

PN-ABG-573

69010

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A CASE STUDY ANALYSIS OF THE FUNDACION
PARA LA EDUCACION SUPERIOR (FES):
A DEVELOPMENTAL PERSPECTIVE

CONTRACT NO. PDC-1406-I-00-4053-00

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November 15, 1985

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Acknowledgments

Development Associates is thankful to the many individuals that assisted the team in carrying out this important case study. We are indebted to Mr. James F. Smith, the USAID Project Officer for this contract, for his expert guidance and advise. Likewise, we are grateful to Dr. Hugo Lora Camacho, Executive Director of FES, who gave the team full access to his organization. We appreciate the time devoted to this study by the Board President, Dr. Joaquin Vallejo, as well as the insights provided by board members Dr. Armando Samper, Dr. Henrique Tono, Dr. Harold Zangen and Dr. Samir Camilo. Likewise, we are grateful to Dr. Alex Cobo, Director of the Social Division, for guiding us through the FES system. Special thanks are also extended to Dr. Marco Cruz, Director of Administration, Dr. Juan Fernando Guerrero, Director of Finance, and Dr. Luis Claros, Comptroller, for their patience in explaining the many facets of FES' financial operations. Dr. Maria Isabel Vega, Regional Director in Bogota, and Dr. Guillermo Carvajalino, Social Division Director in Bogota, were valuable sources of information as well. Finally, a special note of thanks to Ms. Sadie McLucas, Executive Secretary at FES, for her watchful assistance.

Adolfo H. Munoz
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GLOSSARY OF TERMS

AID	Agency for International Development
CEC	Community Centers for Education
CFC	Commercial Finance Company
CIDFES	Centro de Informacion y Documentacion FES
CVC	Corporacion Autonoma Regional Del Cauca
FES	Fundacion para la Educacion Superior
FUNDAEC	Fundacion para la Ensenanza de las Ciencias
G&A	General and Administrative expenses
IAF	Inter-American Foundation
ICFES	Colombia Higher Education Coordinating Institute
IDRC	International Development Research Centre
LDC	Less Developed Country
PROCADI	Programa Colombiana en Administracion en la Investigacion Agraria
PVO	Private Voluntary Organization
WWF-US	World Wildlife Fund-US

I. INTRODUCTION

Development Associates, Inc., a private management and governmental consulting firm, was contracted by the Agency for International Development (AID) to conduct a case study of La Fundacion para la Educacion Superior (FES), a non-profit social development foundation based in Cali, Colombia. The case study, conducted during October 1985, was intended to systematically examine the historical antecedents leading to the maturation of FES, and describe the principal characteristics of the organization. Moreover, the case study was to identify those practices and approaches, developed by FES over the past 21 years, that might be replicated in other settings.

The case study was thus intended to provide USAID with an objective, third party perspective on the strengths and limitations of FES, and an examination of the various financial and technical methodologies that it developed and refined. As such, the study was not meant to be an evaluation of FES per se. Rather, it was meant to enrich USAID's understanding of this organization's evolution and isolate those factors that contributed to its effectiveness. Finally, possible avenues for strengthening the cooperative relations between USAID and FES were to be explored.

The Development Associates team gathered pertinent information at FES' Cali headquarters, and obtained supplementary data through FES' Bogota regional office. Structured interviews were conducted with key executives of FES designed to collect historical data, and information about the financial and management systems utilized by the organization. In addition structured interviews were held with a sample of the Board members, again to solicit historical perspectives and data on FES policy matters.

Development Associates also relied on various forms of archival data including project files, financial records, memoranda and technical reports. Interviews were also conducted with representatives from selected social development projects supported by or related to FES. These interviews solicited respondents' perceptions and opinions about FES services and technical assistance.

Without exception, FES officials and personnel were very cooperative and provided Development Associates with access to all of the requested information. Likewise, personnel from other organizations were highly supportive and provided the team with candid responses to questions and inquiries.

Evolution of FES

FES was legally established in 1964, as a non-profit foundation primarily created to provide La Universidad del Valle in Cali with administrative support in the management of various donations and research funds. This foundation was formed through the efforts of a small group of physicians, businessmen and academic leaders. In some respects, FES was patterned after the US foundation movement and had many of its roots imbedded in prior US-related efforts in Colombia such as Mision Chardon, the Humphreys Report and the regional development projects.

Interestingly, FES has thrived in a country that traditionally has not been very active in philanthropic ventures. Historically, private and personal donations were limited to contributions to religious organizations, orphanages and similar types of recipients. Over the 21 years that FES has been in operation it has created a foundation that has been successful in attracting donations and deposits from the Colombian government, other non-profit organizations and universities, and international donor agencies such as IDRC, and USAID.

During its life, FES underwent several critical stages and transformations. In 1973, for example, FES disengaged from La Universidad del Valle as a result of the student protests that dramatically altered the university. As a result, FES became an independent foundation without any religious or political affiliations. Capitalizing on the business and financial expertise of its founders and managers, in 1975 FES was officially licensed as a commercial finance company in Colombia. This legal status allowed FES to accept deposits from the public, make certain types of loans and pay interest on these deposits.

The disengagement of FES from the university, followed by the formation of the commercial finance company, represented critical incidents in FES' evolution as a social development foundation. Importantly, part of FES' success as a financial intermediary was their ability to penetrate an otherwise untapped market of depositors and clients, namely other non-profit organizations, universities and governmental agencies. Its ability to attract depositors from these sectors provided FES with a source of on-going income to support its social development functions, and a mechanism for creating and supporting other organizations engaged in educational, scientific and cultural projects. This unique blending of philanthropic-social development enterprises, with conservative, business-oriented management practices, proved to be a powerful formula.

Promising Practices

As noted later in various chapters of this report, FES has developed and refined a number of innovative methods in financing social development projects, leveraging donations, and incubating new and/or existing development projects in Colombia. Briefly, these practices include the following:

- Strong linkages with private sector organizations and governmental agencies;
- Operation of a commercial finance company that provides FES with a healthy source of revenues;

- Creative methods of leveraging grants/donations deposited in FES by other foundations and development organizations;
- A unique incubation methodology whereby social development projects are created and allowed to flourish in an environment of financial, technical, administrative and political support;
- A formal set of criteria applied in selecting projects to receive financial support from FES;
- Well developed administrative and management systems to support the varied set of complex activities carried out both directly and indirectly by FES.

These various methods were carefully observed by Development Associates' team, and are described in some detail in this report. Of particular significance was FES' unique incubation methodology and its highly innovative methods in managing the commercial finance company which represented noteworthy methodologies.

Incubation Methodology

As a general rule, FES does not directly operate any projects. Instead, in many cases, it has helped to create new organizations designed to provide a variety of services and functions in the area of social development. FES provides these new or relatively new organizations with critical support in the form of funds, administrative services, management and technical assistance, and political help. It creates an environment within which a new organization can initiate its work, and over a period of time, consolidate it's own technical and financial systems - eventually maturing into a self-sustaining organism. FES basically assists these organizations to gain the speed and trajectory needed to reach a critical "take-off" point. A point where the organization can survive on its own, or be turned over to a group for continued operation. Through this incubation methodology FES is able to have a very wide and diversified sphere of influence. Likewise, this approach has led to the formation of new social development enterprises, thus promoting the institutionalization of change agents and public service organizations throughout Colombia.

