONAL YEAR FUNDS	DL											
	DG											
	SA											
D. BUDGET YEAR FUNDS	DL											
	DG							55	55	---		
	SA											
E. TOTAL ALL FUNDS	DL											
	DG								55	---		
	SA											

AID FORM 10-120 (7-62)	DATE PREPARED 10 NOV. 63	COOPERATING COUNTRY COLOMBIA	UNCLASSIFIED	514-11-820-088	YOUTH CAMPS (C/A-USA)
------------------------------	-----------------------------	---------------------------------	--------------	----------------	-----------------------

1. The Activity Target

The target of this activity is to provide food, clothing, and other miscellaneous supplies to support a summer Youth Camp Program sponsored by the Military Forces of Colombia.

2. The Course of Action

The course of action for this project is as follows:

a. A summer Youth Camp Program will be established in FY 65 at 25 separate Military Installations which are widely dispersed over Colombia. This program shall be for boys in the 12 through 15 year age group. The summer encampment will be two consecutive 15 day periods at each site. Each site will be equipped to handle a minimum of 40 boys, for an overall total of 2,000 boys annually.

b. The program schedule for the summer encampment shall include courses in first aid, personal hygiene and sanitation, patriotism, public information and recreation. The program will not include any type of military indoctrination or training.

c. The Colombian Military Forces will provide messing facilities, latrine facilities, and sleeping quarters. In addition, each of the 25 installations will provide one officer and one non-commissioned officer to administer the program. Assistance will be requested from USIS for the Public Information Course and from the Peace Corps on the other items.

d. All participants shall be volunteers, and on entering the summer encampment will receive a physical and dental checkup. Free medical and dental treatment will be provided to all participants during their summer encampment. Each participant will receive a toilet kit, one pair of trousers and shirt, two suits of underwear, two pair of socks, one towel, one pair tennis shoes and one pair of athletic shorts. On completion of the summer encampment the participant will be allowed to retain these items.

e. Funds for the purchase of clothing, food and other miscellaneous items will be provided by USAID.

f. Cots, blankets, and medical supplies will be provided under the Military Assistance Program.

3. Resources Required

The resources required for this project are the following:

- a. Food
- b. Clothing
- c. Camp facilities (housing, latrines, mess, and medical)
- d. 50 personnel (administrative)

Items 3a and 3b will require USAID support.

4. Progress to Date

Background- There are a great many young boys in the 12 to 15

AID FORM 10-120 (7-62)	DATE PREPARED 10 NOV. 63	COOPERATING COUNTRY COLOMBIA	UNCLASSIFIED	514-11-820-088	YOUTH CAMPS (C/A/-USA)	
---------------------------------	-----------------------------	---------------------------------	--------------	----------------	------------------------	--

age bracket in the remote rural areas of Colombia where many of the country's social and economic problems are centered. Surveys of these areas conducted by the Colombian Military Forces reveal an extremely high rate of illiteracy, little or no medical facilities, and a populace existing in a state of apathy. The people have little or no patriotism, a complete lack of knowledge of their government, who the leaders of the country are and what the government is trying to do for them. Further, the majority have never heard of the Alliance for Progress.

In view of this situation the Armed Forces have conducted surveys of the various remote rural areas in order to determine the seriousness of the problem, to gather data, and to propose remedial action. At the recommendation of the Chief of the US Military Group to Colombia it was proposed to establish a Youth Camp Program to be conducted during the months of July, August and September. Twenty-five military installations have been selected for the encampment sites for the Youth Camp Program. The reasons for selecting military installations was the fact that they are dispersed over the country and have the necessary facilities for such an activity.

5. Funding Requirements

The funding requirements for this project are as follows:

YOUTH CAMP PROGRAM

(Costs in Thousands)

Agency	Items	FY-64	FY-65	FY-66	FY-67	FY-68	FY-69
GOC	Utilities	-	4	4	-	-	-
	Admin.	-	10	10	-	-	-
	Misc.	-	3	3	-	-	-
MAP			17	17	-	-	-
	Material	-	5	5	-	-	-
USAID	Clothing	-	31	31	-	-	-
	Food	-	18	18	-	-	-
	Misc.	-	6	6	-	-	-
		-	55	55	-	-	-

Note: Project to be reviewed in Oct 1964 to determine future of project.

1 Year of Obligation, Authorization or Contribution Began FY End FY	Function of Funds	A. AID Dollar Grant Obligations (\$1,000), Loan Authorizations (\$1,000) and Numbers of People										B. Other Contributions (\$1,000 equivalent)					
		TOTAL \$	U.S. Technicians		PARTICIPANTS			Contract Services		Commodities	Other Costs including Service Contribution	PL 480 Commodities		U.S. Owned or Controlled		Cooperating Country Financing	Other External Financing
			\$	No.	Non-Contract	Contract	\$	No.	Title			Sales & Grants	Type	Local Currency			
A. Cumulative through the Actual Year	DL											I & IV		U.S. Owned			
	DG											201 & III		Counterpart			
	SA											Sec. 202		PL 480			
B. Net During Actual FY 63	DL											I & IV		U.S. Owned			
	DG											201 & III		Counterpart			
	SA											Sec. 202		PL 480			
C. During Operational FY 64	DL											I & IV		U.S. Owned			
	DG											201 & III		Counterpart			
	SA											Sec. 202		PL 480			
D. During Budget FY 65	DL											I & IV		U.S. Owned			
	DG	19							19			201 & III		Counterpart			
	SA											Sec. 202		PL 480	31	25	
E. During All Subsequent FYs	DL											I & IV					
	DG	16										201 & III			29	10	
	SA											Sec. 202					
F. Total All Years	DL											I & IV					
	DG	35										201 & III			60	35	
	SA											Sec. 202					

2 Dollar Obligation and Expenditure	Function of Funds	ALL PRIOR		ACTUAL FY 63			OPERATIONAL FY 64		BUDGET FY 65	
		Cumulative Expenditures	Unliquidated Obligations	Obligations During FY	Total Available for Expenditures	Actual Expenditures During FY	Unliquidated end of year Obligations	Estimated Expenditures During FY	Unliquidated end of year Obligations	Estimated Expenditures During FY
A. ALL PRIOR YEAR FUNDS	DL									
	DG									
	SA									
B. ACTUAL YEAR FUNDS	DL									
	DG									
	SA									
C. OPERATIONAL YEAR FUNDS	DL									
	DG									
	SA									
D. BUDGET YEAR FUNDS	DL									
	DG							19	19	0
	SA									
E. TOTAL ALL FUNDS	DL									
	DG								19	0
	SA									

3 REMARKS

Civic Action activity with Col. Army. Addresses Goal 4.

Other external financing to be provided by MAP.

SECURITY CLASSIFICATION
UNCLASSIFIED

AID FORM 18-120 (7-62)	DATE PREPARED 10 NOV. 63	COOPERATING COUNTRY COLOMBIA	UNCLASSIFIED	514-11-820-089	C.C.C. (C/A - USA)
---------------------------------	-----------------------------	---------------------------------	--------------	----------------	--------------------

1. The Activity Target

The target of this activity is to provide the necessary food, hand tools and miscellaneous materials to support a "pilot" Civilian Conservation Corps Program in Colombia.

2. The Course of Action

The course of action for this project is as follows:

a. The objectives of this project are to provide a means to:

(1) Utilize unskilled young men in a program that will assist in the development of Colombia, and at the same time teach the individuals a trade.

(2) Stimulate national interest in the importance of such things as soil conservation and re-forestation.

(3) Show the GOC that such a program can not only improve economic development but can also diminish social problems by putting young unskilled men (surplus labor) to work on essential projects at a minimum of cost.

b. The time frame for this project shall be two years, and at the beginning of the second year the project shall be evaluated to determine if it is to be continued, expanded or terminated.

c. The program will be patterned after the Civilian Conservation Corps Program that was such an outstanding success in the United States during the 1930's.

d. The Minister of War shall be responsible for the administration and operation of the project in coordination with the Minister of Agriculture and Education.

e. The GOC shall provide the necessary housing, clothing and funds to meet payroll requirements.

f. The necessary support for the food, hand tools, and miscellaneous materials will be provided by USAID.

g. The necessary support for the equipment and spare parts will be provided by the Military Assistance Program.

h. The necessary technical assistance will be provided by the Peace Corps, Ford Foundation and Rockefeller Foundation.

i. All participants in this program shall be volunteers, and the period of service shall be two years.

3. Resources Required

- a. Food
- b. Clothing
- c. Funds for Payroll
- d. Housing
- e. Equipment and Spare Parts
- f. Food*
- g. Hand Tools*
- h. Miscellaneous Materials*
- i. Technical Assistance

(*Items for which AID support is requested)

4. Progress to Date

The progress to date consists of project planning, including proposed sites for the project, type of work to be undertaken, and other administrative details.

5. Funding Requirements

The funding requirements for this proposed project are the following:

C.C.C. PROGRAM

(Cost in Thousands)

Agency	Item	FY-64	FY-65	FY-66	FY-67	FY-68
GOC	Housing					
	Utilities	--	5	5	--	--
	Labor (Payroll)	--	18	18	--	--
	Clothing	--	6	4	--	--
	Admin.	--	2	2	--	--
	Total	--	31	29	--	--
MAP	Equip.	--	20	5	--	--
	Spare Parts	--	2	2	--	--
	Tech. Suprv.	--	3	3	--	--
	Total	--	25	10	--	--
USAID	Food	--	15	15	--	--
	Hand Tools	--	4	1	--	--
	Total	--	19	16	--	--

(This is a pilot program and will be evaluated after 18 months of operation to determine further support)

AID FORM 10-109 (7-62)	DATE PREPARED Nov. 6, 1963	COOPERATING COUNTRY Colombia	SECURITY CLASSIFICATION Unclassified	CODE 514-11-520-090	TITLE Rodent Control (C/A-USN)	E-1
------------------------	-------------------------------	---------------------------------	---	------------------------	-----------------------------------	-----

1 Year of Obligation, Authorization or Contribution Began FY 1965 End FY 1969	A. AID Dollar Grant Obligations (\$1,000), Loan Authorizations (\$1,000) and Numbers of People										B. Other Contributions (\$1,000 equivalent)						
	Function of Funds	TOTAL \$	U.S. Technicians		PARTICIPANTS			Contract Services		Commodities	Other Costs including Service Contribution	PL 480 Commodities		U.S. Owned or Controlled		Cooperating Country Financing	Other External Financing
			\$	No.	\$	Non-Contract U.S.	3rd C.	Contract	\$			No.	Title	Sales & Grants	Type		
A. Cumulative through the Actual Year	DL											I & IV		U.S. Owned			
	DG											201 & III		Counterpart			
	SA											Sec. 202		PL 480			
B. Net During Actual FY 63	DL											I & IV		U.S. Owned			
	DG											201 & III		Counterpart			
	SA											Sec. 202		PL 480			
C. During Operational FY 64	DL											I & IV		U.S. Owned			
	DG											201 & III		Counterpart			
	SA											Sec. 202		PL 480			
D. During Budget FY 65	DL											I & IV		U.S. Owned			
	DG	30								30		201 & III		Counterpart	42	7	
	SA											Sec. 202		PL 480			
E. During All Subsequent FYs	DL											I & IV					
	DG	150										201 & III			183	4	
	SA											Sec. 202					
F. Total All Years	DL											I & IV					
	DG	180										201 & III			225	11	
	SA											Sec. 202					

2 Dollar Obligation and Expenditure	Function of Funds	ALL PRIOR		ACTUAL FY 63				OPERATIONAL FY 64			BUDGET FY 65		3 REMARKS
		Cumulative Expenditures	Unliquidated Obligations	Obligations During FY	Total Available for Expenditures	Actual Expenditures During FY	Unliquidated end of year Obligations	Estimated Expenditures During FY	Unliquidated end of year Obligations	Estimated Expenditures During FY	Unliquidated end of year		
A. ALL PRIOR YEAR FUNDS	DL												Civic Action activity with the Col. Navy. Addresses Goal 4.
	DG												
	SA												
B. ACTUAL YEAR FUNDS	DL												
	DG												
	SA												
C. OPERATIONAL YEAR FUNDS	DL												
	DG												
	SA												
D. BUDGET YEAR FUNDS	DL												
	DG									30	30	---	
	SA												
E. TOTAL ALL FUNDS	DL												
	DG									30	---		
	SA												

AID FORM 10-120 (7-62)	DATE PREPARED 10 NOV. 63	COOPERATING COUNTRY COLOMBIA	UNCLASSIFIED	514-11-520-090	RODENT CONTROL (C/A - USA)	
---------------------------------	-----------------------------	---------------------------------	--------------	----------------	----------------------------	--

1. The Activity Target

a. The target of this activity is to control rodents. This is to be done initially through an intensive elimination program, followed by a systematic control plan. In all areas surveyed the Norway Rat (*Rattus Norvegicus*) is by far the predominant rat. However, there is wide evidence of the Roof Rat (*Rattus Rattus SPP*). Both types of rats are causing grave concern in the areas of health, sanitation and cause a serious drain on the economy. Annual losses due to rats are in the millions of pesos. While the public health records indicate no histories of plague, murine, typhus or other rodent ectoparasite borne diseases the potential exists for such diseases on the epidemic level throughout Colombia. Also, the public health records are very incomplete and based on poor and sometimes inadequate diagnosis. There are many cases of rat bite on record and an occasional record of a child having been killed by rats. Previous efforts to control rodents have been through the use of Sodium Monofluoroacetate (1080). The only permanent effect of this method has been to eliminate the cat population.

2. The Course of Action

a. A rodent control project will be established in FY 1965 in the urban centers of Cartagena, Barranquilla and Santa Marta. This project will be for the control of rodents throughout these urban centers.

b. The program will consist of five man teams, the team composition will be 1 trained supervisor and 4 trained workers. Each team will cover an area of 200,000 square meters. There are 12,225,000 square meters to be covered in Cartagena, 42,000,000 square meters in Barranquilla, and 7,725,000 in Santa Marta.

c. The currently trained personnel are from the naval and military installations in these areas plus an equal number of trained personnel from the civil health agencies. It is planned to train additional workers and supervisors through the use of an additional MAP supported Mobile Training Team and the personnel in country who have been trained.

d. Funds for the purchase of poison bait and DDT will be provided by USAID. The technical supervision, administration and manpower will be provided by the Government of Colombia, and an additional Mobile Training Team will be provided by the MAP.

e. It is planned to expand the program over the remaining four years of the plan to include the remainder of the 45 urban communities in Colombia. This will be accomplished by training sufficient personnel to cover from 8 to 12 urban centers per year, leaving trained personnel to continue the control phase of the program in the areas where the initial elimination phase of the program has been completed.

3. Resources Required

a. 14,000 lbs. of PIVAL concentrate and 225,000 lbs. of yellow cornmeal for mixing.

b. 2,200 lbs. of DDT dust, 10%.

c. Administrative personnel, trained supervisors and trained workers from Colombian sources.

d. Technical personnel for training.

Note: Items 3a and 3b will require USAID support and funding. Item 3c will be provided by the Government of Colombia and Item 3d will be programmed through the Military Assistance Program.