Financial Intermediary Functions

As a licensed commercial finance company, FES is able to accept deposits and make certain types of loans. By functioning as a financial institution, FES has devised a number of creative methods for leveraging deposits made to the commercial finance company by other social development organizations. In addition, FES also is the recipient of various grants from Colombian and international donor agencies that are leveraged through the commercial finance company.

According to FES' records, deposits to the commercial finance company increased dramatically during the period of 1980 to 1984. During this same period, FES loans more than doubled. Notably, the default rate on loans made by FES has been minimal and exceptionally low in comparison to the rates experienced by counterparts in the Colombian financial sector. Besides the strict collateral requirements associated with FES loans, the organization's sound management practices have contributed to this type of success.

Financially FES is in a strong position. Although operating as a non-profit organization, FES has demonstrated a unique ability in managing its own money, as well as that of its depositors organizations. For example, its capital base grew from approximately \$3,000 in 1964, to more than \$500,000 in 1974. This was prior to the creation of its commercial finance company. After becoming a financial intermediary, FES' capital base surged to approximately \$13 million by 1984. This steady financial growth has enabled FES to increase its funding of social development projects, and also widen the breadth of projects that it can assist through its incubation methodology.

The majority of the donations that are managed by FES have been incorporated into individual funds that provide various types of leveraging and interest bearing benefits. Principal among these are the special restricted funds, permanent matching funds, permanent non-matching funds and a hybrid form referred to as the capitalization fund. It is through the capitalization fund, for example, that FES parlays donations received by other social development organizations that are deposited with FES.

Through the capitalization fund, these deposited donations earn interest providing the recipient organization with virtually a perpetual source of income, beyond the life of the original grant. In addition, FES earns a modest administrative fee that is a source of revenue to subsidize its operations and finance some of its donations.

Principal Results

La Fundacion para la Educacion Superior (FES) is a successful national foundation that has emerged as a leader in the creation and management of diverse social development projects in Colombia. Since its inception in 1964, FES has had a high degree of continuity in its policy-level and managerial leadership. This has contributed to the organization's stability and steady growth. Moreover, the strong linkages that FES has developed and nurtured with the Colombian private sector, as well as with key governmental agencies, has certainly been pivotal in its ability to promote innovative social development projects. FES' credibility with both the public and private sectors in Colombia, and with international donor agencies, has enabled it to attract substantial donations and grants. This status has likewise empowered FES to be an effective and prudent advocate for social development and change in Colombia.

Some of the unique techniques of financial management and project development devised by FES may be amenable to replication in other settings. FES' innovative practices as a financial intermediary could be transferred to other developing countries. Similarly, its project incubation methodology has substantial promise as a technique in the promotion of social development ventures, as well as economic development projects. Finally, the various systems devised by FES in the selection of projects for funding, and its overall management and administrative infrastructure, are promising practices that could be adapted by other development organizations.

FES represents a potential tool to help increase the impact of certain AID grants to Colombia. Within the framework of this case study, Development Associates formulated a number of recommendations related to the replication

of FES methodologies, and strategies to strengthen the collaborative relationship between AID and FES. As explained in Chapter VII of this report, the following strategies were recommended:

1. A series of regional training seminars for PVOs and other development organizations from LDCs such as Panama, Peru, the Dominican Republic and Honduras. The seminars would provide participants with intermediate and advanced training in the planning, creation and management of foundations similar to FES.
2. Provision of direct technical assistance to organizations that have a strong interest in adopting certain FES-type methodologies. This technical assistance would be a follow-up to the regional seminars. In addition, an Operations Handbook would be prepared to supplement the training and technical assistance. This handbook would be a permanent tool to assist in the implementation of specific FES-type methodologies.
3. AID funding of FES to plan and conduct the proposed regional training seminars, possibly in conjunction with a training organization such as the Carvajal Foundation. In addition, provide direct financial assistance to FES to support a variety of special projects and take advantage of FES' mechanisms for leveraging donations. A determination should be made as to whether FES qualifies for a US loan, or if the assistance must be in the form of a grant or cooperative agreement.

As described in the subsequent sections of this report, FES is a unique organization that has successfully combined its social development expertise with innovative, yet sound, financial management practices. Indeed, as a national foundation FES has devised and refined a number of innovative methodologies that could be of considerable help in carrying out certain AID development projects in Colombia.

II. CASE STUDY METHODOLOGY

Given the objectives of the investigation, a case study approach was selected as a methodology for systematically examining the management and financial systems employed by FES, as well as tracing its development and growth. Various data collection techniques were used by the Development Associates team including structured interviews, direct observation and content analyses of archival data. In addition, unobtrusive measures via informal interviews with project personnel, community informants and similar sources were employed.

Importantly, in planning and carrying out the case study, the Development Associates team entered the effort with a tabula rasa, i.e., without any a priori judgments about the efficiency or quality of FES operations. In practice, the team formulated its judgments and conclusions strictly on the basis of observed factual data. In all instances, rigorous standards were applied in assessing the adequacy of the various FES functions and systems.

On-site data collection was conducted in Cali, where FES is headquartered, during the period of September 20-27, 1985. In addition, supplementary data was gathered in Bogota by the study team. An interview guide was prepared as a format for structuring both formal interviews and general data collection. A copy of this instrument is found in Appendix A. Most of the interviews were conducted in Spanish, with team members translating the various interview questions.

FES officials, board members and staff were very cooperative and provided the Development Associates team with access to all requested information, including financial and salary data. This open climate substantially facilitated the work of the study team.

Formal interviews were conducted with FES managers including the Executive Director, Director of the Social Division, Directors of Finance and Administration, Coordinator of CIDEFES (internal information systems) and the Assistant Director of the Social Division. In addition, interviews were held with the

Comptroller and the Chief of the Educational Component. The President of the Board and selected board members were likewise interviewed by the team. Exhibit I summarizes the various interviews conducted.

An intensive review and analyses of project related records and financial operations was carried out. In some cases, a period of five to ten years was covered in order to reconstruct the various stages and critical points experienced by FES since it was founded in 1964. Moreover, the methods and criteria used by FES in making decisions about project funding and support were carefully studied. In essence a systems approach was used by the team to judge the adequacy and capabilities of major FES systems, i.e., administrative, accounting, financial, project selection and management, public relations, documentation and management.

A number of projects with various types of relationships with FES were selected and project representatives interviewed. These interviews were intended to gather information about the role played by FES in providing different types of financial and technical support, and to trace the evolution of FES' role in the social development field. Furthermore, the perceptions and opinions of project personnel were solicited with respect to FES' development and capacities. Specifically, the study team conducted interviews with representatives of Vije-Dagua, El Diamante, La Planada, PROCADI and FUNDAEC. These projects represent a range of social development efforts including urban and rural development, conservation, education, technology transfer and employment development. In addition, informal interviews were conducted with representatives of the Carvajal Foundation and the Partners of the Americas.

Likewise a number of source documents were used by the team to gather financial and programmatic information. A list of these documents is found in Exhibit II. Overall, the case study methodology proved to be well suited for the FES project. Within a broad framework of financial and management functions, the team was able to systematically assess specific FES functions, obtain anecdotal data from key executives and managers, and analyze FES' unique system of project incubation. FES personnel, as well as the organization's records, were a rich source of information.

EXHIBIT I
INTERVIEWS

FES Personnel:

1. Dr. Hugo Lora Camacho, Executive Director.
2. Dr. Ramiro Aristizabál, Director of Personnel.
3. Dr. Samir Camilo Daccach, Member of Financial Committee.
4. Dr. Guillermo A. Carvajalino, Regional Director,
Social Division/Bogotá.
5. Dr. Luis Claros Peña, Comptroller.
6. Dr. Alex Cobo, Director of the Social Division.
7. Dr. Marco Antonio Cruz, Secretary General.
8. Dr. German Echeverri, Public Relations.
9. Angela Maria Gonzáles, Director of the Information
and Documentation Center.
10. Darío Gonzáles, Internal Auditor.
11. Dr. Juan Fernando Guerrero, Director of Finance.
12. Dr. Guillermo Hurtado, Deputy Director of the Social Division.
13. Dra. Laura Lucia Muñoz, Coordinator of Funds, Social Division.
14. Dr. Hernan Ortiz, Director of Education, Social Division.
15. Beatriz Eugenia Reagifo, Assistant, Information
and Documentation Center.
16. Dr. Armando Samper Grecco, Member of Foundational Committee.
17. Dr. Henrique Tono Trucco, Member of Foundational Committee.
18. Dr. Joaquin Vallejo, President of the Board.
19. Dr. Luis Eduardo Vanegas, Chief of Computer Systems.
20. Dra. Maria Isabel Vega, Regional Director, Bogotá.
21. Dr. Harold Zangen Janek, Member of Foundational
Committee.

INTERVIEWS

FES Clients/Beneficiaries:

22. Dr. Forzam Arbad, President, Fundación para la Enseñanza de las Ciencias, "FUNDAEC."
23. Dr. Henry Cardona, Fundación Carvajal.
24. Dra. Maria del Pilar Uribe de Bernal, Executive Director, Programa Para El Desarrollo Integral Comunitario Del Barrio El Diamante.
25. Dr. Santiago Fonseca, Executive Director, Programa Colombiana en Administracion en la Investigacion Agraria, "PROCADI."
26. Dr. Javier Marin Maya, Executive Director, Programa de Desarrollo Rural Integrado de Vijes-Dagua.
27. Dr. Jorge Orejuela, Director, Reserva Natural La Planada, Ricaurte, Nariño.
28. Martha Cecilia Villada, Regional Director, Bogotá, Partners of the Americas.

EXHIBIT II
SOURCE DOCUMENTS

1. Annual Report, Fundación Para La Educación Superior, 1980-1984
2. Financial Statements as of December 31, 1980 - 1984, Together with Auditor's Report. Fundación Para La Educación Superior. Arthur Andersen & Co.
3. Archives, Monthly Financial Statements submitted to the Superintendent of Banking of Colombia.
4. Mid-Year Report, Fundación Para La Educación Superior, June 30, 1985.
5. Annual Return of Organizations Exempt from Income Tax, 1980 - 1984, submitted to the U.S. Internal Revenue Service.
6. Monthly Budget Statement, August 31, 1985, computer printout breaking down budget items by division and by branch office.
7. Negocios, No. 25, August 1985, A Colombian business magazine.
8. The Promotara Program in Candelaria: A Colombian Attempt to Control Malnutrition and Disease, Community Systems Foundation. Cali, Colombia. June 1976.
9. A Methodology For Recognizing Causes of Malnutrition at the Community Level - The Cali Approach, Community Systems Foundation. Ann Arbor, Michigan. January 1981.
10. Valle de Cauca - Ecological Overview, Fundación Para La Educación Superior. Camara de Comercio de Cali.
11. La Guadua, Dicken Castro. FES. Bogotá, Colombia. June 1985.
12. Manual de Correspondencia y Código de Archivo, FES.

SOURCE DOCUMENTS (cont'd)

13. FES Altruismo, Riqueza, y Desarrollo Social con el Buen Manejo Financiero, Alfredo Ocampo Zamorano. FES. Cali, Colombia. 1983.
14. Criterios y Procedimientos Establecidos Para La Ejecucion Del Plan General De Accion Social, Documento de Trabajo, FES, Social Division. Cali, Colombia. August 1985.
15. Entidades de Beneficio Social Vinculadas a FES, FES. Cali, Colombia. 1984.
16. FES 20 Años, Documento de Trabajo, FES. Cali, Colombia. 1985.
17. Ser Colombiano Es Un Acto De Fe, FES, Junta Asamblea. Cali, Colombia. March 27, 1984.

III. INSTITUTIONAL CHARACTERISTICS

In a sense FES was a child of the U.S. foundation movement, namely, the Ford Foundation which provided FES an initial operational grant in 1965. According to one FES official, "the enterprise was not designed or planned ...it evolved." The growth and maturation of the organization was basically serendipitous, a product of fortuitous political, scientific, technical and reform influences.

When FES was founded by a small group of business, medical and academic leaders, these individuals had no expectation or vision that FES would eventually mature into a prominent social development/financial foundation. Through a combination of fortunate circumstances, competent leadership and financial acumen FES not only managed to survive, but seemingly thrived as a social development enterprise.

The Fundacion para la Educacion Superior (FES) is a privately administered, non-profit service organization incorporated in Cali, Colombia, in December 1964. It is a recognized leader in the field of social development in Colombia, with unique linkages with the public and private sector. In addition, it operates a very successful commercial finance company (CFC) that has provided FES with a source of revenues and a mechanism for supporting a range of social development projects.

Antecedents

FES has many of its historical, philosophical and political roots grounded in the U.S. foundation movement, and medical reform measures initiated in Colombia. According to a study funded by IDRC, the creation of FES was influenced by a number of important antecedents, dating as far back as 1928. It was in this year that the Governor of the state of Valle del Cauca obtained a U.S. agriculture mission, commonly known as the Mision Chardon, which worked until 1930 in the preparation of an agricultural reform report. Dr. Carlos Chardon, the chief of party, led the preparation of this report that put the Colombian

agricultural sector in contact with modern technology, and consequently altered the basic structure of the Colombian sugar industry, as well as stimulating the creation of an experimental station. The Mision Chardon engendered a new attitude towards the transfer and adaptation of modern technology in Valle del Cauca.

During the early 1950's work began on the creation of an autonomous organization to conduct regional development and planning in Cauca. Again, adapting a U.S. model, a group hired Dr. David Lilienthal, ex-director of the Tennessee Valley Authority (TVA) as a consultant and technical advisor. In 1954 the Corporacion Autonoma Regional del Cauca (CVC) was created. This corporation promoted socio-economic development through plans for electrification, expansion of agricultural markets and other adaptations of modern technology. CVC had a counterpart, La Federacion Nacional de Cafeteros de Colombia. Through their respective constituencies and linkages with the public and private sectors, both of these organizations advocated the decentralization of the state's role in particular economic regions.

Other movements took place that eventually led to the formation of FES. A small university created through the merger of an agricultural technical school and a womens' college was later transformed into La Universidad del Valle by a group of young physicians. This group utilized a report prepared by a U.S. medical team to establish a new Science Division in the university. The report, known as the Humphreys Report, advocated an empirical-scientific approach to medicine, representing a dramatic theoretical and philosophical shift. The progressive climate which characterized the Cauca region at that time was fertile ground for the group's proposal to establish a new faculty of medicine within the new university.