AID FORM 10-120 (7-62)	DATE PREPARED 10 NOV. 63	COOPERATING COUNTRY COLOMBIA	UNCLASSIFIED	514-11-520-090	RODENT CONTROL (C/A - USA)
------------------------	-----------------------------	---------------------------------	--------------	----------------	----------------------------

4. Progress to Date

a. In Cartagena, Barranquilla and Santa Marta a survey has been made by a technical team sponsored by the Military Assistance Program. Fifty-two personnel from naval, military and local health agencies have been trained but lack the material, such as poison bait and DDT dust with which to work. Great enthusiasm was found in all levels of the official and private population for rodent control, yet there continues to be a great lack of knowledge and resources within the country to combat the rodent problem. The current rodent problem continues to create enormous and increasing problems in the areas of health, sanitation and the national economy.

b. In view of the foregoing it is recommended that the project for control be initiated in FY 1965. This recommendation is based upon an urgent national need from the viewpoint of health, sanitation and economy. This recommended project is based on a survey conducted by a Military Assistance Program supported Mobile Training Team, assisted by personnel Colombian Navy, Minister of Health and local health officials.

5. Funding Requirements

The funding requirements for this project are as follows:

RODENT CONTROL

(Cost in Thousands)

Agency	Item	FY-64	FY-65	FY-66	FY-67	FY-68	FY-69
GOC	Labor	--	27	27	30	30	30
	Material	--	1	1	1	1	1
	Supervision	--	10	10	12	12	12
	Admin.	--	4	4	4	4	4
	Total	--	42	42	47	47	47
MAP	MTT	--	6	--	--	--	--
	Admin.	--	1	1	1	1	1
	Total	--	7	1	1	1	1
AID	Material	--	30	30	40	40	40

AID FORM 10-109 (7-62)	DATE PREPARED Nov. 6, 1963	COOPERATING COUNTRY Colombia	SECURITY CLASSIFICATION Unclassified	CODE 514-11-050-091	TITLE Harbor Improve. (C/A-USN)	E-1
------------------------	-------------------------------	---------------------------------	---	------------------------	------------------------------------	-----

1 Year of Obligation, Authorization or Contribution Began FY 1965 End FY 1969	A. AID Dollar Grant Obligations (\$1,000), Loan Authorizations (\$1,000) and Numbers of People										B. Other Contributions (\$1,000 equivalent)						
	Function of Funds	TOTAL \$	U.S. Technicians		PARTICIPANTS			Contract Services		Commodities	Other Costs including Service Contribution	PL 480 Commodities		U.S. Owned or Controlled		Cooperating Country Financing	Other External Financing
			\$	No.	\$	Non-Contract U.S.	3rd C.	Contract	\$			No.	Title	Sales & Grants	Type		
A. Cumulative through the Actual Year	DL											I & IV		U.S. Owned			
	DG											201 & III		Counterpart			
	SA											Sec. 202		PL 480			
B. Net During Actual FY 63	DL											I & IV		U.S. Owned			
	DG											201 & III		Counterpart			
	SA											Sec. 202		PL 480			
C. During Operational FY 64	DL											I & IV		U.S. Owned			
	DG											201 & III		Counterpart	23	172	
	SA											Sec. 202		PL 480			
D. During Budget FY 65	DL											I & IV		U.S. Owned			
	DG	150								75	75	201 & III		Counterpart	40	109	
	SA											Sec. 202		PL 480			
E. During All Subsequent FYs	DL											I & IV					
	DG	550										201 & III			166	57	
	SA											Sec. 202					
F. Total All Years	DL											I & IV					
	DG	700										201 & III			229	338	
	SA											Sec. 202					

2 Dollar Obligation and Expenditure	Function of Funds	ALL PRIOR		ACTUAL FY 63			OPERATIONAL FY 64		BUDGET FY 65		3 REMARKS
		Cumulative Expenditures	Unliquidated Obligations	Obligations During FY	Total Available for Expenditures	Actual Expenditures During FY	Unliquidated end of year Obligations	Estimated Expenditures During FY	Unliquidated end of year Obligations	Estimated Expenditures During FY	
A. ALL PRIOR YEAR FUNDS	DL										Civic Action activity with the Col. Navy. Addresses Goal 4.
	DG										
	SA										
B. ACTUAL YEAR FUNDS	DL										
	DG										
	SA										
C. OPERATIONAL YEAR FUNDS	DL										
	DG										
	SA										
D. BUDGET YEAR FUNDS	DL										
	DG							150	150	--	
	SA										
E. TOTAL ALL FUNDS	DL										
	DG								150	--	
	SA										

AID FORM 10-120 (7-62)	DATE PREPARED 6 Nov. 1963	COOPERATING COUNTRY COLOMBIA	UNCLASSIFIED	514-11-050-091	Harbor Improve. (C/A-USN)	
---------------------------------	------------------------------	---------------------------------	--------------	----------------	---------------------------	--

1. The Activity Target

This project is aimed at providing adequate ship repair facilities for naval ships, commercial ships and private craft. It is further aimed at providing technical training, employment and economical development to depressed areas through the improved facilities.

2. The Course of Action

a. The course of action for this project is as follows:

(1) A dock improvement project will be established in FY 1965 in the Naval Shipyard, Cartagena, for the purpose of dredging an area along the pier and constructing mooring platforms for the purpose of alongside drydocking of ships. Further, to provide dredging and pile driving alongside the mooring pier where earth slides under pier presenting a hazard to ships as well as endanger the safety of an otherwise excellent pier.

(2) The dock improvement project for the repair facility, Buenaventura, will be to provide dredging and the construction of graving docks as well as construction of mooring piers.

(3) Current engineering talent within the Colombian Navy will be utilized. In addition there will be MAP provided engineering assistance and technical supervision. It is planned to train additional personnel in the process of construction and improvement.

(4) Funds for the purchase of materials and for the dredging and pile driving services will be provided by AID. Administration and some technical supervision will be provided by the GOC. Additional engineering and technical supervision will be provided through MAP.

3. Resources Required

a. The resources required for this project are as follows:

(1) Cement.

(2) Steel.

(3) Lumber.

(4) Piles.

(5) Dredging Service.

(6) Pile driving service.

(7) Technical personnel.

(8) Man Power.

b. Items 3a(1) through 3a(6) will require U. S. AID support. Item 3a(7) will be provided through GOC and MAP and Item 3a(8) will be provided by GOC.

4. Progress to Date

a. Initial surveys have been made in both Cartagena and Buenaventura for the work required. This survey has been made by U. S. Naval engineers. Additional engineers are scheduled to complete plans for the Cartagena phase of the project in January and February 1964. An additional and more complete survey is planned for Buenaventura during this period.

b. This is a civic action project to improve employment, technical training and the local economy of two depressed areas. In addition, there is at present no repair facility for seagoing vessels except for one small repair barge, located on the Pacific Coast of Colombia.

5. Funding Requirements

The funding requirements for this activity are the following:

AID FORM 10-120 (7-62)	DATE PREPARED 6 Nov. 1963	COOPERATING COUNTRY COLOMBIA	UNCLASSIFIED	514-11-050-091	Harbor Improve. (C/A-USN)	
------------------------	------------------------------	---------------------------------	--------------	----------------	---------------------------	--

SHIPYARD, HARBOR AND DOCK IMPROVEMENT

(Cost in Thousands)

Agency	Item	FY-64	FY-65	FY-66	FY-67	FY-68	FY-69
GOC	Labor	10	20	20	20	20	20
	Equipment	3	3	3	3	3	3
	Material	5	10	10	12	12	12
	Administration	5	7	7	7	7	7
MAP	Material	30	50	20	3	3	3
	Equipment	142	59	10	6	6	6
AID	Material	-	75	100	50	50	50
	Services	-	75	150	50	50	50

AID FORM 10-120 (7-62)	DATE PREPARED 10 NOV. 63	COOPERATING COUNTRY COLOMBIA	UNCLASSIFIED	GOAL 5	INCREASED STIMULI TO PRIVATE SECTOR
------------------------------	-----------------------------	---------------------------------	--------------	--------	-------------------------------------

1. Statement of the Goal

The aim of this goal is to develop policies, programs and a general atmosphere favoring full realization of the potential of the dynamic Colombian private sector. In this respect it will be concerned with the development of human, material and financial resources required to achieve an optimum annual rate of industrial growth, and to contribute further to the solution of Colombia's current balance of payments deficit by accelerating the increase of its manufactured exports. (Stimulation of the agricultural portion of the private sector is covered under Goal Plan 2.)

2. The Goal Plan Analysis and Schedule

Under the GOC's Ten Year Plan, industrial growth was projected at a rate of 7.5% annually. This projection, substantiated in reports made by both IBRD and OAS, exceeded the expected average growth of 5.6% for the economy as a whole for the period 1963-1965.

It was, therefore, estimated that industrial production, which had accounted for only 15% of the country's gross domestic product in 1950 and 17% by 1960, would have more than doubled its proportionate share of Colombia's total product by 1970, if it attained the projected growth percentage.

However, achievement of the projected growth rate for industry is dependent upon a series of conditions affecting the economy as a whole; most important among which are political stability, financial stability and an alleviation of the balance of payments problem which has resulted in restrictions on needed importations, capital and intermediate goods, and a generally favorable atmosphere toward the private sector.

Owing to the sharp drop in coffee prices subsequent to

1954, the increasing demand by a burgeoning industry for imported capital goods, spare parts, semi-fabricated products and raw materials, and the facilities to develop other exports sufficiently rapidly, Colombia has been suffering from a structural trade imbalance. Foreign exchange reserves dropped sharply from 212 million dollars at the end of 1959 to 96 million dollars at the end of 1962. Because of the situation, the GOC has had to continue import restrictions.

This import austerity policy could eventually result in a severe dislocation of Colombia's plans for industrial development if sustained in a country so dependent upon capital goods and primary products to feed its industrial growth.

It has already become apparent that the industrial sector has not been attaining the growth rate projected for it under the Ten Year Plan, although it has continued to demonstrate dynamic characteristics by increasing its share of Colombia's gross product to 18% in 1962. This has occurred as result of a 6% average annual increase in manufacturing production during the past six years. The increase in 1962 declined to 5%.

New industrial development must provide employment opportunities for a large proportion of the agricultural workers who already are underemployed or will be displaced as result of increasing agricultural productivity, and the 150,000 to 200,000 persons who are added to the work force each year through population growth. This fact is significant not only as it relates to the total economy, but also with regard to the social stability of the country.

It is evident that the rational approach to a long-range solution of the balance of payments deficit is through decreasing reliance on traditional exports, increasing emphasis on diversification of agricultural commodities, the expansion or development of industrial products for export, and increased foreign investment

AID FORM 10-120 (7-62)	DATE PREPARED 10 NOV. 63	COOPERATING COUNTRY COLOMBIA	UNCLASSIFIED	GOAL 5	INCREASED STIMULI TO PRIVATE SECTOR	
------------------------	-----------------------------	---------------------------------	--------------	--------	-------------------------------------	--

and tourism. The GOC has become more aware of this problem and is beginning to take positive actions to remedy it.

In 1960, the "Vallejo Plan" was adopted to encourage the processing of imported materials into exports of finished products, by authorizing a duty drawback, or pro-rata refunding, or import tariffs paid. Although excessive administrative controls have weakened this plan to date, it is now being re-examined and USAID expects that it will be modified to make its operation more efficacious in the future.

The Private Investment Fund, which was created in FY 1963 (through an AID loan) to channel vitally needed medium and long-term credit for capital investment into the private sector by the Central Bank through financial intermediaries, places first priority on projects designed to increase Colombia's exports.

The National Planning Department of the GOC is now undertaking a comprehensive study of the country's export possibilities, and the steps it must take toward this goal, by removing existing obstacles and enacting new legislation designed to encourage exports. An AID Development Loan of \$4 million made to the GOC in FY 1963 to finance sector feasibility studies will give consideration to the study of projects offering export prospects. Consideration is being given to the creation of a financing system for exports, possibly through a private development loan bank devoted exclusively to this purpose.

To support this bank, it is proposed that \$3 million be reserved for a loan, to supplement a \$1 million investment by Colombian private investors.

Overall Colombian financial policies are considered in connection with U. S. program loans and IMF standby agreements

which provide needed dollars for imports until exports can be sufficiently increased. Project loans for peso costs have a similar favorable effect on foreign exchange availabilities for private sector investment.

Most significant is the informal contact that has been made by the GOC with representatives of the private sector for the purpose of reconciling official government efforts for export promotion with private enterprise recommendations. A formal Export Commission is being organized to continue this coordinating and promotional activity.

To give priority assistance to the combined efforts of the GOC and the private sector in the area of export promotion and development, it is proposed that two contract technicians be retained for two years to give assistance and training in the field of export promotion to personnel of the newly established Centro Privado Interamericano de Colombia Para el Desarrollo Económico (Colombian Private Sector Interamerican Center for Economic Development). This Center will represent and assist developmental activities of private enterprise in its relations with the GOC, and will work to create a more favorable outlook toward Colombia by foreign investors, stimulate foreign private investment in the country, especially joint ventures and engage in an aggressive program of export promotion. It is planned that one technician will work with the Center's personnel in Colombia and one in an office to be established by the Center in New York.

It is also recommended that another technician, a specialist in international marketing, be contracted for a two-year period to advise both the newly organized Center and the GOC on the most effective means of organizing and gathering commercial intelligence with respect to existing markets for exportable products, and to train Center personnel to carry on this work. The technician would also give guidance to the GOC in setting up a more

AID FORM 10-120 (7-62)	DATE PREPARED 10 NOV. 63	COOPERATING COUNTRY COLOMBIA	UNCLASSIFIED	GOAL 5	INCREASED STIMULI TO PRIVATE SECTOR	
------------------------------	-----------------------------	---------------------------------	--------------	--------	-------------------------------------	--

effective means of channeling export marketing information to Colombian private enterprise through its Consulates.

It is intended that the Center will not engage in selling of Colombian exports. Its main purpose will be to gather and disseminate information concerning international marketing possibilities and to undertake a campaign designed to interest buyers in purchasing Colombian produced products. This program is aimed at complementing and assisting the commercial activities of such integrated export companies as the recently organized Cia. Colombiana de Comercio Exterior S.A. (COMEX) of Medellin, the Cia. Nacional de Exportación S.A. of Bogotá, and of other private companies seeking export markets for their own or their client's products.

It is also proposed that a consultant be contracted for six months to work with the GOC and the Center to assist them in organizing the projected Export Commission, and in developing and advising on a program of GOC private sector study concerning ways and means to accelerate exports.

Colombia's membership in LAFTA has pointed up the need for rapid adoption of international product standards if the country is to compete effectively in international markets. The GOC has been attempting to do this, without success, for the past two years on a governmental basis.

On the recommendation of U.S. Bureau of Standards officials, a National private standards issuing body (ICONTEC), similar in character to the American Standards Association of the U.S., has been designated by presidential decree as the national standards issuing body for Colombia. ICONTEC has already applied for membership in COPANT, the OAS Pan American Standards Commission. Technical committees of ICONTEC are already prepared to review and adopt COPANT standards as Colombian standards. It is highly encouraging that the GOC has seen fit

to relinquish its control of this function in favor of private enterprise, although it will continue to participate through the Ministry of Development, in the same manner as does the U.S. Bureau of Standards in reviewing and adopting standards.

The U.S. Bureau of Standards personnel have been particularly active in encouraging the implementation of this new program, and will continue to give counsel and guidance concerning organization and operation of ICONTEC. However, they have urged further AID assistance to ICONTEC, through an interagency agreement with the U.S. Bureau of Standards by providing the services of a direct hire consultant, for six months, to help in the formation of the technical committee, and in drafting procedures for standards review and adoption. Aside from the importance of this program in strengthening Colombia's export position and general industrial development, U. S. influence in drafting Colombia's national standards could have some significance in future trade relations between the two countries.