In order to make the separation, this project received additional financial support from U.S. philanthropic organizations, with the first grant made by the Kellogg Foundation, which was designated for the medical area. In the 1960s the Universidad del Valle grew rapidly with additional financial support from both the Rockefeller and Ford foundations. In addition to the national and state funding it received, the university enjoyed support from the private sector as well.

During the 1960s U.S. foundations had a strong policy of supporting the Universidad del Valle. University leaders were often trained in the United States, and were fluent in English. Cali's strategic regional location, and the progressive leadership in the area, made the University an attractive investment.

At around the same time, a group of young physicians formed a social club, known as the Tuesday Group, which eventually played a role in the creation of FES. This club provided a forum for professionals with common philosophical perspectives. Eventually, several members of the Tuesday Group assumed leadership roles within the University del Valle.

Creation of FES

In retrospect, FES was the product of concurrent trends or influences associated with leaders from the University and the private sector, the Tuesday Group and assistance from various U.S. foundations. As the University gradually began to receive more assistance from international donors a need was recognized for a foundation to assist the University in the management of these funds. On December 29, 1964 FES was legally incorporated as a non-profit organization devoted to elevating the scientific, cultural and educational standards of the Universidad del Valle. This new organization basically used the U.S. foundation movement as a paradigm.

In 1965 FES assumed various functions for the Universidad del Valle using a Ford Foundation grant of \$120,000 US to begin their operations. According to available data, at least half of the leaders-founders of FES were trained in the United States and represented physicians, private sector leaders, and members of the University and banking community. Again the organization had strong ties with the United States foundation and university communities.

Later in 1966 Dr. Hugo Lora Camacho was named as the Executive Director of FES and the original structure of the organization was established. The structure

was later augmented with the addition of the Social Division. Importantly, there has been a high degree of continuity in the executive leadership of FES, which contributed to both its growth and stability.

The 1970's was a period of transition for FES that led to its separation from the University. Historically, FES had been under the direct control of the University, with FES' functions usually secondary to those of the parent institution. As a result of the tensions associated with the student protests in the 1970's at the University, a decision was made in 1973 to disengage FES from the University and establish it as an independent foundation. This disengagement was a critical point in the development of FES. The separation from the University gave FES its own identity and allowed it to expand into a national institution. By the same token, the transition meant that the Foundation had to devise ways of surviving financially.

Several years later in 1975, FES was officially chartered by the Superintendent of Banking as a commercial finance company, marking a milestone in the maturation of the organization and the creation of a healthy financial base. Through the commercial finance company, FES was in a position to attract new sources of donations and capital to support a variety of social development projects, as well as providing a continuing source of revenues for the organization. This shift into the financial field in part reflected the orientation of FES' leaders and founders who had deep roots in the banking and business sectors.

Major Institutional Characteristics

FES' role as a "change agent" was evidently influenced by antecedent factors and reform movements, i.e., Mision Chardon, TVA, the Humphreys Report and the Universidad del Valle. Moreover, the structure and orientation of the organization was clearly influenced by the foundation movement in the United States. These various factors shaped the character, style and philosophy of FES during the 21 years that it has been in operation.

Since its inception FES has matured into a highly professional foundation that combines sound financial management practices with well planned and administered

social development functions. Through its finance company, FES is able to provide financial support and assistance to development projects, as well as create a source of revenues to support FES operations, administration and social investments.

In practice, FES has developed a practical and seemingly successful "incubator" system whereby new and innovative projects in health, education, rural development, et al. are provided with critical support in the form of funding, accounting services, technical assistance, access to governmental agencies, promotion and general logistical assistance. These are support services that otherwise would not be accessible or affordable to most new social development projects.

In this fashion, FES does not operate any projects. Rather it provides an environment of technical, political and financial support through which social development projects are given birth, nurtured and eventually mature into self-directed enterprises. This unique incubation methodology appears to have been highly refined by FES and has been an effective strategy in promoting a diverse range of development efforts in Colombia.

As an organization, FES has several important characteristics that have contributed to its maturation. Management has placed a high emphasis on professionalism in all aspects of FES' operations. The organization has been successful in attracting and maintaining well qualified personnel that combine strong technical competencies with sound business management practices. On the whole, FES' management has a solid understanding of the U.S. foundation system, with many of the key staff fluent in English. Moreover, the relationships that FES has established and nurtured with the private and public sectors have been instrumental in its success as a national foundation..

FES has been very effective in obtaining funding from various international donor agencies. In addition to obvious grantsmanship skills, FES has developed a reputation for effectively managing its financial resources. This combination of grantsmanship and management capabilities has engendered a high degree of confidence in FES on the part of international donors.

FES also has a non-profit entity in the United States that is authorized to receive grants from the U.S. government. In March 1966, FES was recognized as a section 501(c) non-profit organization by the Internal Revenue Service. It appears that this U.S.-based unit consists of one staff member, and is not a fully operational enterprise. However, the 501(c) status of FES may provide a mechanism for obtaining future U.S. funding for either domestic or international projects.

It was evident at the time of this study that FES was at an important juncture in terms of its future direction, structure and philosophy. Interviews with FES officials, as well as internal memoranda, indicated that this situation is recognized and alternatives were being considered. One option being examined by FES is to create a new entity, separate from FES, that would handle all of the administrative and support functions. In addition, this enterprise could contract with other organizations for similar types of administrative support services.

FES' successful track record has produced an increased demand for its services and support. However, many FES officials believe that the organization is operating at close to maximum capacity, with a relatively small staff involved in the management of over 100 distinct projects. Further expansion of FES' involvement in social development projects could place considerable stresses on the organization. Within this context, FES management may need to evaluate alternative strategies for decentralizing some of its administrative and technical functions to accommodate its growth and changing conditions.

At the time of the study, FES was in the process of helping to create two new foundations. One, FUNDAEMPRESA, will be designed to deal with the problem of professional unemployment in Colombia. The new foundation was officially established on October 3, 1985 and will carry out a highly innovative program to promote entrepreneurship among university students and professionals. The new foundation will provide credit and technical assistance in the creation of new small business enterprises, and the integration of financial resources, technology and university education. In addition, FUNDAEMPRESA will establish a data bank of research, information and prospective projects as one resource

in matching investment capital with entrepreneurial opportunities. FES will provide financial support for the administration of FUNDAEMPRESA, again applying its incubation methodology. The new foundation also received a line of credit in the amount of 20 million Pesos from a savings institution.

A second foundation, which had not yet been named, was being planned by FES and other organizations that would concentrate on surveying public attitudes towards the democratic system of government in Colombia. In addition, this foundation would plan and conduct a media campaign to reinforce the merits of a democratic and representative system of government. FES will be providing technical and financial assistance to the foundation.

FES has taken a very direct and public position in support of maintaining a democratic system of government in Colombia. This position was categorically stated in a recent modification of FES' organizational goals. As revised, FES' purpose is to promote the country's social development by supporting educational, scientific, and cultural programs. In addition, a strong emphasis has been placed on reinforcing the democratic and representative system of government in that nation. Thus the two new foundations just discussed are in line with this philosophical perspective.

In sum, FES is a very unique organization that has developed strong capabilities as a national foundation by combining effective social development efforts with sound financial and business practices. FES has formed a marriage of two seemingly contradictory objectives, namely, social donations to non-profit institutions, and financial solvency and independence through market-oriented financial intermediation.