With respect to the problem of rapid industrialization, capital requirements are undoubtedly large. Existing industries suffer chronically from a shortage of working capital, and a scarcity of medium-term capital. Also, except for the Private Investment Fund, practically no long-term credit is available for new or existing enterprises. Prevailing interest rates for short-term credit range between 9% and 12%.

External long-term financing must be made available for enterprises which meet development criteria within the framework of the Ten Year Plan. The Private Investment Fund, which has been in operation approximately six months, is supplying an important part of this need by making developmental credit available for capital requirements for new or expanding export or import substitution production. Results to date have exceeded expectations and have confirmed the private sector's urgent need for medium and long-term credits. AID and IBRD studies agree that external financing

AID FORM 10-120 (7-62)	DATE PREPARED 10 NOV. 68	COOPERATING COUNTRY COLOMBIA	UNCLASSIFIED	GOAL 5	INCREASED STIMULI TO PRIVATE SECTOR	
---------------------------------	-----------------------------	---------------------------------	--------------	--------	-------------------------------------	--

in the amount of about \$40 million dollars will be needed annually to increase the ability of private industry to generate the capital required for expansion and growth. In view of the performance to date it is strongly urged that AID continue to support the Private Investment Fund with loans of \$30 million in both FY 1964 and FY 1965 unless other sources of financing become available in sufficient amounts to significantly reduce the needs for AID support.

The AID credit proposed for the private development banks (Corporaciones Financieras) in FY 1964, to provide long-term financing for projects meeting development criteria has not materialized. Discussions are now under way between AID and IBRD concerning a \$10 million credit which will be made available to the above institutions by the World Bank. The Mission is of the opinion that these institutions occupy an important position in the financing of private industrial development and will continue consultations with these banks in order to help them obtain this loan. There exists an urgent need in Colombia for developmental capital for the small and medium industry sector which, according to the Stanford Research Institute's Study of Small Industry, has the greatest growth potential.

It is therefore proposed that \$5 million be reserved in FY 1964 and an additional \$5 million in FY 1965 for a loan to the Banco Popular to make development credit available exclusively to small and medium size enterprises which by definition includes any company having less than 100 employees or gross assets of less than Ps. 1,500,000. This would supplement credits available for export or import substitution projects under the Private Investment Fund by providing financing for other projects which contribute to industrial development criteria. This is a vital need for a sector of industry which has the least access to credit of any type.

To avoid over-centralization of industrial development it is important to encourage establishment of enterprises close to the source of raw materials. This will result in a balanced industrial growth and consequent more even distribution of income, and reduce the population pressure on the cities and the concomitant social problems it creates. Special emphasis, therefore, should be given to stimulate the establishment of processing or converting industries in rural areas where transportation, power, water and a labor supply are available, to maximize utilization of Colombia's mines, farms and forests.

Therefore, it is recommended that an additional credit of \$3 million be made available in FY 1964 to the Caja de Credito Agrario, Industrial y Minero (Agricultural, Mineral and Industrial Decentralized Government Bank), which channels small and medium credits to rural projects.

Negotiations are now under way with the GOC for a new PL 480 loan agreement. It is projected, if negotiations are successfully culminated, that approximately Ps.20 million per year for three years would be generated for use under the terms of the Cooley Amendment.

In FY 1963 development grant funding was provided for two-year contracts for three technicians to assist lending institutions, principally the private development banks and the Banco Popular, in establishing and maintaining sound and efficient lending policies and practices, and to supervise the use of loans by borrowers. This program has not been implemented because a decision has not been reached as to which international agency will extend a loan to the private development banks and under what terms. The Banco Popular plans to include a request for this type of assistance, to be paid for from the proceeds of the \$5 million loan application it is preparing. Inasmuch as the Private Investment Fund is channeling loans through

AID FORM 10-120 (7-62)	DATE PREPARED 10 NOV. 63	COOPERATING COUNTRY COLOMBIA	UNCLASSIFIED	GOAL 5	INCREASED STIMULI TO PRIVATE SECTOR	
------------------------	-----------------------------	---------------------------------	--------------	--------	-------------------------------------	--

the banking system, it would be impracticable if not impossible to provide this type of assistance across-the-board.

The success of GOC's Ten Year Plan and the Alliance for Progress program in Colombia is to a large degree dependent upon private investment, both foreign and domestic. Credits to private industry which are being made available through AID and other international lending agencies will generate considerable amounts of peso financing, but not sufficient to enable private enterprise to achieve the goals set for it, unless heavy infusions of private foreign investment are attracted to Colombia. The U.S. investment guaranty program covering the risk of inconvertibility, expropriation, and war and civil strife has become operative in Colombia under an interim agreement pending formal ratification by Colombia's Congress, providing an added impetus to U.S. investment. The Mission is coordinating this activity in close collaboration with the Embassy Commercial Attache. It is, therefore, strongly recommended that private investment promotion assistance, which has now been under way with good results for the past nine months under prior year's funding, be continued and reinforced in a cooperative program through the Development Center, previously mentioned.

In recent years there has been a growing awareness in Colombia of the need to involve all elements of a community in order to achieve rapid and well planned industrial development. This has expressed itself in Departmental development plans such as the CVC in the Department of Valle. Other departments are now organizing area development commissions to promote industrial development on a regional basis. This is especially significant in the light of Colombia's historic development which has resulted in dispersion of industry in a number of moderate to large cities, rather than excessive concentration in the capital city as has occurred in many countries in Latin America.

From an analysis of the current situation, it would seem that

a minimum of AID assistance would produce a maximum of results in directing those existing and incipient area development organizations into proper channels of effort in their desire to plan and coordinate developmental programs. Experience of similar organizations in the U.S. has demonstrated that industrial development on an area basis has been infinitely more effective than a centralized approach.

The new Center has provided for country-wide representation on its Board of Directors and is encouraging organization of regional centers to undertake not only export and investment promotion activities in coordination with all other areas of the country, but to engage in general regional industrial development activities if they are not already doing so. The Center is doing this because its personnel understand that the program can only be successful if it is carried out on a nation-wide basis.

To reinforce and properly orient these area industrial development activities, it is proposed that a team, representing the principal industrial areas of the country, be conducted on a short observation tour to study typical small-scale area development programs in the U.S. In addition they should be given the opportunity to visit Puerto Rico for the purpose of observing, at first hand, the program of the Economic Development Administration of the Commonwealth, and to discuss with Puerto Rican officials of EDA the methods and procedures so successfully employed in achieving rapid industrial development on that Island.

Following the tour, the consulting firm would prepare and publish a promotional brochure designed to present to U.S. and other foreign investors the advantage of investing in Colombia. This brochure would receive wide distribution in U.S. circles, and to businessmen, through Colombian Consulates, in other countries most likely to be interested in foreign investment; especially Western Europe, Japan, and selected LAFTA areas. The Center would also use the brochure as a tool in its investment promotion activities.

AID FORM 10-120 (7-62)	DATE PREPARED 10 NOV. 63	COOPERATING COUNTRY COLOMBIA	UNCLASSIFIED	GOAL 5	INCREASED STIMULI TO PRIVATE SECTOR	
---------------------------------	-----------------------------	---------------------------------	--------------	--------	-------------------------------------	--

In order to serve the multiple purpose of stimulating rural industrial development, promote exports of attractive Colombian hand crafts and relieve the growing population pressures on the cities, it is recommended that the services of two companies, specialized in the field of hand craft design, production and merchandizing be retained. A total of five short-term consultants would work together with the U.S. Peace Corps, the Colombian Association of Cooperatives and the Colombian Tourist Commission to develop cooperative hand craft production facilities, where feasible, and organize a central cooperative export marketing organization to assure better control of quality standards and uniformity of exported hand crafts.

A U. S. consulting firm would contact U.S. firms and solicit orders of original or redesigned Colombian hand crafts. The Agricultural Bank and the Banco Popular and at least one of the private development banks have indicated their interest in giving preferential consideration to loan applications for small capital equipment and raw material loans to producer cooperatives and other organized producers of hand crafts to enable them to fill orders for their products beyond their present financial capacity.

To follow up on this program of export promotion of Colombian hand crafts and to assure the continued successful operations of established producer and marketing cooperatives, it is proposed that the services of a consultant, specialized in cooperative organization and management, be retained for one year. This consultant would work not only with hand craft cooperatives, but with other rural raw material processing and converting cooperatives to give further backstopping to the development lending activities outlined under the loan proposed for the Agricultural Bank.

Although more adequate credit facilities are generally considered the principal need of small and medium industry, it is equally true that this sector urgently requires technical advice and assistance to obtain credit and use it properly. Following

recommendations proposed in the Stanford Research report of small industry in Colombia, funding was originally provided in FY 1964 for three technicians for two years each to develop, under the auspices of INCOLDA (The Colombian Management Association) a minimum of 25 Colombian participants as consultants and trainers for small and medium industry in the fields of industrial organization, production management, marketing and personnel administration.

The Banco Popular has given support to the creation of a new technical advisory center for small and medium industry. The Mission is recommending that this activity should properly fit into INCOLDA's program to promote and disseminate the principles and practices of scientific management. Meetings are now under way to finally resolve this issue, either in favor of creating a new technical advisory center or to use INCOLDA as the vehicle for this purpose.

In any event, small, medium and large industry, private banks and investment companies, trade associations, universities, industrial research institutes, private international aid agencies such as Ford Foundation, and the GOC have indicated their interest in supporting a private technical advisory service for small and medium industry. The Instituto de Investigaciones Tecnológicas (Technical Research Institute) has agreed to cooperate by making its research services available. It will also provide consulting services in specific production technologies through an arrangement with the Special Fund of the U.N., SENA, the National Apprenticeship Service, has agreed to coordinate its skilled worker training programs to fit in most effectively with management's requirements.

However, owing to the delay occasioned by uncertainty as to the final location of the technical advisory services, and the priority requirements of export promotion and general industrial development, it has been planned that only a part of the funds reserved for advisory services in FY 1964 be used for that year, and that the balance of the program be financed under FY 1965.

AID FORM 10-120 (7-62)	DATE PREPARED 10 NOV. 63	COOPERATING COUNTRY COLOMBIA	UNCLASSIFIED	GOAL 5	INCREASED STIMULI TO PRIVATE SECTOR
------------------------	-----------------------------	---------------------------------	--------------	--------	-------------------------------------

It is also proposed that additional funding be made in FY 1965 to provide the services of a technician for two years to train Colombian counterparts through the technical advisory services center in the preparation of specific investment project studies for small and medium industry. This sector is most in need of assistance in determining the feasibility of expansion plans or the development of new enterprises, and most benefit of skilled technical personnel or financial resources to undertake the necessary research. It is essential that assistance be given in this area to small and medium businessmen to enable them to present viable investment plans to Colombian lending institutions or to potential joint venture investors, either national or foreign.

In line with Mission policy to encourage qualified institutions, public or private to undertake activities and responsibilities now being carried on or programmed by AID, it has been recommended that the Ford Foundation take over this part of the program pertaining to managerial services as described above. The Foundation is now considering this proposal.

3. Goal Plan Summary

The essence of the projects proposed under the Goal Plan Analysis and Schedule is the stimulation of the already dynamic private sector as the primary developmental force in the Colombian economy. Colombia has been described as being in the "take-off" stage of economic development, and a concerted effort to assist both the GOC and the private sector in developmental planning and implementation should produce positive results in a relatively short period.

A major bottleneck to rapid industrial development, and consequent economic and social stability, is Colombia's international trade imbalance which restricts its capacity to acquire the capital equipment and raw materials required for continued healthy growth. The credits already granted by AID and other international lending agencies and the new credits proposed, will be used principally to

furnish growing industry with the equipment and materials which could not otherwise be acquired.

A recent study by a U.N. expert on foreign trade, who was sent to Colombia to advise the GOC on export trade promotion, indicates that a well planned program could within a five-year period, result in earnings above present levels of from \$150 million to \$200 million annually from industrial exports and an additional \$100 to \$150 million per year from other exports. Achievement of this goal would go a long way toward reducing or eliminating the need for Colombia to rely on foreign governments for assistance.

Realization of the program delineated under the Goal Plan will depend, to a major degree, upon the GOC and the private sector. The GOC will have to move rapidly to remove present administrative controls which impede rapid industrial development and take other positive steps designed to accelerate industrial growth. The GOC has indicated its willingness and has taken steps to do so. The private sector has already demonstrated that it is capable of taking unified action in support of developmental activities. It was on a private initiative that a system of private development banks was created. Existence of the School of Business Administration and Finance in Medellin, (Mission funding has contributed in important measure to this organization), the Industrial University of Santander in Bucaramanga, and probably the most dynamic Management Association in Latin America (INCOLDA), (Mission funding has contributed in important measure to this organization), and the area development program in the Department of Valle, are a few among many manifestations of the private sector's determination and capacity to take positive self-help measures.

1 Year of Obligation, Authorization or Contribution Began FY End FY	A. AID Dollar Grant Obligations (\$1,000), Loan Authorizations (\$1,000) and Numbers of People											B. Other Contributions (\$1,000 equivalent)					
	Function of Funds	TOTAL \$	U.S. Technicians		PARTICIPANTS			Contract Services		Commodities	Other Costs including Servicio Contribution	PL 480 Commodities		U.S. Owned or Controlled		Cooperating Country Financing	Other External Financing
			\$	No.	\$	U.S.	3rd C.	Contract	\$			No.	Title	Sales & Grants	Type		
A. Cumulative through the Actual Year	DL	36,000										I & IV		U.S. Owned			
	DG	317	52		25			232			8	201 & III		Counterpart			
	SA	161	0		0	0		161	0	0	0	Sec. 202		PL 480	450	5,550	
B. Net During Actual FY 63	DL	36,000									36,000	I & IV		U.S. Owned			
	DG	217	52	3	25			132			8	201 & III		Counterpart			
	SA				5	4						Sec. 202		PL 480	150	2,000	
C. During Operational FY 64	DL	43,000									43,000	I & IV		U.S. Owned			
	DG	208	62	3				135	3	5	6	201 & III		Counterpart			
	SA											Sec. 202		PL 480	414	18,000	
D. During Budget FY 65	DL	35,000									35,000	I & IV		U.S. Owned			
	DG	390	80	3	25	10		240	7	5	40	201 & III		Counterpart			
	SA											Sec. 202		PL 480	400	-	
E. During All Subsequent FYs	DL	56,000										I & IV					
	DG	1,000										201 & III					
	SA											Sec. 202					
F. Total All Years	DL	170,000										I & IV					
	DG	1,915										201 & III					
	SA	161										Sec. 202			1,264	23,550	

2 Dollar Obligation and Expenditure	Function of Funds	ALL PRIOR		ACTUAL FY 63				OPERATIONAL FY 64			BUDGET FY 65		3 REMARKS
		Cumulative Expenditures	Unliquidated Obligations	Obligations During FY	Total Available for Expenditures	Actual Expenditures During FY	Unliquidated end of year Obligations	Estimated Expenditures During FY	Unliquidated end of year Obligations	Estimated Expenditures During FY	Unliquidated end of year		
A. ALL PRIOR YEAR FUNDS	DL												
	DG		100		100	5	95	95					
	SA	111	50		50	12	38	38					
B. ACTUAL YEAR FUNDS	DL			36,000	36,000	6,700	29,300	25,500	3,800	3,800			
	DG			217	217	49	168	120	48	48			
	SA												
C. OPERATIONAL YEAR FUNDS	DL							43,000	23,000	20,000	12,000	8,000	
	DG							208	164	44	44		
	SA												
D. BUDGET YEAR FUNDS	DL								35,000	10,000	25,000		
	DG								390	210	180		
	SA												
E. TOTAL ALL FUNDS	DL			36,000	36,000	6,700	29,300	48,500	23,800	25,800	33,000		
	DG		100	217	317	54	263	379	92	302	180		
	SA	111	50		50	12	38	38					

Goal Code or Activity Code	Title of Goal or Activity	\$ 1,000 Obligations	Cumulative Through Actual Year	Actual Year	Operational Year	Budget	Budget +1	Budget +2	Budget +3	Budget +4	All Subsequent Years	Total All Years
				FY 63	FY 64	FY 65	FY 66	FY 67	FY 68	FY 69		
514-23-910-053	Financial Development (Sole activity addressed to Goal 5)	DL	36,000	36,000	43,000	35,000	20,000	20,000	16,000			170,000
		DG	317	217	208	390	400	400	200			1,915
		SA	161									161
		480										
		L/C										
		Coop. C.	450	150	414	400						1,264
		Other	5,550	2,000	18,000							23,550
		DL										
		DG										
		SA										
		480										
		L/C										
		Coop. C.										
		Other										
		DL										
		DG										
		SA										
		480										
		L/C										
		Coop. C.										
		Other										

SECURITY CLASSIFICATION

UNCLASSIFIED

AID FORM 10-109 (7-62)	DATE PREPARED 10 NOV. 63	COOPERATING COUNTRY Colombia	SECURITY CLASSIFICATION UNCLASSIFIED	CODE 514-23-910-053	TITLE FINANCIAL DEVELOPMENT	E-1
------------------------	-----------------------------	---------------------------------	---	------------------------	--------------------------------	-----

1 Year of Obligation, Authorization or Contribution Began FY 60 End FY 68	A. AID Dollar Grant Obligations (\$1,000), Loan Authorizations (\$1,000) and Numbers of People											B. Other Contributions (\$1,000 equivalent)						
	Function of Funds	TOTAL \$	U.S. Technicians		PARTICIPANTS			Contract Services		Commodities	Other Costs including Service Contribution	PL 480 Commodities		U.S. Owned or Controlled		Cooperating Country Financing	Other External Financing	
			\$	No.	\$	Non-Contract		Contract	\$			No.	Title	Sales & Grants	Type			Local Currency
						U.S.	3rd C.											
A. Cumulative through the Actual Year	DL	36,000										I & IV		U.S. Owned				
	DG	317	52	25				232			8	201 & III		Counterpart			1/	
	SA	161	0	0	0	0		161		0	0	Sec. 202		PL 480	450	5,550		
B. Net During Actual FY 63	DL	36,000									36,000	I & IV		U.S. Owned				
	DG	217	52	3	25			132			8	201 & III		Counterpart				
	SA				5	4						Sec. 202		PL 480	150	2,000		
C. During Operational FY 64	DL	43,000									43,000	I & IV		U.S. Owned				
	DG	208	62	3				135	3	5	6	201 & III		Counterpart			2/	
	SA											Sec. 202		PL 480	414	18,000		
D. During Budget FY 65	DL	35,000									35,000	I & IV		U.S. Owned				
	DG	390	80	3	25	10		240	7	5	40	201 & III		Counterpart				
	SA											Sec. 202		PL 480	400	-		
E. During All Subsequent FYs	DL	56,000										I & IV						
	DG	1,000										201 & III						
	SA											Sec. 202						
F. Total All Years	DL	170,000										I & IV						
	DG	1,915										201 & III						
	SA	161										Sec. 202			1,264	23,550		

2 Dollar Obligation and Expenditure	Function of Funds	ALL PRIOR		ACTUAL FY 63				OPERATIONAL FY 64		BUDGET FY 65		3 REMARKS
		Cumulative Expenditures	Unliquidated Obligations	Obligations During FY	Total Available for Expenditures	Actual Expenditures During FY	Unliquidated end of year Obligations	Estimated Expenditures During FY	Unliquidated end of year Obligations	Estimated Expenditures During FY	Unliquidated end of year	
A. ALL PRIOR YEAR FUNDS	DL											1/ Includes IDB 1961 loans totalling \$1,550 to Financieras for industrial development; and similar IFC loans totalling \$4,000.
	DG	-	100	-	100	5	95	95	-			
	SA	111	50	-	50	12	38	38	-			
B. ACTUAL YEAR FUNDS	DL			36,000	36,000	6,700	29,300	25,500	3,800	3,800	-	2/ Includes IDB \$3,000 loan for PIF; and proposed \$15,000 loan for financieras from the IFC.
	DG			217	217	49	168	120	48	48	-	
	SA											
C. OPERATIONAL YEAR FUNDS	DL							43,000	23,000	20,000	8,000	Also addressed to Goal 1.
	DG							208	164	44		
	SA											
D. BUDGET YEAR FUNDS	DL									35,000	10,000	25,000
	DG									390	210	180
	SA											
E. TOTAL ALL FUNDS	DL	-	-	36,000	36,000	6,700	29,300	48,500	23,800	25,800	33,000	
	DG	-	100	217	317	54	263	379	92	302	180	
	SA	111	50	-	50	12	38	38	-	-	-	

AID FORM 10-120 (7-62)	DATE PREPARED Nov. 6, 1963	COOPERATING COUNTRY Colombia	UNCLASSIFIED	514-23-910-053	Financial Development
------------------------	-------------------------------	---------------------------------	--------------	----------------	-----------------------

1. The Activity Target

The main target of the program outlined under the Goal Plan is elimination of Colombia's current international trade imbalance and to accelerate its industrial development so that U. S. assistance may be discontinued at the earliest possible date-1970 or sooner.

Dollar credits to be provided to existing financial institutions for relending to private borrowers for developmental projects designed to increase exports, substitute imports, and contribute to general industrial growth should total approximately \$170. millions over a five-year period, and should generate sufficient peso financing to assure the success of the program.

Technical assistance will be given in the form of development grants to private sector institutions and the GOC to give guidance and orientation to export promotion and general industrial development efforts in order to insure the most productive use of dollar credits. Technical assistance will also provide the U. S. with the means of measuring and evaluating the year-to-year progress of Colombian programs, and of recommending modifications and/or innovations which should lead to a more expeditious attainment of goals.

2. The Course of Action

A. Development Loans

- a. Continuing support loans totalling \$60. million (\$30. million in FY-1964 and \$30. million in FY-1965) will be made to the Banco de la República (Central Bank) for relending to member banks through the Private Investment Fund to finance capital requirements of private developmental projects which will: (1) encourage production for export, (2) produce products to substitute for those presently being imported, (3) promote production designed to overcome key "bottlenecks" in the economy.

- b. Loans for \$5. million will be made both in FY-1964 and FY-1965 to the Banco Popular for relending on medium and long terms (3 to 10 years) to finance industrial development projects exclusively in the small and medium industrial sector.

- c. A loan totalling \$5. million will be made to the Caja de Crédito Agrario Industrial y Minero (Agricultural Bank) in FY-1964 for relending to finance the establishment in rural areas of processing or converting industries which meet development criteria.

- d. A loan of \$3. million be made in FY-1964 to a new private export development bank to provide financing for exports of Colombian products.

Total Loans FY-1964	\$43. million
Total Loans FY-1965	\$35. million

B. Development Grants

- a. A contract for the services of two technicians for two years each will be made with a qualified U.S. consulting firm to assist the CENTRO PRIVADO INTERAMERICANO DE COLOMBIA PARA EL DESARROLLO ECONOMICO (The Center) in the organization and operation of a program of export and investment promotion. D.G. Funding would amount to a total of \$159,000, \$132,000 of which would be pipeline funds available from FY-1963, and \$27,000 from FY-1964.

One technician should be designated to work in Colombia with the Center's personnel in Bogotá and other important industrial cities of the country to assist in developing programs and to train counterparts in export and investment promotion.

One technician would be stationed in the New York office of the Center to work with Colombian counterparts to assist them

AID FORM 10-120 (7-62)	DATE PREPARED Nov. 6, 1963	COOPERATING COUNTRY Colombia	UNCLASSIFIED	514-23-910-053	Financial Development	
------------------------	-------------------------------	---------------------------------	--------------	----------------	-----------------------	--

organizing and implementing programs of export and investment promotion in the U.S.

It is anticipated that at the end of the two-year contract, the Center will be able to carry on these activities without further AID assistance.

Estimated D.G. Funding FY-1964	27,000
Prior Year (FY-1963)	<u>132,000</u>
Total cost	\$159,000

Cooperating Country contribution is estimated at Ps. 1,000,000 or equivalent of \$100,000 U.S.

- b. A two year contract for one technician will be signed with a U.S. specialist in international marketing economics to provide assistance to Center personnel in Colombia in organizing and gathering commercial intelligence related to existing markets for exportable products. This work will be coordinated with the Center office in New York, with the GOC and its Consular service, integrated private export companies in Colombia such as Compañía Colombiana de Comercio Exterior, S.A. (COMEX) of Medellín, the Compañía Nacional de Exportación of Bogotá, and other export companies or industries seeking export markets.

No further assistance is anticipated for the Center in this area beyond a two-year period.

The estimated D.G. Funding (FY-1965) will amount to \$50,000. Cooperating Country contribution is estimated at Ps. 300,000 or \$30,000 U.S.

- c. A six month contract will be signed with a U.S. consultant who has broad experience in the exporting business to work with both the projected GOC Export Commission and the Center for the purpose of assisting them to set up an effective mechanism for prompt consideration of private sector recommendations concerning actions which the Government could take to facilitate the flow of Colombia's exports.

It is not contemplated that assistance of this type will be required beyond six months as scheduled.
Estimated D.G. Funding FY-1965 - \$15,000
Cooperating Country contribution is estimated at Ps. 50,000 or \$5,000 U.S.

- d. An interagency contract will be signed with the U. S. Bureau of Standards to obtain the services of a direct hire consultant for a six-month period to assist the newly organized private Colombian Standards Association (ICONTEC) in organizing technical committees and in setting up procedures for the committees to follow in reviewing and adopting product standards.

He will also counsel ICONTEC on proper procedures to follow with international standards bodies in order to have Colombian standards meet international standards requirements.

No further assistance for ICONTEC is envisaged beyond the six-month period.

The estimated D.G. Funding (FY-1965) will amount to \$15,000. The Cooperating Country Contribution is estimated at Ps. 50,000 or \$5,000 U.S.

- e. A contract will be signed with a U.S. consulting firm specialized in area industrial development for the services of one consultant to plan and conduct a short observation tour for a team of high-level representatives from principal industrial areas of the country to study typical small-scale area development programs in the U.S. and the program of the E.D.A. in Puerto Rico.

Upon their return to Colombia the members of the team will work in close collaboration with the national office of the Center and their own regional development centers to apply and adopt useful ideas and procedures for carrying out developmental programs.

AID FORM 10-120 (7-62)	DATE PREPARED Nov. 6, 1963	COOPERATING COUNTRY Colombia	UNCLASSIFIED	514-23-910-053	Financial Development
---------------------------------	-------------------------------	---------------------------------	--------------	----------------	-----------------------

Following the observation tour the same consulting firm will edit and publish a promotional brochure which presents the advantages of investing in Colombia to U.S. and other foreign investors. The brochure will be distributed by the contractor, the Center, and Colombian Consulates among potential investors in the U.S., Western Europe, Japan and in selected member countries of LAFTA.

The estimated time required for the contractor to complete this assignment is five months. No further assistance in this area is contemplated.

Estimated D.G. Funding FY-1964	\$25,000
Cooperating Country Contribution is estimated at	Ps.40,000 or \$4,000 U.S.

- f. A six month contract will be signed with two U. S. companies specialized in hand craft design production and merchandising for the services of five consultants. The purpose will be to stimulate rural industrial development, promote exports of Colombian hand crafts and relieve the growing population pressures on urban areas.

The two companies will work together as a team to inventory presently produced hand crafts, ship them to the U.S. for examination by potential buyers, recommend more acceptable designs of certain hand crafts where necessary and desirable, solicit and obtain orders from U.S. merchandising firms, assist hand craft producers to organize more efficient production facilities and methods, and help to organize producer cooperatives of feasible, and a central cooperative export marketing organization to assure better control of quality and uniformity of exported products.

This program will be carried out in close collaboration with the U.S. Peace Corps in Colombia and the Colombian Tourist Commission who would, subsequent to the termination of the

contractor's services, continue to work with the hand craft producers and the central marketing organization to assist them in improving their producing and expanding their export market.

The Agricultural Bank, the Banco Popular and at least one of the private development banks have indicated that they will give preferential consideration to loan applications for small capital, equipment and raw materials by hand craft producers to fill orders for their products beyond their present financial capacity.

It is not anticipated that further assistance of this type will be required beyond the term of the contract.

Estimated D.G. Funding FY-1964	33,000
Prior Year (FY-1963)	<u>17,000</u>
Total estimated	\$50,000

Cooperating Country Contribution is estimated at: Ps.150,000 or \$15,000 U.S.

- g. A U.S. consultant experienced in organization and management of cooperatives, will be contracted for a one-year period to follow up on the program of hand craft promotion to assist producers cooperatives, other organized producer groups and marketing cooperatives in establishing good management practices and procedures. For this phase of his assignment he would work in cooperation with the U.S. Peace Corps, the Colombian Association of Cooperatives and the Colombian Tourist Commission. The consultant in collaboration with the Colombian Association of Cooperatives, would also give technical assistance in Cooperative management to rural processing and converting cooperatives, and give guidance to those cooperatives requiring development loans from the Agricultural Bank in preparing loan applications.

AID FORM 10-120 (7-62)	DATE PREPARED Nov. 6, 1963	COOPERATING COUNTRY Colombia	UNCLASSIFIED	514-23-910-053	Financial Development
------------------------	-------------------------------	---------------------------------	--------------	----------------	-----------------------

No further assistance in this area would be required beyond the term of the contract.

Estimated D.G. Funding FY-1965 \$25,000
Cooperating Country contribution estimated at Ps.100,000 or \$10,000 U.S.

h. A two-year contract will be made with a U.S. management consulting organization or university for the services of three technicians who will perform the following services: (1) prepare course material and case studies and assist in selection of at least 25 Colombians (3 months); (2) test course material in a series of seminars organized by INCOLDA (4 months); (3) train the selected Colombians in management consulting in the fields of industrial organization, production management, marketing, finance and personnel administration through the cooperation of INCOLDA (9 months); (4) assist INCOLDA in establishing a management advisory service for small and medium enterprises and backstop the consulting activities of the Colombian trainees (8 months). This plan will operate in the six principal cities of Colombia where INCOLDA now has Chapters.

The management advisory service will cooperate with the Banco Popular, the private development banks, the Agricultural Bank and other private investment and lending institutions by providing management advisory service to applicants for development loans and borrowers at moderate fees to assure the most effective use of credits for expansion or new operations. At least one bank, the Banco Popular, has indicated that it will consider including this type of technical assistance as part of the total development credit it approves for a specific project. In addition the service will offer consulting and training assistance to small and medium enterprises who do not require development credit, but who need technical assistance to improve the efficiency of their management and operations.

At the completion of this two-year contract it is intended that no further assistance of this type will be required.