IV. ADMINISTRATIVE AND MANAGEMENT SYSTEMS

Development Associates reviewed FES' administrative and management systems in terms of their adequacy in handling the diverse social development functions of the foundation. Through a series of formal interviews and a review of FES' procedures, the overall project management systems were studied.

Organizational System

FES has a well defined organizational structure and a division of labor and responsibility consistent with its multiple functions. Under the supervision of the Executive Director, there are five distinct divisions, each with its respective director:

- Social Division
- Administrative Division
- Control Division
- Special Projects Division
- Finance Division

FES has established a system of checks and balances between its Social Division, which allocates donations and grants to projects, and the Control and Administrative Divisions which ensure that each financial, legal or administrative transaction is properly executed. This system provides FES with an internal system of balancing financial and philanthropic functions.

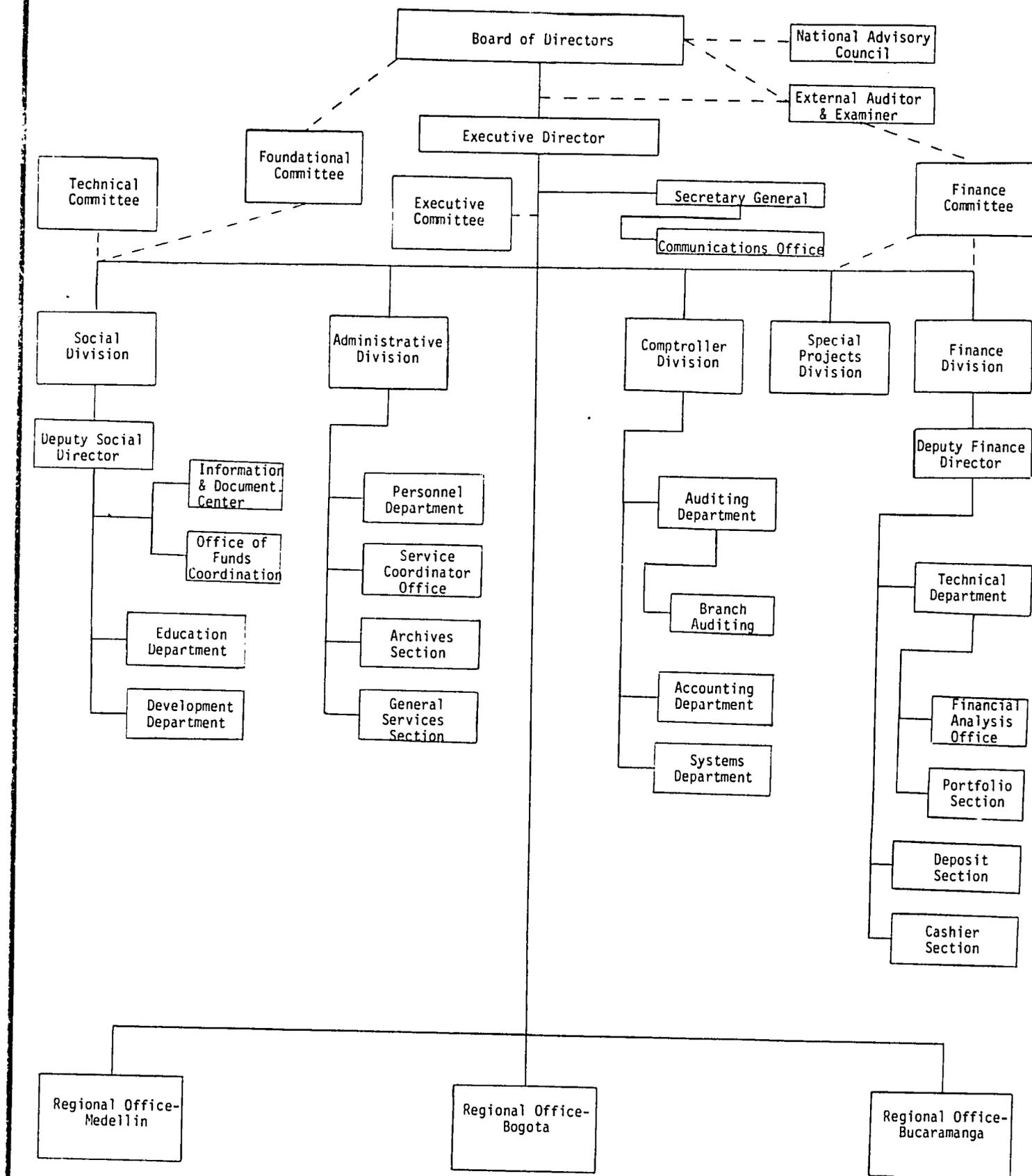
In addition to its Cali headquarters, offices have been established in Bogota, Medellin and Bucaramanga. As of September 1985, FES reported a total of 152 employees and expected the number to increase slightly in subsequent months.

Administrative System

Overall, FES has a well developed administrative system that appears to be appropriate for the size of the organization and the scope of its activities.

EXHIBIT III

FES ORGANIZATIONAL CHART



The Administrative Division includes departments of Personnel, Service Coordination, Records and Messenger Services. Each department has formal written procedures specifying the various responsibilities of assigned staff.

Of particular significance is the FES recordkeeping system which includes non-project records and CIDFES, an internal information/document system specifically for all FES projects. A highly elaborate system of receiving, coding, distribution, storage and retrieval is employed to maintain all FES records (correspondence, memoranda, etc.). Records are maintained for several years, and require several levels of authorization for disposition or destruction of files.

CIDFES, a separate department, maintains files on each project that FES is involved with. A review of a small sample of these project files revealed that they were generally complete, properly sequenced and coded, and appeared to contain all necessary information. Project documentation was **very** adequate and information easy to retrieve.

FES' Personnel Department uses fairly modern methods of recruiting and screening, performance evaluations, and recordkeeping. **Prospective** employees are administered oral and written examinations, including the **WAIS**, which is a test of adult intelligence. This same department has recently conducted an in-house analysis of communication styles, applying some relatively modern management theory (Mouton and Blake, GRID Organizational Theory).

Inter-Division communications and coordination appeared to be adequate. Division Directors meet each Monday (except when there is a Board meeting scheduled) and there was a substantial amount of written communication in the form of memoranda. Communications tend to be highly formalized, particularly in the "non-social" divisions.

The Finance Division operates the commercial finance company (CFC), which is also highly structured and well organized. All transactions such as receipt of loan payments, maintenance of records, controls on cash, etc. appeared to be smooth and efficient. All transactions are computerized.

With the creation of new branch offices and hiring of new staff FES may experience some minor "growing pains" that are typically associated with this type of growth, particularly in operating new offices in distant geographic areas. However, FES has a good system of communications and management controls that should minimize these expansion stresses.

Overall, FES has strong administrative capabilities and well trained personnel. With the various computer and documentation systems currently in place, FES has the resources to undertake additional project responsibilities, but with careful planning and allocation of resources.

General Decision-Making Processes

Major financial and technical decisions are made by Division Directors under the guidance of the various advisory committees and the Executive Director. In general there appeared to be a high degree of consensus on both the process and results of this decision-making process.

The decision-making norm within the Social Division appeared the more collaborative, and less centered on the Division Director. In the other administrative and financial divisions, decision-making and communications are generally more vertical and centered on senior management staff. This contrast in styles, however, was not counter productive or a source of conflict but rather a function of each division's role and character.

General Project Management

The Social Division has the primary responsibility for the technical monitoring of the various projects related to FES, which total about 125. The division consists of the Director, Assistant Director and four staff members. It appears that the limited number of staff within this division has resulted in minimal technical monitoring of the projects. There are no regular technical reviews

conducted, with the majority of the monitoring being primarily in the financial area. The absence of regular monitoring procedures was one of the major limitations observed by Development Associates in FES' project management system.

Based on available data, it did not appear that the lack of indepth monitoring had any major detrimental effect on the quality of project operations. Generally, when problems did arise, FES management was in a position to take corrective steps to remediate weaknesses or deviations from the original plans. However, it was apparent that in general FES lacked sufficient detailed information about overall project operations. Data that would be useful in evaluating the respective projects, as well as planning future refinements or modifications.

Clearly, the limited number of staff assigned to the Social Division is a major factor. The division simply does not have the human resources that would be needed to carry out monitoring and evaluation functions, even on a project sample basis. Given that FES is approaching a period of major expansion, the need for timely and accurate information with respect to projects that are supported by the organization will become increasingly important if not critical.

Organizational Climate

The organizational climate of an enterprise such as FES can have a substantial effect on the fundamental quality of its services and the performance of its employees. Based on the interview data gathered, as well as direct observations by the team, it appeared that FES has a healthy and productive organizational climate. Staff were motivated and personally satisfied with their jobs. There was a sense of team work and shared philosophy. Management has achieved a well balanced leadership style that emphasizes both task production and a concern for the personal well-being of employees. Work appeared to be accomplished efficiently, with respect for the opinions and feelings of peers and subordinates. There was a high value on punctuality and although staff do not "punch a clock," the offices opened and operated on a very regular schedule.

Staff members appeared to understand their respective job responsibilities and functioned with minimal direct supervision. FES managers share a common management and social development philosophy, engendering a highly congruent perspective in planning FES' activities and establishing priorities. Overall, FES has a positive working environment with all transactions carried out in a business-like fashion.

Administrative and Management Controls

FES has established an adequate system of controls that promotes an efficient and rational management of its financial, human and physical resources. Within each department, written procedures have been formulated that define lines of responsibility and authority. Thus the organization has developed a highly codified system to ensure uniform procedures in each of the various departments. In general, FES appeared to have the systems necessary to properly administer both medium and large grants including the necessary budgeting, cost allocation methods, and accounting controls.

The Social Division concentrates on the social development and humanitarian service areas, essentially guiding the investment of FES' financial and technical resources. This division is supported by a network of administrative and financial structures that attends to the many budgetary, legal and contractual details associated with the administration of various grants, government deposit accounts and other funds. Both of these systems are mutually supportive and work collaboratively in support of FES' fundamental purposes.

In light of the dramatic expansion and growth experienced by FES in recent years, the question of management centralization will be increasingly important. That is to say, with the creation of the different regional branches it may be worthwhile for FES to evaluate alternative ways of decentralizing some functions and responsibilities to expedite local decisions and transactions.

In sum, FES has strong capabilities in effectively managing and, in some cases, leveraging donations and grants. As described in Chapter V, FES has devised

some creative methods of handling grant monies for other organizations, generating interest on these deposits, and subsequently providing the project/ depositor with a sizeable return on its original grant fund. Clearly, FES has substantial potential as a resource to help in the implementation of some AID supported projects in Colombia.

V. FINANCIAL AND ACCOUNTING SYSTEMS

This chapter presents an analysis of FES as both a financial intermediary and as a non-profit, social development foundation. In general, the Development Associates team analyzed FES' performance as a financial intermediary by means of standard financial indicators. The team analyzed FES' performance as a social provider by means of qualitative assessments, as well as some other measures of efficiency. These two areas are synthesized through a broad analysis of the FES personnel and information systems in the areas of finance and control.

Since FES, as a non-profit foundation, did not have an initial endowment, in order to become self-supporting and carry out its stated objectives it began to operate as a financial institution, receiving deposits and making loans. In September 1975, the Colombian Superintendent of Banking recognized FES as a commercial finance company and it now functions as a non-profit financial institution, under the supervision of that agency. Thus, FES operates at two levels, as a promotion agency for social development, and as a financial intermediary. Acting as a financial institution enables FES, in a large part, to cover its own expenses while carrying out its social programs. As a preface to the financial analysis, it is helpful to understand where FES fits within the overall Colombian financial sector. Table 1 summarizes the deposit base for each of the four types of financial institutions in Colombia.

The Colombian Financial Sector

Generally, the financial sector in Colombia is broken down into four types of institutions:¹

- Banks, both public and private, of which there are 27;
- Corporations of Savings and Housing, of which there are 11;
- Financial Corporations or "financieras", both public and private, of which there are 29; and
- Commercial Finance Companies, of which there are currently 33.

¹All financial data on the Colombian economy was obtained from Negocios August 1985

FES, being classified as a commercial finance company (CFC), is subject to banking regulations specific to that group. CFCs capture only short-term deposits (less than one year) from the general public, as well as from various institutions, and engages mostly in short-term lending. Most loans of this sort are business working capital loans, backed by real collateral. Notably, as of August 31, 1985, FES had deposits of 7,589 million pesos, or about 0.7% of the entire Colombian financial system. Table 2 presents a picture of the size of the largest CFCs in Colombia.

It is important to understand that the CFC is not a subsidiary of FES, nor vice-versa. Rather they are one and the same. FES simply engages in more types of activities than do most other financial institutions.

CFCs, as financial institutions, currently hold only about 5.6% of all deposits in Colombian financial institutions. Twenty-four of these institutions are located in Bogota, seven are in Medellin, one is in Cartagena, and one, FES, is located in Cali. However, CFCs in general, and FES in particular, seem to be on the rise as financial intermediaries due to the fact that more people are becoming aware of what these institutions actually offer.

Banks, on the other hand, are the dominant financial institution in Colombia. They control about 52% of the deposits in the Colombian financial sector. The banking sector is very centralized, with 22 of the 27 institutions having Bogota as their headquarters. However, the 27 banks possess 2,718 branch offices throughout the country. The "Caja Agraria" has the most branches, totalling 875. This far surpasses the second ranking, "Banco Cafetero" which operates 276 offices.

The banks derive much of their strength from the fact they can offer checking accounts, certificates of deposit, savings accounts, term deposits and a host of other services.

Financial Corporations (financieras) are specifically geared to provide medium- and long-term credit. They currently possess about 10.3% of the deposits in the Colombian financial sector. While these institutions have the goal of obtaining capital from term deposits and lending for a longer term (over one year) to productive activities, recent evidence seems somewhat to the contrary. Seventy-seven percent of the loans they make are from a combination of resources captured from deposits, those provided from international organizations, and those provided by the Institute of Industrial Development. And, in spite of being dedicated to long-term financing, over 60% of their loans are for terms of less than one year.

A strength of these institutions is that they extend throughout the country. While 16 are headquartered in Bogota, they are also in Medellin, Cali, Barranquilla, Bucaramanga, Manizales, Pereira, Cucuta, Ibaque, and Popayan. This system of development finance corporations is one of the better developed in Latin America, despite some drawbacks.

Corporations of Savings and Housing. As their name indicates, they are modeled after the classical U.S. saving and loan network. Although only in existence for 15 years, they control about 32.1% of all deposits in the Colombian financial network. There are 11 of these institutions with over 400 branch offices throughout the country. However, ten of these are headquartered in Bogota.