Estimated D.G. Funding FY-1964	\$50,000
" " " FY-1965	100,000
Total estimated cost	\$150,000

Cooperating Country contribution estimated at Ps.500,000 or \$50,000 U.S.

i. A two-year contract will be signed with a U.S. technician experienced in business organizations and economics to work with the management advisory service of INCOLDA to train counterparts to prepare specific investment project studies for small and medium industries.

This program will be coordinated with the investment promotion activities of the Center in that projects developed as the result of Center's contracts will be studied for feasibility by the Advisory service personnel.

It is not contemplated that any further assistance will be required in this area beyond the period of the contract.

Estimated D.G. Funding FY-1965 \$50,000
Cooperating Country contribution estimated at Ps.150,000 or \$15,000 U.S.

j. Participant Training (FY-1965 D.G. Funding)

- Participant training, short term 3 months each for 4 (participants) to attend conference, seminars, and training programs in the U.S. in the field of export marketing and export promotion. 4 at \$2500 \$ 10,000
- Training in the U.S. for two participants for one year each under the direction of U.S. Bureau of Standards on the subject of procedure for setting up product standards. Two participants employed by or cooperating with ICONTEC. 2 at \$5000 \$ 10,000
- Short observation and study tours (one month or less) for 4 representatives of the Center to visit and discuss programs and operations of typical small-scale area development centers in the U.S. 4 at \$1250 \$ 5,000

AID FORM 10-120 (7-62)	DATE PREPARED November 6, 1965	COOPERATING COUNTRY Colombia	UNCLASSIFIED	514-23-910-053	FINANCIAL DEVELOPMENT
------------------------	-----------------------------------	---------------------------------	--------------	----------------	-----------------------

- k. Commodities in support of activities described under the "Course of action" D.G. FY-1965 Funding \$ 5,000
- l. Other costs in support of activities described under the "Course of action" D.G. FY-1965 Funding \$40,000

*Note: \$30,000 - of "Other Costs" will be used as a contribution to the per diem costs of for 20 of the 20 participants who will be trained in Colombia under the program delineated in paragraph (h) of "Course of Action". It is estimated that country contribution will approximate Ps. 300,000 for participant per diem support above.

3. Resources Required

Resources required to accomplish activity targets are:

- 1) Development loans in amount of \$43 million in FY-1964 and \$35 million in FY-1965 for relending to private enterprise support of developmental projects, with special emphasis on export.
- 2) Development grants in the amount of \$390. - in FY-1965, \$208. - in FY-1964, and 149. - from prior years (\$17,000 from FY-1962 and \$132,000 from FY-1963) to provide the services of technicians and consultants to the GOC, the Center, the technical advisory services of INCOLDA, and ICONTEC in support of a program of export promotion and general industrial development.

It is estimated that \$170. million in DL will generate at least \$1.5 billion of peso financing.

Total DL requirements for Financial Developments are estimated at \$170. million from inception to completion of the project (\$36. million in FY-1963, \$43. million in FY-1964, \$35. million in FY-1965 and \$56. million during all subsequent years).

Total DG requirements for Financial Development are estimated at \$1,147,000. (\$17,000 from FY-1962, \$132,000 from FY-1963, \$208,000 from FY-1964, \$390,000 from FY-1965 and \$1,000,000 in all subsequent years. At the present level, it is believed D.G. support for this program could be phased out no later than FY-1968).

Total D.G. requirements of \$1,747,000 - should generate at least Ps. 10 million of Country Contributions.

The U.N. is supporting the Instituto de Investigaciones Tecnológicas through the Special Fund of the U.N.

The IBRD is supporting the Department of Valle Development Centers.

Conversations are under way with the Ford Foundation concerning possibility of Ford support in relation to technical assistance for the INCOLDA advisory service. This would release AID funding for support of other target activities connected with Financial Development.

Colombian private enterprise will bear almost the total share of the Country Contributions to D.G. activities.

In the event of a 25% reduction in available A.I.D. financing, the phasing of projected activities would be modified, and parts of an activity would be scheduled for the following FY, as was done in the case of the activity to develop advisory services. This would not eliminate the activity, but merely retard its implementation.

4. Progress to Date

Although INCOLDA was given definitive assistance under prior year activities, already terminated. The fact remains that it stands today as possibly the outstanding management society in Latin America, representing the principal industrial and commercial areas of Colombia, and having trained, to date, over 20,000 top and middle

AID FORM 10-120 (7-62)	DATE PREPARED November 6, 1963	COOPERATING COUNTRY Colombia	UNCLASSIFIED	514-23-910-053	FINANCIAL DEVELOPMENT	
------------------------	-----------------------------------	---------------------------------	--------------	----------------	-----------------------	--

managers and supervisory trained in the several areas of business management.

This vital and dynamic organization, supported exclusively by the private sector will contribute importantly to the success of the Financial Management program in providing advisory services and cooperate with the Center and development credit institutions to assisting in the preparation of viable developmental investment projects.

The Private Investment Fund is progressing quite well in that over Ps.150 million in applications for development loans for export producing or import substitution projects have been approved in less than six months of effective operation.

The Mineral Resources Survey loan of \$2. million which was reserved under FY-1963 was approved by AID/W in late June 1963 and signed by the U.S. and the GOC in September of this year. Preliminary work has now been completed in preparation for initiating actual survey operations early in 1964. It is now estimated that the \$2. million loan will generate \$26 million in peso financing.

The results of this Survey will play an important role in the future development of Colombia's mineral resources, and hence in its economic development. It is expected to generate development projects in mining and converting with both national and foreign capital.

The Feasibility Study Loan has been completed, and the GOC is making a comprehensive survey of the studies which will contribute most effectively to economic development. The Feasibility Studies Loan totalled \$4.0 million and was approved in June 1963.

5. "Funding Requirements"

	FY-64	FY-65
<u>Development Loans</u>	43,000,000	35,000,000
a) <u>Staff</u>		
3-Direct Hire Technicians	62,000	65,000
1. Urban and Industrial Development Officer (Coordinating and setting policy for Industry, Housing and Civil Aviation Branches of the Mission).		
1. Industry Officer to assist U.I.D. office and work directly with the Center, INCOLDA, credit institutions in guiding and controlling progress of activity.		
1. Industry Advisor to assist U.I.D. officer and Industry Officer and to work with Center to promote regional industrial development activities.		
1-Direct Hire Consultant -6 months U.S. Bureau of Standards Specialists		15,000
b) <u>Commodities</u>	5,000	5,000
c) <u>Contracting Services</u>		
1. Contract - 2 technicians for 2 years re-export and investment promotion 132,000 FY/63 pipeline funds	27,000	
2. 2 year contract for international marketing contract FY-65 and FY-66		50,000

AID FORM 10-120 (7-62)	DATE PREPARED November 6, 1963	COOPERATING COUNTRY Colombia	UNCLASSIFIED	514-23-910-053	FINANCIAL DEVELOPMENT	
---------------------------------	-----------------------------------	---------------------------------	--------------	----------------	-----------------------	--

	FY-64	FY-65
3. Contract Consultant - Export Commission - 6 months		15,000
4. Contract re-industrial promotion centers	25,000	
5. 2 Rural Industry Contracts FY/63 pipeline 17,000	33,000	
6. Cooperative Consultant re-rural industry		25,000
7. 2 year contract re-management consultant training	50,000	100,000
8. Contract Specific Studies		50,000
d) <u>Training</u>		
10 participants		25,000
e) <u>Other Costs</u>		
Secretarial, training, etc.		10,000
Contribution to In-Country training for 20 1st. country participants		30,000
TOTAL DG-	\$208,000	\$390,000

AID FORM 10 - 120 (7-62)	DATE PREPARED 10 NOVEMBER 63	COOPERATING COUNTRY COLOMBIA	SECURITY CLASSIFICATION UNCLASSIFIED	GOAL 6	IMPROVED PLANNING, PROJECT PREPARATION AND PROJECT IMPLEMENTATION	
<p>A. <u>Statement of the Goal</u></p> <p>Improved public administration, as reflected in better planning, project preparation and implementation with emphasis on the development of agreed priorities between the GOC, the U.S. and other external assistance donors and the strengthening of the relationship between planning and operations, is widely recognized as a basic need for Colombian social and economic development. Growing official and public awareness of this problem has focused the attention of high GOC officials on the need for corrective measures and created an atmosphere conducive to effective utilization of technical assistance (T/A) such as that herein proposed.</p> <p>Since the USAID cannot become involved in improving the planning and implementing processes of the many GOC agencies administering external aid program activities, the USAID's emphasis on improved planning and implementing procedures and practices is being directed primarily to the GOC's central planning and coordinating agency, the <u>Departamento Administrativo de Planeación y Servicios Técnicos (Planeación)</u>. However, in virtually every case, U.S. loans and grants are intended to have important institution-building effects and the grants for the purposes of strengthening the planning processes in the Ministries of Education and Agriculture and in the Association of Colombian Universities have direct relationships to Goal #6.</p> <p>In contrast to planning agencies in some other countries, Colombian planning officials recognize the danger of excessive preoccupation with endless refinement of the national development plan at the expense of those implementing actions upon which the success of the country's development actually depends, i.e., rapid and thorough preparation of project proposals, vigorous project execution, and close attention to Ministerial operations. The National Development Plan now needs revision, and revision is planned with the help of the Harvard Advisory Group in due course; but it will not for the present be given priority over project development and implementation.</p> <p>In the above context, the USAID will focus efforts upon four areas: namely, (1) better and more generally agreed definition of priorities; (2) improved coordination both between USAID and the GOC and generally within the Consultative Group; (3) better and more expeditious preparation of project proposals and loan applications - both at the <u>Planeación</u> and administrative agency levels; and (4) measures to assure rapid and efficient project carry-through, as defined below.</p> <p>B. <u>Goal Plan Analysis and Schedule</u></p> <p>To accomplish this goal, <u>Planeación</u> must be greatly strengthened, both internally (in terms of staffing, and institutional stature and capability) and externally (in terms of its authority and influence upon other GOC administrative agencies).</p> <p>The USAID has already concerted several measures to strengthen <u>Planeación</u>. As a result of USAID initiative, the services of a Harvard Advisory Group (HAG) have been obtained and are being utilized with increasing effect by <u>Planeación</u>. In close collaboration with USAID staff, HAG advisors are helping <u>Planeación</u> concentrate on improved project preparation, as an initial high-priority target.</p> <p>In an effort to rationalize and improve planning and programming processes, and further to strengthen <u>Planeación</u>'s authority within the GOC, a jointly organized GOC/USAID approach to the programming of AID resources has now been instituted - a procedure warmly welcomed by <u>Planeación</u>. Joint programming</p>						
			SECURITY CLASSIFICATION UNCLASSIFIED			PAGE 224

AID FORM 10-120 (7-62)	DATE PREPARED 10 NOVEMBER 63	COOPERATING COUNTRY COLOMBIA	UNCLASSIFIED	GOAL 6	IMPROVED PLANNING, PROJECT PREPARATION AND PROJECT IMPLEMENTATION	
------------------------	---------------------------------	---------------------------------	--------------	--------	---	--

exercises are conducted at Planeación, with representation from all GOC agencies affected (with, however, final decisions resting on Planeación and the USAID). This bilateral approach to AID programming is in keeping with the terms of the GOC/US bilateral agreement; it assures Planeación's detailed knowledge, from the outset, of the purposes and composition of all AID grant and loan activities; it will greatly expedite the DG/SA and DL documentation/obligation-of-funds processes (since, in future, the Director of Planeación will sign all project agreements on behalf of the GOC); it will facilitate closer coordination of GOC/USAID planning and programming; and better enable the GOC to fit U.S. aid into national development priorities, as well as into the overall external aid context in Colombia. Of equal importance, this unified planning/programming procedure will permit joint surveillance of project implementation and place the USAID in a position to bring promptly to Planeación's attention any administrative lapses or obstacles impeding rapid project execution.

Total foreign assistance is provided to Colombia within the framework of the Consultative Group led by the IBRD. USAID representatives meet periodically with the Chief of Planeación and the Resident Representative of the IBRD to discuss Consultative Group matters. Two things need to be done to strengthen the Consultative Group process: (1) achieve general agreement on priorities in order that in the future financing may respond less to simple project readiness and more to priority needs; and (2) improve the means of contact with other assistance sources.

The LAS will be a constructive step toward achievement of agreed priorities. Its finalization within the U.S. Government should be followed up by discussion of priorities with Planeación, the IBRD and other members of

the Consultative Group in the attempt to achieve broader agreement on priorities.

The GOC has asked the IBRD to take steps to strengthen the Consultative Group process. The IBRD is now considering means of doing this. One staff suggestion has been the making available of technicians for project evaluation. More systematized contacts with other governments and other international financing agencies would also be useful. The assignment of a permanent representative of the IDB to Colombia would be helpful in this connection, as would the strengthening of Colombian representation in Europe and Japan.

It is in the United States' interest to identify alternative sources of financing wherever possible. The prospects for this are particularly good in Colombia, where other sources are more intensely interested than in many countries. Thus the strengthening of the Consultative Group and joint programming processes assume especial importance.

To assist Planeación in coping with the project preparation bottleneck, the USAID has provided for two technicians through Activity 514-R-79-AA, Planning Assistance (FY-1963), with particular reference to expediting applications under the \$4.0 million loan for feasibility studies; moreover, the USAID is prepared to program additional T/A for Planeación as needs arise. The loan for feasibility studies is itself directed toward this end and should be followed up by an additional loan for the same purpose when needed, which probably will be before the end of calendar 1964.

Another important innovation is Planeación's establishment of a comprehensive reference facility embracing all previous surveys, analyses and T/A reports; an invaluable medium for orienting both Colombian and foreign technicians on previous

AID FORM 10-120 (7-62)	DATE PREPARED 10 NOVEMBER 63	COOPERATING COUNTRY COLOMBIA	UNCLASSIFIED	GOAL 6	IMPROVED PLANNING, PROJECT PREPARATION AND PROJECT IMPLEMENTATION	
---------------------------------	---------------------------------	---------------------------------	--------------	--------	--	--

activities in their specialized fields, thereby preventing repetitive (costly and time-consuming) surveys and analyses, and apprising such technicians of identified problems with which they (the technicians) will be confronted, as well as progress and other developments to date.

As stated elsewhere in the IAS draft paper (p.116): Planeación desires to promote policies designed to loosen many of the governmental controls now hampering certain lines of activity in the economy. To further this policy, Planeación and the Ministry of Finance are believed to be interested in curtailing administrative red tape and restrictive regulations, to encourage productive enterprise, and to inhibit unproductive and speculative activities; moreover, Planeación will be prepared to provide T/A to the private sector for purposes of preparing project proposals (whether or not such proposals require external aid).

With Planeación's growing authority and leverage, there is reason to hope that it will be able effectively to assist the ministries in bringing about the functional reorganization necessary for efficient planning, project preparation and implementation. The requisite legislative basis already exists for carrying out these measures. Closer scrutiny of ministry operations by Planeación, as now authorized, should result in fuller compliance with the provisions of the civil service reform legislation and implementing decrees, thereby enhancing the quality of GOC administrative performance. Specific measures for improving such administrative performance include (a) creation (for strengthening) of planning offices within the ministries - as provided by law - and state governments; (b) closer coordination between Planeación and the ministry/state government planning offices; (c) better staff work and liaison within the ministries, which will entail effective functioning by the

Ministerial Evaluating and Coordinating Entities established under the reorganization decrees; (d) critical scrutiny of GOC administrative methods, procedures and practices - with special attention to the unwieldy pre-audit system presently used, which causes delays in contracting, procurement and payment, is costly and leads to public criticism; (e) coordination between Planeación, the Civil Service Administration and the School of Public Administration (a GOC institution) to secure enforcement of the personnel policies established under existing civil service law - particularly, those regulations requiring the training, classification and rating of civil servants; and (f) increase of civil service pay scales as GOC revenues increase, to attract and retain able civil servants.