The money which these institutions lend is generated by means of a government program which mandates that a certain percentage of any financial institution's portfolio must be invested in the program. FES must conform to this mandate as well. The return provided to FES is below the market rate, implying that a subsidy is provided to construction. Thereafter, this money is lent out for terms of no longer than eight years. Although these

corporations suffer from loan defaults to much the same extent as the rest of the financial system, 96% of their loans are backed with real collateral, usually the building that is being financed.

The Commercial Finance Company

FES, as a commercial finance company, is involved in short-term borrowing and lending. However, both its deposit base and loan portfolio are slightly different than a conventional financial institution. The financial information summarized in Tables 3-13 provides a good view of FES as a financial institution.²

FES, as a commercial finance company, performed quite well between 1980 and 1984. This five-year period was one of economic crisis in Colombia, although not nearly to the same extent as in other major Latin American nations. When analyzing the performance of FES it should be recognized that the period of 1980-1984 was characterized by slow economic growth, with stagnation in various sectors of the economy.

The deposit base of FES has grown steadily, although not spectacularly, over the same five year period. As the data in Table 3 indicates, deposits increased by approximately 109% during this period.

Deposits from other foundations, institutions and associations have shown the greatest growth, over 200%, demonstrating the constantly increased confidence placed in FES by similar types of organizations. Deposits from the general public and various other institutions have grown by about 73%, while those from educational institutions diminished slightly. As mentioned previously, these deposits are short-term usually for a 90 day period. In general there are no long-term deposits in the liability (deposit) structure of a CFC balance sheet. These deposits pay a market rate of interest. The rates of interest paid out and received are discussed later in this section.

²All financial data for FES will be expressed in current U.S. dollars, using average annual exchange rates to convert. See Table 16 for the exchange rates used. This procedure will thus take into account the over 100% devaluation of the peso during the period.

The nature of the loans made by FES is also characteristic of CFC loans in general. Most of FES' loans are for periods of under one year, except for vehicle purchase loans which can be up to 30 months. These short-term loans are typically used for working capital by large companies. FES' 1984 annual report points out that over 90% of their loans were to the following three categories: "Industry," "Commerce and Services," and "Construction." (See Table 4 for more detail.)

Only 2% of FES loans were to foundations, associations, non-profit institutions, and colleges and universities, although these organizations constituted 53.1% of FES' deposits in 1984. This interesting phenomena demonstrates that the asset side of the balance sheet, the loans, is very characteristic of a financial intermediary, while that is less true on the liability side.

As shown in Table 4, the loan base more than doubled between 1980 and 1984. This was accomplished with little promotion or publicity, other than word-of-mouth. FES has been able to consistently lend more money over the past five years as a result of a constantly growing deposit and capital base. Since, according to Colombian law, FES must capitalize one dollar for every ten it receives in new deposits, there is an assurance that deposit liabilities will not grow too rapidly. As deposits have grown though, so have loans made by the foundation.

Taking a broader view of the expansion of FES' loan portfolio, it seems that the foundation has maintained a stable policy from the fact that the ratio of loans to capital has remained fairly steady between 1980 and 1984. Over that period the ratio has hovered around 3.9 to 1. Financial institutions seeking to grow quickly will sometimes have much higher ratios as they seek to expand their loans at the expense of increased capitalization.

These FES loans are usually backed with real collateral. FES' collateral policy is generally, the more liquid the asset being used to guarantee loan repayment, the better. Thus, deposits in the foundation would be considered a very liquid asset, while a mortgage on property would be just the opposite. Table 5 provides data on types of collateral used to guarantee loans since 1980,

as well as data on dollar volume. The fact that FES utilizes highly liquid collateral is one factor contributing to the low level of defaulted loans. This subject is discussed later in more detail.

Interest Rate Policies

This sub-section presents an analysis of FES' particular policies and procedures regarding interest rates. This issue is key to the survival and viability of any financial institution.

FES has consistently offered a positive real rate of interest on its deposits, as well as collected a positive real rate of return on its loans. The real rate of interest, in a simplified sense, is the annual rate of interest charged or collected, minus the annual rate of inflation. Table 10 shows the approximate average annual interest rate collected on loans, the approximate average interest rate paid on deposits, the annual rate of inflation in Colombia for that year, and the resultant "real rate" of interest. The question of "real interest rates," while sounding rather academic is an important factor in inducing people to save and invest. There would be no financial incentive to save money in an institution such as FES if inflation increased at a faster rate than did one's saving. The ability to mobilize financial resources, which FES has demonstrated, depends on such policies.

Another interesting fact regarding FES' interest rate policy is the average spread between the cost of money (interest paid on deposits) and the return on loans (interest received from borrowers). In August 1985, the most recent period available, FES was receiving anywhere between 18-36% per annum on the loans it had outstanding, although over 60% of them were earning 30% per annum. On average, the entire loan portfolio was earning about 29.5% per annum. At the same time, FES had deposits for which it paid anywhere between 0-34% per annum, with 86% of them between 30-32%. On average FES was paying out 30.1% , on its deposits.

By itself, the above structure would lead to de-capitalization. No financial institution can function without subsidies if it pays out more for deposits than it earns on its loans. There at least has to be a spread for covering administrative costs, let alone profit. Over the period 1981-1984 loans have usually earned a little more than deposits have paid, although not enough to keep the institution viable.

While between 1980 and 1984 FES had earned, on average, 31% on its loan portfolio; it had, at the same time paid out, on average, 29.7% on its deposit base. Although FES has usually received more on its loans than it has paid out for deposits, that has not always been the case. In 1984 FES actually paid slightly more for deposits than it took in on loans. Table 10 contains more data on this topic.

These circumstances do not decapitalize the institution due to the fact that FES has a host of other longer-term investments which have the effect of raising the average annual rate of return. As the data in Table 6 shows, these investments earn rates of return high enough to provide a spread of at least 7% over costs.

The average annual cost of capital for FES has generally remained quite close to the rate paid for deposits --- never varying by more than 2%. This would seem to suggest that the deposits which FES receives are a sizeable portion of the total amount of available monies that FES has to work with. Meanwhile, FES has always earned at least 3.6% more on its overall investment portfolio than it has on its loan portfolio. This indicates that they allocate a substantial amount of money to longer-term investments which pay a good rate of return. Table 7 shows the annual volume of investments that FES has had in various type of securities. FES is required to maintain investments in some government programs, but the foundation also maintain accounts at quite a few different financial institutions. Most of these "voluntary" investments are certificates of deposits with various Colombian banks, financial corporations, and savings and housing corporations. FES seems to have diversified its investment portfolio quite well, not placing too much of it with any one institution. This likewise keeps risk to a minimum.

FES Assets & Liabilities

Stepping back from a focused view of FES' activities as a financial intermediary, one can appreciate the growth of the foundation over the last five years by analyzing their total assets and liabilities. As shown in Table 8, total assets have more than doubled since 1980. Over this period fixed assets have remained quite low, as FES does not own the building where its main office is located. Fixed assets constituted only 1.3% of the asset structure in 1980 and 1.4% in 1984. Current assets are comprised mostly of loans which FES has made.

Between 1981 and 1984, FES' liability structure was quite consistent. The 1980 balance sheet was not used in Development Associates' analysis due to a change in FES' reporting procedures. This made it impossible to compare and contrast the data. Total liabilities have grown by nearly 59% over this four-year period. Current liabilities, which grew at nearly the same rate consistently make up about 94% of total liabilities, matching well with the asset side.