Other activities currently under way or in mind directed toward improved public administration are USAID's tax administration and land tax projects, the joint OAS-IID-ECLA tax study, the Ford Foundation's support of the Public Administration Institute, the national census scheduled for 1964 with partial funding from PL-480 funds, and the Harvard Advisory Group's interest in assisting toward better fiscal accounting.

C. Goal Plan Summary

The need for improving planning, project preparation and implementation processes is recognized by the GOC, and, as reported above, important corrective measures are now in effect, with others under advisement. As will have been noted from the foregoing discussion: there is much the GOC and the USAID can do and, in fact, are doing in these important areas, without expenditure of AID funds.

AID FORM 10-109 (7-62)	DATE PREPARED 10 NOV. 63	COOPERATING COUNTRY COLOMBIA	SECURITY CLASSIFICATION UNCLASSIFIED	CODE	TITLE NON-GOAL TOTAL 1/	E-1
------------------------	-----------------------------	---------------------------------	---	------	----------------------------	-----

I. Year of Obligation, Authorization or Contribution Began FY End FY	A. AID Dollar Grant Obligations (\$1,000), Loan Authorizations (\$1,000) and Numbers of People										B. Other Contributions (\$1,000 equivalent)					
	Function of Funds	TOTAL \$	U.S. Technicians		PARTICIPANTS			Contract Services		Commodities	Other Costs including Service Contribution	PL 480 Commodities		U.S. Owned or Controlled	Cooperating Country Financing	Other External Financing
			\$	No.	\$	Non-Contract U.S.	3rd C.	Contract	\$			No.	Title			
A. Cumulative through the Actual Year	DL	90,000										I & IV	U.S. Owned			
	DG	914	371		8					12	523	201 & III	Counterpart			
	SA											Sec. 202	PL 480			
B. Net During Actual FY 63	DL	60,000										I & IV	U.S. Owned			
	DG	560	246	16							314	201 & III	Counterpart			
	SA											Sec. 202	PL 480			
C. During Operational FY 64	DL											I & IV	U.S. Owned			
	DG	682	309	21						52	321	201 & III	Counterpart			
	SA											Sec. 202	PL 480			
D. During Budget FY 65	DL											I & IV	U.S. Owned			
	DG	745	325	21						72	348	201 & III	Counterpart			
	SA											Sec. 202	PL 480			
E. During All Subsequent FYs	DL											I & IV				
	DG	3,100										201 & III				
	SA											Sec. 202				
F. Total All Years	DL	90,000										I & IV				
	DG	5,441										201 & III				
	SA											Sec. 202				

2 Dollar Obligation and Expenditure	Function of Funds	ALL PRIOR		ACTUAL FY 63				OPERATIONAL FY 64			BUDGET FY 65		3 REMARKS
		Cumulative Expenditures	Unliquidated Obligations	Obligations During FY	Total Available for Expenditures	Actual Expenditures During FY	Unliquidated end of year Obligations	Estimated Expenditures During FY	Unliquidated end of year Obligations	Estimated Expenditures During FY	Unliquidated end of year		
A. ALL PRIOR YEAR FUNDS	DL	30,000	-										1/ Includes FY 62 and FY 63 DL Program Loans.
	DG	309	49	(4)	45	38	7		7	-			
	SA												
B. ACTUAL YEAR FUNDS	DL			60,000	60,000	22,000	38,000		38,000	-			
	DG			560	560	402	158		158	-			
	SA												
C. OPERATIONAL YEAR FUNDS	DL												
	DG							682	530	152		152	
	SA											-	
D. BUDGET YEAR FUNDS	DL												
	DG										745	610	
	SA											135	
E. TOTAL ALL FUNDS	DL	30,000	-	60,000	60,000	22,000	38,000		38,000	-		-	
	DG	309	49	556	605	440	165		695	152		762	
	SA											135	

Goal Code or Activity Code	Title of Goal or Activity	\$ 1,000 Obligations	Cumulative Through Actual Year	Actual Year FY 63	Operational Year FY 64	Budget FY 65	Budget +1 FY 66	Budget +2 FY 67	Budget +3 FY 68	Budget +4 FY 69	All Subsequent Years	Total All Years
514-15-990-000	Technical Support	DL										
		DG	914	560	632	695	600	700	700	500	500	5,241
		SA										
		480										
		L/C										
		Coop. C.										
514-15-990-092	Spec. Develop. Activities	DL										
		DG			50	50	50	50				200
		SA										
		480										
		L/C										
		Coop. C.										
	Total Non-Goal	DL										
		DG	914	560	682	745	650	750	700	500	500	5,441
		SA										
		480										
		L/C										
		Coop. C.										
		DL										
		DG										
		SA										
		480										
		L/C										
		Coop. C.										
		DL										
		DG										
		SA										
		480										
		L/C										
		Coop. C.										

SECURITY CLASSIFICATION

UNCLASSIFIED

AID FORM 10-109 (7-62)	DATE PREPARED 10 NOV. 63	COOPERATING COUNTRY COLOMBIA	SECURITY CLASSIFICATION UNCLASSIFIED	CODE 514-15-990-000	TITLE TECHNICAL SUPPORT	E-1
------------------------	-----------------------------	---------------------------------	---	------------------------	----------------------------	-----

1. Year of Obligation, Authorization or Contribution Began FY End FY	Function of Funds	A. AID Dollar Grant Obligations (\$1,000), Loan Authorizations (\$1,000) and Numbers of People										B. Other Contributions (\$1,000 equivalent)						
		TOTAL \$	U.S. Technicians		PARTICIPANTS			Contract Services		Commodities	Other Costs including Service Contribution	PL 480 Commodities		U.S. Owned or Controlled Local Currency	Cooperating Country Financing	Other External Financing		
			\$	No.	\$	Non-Contract		Contract	\$			No.	Title				Sales & Grants	Type
						U.S.	3rd C.											
A. Cumulative through the Actual Year	DL DG SA	914	371		8	0	0			12	523	I & IV 201 & III Sec. 202	U.S. Owned Counterpart PL 480					
B. Net During Actual FY 1963	DL DG SA	560	246	16		0	0	0			314	I & IV 201 & III Sec. 202	U.S. Owned Counterpart PL 480					
C. During Operational FY 1964	DL DG SA	632	309	21						52	271	I & IV 201 & III Sec. 202	U.S. Owned Counterpart PL 480					
D. During Budget FY 1965	DL DG SA	695	325	21						72	298	I & IV 201 & III Sec. 202	U.S. Owned Counterpart PL 480					
E. During All Subsequent FYs	DL DG SA	3,000											I & IV 201 & III Sec. 202					
F. Total All Years	DL DG SA	5,241											I & IV 201 & III Sec. 202					

2. Dollar Obligation and Expenditure	Function of Funds	ALL PRIOR		ACTUAL FY 1963				OPERATIONAL FY 1964			BUDGET FY 1965		3. REMARKS
		Cumulative Expenditures	Unliquidated Obligations	Obligations During FY	Total Available for Expenditures	Actual Expenditures During FY	Unliquidated end of year	Estimated Expenditures During FY	Unliquidated end of year	Estimated Expenditures During FY	Unliquidated end of year		
												Obligations	
A. ALL PRIOR YEAR FUNDS	DL DG SA	309	49	(4)	45	38	7	7	0				
B. ACTUAL YEAR FUNDS	DL DG SA			560	560	402	158	158	0				
C. OPERATIONAL YEAR FUNDS	DL DG SA						632	480	152	152	0		
D. BUDGET YEAR FUNDS	DL DG SA								695	560	135		
E. TOTAL ALL FUNDS	DL DG SA	309	49	556	605	440	165	645	152	712	135		

AID FORM 10-120 (7-62)	DATE PREPARED 4 Nov. 1963	COOPERATING COUNTRY Colombia	UNCLASSIFIED	514-15-990-000	Technical Support	
------------------------	------------------------------	---------------------------------	--------------	----------------	-------------------	--

1. Activity Target

The objective is the provision of service, support, and administrative management required on general level for overall program activity.

Technical support provides funding for those facets of program activity which are general in nature and cannot be properly allocated to any particular project.

It relates primarily to certain types of personnel and the support functions on services that they perform - some being program/administrative people; ie: Training Officer, Supply Advisor, Field Support Officer, Asst. Program Officers, Operations, etc. - others, are supervisory officers, concerned with a primary section activity but responsible for the accomplishment of widely divergent objectives within the general sectors; ie: Development Officer, Rural; Asst. Development Officer, Rural; Development Officer, Human Resources, etc.

The administration of the participant training program is an additional service factor supported by these funds involving substantial costs. This is concerned with the selection, orientation and assignment for training of an increasing number of Colombians to meet the requirement for increased staffs to assume up-graded responsibility in the GOC programs concerned with rural and urban development in primary, secondary and higher education, in public health, public safety as well as tax administration projects.

Further, funds are required to defray service costs: rent, communications, utilities, printing and reproduction, supplies materials and equipment, etc.

2. Funding Requirements

The required contribution of the U.S. to fund program support and service costs amounts to:

A - Staff Requirements - U.S. Technicians - (21)

<u>Position Title</u>	<u>Number</u>	<u>Grade</u>	<u>FY 64</u>	<u>FY 65</u>
<u>Executive Office</u>				
1. Supply Advisor	160	FSR-04	15,000	15,000
2. Field, Supply Off.	203	FSR-04	18,000	15,000
<u>Human Res. Div.</u>				
3. Development Off.				
Human Resources	192	FSR-03	20,000	20,000
4. Educ. Advisor	193	FSR-03	20,000	20,000
5. Pub. Health Adv.	197	FSR-03	20,000	20,000
<u>Office of Chief Engineer</u>				
6. Chief Engineer	174	FSR-02	15,000	20,000
<u>Office of Dev. Planning</u>				
7. Asst. Prog. Officer	179	FSR-03	20,000	20,000
8. Asst. Prog. Off. Oprs	185	FSR-04	15,000	15,000
9. Asst. Prog. Off. Oprs	187	FSR-04	20,000	20,000
10. Program Asst.	172	FSR-08	10,000	10,000
11. Economic Advisor	201	FSR-03	10,000	10,000
12. Capital Dev. Off.	177	FSR-03	20,000	20,000
13. Food for Peace Off.	206	FSR-04	15,000	20,000
14. Training Officer	006	FSR-04	15,000	20,000
15. Prog. Doc. Clerk	186	FSS-08	5,000	5,000
16. Secretary	178	FSS-09	7,000	7,000
17. Secretary	202		7,000	7,000
18. Secretary	146	FSS-08	5,000	5,000
<u>Rural Dev. Credit Div.</u>				
19. Dev. Officer	190	FSR-02	20,000	20,000
20. Asst. Dev. Off. Rural	208	FSR-03	20,000	20,000
<u>Additional Position Proposed</u>				
21. Asst. Dev. Loan Off.		FSR-5	12,000	16,000

AID FORM 10-120 (7-62)	DATE PREPARED 4. Nov. 1963	COOPERATING COUNTRY Colombia	UNCLASSIFIED	514-15-990-000	Technical Support
---------------------------------	-------------------------------	---------------------------------	--------------	----------------	-------------------

Staff Requirements - U.S. Technicians - (21)

<u>Position Title</u>	<u>Number</u>	<u>Grade</u>	<u>FY 64</u>	<u>FY 65</u>
XX	XX	XX		
Totals - Brought Forward			309,000	325,000

B. Supplies and Equipment

a) Household furniture			20,000	30,000
b) Office Equipment			10,000	9,000
c) Repairs, maintenance, storage, general services			15,000	20,000
d) Automobile replacement			7,000	13,000

C. Other Costs

a) The USAID requires the services of 74 non-U.S. citizens to satisfactorily meet the essential requirements of the program activity support function. An average increase of 10% in local employee compensation has been approved by the Department of State effective January 5, 1964. This has been included here.			246,000	250,000
b) Other general costs: operation and repair of program vehicles, pro rata share of rents, communications, utilities, and miscellaneous expenses			25,000	48,000

TOTAL			632,000	695,000
-------	--	--	---------	---------

AID FORM 10-109 (7-62)	DATE PREPARED 10 NOV. 63	COOPERATING COUNTRY COLOMBIA	SECURITY CLASSIFICATION UNCLASSIFIED	CODE 514-15-990-092	TITLE SPEC. DEVELOP. ACTIVITIES	E-1
------------------------	-----------------------------	---------------------------------	---	------------------------	------------------------------------	-----

1 Year of Obligation, Authorization or Contribution Began FY 1964 End FY 1967	Function of Funds	A. AID Dollar Grant Obligations (\$1,000), Loan Authorizations (\$1,000) and Numbers of People										B. Other Contributions (\$1,000 equivalent)					
		TOTAL \$	U.S. Technicians		PARTICIPANTS			Contract Services		Commodities	Other Costs including Service Contribution	PL 480 Commodities		U.S. Owned or Controlled		Cooperating Country Financing	Other External Financing
			\$	No.	\$	Non-Contract U.S.	3rd C.	Contract	\$			No.	Title	Sales & Grants	Type		
A. Cumulative through the Actual Year	DL											I & IV		U.S. Owned			
	DG											201 & III		Counterpart			
	SA											Sec. 202		PL 480			
B. Net During Actual FY 1963	DL											I & IV		U.S. Owned			
	DG											201 & III		Counterpart			
	SA											Sec. 202		PL 480			
C. During Operational FY 1964	DL											I & IV		U.S. Owned			
	DG	50									50	201 & III		Counterpart		2/	
	SA											Sec. 202		PL 480			
D. During Budget FY 1965	DL											I & IV		U.S. Owned			
	DG	50									50	201 & III		Counterpart			
	SA											Sec. 202		PL 480			
E. During All Subsequent FYs	DL											I & IV					
	DG	100										201 & III					
	SA											Sec. 202					
F. Total All Years	DL											I & IV					
	DG	200										201 & III					
	SA											Sec. 202					

2 Dollar Obligation and Expenditure	Function of Funds	ALL PRIOR		ACTUAL FY 1963				OPERATIONAL FY 1964		BUDGET FY 1965		3 REMARKS
		Cumulative Expenditures	Unliquidated Obligations	Obligations During FY	Total Available for Expenditures	Actual Expenditures During FY	Unliquidated end of year Obligations	Estimated Expenditures During FY	Unliquidated end of year Obligations	Estimated Expenditures During FY	Unliquidated end of year	
A. ALL PRIOR YEAR FUNDS	DL											1/ FY 1964 total program does not include this item which was authorized after budget issuance. 2/ It is impossible to estimate other contributions at this time.
	DG											
	SA											
B. ACTUAL YEAR FUNDS	DL											
	DG											
	SA											
C. OPERATIONAL YEAR FUNDS	DL											
	DG						50	50	-			
	SA											
D. BUDGET YEAR FUNDS	DL											
	DG									50	-	
	SA											
E. TOTAL ALL FUNDS	DL											
	DG							50	-	50	-	
	SA											

AID FORM 10-120 (7-62)	DATE PREPARED 10 NOV. 63	COOPERATING COUNTRY COLOMBIA	UNCLASSIFIED	514-15-990-092	SPEC. DEVELOP. ACTIVITIES	
------------------------	--------------------------	------------------------------	--------------	----------------	---------------------------	--

1. The Activity Target

This activity proposes the provision of funds to finance small but important projects having a constructive economic and social impact on specific Colombian communities and/or organizations. This activity will also contribute to the public awareness and support of the Alliance for Progress in Colombia.

In many instances, Colombian communities and entities attempt to improve socio-economic conditions through community action and self-help measures but, because of the lack of a small amount of financial or material resources, they are unable to purchase small commodity items or obtain services critically needed to accomplish their objectives.

Accordingly, even though many of these organizations are outside the realm of project agreement assistance sponsored by the GOC, USAID, or other entities, they have still approached the USAID for assistance and self-help efforts. They recognize that the Alliance for Progress is a program in which assistance is rendered to those who help themselves.

Definite objectives for individual segments of this activity cannot be foreseen. However, the overall benefits from a relatively small contribution should quickly prove the worthwhile character of the activity. It is expected that the activity should continue to FY 1968.

2. The Course of Action

The funds under this activity will be used by the Ambassador and the Director of USAID/Colombia to finance worthy projects having a definite, beneficial effect on the socio-economic development of Colombia.

It is intended to provide such entities as village or urban "Juntas" (councils), municipalities, departmental (state) agencies, schools, cooperatives, health institutions, voluntary agencies and similar organizations with economic assistance devised to continue either stalemated project or projects requiring some small initial amount of assistance to become self-motivating through local self-help efforts, especially when primary needs of most of these projects are satisfied by local labor.

Requests will be evaluated by the USAID, with the cooperation of the National Planning Department (Planeación), and their eligibility will be determined on the basis of the following criteria:

- a. That the assistance materially helps the recipient organization in a self-help effort to achieve a particular project objective furthering their socio-economic development.
- b. That the assistance generates public awareness of and support for the advancement of the Alliance for Progress.

The USAID systematically analyzes requests plus the types and costs of materials and/or staff necessary to achieve the project objectives stated in each request for assistance. Action on each individual request is then taken by the Director of USAID/Colombia.

3. Resources Required

Resources required will amount to US\$50,000 for at least each of the next two fiscal years, starting with FY-1964; thus totalling US\$100,000 by the end of FY-1965. Similar projects falling under this activity are funded daily by the GOC, especially in its Ministry of Government, the Division of Acción Comunal. The Peace Corps, the Ministries of Education and Public Health,

AID FORM 10-120 (7-62)	DATE PREPARED 10 NOV. 63	COOPERATING COUNTRY COLOMBIA	UNCLASSIFIED	514-15-990-092	SPEC. DEVELOP. ACTIVITIES	
---------------------------------	-----------------------------	---------------------------------	--------------	----------------	---------------------------	--

and private entities also are active in achieving the objectives of this activity. Nevertheless, the USAID attaches high priority to the need to activate itself along these lines. Though much is being done indirectly to promote the activity target through the USAID's varied project agreements, the USAID requires specific funds under this activity to meet emergency or critical needs, either unable to be immediately acted upon, or ineligible to receive assistance through normal, procedural channels or from regular financing entities.

With regard to AID and other U.S. contributions under this activity, no quantification of the type or number of technicians, contract personnel, magnitude of commodities or local currency financing can be made. Funds made available under this activity may be used for local purchases, local contract services, commodities and other costs as required by this project. U.S. Government excess properties and U.S. open market supplies may also be utilized in carrying out this activity.

4. Progress to Date

To date, numerous requests have been received from various organizations and communities for assistance in self-help measures leading to socio-economic development. The USAID arranged to have a good number of these requests favorably acted upon by other financing entities, such as by the Division of Acción Comunal, the División of School Construction of the Ministry of Education, the Colombian Housing Agency (ICT), the Peace Corps, CARE, etc.

5. Funding Requirements

USAID contributions for FY 1964 are proposed for US\$50,000. These funds will be utilized for "Other Costs"

but small amounts of the US\$50,000 may be utilized at the USAID/Director's discretion, in accordance with U.S. Government restrictions for obligating these funds.

The USAID contribution of \$50,000 for FY 1965 also is proposed for and will be utilized in the same manner as those funds programmed for FY 1964.

The GOC contributions toward this activity obviously cannot be calculated. They are manifold both in the amount of personnel involved and money expended.

Many sources contribute to this project: communities; private and public agencies or institutions; municipal and departmental government ("juntas"); etc. Their contributions are varied and may be in the form of labor, building materials, administration, limited equipment and funds. Itemized funding requirements cannot be specified here for fiscal years 1964 and 1965, with the exception of the overall total of US\$50,000 each year to be utilized by the USAID/Director in accordance with his analysis and instructions concerning each project under consideration.

AID FORM 10-120 (7-62)	DATE PREPARED Nov.6, 1963	COOPERATING COUNTRY Colombia	UNCLASSIFIED	P.L. 480 - Food for Peace	E-1
------------------------	------------------------------	---------------------------------	--------------	---------------------------	-----

1. Activity Targets

The targets of this activity are manifold since local currency loans, commodity grants, food for work and market development are involved. From a large disposal program of our agricultural surplus abundance, Food for Peace has become a resource for our foreign aid programs. The targets are therefore encompassed in the program of other divisions of the AID Mission - Rural Development, Urban and Industrial Development, etc., making use of the local currency generated by the sale of U.S. surplus commodities.

In the case of commodity grants under Title II and Title III, the targets of Food for Peace are 1) to relieve from hunger needy children and adults in the lower social and economic strata of the country by donating, through the voluntary and other agencies, surplus commodities which, if held in storage in the United States, increase the burden on the taxpayers, and 2) to accustom these needy people to decent food, bread, milk, vitamin rich oils, etc. in the expectation that when their economic condition improves, once the Alliance's efforts begin to bear fruit, they will become buyers of these foods imported from the United States, thereby improving trade through commercial channels and through Food for Peace sales in the future. These donation programs, therefore, should be considered as a market development avenue. Another indirect but tangible target of the Food for Peace donation is the improved nutrition of infants and children, the workers of the future. Better health and a credit on life will result in higher future productivity.

While it was mentioned above that the targets of the loan activity would be described in greater detail in the program presentation of the Urban and Rural Development Divisions, a broad outline of these targets is given here:

1) The goal of the program of local currency loans 104(g) and Title IV is to increase productivity in the lagging agricultural sector, especially in the neglected field of export crops: cacao, rubber, essential oils (aromatics), jute or Kenaf fiber and tropical fruits. Cacao and rubber are now imported but could be produced locally, thereby

saving foreign exchange for purchase from the U.S. of more agricultural commodities such as wheat which is in extreme shortage now. The forecast for the future is a considerable increase in imports because wheat growers are now in the process of shifting to more profitable barley crops, and will not be able to produce even one-third of the country's requirements in future years, taking into account the increase in population and the increased demand for this commodity by the growing number of workers in the industrial sector. Savings of foreign exchange and additional generation of foreign exchange through exports will be achieved, thus creating a more favorable economic climate. In addition, investment in grain storing facilities (silos), bulk off-loading and transportation facilities for grain will result in savings of approximately ten dollars per ton of grain imported to Colombia. The waste due to climatic conditions and rodent damage will be minimized (it is now estimated at 12%), thus saving local currency costs, and making more and cheaper food available to the public. Agricultural productivity will also be increased by the construction of farm-to-market roads in farming areas, especially in the agrarian reform settlements where Title II food for work will supplement the Title I and contribute to building and maintaining more and better roads.

2) The goal of the local currency loan program 104(e) and Title IV is to increase the manufacturing capability of industries utilizing agricultural products for local consumption and for export. To provide cheap housing for the workers of these industries in the urban areas (at the same time eradicating slums), and also in the rural areas, where again a Title II food for work will supplement the capital available and more units can be built with the same capital and cheaper houses will be available to the workers since part of the labor input will be paid wages in food. Some of these goals cannot be reached immediately, but the proceeds from the Title IV sales agreement are programmed for FY-1964 for utilization in the building of silos, reclamation of fertile land, construction of low cost housing and eradication of slums, a census of national resources, a veterinary school, a reform school, and various other minor projects. Again, since the targets of the Food for Peace loans program are encompassed in the programs of other AID divisions, the details on when, how, why will be found in the presentation of programs by these divisions. The U.S. interest in

AID FORM 10-120 (7-62)	DATE PREPARED Nov. 6, 1963	COOPERATING COUNTRY Colombia	UNCLASSIFIED	P.L. 480 - Food for Peace	E-1
------------------------	-------------------------------	---------------------------------	--------------	---------------------------	-----

this activity is clear. While surpluses can be used constructively as pointed out above and credit is given on life to people who will be needed for greater productivity in the future, greater markets will be open for U.S. surplus agricultural commodities and manufactured goods, and a two-way highway of trade will automatically contribute to hemispheric security because the western powers will project the true image of a wealthy west against a hungry east. Therefore, in the conflict of ideology the pendulum is likely to swing in our favor.

Food for Peace has also provided local currency for "US use" and the goals of this subactivity are to enable the USG to meet local currency costs (Embassy, USIS, Treasury, and Defense), and to increase the consumption of U.S. imported agricultural products in Colombia through various market development schemes. Approximately 87 million pesos from the past five sales under Title I have been provided for "US use" and an additional amount of 50 to 75 million pesos is expected to be generated from future Title I sales. The immediate target of this activity is to meet all USG local currency expenses from the "US use" proceeds, and indications are that by early 1965 this goal will be reached.

2. The Course of Action

Five sales agreements were executed with the GOC under the provision of Title I, P.L. 480 Food for Peace, yielding a total of 349,859,806.74 pesos. One additional sales agreement was negotiated under the provision of Title IV in FY-1963 (signed March 27, 1963) for a tentative amount of 6.8 million dollars (80 to 90 million pesos net proceeds), of which the GOC has bought four million dollars of wheat and tallow (as of Oct. 31, 1963); the extension of the agreement expires on December 31, 1963. An additional Title I three-year agreement is being negotiated for a total of 30 million dollars in peso equivalent. Part of the proceeds of the five sales agreements under Title I were earmarked for section 104(g) economic development loans through the Caja de Crédito Agrario, a GOC bank. The four loan agreements corresponding to the 104(g) portion, between the USG and the GOC, were amended on August 20, 1963, to eliminate the maintenance of value clause. The generation of pesos under section 104(g)

since the inception of this activity in Colombia has amounted to pesos 196,792,294.15, all advanced to the Caja Agraria, and an additional 840,000 pesos is kept in reserve by the Treasury of the USG as guarantee of interest and capital repayment. The greatest contribution made to the Colombian economy from this 104(g) fund is the 67,451,400.00 pesos invested in the fertilizer plant at Barrancabermeja, Dept. of Santander, where by-products of the petroleum industry are used to produce urea and ammonium sulfate, a major component of fertilizers. The second largest contribution was made to the Cauca Valley irrigation and rural electrification network; 39,950,000.00 pesos were loaned for this activity. Other activities included farm-to-market roads, water wells, lumber developments, coal and lime mining installations, cement factories, silo construction, reforestation and livestock improvements. As of August 31st, the Caja Agraria had made subloans from this 104(g) fund amounting to 170,714,631.10 leaving a balance to be loaned of 26,077,663.05 out of which approximately 18 million pesos are available for reprogramming for new projects. There was a short fall of approximately 16 million pesos (104g above) due to lack of sales on the 5th sales agreement. The Title IV agreement (signed March 27, 1963) has tentatively been programmed for FY-64 as follows:

Census of national resources	28.0	million pesos
Community development programs (training)	2.0	" "
Eradication of slums	20.0	" "
Silo construction	15.0	" "
University of Antioquia	5.2	" "
Instituto Geográfico A.Codazzi(research)	2.7	" "
Ministry of Justice reform schools	.9	" "
Institute of Technological Studies(research)	1.0	" "
Land reclamation Valle del Cauca	4.0	" "
Shaio Foundation (cardiac diseases)	1.2	" "

Total..... 80.0 million pesos

Implementation of these projects will start in FY-64, as the funds become available. The Caja Agraria will administer the peso proceeds from the sale of the agricultural commodities. Under Title IV, no pesos are available for "US use," or for Cooley amendment activities.

AID FORM 10-120 (7-62)	DATE PREPARED Nov.6, 1963	COOPERATING COUNTRY Colombia	UNCLASSIFIED	P.L. 480 - Food for Peace	E-1
------------------------	------------------------------	---------------------------------	--------------	---------------------------	-----

The three-year Title I being negotiated is expected to provide local currencies for loans, approximately 150 million pesos under section 104(g) and 75 million pesos under section 104(e), and an additional 75 million pesos for "US use." These local currencies for "US use," especially under section 104(h), State Department use, and 104(j), USIS use, when added to interest repayments on past 104(g) and 104(e) loans will do much to check the flow of gold on local USG expenses. The course of action to be followed in the implementation of loan activities under 104(g) and 104(e) will be found in the program presentation of the Rural Development, Urban Development, and other divisions of USAID.

The resources required (in commodities) - in thousands of dollars:

					<u>Value</u>
Title I (FY 64-65)	100,000	metric tons	wheat	per year	\$7,000
(FY 65-66)	2,000	"	"	tallow	" 330
(FY 66-67)	10,000	"	"	veg.oils	" <u>2,600</u>

Total per year (international market value, less freight) 9,930

(FY-65 and subsequent years) Title II and III:

Oils	5,500	metric tons	
Non-fat dry milk	25,000	"	"
Wheat and wheat flour	23,000	"	"
Corn products	12,000	"	"

Estimated at: U.S.\$ 17,000 A/

A/ CCC value less freight

The details of the commodities and the dollar value is given in the attached E tables.

A reappraisal of the Title III program in Colombia reveals

that a commodity grant program of pure donation offers constructive results only when used in school lunch programs, maternity care and pre-school children feeding. The strict interpretation of the word "donation" of the law means that recipients cannot even be asked to contribute some work in loading and unloading commodities at the warehouses. In some instances feeding unemployed but healthy adults leads to laziness and even delinquency. A new course of action is contemplated over the next three years. While a gradual curtailment of the Title III family feeding program takes place, a substitute Title II food for work can be launched in cooperation with the divisions of community development, Peace Corps, Civic Action of the Armed Forces, work camps for conservation of natural resources, especially in the regions where the agrarian reform is taking place. In the latter case, a food credit given to the settlers, repayable in the form of 1) money, 2) produce which can be sold, or 3) work on public utility projects, will produce funds for relending under a supervised credit program or for the promotion of cooperatives which later can grow and enter into a more sophisticated system of producing poultry, hogs, rabbits, etc. using feed grains, first imported from agricultural surpluses (Title II - Sec.202), later produced locally or imported through Title I or IV and processed into balanced feed.

This presentation is an attempt to describe the role of Food for Peace in the country assistance program. There is hardly any activity of the USAID which does not benefit now from the commodity grants and from the loans in local currency. In FY-65 and subsequent years, increased uses of food for peace grants and sale proceeds are contemplated and the program proposals will be submitted as required in E-1 form for Title II, Sec. 202, OPAR for Title I, Sec. 104(g) and 104(e), and AER for Title III donations.

AID FORM 10-120 (7-62)	DATE PREPARED 10 NOV. 63	COOPERATING COUNTRY COLOMBIA	UNCLASSIFIED	APPROVED LOANS
------------------------	-----------------------------	---------------------------------	--------------	----------------

1. DLF-207 Self-Help Housing - June 1961 - US\$12 million

This loan of US\$12,000,000 was extended to the ICT (Housing Institute) for financing construction of 19,000 houses throughout Colombia. US\$6,000,000 was devoted to aided self-help housing; US\$2,000,000 for loans to lot owners for the construction of their own houses; US\$4,000,000 to participate in the financing of middle-class houses under a three-part program as follows: one-third down payment by the purchaser; one-third by builder or private bank; one-third by ICT from loan proceeds. The AID loan represents approximately 50% of the total value of the houses built. US\$10,000,000 has been disbursed, with the balance to be disbursed during FY-64. Construction is about 90% completed.

2. DLF-208 Agr. Credit Program - August 1961 - US\$8 million

The GOC Agricultural Bank (Caja Agraria) borrowed US\$8,000,000 for the purpose of extending production credit to farmers in several colonization projects sponsored by the Caja Agraria and to spontaneous settlers. US\$7.4 million has been disbursed. About 18,000 farms, totalling almost 2,900,000 acres of land, have received proceeds from this loan. The size of farm receiving these funds ranges from 25-750 acres, with an average size of about 150 acres. The USAID is in the process of sampling and measuring increased production on farm units receiving funds from this loan.

3. Non-Project Loan - February 1962 - US\$30 million

US\$30,000,000 was lent to the GOC Central Bank for the purpose of maintaining a flow of essential imports into Colombia. Loan terms were as follows: $7\frac{1}{2}\%$ interest yearly on outstanding balances and repayment in ten years, with a grace period of five years.

4. AID-514-L-024 Program Loan - December 1962 - US\$60 million

Purpose: To support the initial phase of Colombia's Development Plan through assistance in financing imports essential to its long term economic and social development program. The peso proceeds of the loan have been earmarked as follows: 270 million to the Private Investment Fund; 180 million for capital Budget Support and 90 million for Labor Housing (ICT). As of December 31, 1963, respective peso disbursements are estimated to be

AID FORM 10-120 (7-62)	DATE PREPARED 10 NOV. 63	COOPERATING COUNTRY COLOMBIA	UNCLASSIFIED		APPROVED LOANS	
---------------------------------	-----------------------------	---------------------------------	--------------	--	----------------	--

110 million for PIF; 15 million for Housing, and 180 million for the Budget. The balance of the peso proceeds (all of which will be available through complete disbursements and documentation of the loan dollars by March 1964) will be disbursed by June 1964. Terms of the loans are as follows: three-quarter percent per annum interest, and repayment in 30 years with a ten year grace period.

5. AID-514-L-026 Housing - June 1963 - US\$7.5 million

This loan of US\$7,500,000 to the ICT to finance low-cost housing in a program of 75% of the funds for aided self-help and the remainder for loans to lot owners and shell houses. Projects are presently being prepared, with construction to be started in early 1964. 8,036 houses will be built under this program. Anticipated disbursements will be completed in FY-65.

6. AID-514-L-027 Supervised Agr. Credit - June 1963 - US\$10 million

This loan granted at the end of FY-63 has not yet had any disbursements. Immediate specifics are presently being analyzed. Details as to number and size of farm units, increasing production, types of products being grown, INCORA implementation procedures, etc. will be thoroughly reported upon and analyzed as proceeds of the loan are disbursed.

7. AID-514-L-025 Feasibility Studies - June 1963 - US\$4 million

US\$4,000,000 has been lent to the Planning Department for the purpose of carrying out feasibility studies of particular projects that may be financed by investors or public lending institutions in the fields of electric power, transportation, agriculture (including irrigation), water supply and sewerage and other areas mutually agreed upon. Projects to be studied are to be priority projects in the economic development of Colombia. Loan terms are as follows: three-quarter percent yearly interest, repayment in 30 years with a grace period of ten years. A second loan application for US\$4,000,000 is expected in FY-65.

8. Calí Sewage - September 1963 - US\$3.7 million

The purpose of this loan is to enlarge and to improve the combined sewage system for the city of Calí. Enlargement of the system will up-grade sanitary conditions by providing sewage connections to sections of the city lacking such services. It will also provide needed outlets for industrial waste. The terms of the loan

AID FORM 10-120 (7-62)	DATE PREPARED 10 NOV. 63	COOPERATING COUNTRY COLOMBIA	UNCLASSIFIED		APPROVED LOANS	
---------------------------------	-----------------------------	---------------------------------	--------------	--	----------------	--

are as follows: interest 2-3/4% plus a credit fee of three-quarter percent, repayment in 25 years with a four and one-half year grace period.

9. Mineral Resources Survey - September 1963 - US\$2 million

US\$2,000,000 was lent to the Ministry of Mines and Petroleum for the purpose of assessing the mineral resource wealth in Colombia in the four following pre-selected zones: a Santa Marta Zone; an Antioquia Zone; a Santander Zone; a Villavicencio Zone. Terms of the loan are as follows: interest three-quarter percent, repayment in 30 years with a ten year grace period. The following activities will be financed with the proceeds of this loan; advanced training in the U.S.; photogeological studies; field investigations including drilling, trenching and taking samples and field geological, geophysical and geochemical studies; laboratory support including chemical and X-ray analysis, assays of metallic ores and preparation of sections.

AID FORM 10-120 (7-62)	DATE PREPARED 10 NOV 63	COOPERATING COUNTRY COLOMBIA	UNCLASSIFIED		LOANS UNDER CONSIDERATION	
---------------------------------	----------------------------	---------------------------------	--------------	--	---------------------------	--

1. Agricultural Machinery - US\$10.0 million

An application for this heavy machinery loan of US\$10 million was filed with USAID by the GOC Agricultural Credit Bank (Caja Agraria). The application was sent to AID/W in August 1963 and is also being considered by the EX-IM Bank. Through this loan agricultural machinery for the general increase of agricultural production and heavy equipment to be used in reclamation projects will be imported. The Caja provides credit facilities to farmers for the acquisition of such equipment through a system whereby the Caja sells the machinery or equipment from its own supply stores or finances the importation through private importers.

2. Barranquilla Airport - US\$8 million

Barranquilla is the principal industrial and commercial center of the north coast region of Colombia. The present runway is badly deteriorated; there is no taxiway; and the existing passenger terminal building is completely inadequate. The present inadequacy of facilities is hampering the normal industrial growth of Barranquilla and the entire north coast region. Moreover, the provision of an airport adequate to accommodate jet aircraft is indispensable to the development of a tourist industry in Colombia, as emphasized in a recent evaluation study. This loan is proposed for the purpose of providing for the construction of a new runway, a taxiway, a new platform, a new terminal building and an access road.

3. AFP/ICETEX Scholarships - US\$1 million

The ICETEX, a long established and highly successful semi-autonomous government agency dedicated to the lending of money to students for specialized advanced study abroad, has made a loan request for US\$1,000,000. These funds will be employed as loans to Colombian students, unable to finance their own education, for study in Colombian universities. Selection of students will be made on the basis of high-level manpower needs for development, established in a survey, now being completed by ICETEX.

4. Banco Ganadero - US\$4.0 million

The purpose of the proposed loan is to increase the capacity of the livestock bank to extend directed production credit to livestock producers under the provisions of GOC Law #26 of 1959 which designated the Livestock Bank as the primary institution for providing such credit. The bank (owned 80% by cattle producers

AID FORM 10-120 (7-62)	DATE PREPARED 10 NOV 63	COOPERATING COUNTRY COLOMBIA	UNCLASSIFIED		LOANS UNDER CONSIDERATION	
---------------------------------	--------------------------------	-------------------------------------	--------------	--	---------------------------	--

and 20% by the GOC) was established in 1956 and has been growing and completely using its resources in this field with a resultant marked increase in livestock production. Utilization of the peso equivalent of US\$4,000,000 will influence management decisions on 1,000 ranches having a cattle population of 400,000 head at the beginning of the program. This is 2.4% of the cattle population of Colombia and 2.5% of the ranches. The value of the increased outputs as a result of the additional capital investment of 40,000,000 pesos during 1964 and 1965 is estimated at 129,000,000 pesos. The net gain to livestock producers is estimated at 70,000,000 pesos. The estimated additional 59,000,000 pesos will accrue to the bank for expansion of its services. Terms of the loan are as follows: 20 year period for repayment, five year grace period, interest 2% per annum.

5. National Health Plan - US\$7 million

The GOC intends to request US\$21,000,000 in loans over a three-year period to support the initiation of the ten year National Health Plan. US\$7,000,000 has been requested for the first year. These funds will be employed for the termination of the construction and equipment of nine hospitals, construction of 36 community water supplies and 144 small water systems, 10 mobile units for tuberculosis control and for the training of some personnel.

6. Banco Popular - US\$5 million

Funds under this proposed loan would be lent by the Banco Popular to small and medium business enterprises in accordance with the country program to stimulate industrial development. Loans will be made on a medium and long-term basis. Technical assistance to the bank with reference to the loan application will be paid from loan proceeds. Another loan application for US\$5 million is expected in FY-65.

7. Bogota Sewage - US\$7 million

The purpose of this proposed loan is to enlarge and to improve the combined sewage system for the city of Bogota. Enlargement of the system will up-grade sanitary conditions by providing sewage connections to sections of the city lacking such services. It will also provide needed outlets for industrial waste. An additional US\$14 million will be required. US\$7 million will be requested in FY-65 and US\$7 million in FY-66.

8. Medellin Sewage - US\$4.1 million

AID FORM 10-120 (7-62)	DATE PREPARED 10 NOV 63	COOPERATING COUNTRY COLOMBIA	UNCLASSIFIED		LOANS UNDER CONSIDERATION	
---------------------------------	----------------------------	---------------------------------	--------------	--	---------------------------	--

The purpose of this proposed loan is to enlarge and to improve the combined sewage system for the city of Medellin. Enlargement of the system will up-grade sanitary conditions by providing sewage connections to sections of the city lacking such services. It will also provide needed outlets for industrial waste.

9. Co-op Housing - US\$10 million

Application has been made by the Federation of Housing Cooperatives and the Free Workers Housing Alliance for loans of US\$5,000,000 each to finance cooperative housing projects. It is proposed that, although the loans be made to the above-named organizations, the proceeds be channeled through the Central Mortgage Bank which will assume ultimate responsibility for appraisals and disbursement and collection of funds.

10. Rolda/Buga (La Victoria - Cartago) Loan - \$10 million

This FY 1965 loan is proposed to fund the La Victoria - Cartago land reclamation project located in the lower Cauca Valley. This activity is part of an overall, unified development program of the Cauca Valley, under the administrative jurisdiction of the Cauca Valley Corporation (CVC). The \$10 million loan for this activity will be functionally utilized for flood control, drainage, irrigation, etc. and will follow an impending feasibility study.

11. Financieras - US\$15 million

This proposed loan is now being studied by the IBRD. Separate loans to each one of the nation's five regional private development banks would be extended for the purpose of financing private industrial development and large-scale agricultural enterprises. USAID considers these development banks to play an important role in the development of Colombia and will propose the loan for consideration in the event other lending sources are not available.

12. Secondary Education - US\$5 million

The present shortage of public secondary schools has been recognized as the major bottleneck to the preparation of badly needed middle-level technicians as well as constituting a sharp limitation on the number of students that can enter universities. It is expected that a US\$5 million loan will be proposed for the construction of additional public schools to provide access to a larger number of students in general secondary, as well as in the vocational fields of agriculture and industry. A plan for the conversion of at least 100 normal schools into first cycle four-year secondary schools will constitute a major contribution to the expansion.

AID FORM 10-120 (7-62)	DATE PREPARED 10 NOV 63	COOPERATING COUNTRY COLOMBIA	UNCLASSIFIED		LOANS UNDER CONSIDERATION	
---------------------------------	----------------------------	---------------------------------	--------------	--	---------------------------	--

It is possible that the Ministry will request the above funds for employment in both primary and secondary fields.

13. Private Export Development Bank - US\$3 million

USAID is considering a proposal from private sources for a loan of US\$3,000,000 to be matched by a private contribution of US\$1,000,000, to establish a development bank devoted exclusively to finance export industries. This bank will act as a development bank and will coordinate its activities with firms engaged in exports to promote and assist export trade.

14. Agricultural Bank US\$5 million

A loan application is being discussed with the Agricultural Bank (Caja Agraria) for a loan, the proceeds of which will be directed to small and medium producers and processors in rural areas. The loans will be directed mainly to the processing of agricultural and mineral products in the effort to increase rural employment and income, spread industrialization on a nation-wide basis, and to reduce the population influx to urban areas.

15. Bank for Coops - US\$5 million

A US\$5 million loan is proposed to help establish a Cooperative Bank which would serve existing cooperatives and new cooperatives not being serviced in some other specific way, and excluding housing and electric cooperatives. The Bank would form part of the overall program of the National Cooperative Association's (ASCOOP) program of co-op development. Co-op loans require a source of credit not available in regular institutions, as well as specialized supervision. Full-time U.S. technical assistance will be needed for the first two years.

16. Banco Ganadero - US\$5 million

This FY-65 loan for US\$5,000,000 is contingent upon the effective use of the loan made for the same purpose in FY-64. The experience with the first loan will demonstrate the determination of the GOC to export meat and thereby earn needed foreign exchange.

17. Livestock Marketing - US\$2 million

AID FORM 10-120 (7-62)	DATE PREPARED 10 NOV 63	COOPERATING COUNTRY COLOMBIA	UNCLASSIFIED		LOANS UNDER CONSIDERATION	
---------------------------------	----------------------------	---------------------------------	--------------	--	---------------------------	--

The purpose of this contemplated loan is to underwrite the popular purchase of capital shares of an export meat marketing complex. This loan should be attractive to the Ex-Im Bank because the proposed company would utilize these funds to purchase the machinery and equipment which will be needed from the U.S. Loan terms would be as follows: 5% interest per year, payment in ten years with a three year grace period.

18. Control Animal Diseases - US\$2 million

US\$2,000,000 would be made available in FY-65. A total of US\$20,000,000 will be required over a seven year period. It is anticipated that 80% of the first year's loan to the GOC would be used to purchase equipment and vehicles from the U.S. The loan is contingent upon the establishment of an Institute for Animal Health which will be devoted to the control of contagious diseases of cattle which affect their production and re-production and which are transmittable to humans. Loan terms would be as follows: 30 year repayment, 10 year grace period and 1% interest per annum.

19. Rural Electrification - US\$1,500,000

This project is for the setting up of pilot rural electrification cooperative projects in Colombia. One was prepared by the Cauca Valley Corporation (CVC) for US\$1,235,806. Two were prepared by Centrales Electricas del Norte de Santander: (1) in Tibú for US\$400,000 and (2) in Palermo for US\$152,398. The applications were submitted to AID/W in June 1963. Preceding the applications, feasibility studies were completed under contract agreements between AID/W and the US National Rural Electric Cooperative Association, at the instigation of AID following a cooperative conference in Bogota in November 1961.

20. FY 1964 and 1965 Program Loans

Proposed program loans for years beyond FY 1963 are not included in this documentation; these are subject to classified communications between the USAID and AID/W.

AID FORM 10-120 (7-62)	DATE PREPARED 10 NOV. 63	COOPERATING COUNTRY COLOMBIA	UNCLASSIFIED		TOTAL PROGRAM	
---------------------------------	-----------------------------	---------------------------------	--------------	--	---------------	--

- T H E E N D -