Another indicator of a generally conservative financial policy is FES' "liquidity ratio." As shown in Table 9, this ratio simply divides the current assets by current liabilities, indicating the ability of an organization to meet its current debts with its current assets. FES' liquidity ratio was 1.2 in 1981-83, and 1.3 in 1984, meaning that current assets have been at least 20% greater than current liabilities.

In summary, the previously mentioned financial aspects as well as some others mentioned later in this report demonstrate that FES is a prudent financial institution in particular, as well as an efficiently managed institution in general. Some other more generalized financial matters will now be discussed.

FES likewise seems pragmatic in its salary structure. While the benefit package offered to employees is quite high by Colombian standards, it is a definite factor which enables FES to attract and keep exceptionally qualified personnel.

FES' benefit package, over and above salary expenses and excluding social security contributions, has grown, on average, at the rate of 30.4% per annum between 1980 and 1984. Much of this increase is due to the hiring of new staff. Some of the increase, though, is accounted for by employee benefit programs. As noted elsewhere in the report, FES' salary expense has increased at a faster pace than fringe benefits.

A point of obvious pride among FES personnel is their extremely low rate of non-performing loans. The 35 CFC's in Colombia had loans in default of 5,542 million pesos as of December 31, 1984. This represented about 8% of the assets of this financial subsector. Meanwhile, FES currently has loans in default representing about 0.1% of its asset base. Table 11 shows how the problem of defaulted loans has remained negligible since 1981.

The Development Associates team also calculated FES' overhead rate to obtain an additional indicator of their financial management profile. As applied in this study, the overhead rate is essentially defined as the "cost of doing business" expressed as a ratio or percentage of total employee salaries. For purposes of analysis, the rate was separated into two types of percentages. The first is the ratio of total salaries to employee fringe benefits (paid vacation, insurance, social security, bonuses, etc). The second being the ratio of total salaries to direct operational costs (rent, office supplies, insurance, legal fees, external audits, etc). While there are a variety of methods employed to calculate overhead rates, Development Associates believes that this method is appropriate for the type of enterprise operated by FES. However, in the absence of an independent standard by which to judge FES' overhead rates, the analysis is simply intended to describe actual rates and observed trends. As shown in Table 12 both the fringe benefit and operating expense ratios have been increasing over the past several years. In our estimation, there are two main reasons for this trend.

First, the fringe benefit rate increased from 76% in 1980 to 103% in 1984. Since this ratio is computed in relation to total salaries, the trend simply indicates that FES has been gradually expanding the type and variety of employee benefits over the past five years. The quality of employee benefits may be one factor that has contributed to FES' ability to attract and maintain well trained and competent employees.

The broader, overhead rate on general and administrative (G&A) expenses has been quite high over the past five years. This overhead rate, taking account of virtually all expenses other than fringe benefits, has been between 650-900% of salary expenses between 1980 and 1984. (See Table 12.) The major reason for this has been the fact that "General Expenses" have risen 165% over this period. Much of this is undoubtedly due to FES' rapid expansion during the period, providing more services, buying new equipment, and opening branch offices in various new locations. Generally, other expenses have declined relative to salaries. When "General Expenses" are omitted from the G&A overhead rate, it shows a five-year declining trend, from 318% in 1980 to 223% in 1984.

A standard measure of profitability for any business is its return on assets. In its simplest sense, return on assets is calculated by dividing annual income by total assets for the year. Since a firm's assets are its source of income, this ratio gives a picture of how efficient a firm is at earning money. Table 13 shows that FES has been reasonably consistent in this area since 1980. However, it is difficult to compare this to other institutions for the previously cited reason.

As mentioned earlier, another factor which keeps FES a conservatively managed institution is the requirement set down by the Superintendent of Banking that deposits not exceed ten times its equity base. This forces a firm to capitalize funds continually if the deposit base is growing. Thus, they will not become overloaded with debt. Likewise, the Superintendent of Banking stipulates that FES cannot lend more than 25% of a debtor's equity if the loan has "first-class" collateral. Without such collateral, FES is only able to lend up to 10% of the debtor's equity.

A final note regarding FES, financial management is that they seem to be quite adept at rapid cash management. Money that is received on a daily basis is quickly placed into short-term investments. Then, on a regular basis, this money is invested into medium- and long-term types of investments.

Historical Overview of FES as a Financial Intermediary

While the previous discussion focused mostly on FES as a financial intermediary (CFC), it obviously is much more than that. This section will present some historical analysis, as well as highlight some of the unique and innovative techniques that FES has employed in order to function as a quite successful, and "profitable" non-profit institution.

The growth of FES since 1964 has been dramatic. Their capital base grew from about \$3,000 in 1964, the year of inception, to about \$506,000 in 1974. This marked the end of FES' "take-off" stage. With the formal recognition of FES as a financial intermediary in 1975, FES began its "advanced growth" stage. This stage has seen the capital base double another four and a half times --- from \$506,000 in 1974 to approximately \$13.6 million in 1984. This exponential growth of the capital base through financial acumen has enabled FES to practice its principal objective --- social funding. Until 1970 FES did not classify any funds as "social." In that year they commenced with this activity with \$42,000 for "social funds." This total grew modestly through 1974 to \$175,000. Then, with the new era of FES as a financial intermediary beginning, the growth of social funding began to grow rapidly --- increasing from \$267,000 in 1975 to over \$9.3 million in 1984. This historical analysis seems to indicate that FES' financial and social are mutually supportive.

In particular, the growth of FES' deposit and loan base has been extremely encouraging. FES has been highly successful at finding itself a niche in the Colombian financial markets. While deposits in FES increased gradually to \$4.5 million through 1974, they have been expanding rapidly ever since. In 1984 they eclipsed \$50 million. The past ten years have witnessed an average annual rate of increase in deposits of 31%. More than anything else, this demonstrates trust in FES as a prudent and attractive place for people to place their cash.

The growth of FES' loan portfolio has shown similar strength. While no data was available on the size of the loan portfolio all the way back to 1964, the total asset base can be used as a good proxy. The loan portfolio has normally been about 65% of the entire asset base. FES' total assets progressed moderately between 1964 and 1974 --- coming in at about \$4.2 million in 1974. Yet, just like their deposit liabilities, the asset base began to soar in 1975. Over the past ten years total assets, most of which are loans, have grown at an average annual rate of 33%, matching well with deposit liabilities.

At the core, almost every foundation depends on donations, albeit to varying degrees. Table 15 illustrates the obvious success which FES has had in attracting donations. If one assumes that current donations are a function of past efficiency in distributing other donations, then it can be concluded that FES has been quite competent at funds management over the last five years. The level of total donations in 1984 was nearly five times the amount recorded in 1980. Increasingly, more of this money has gone to the popular "Permanent Funds."

FES Fund Management

As of September 1985 FES had seven separate Operating Funds, 82 Special Restricted Funds, 118 Permanent Matching Funds, 32 Permanent Non-Matched Funds and nine Capitalization Funds. Appendix B contains a computer print-out of all FES - managed funds.

The Common Operating Funds

These funds are simply the monies set aside by each branch office for administrative operations. This money is not subject to any special restrictions or restraints, as it is earned mainly from the management of FES' own money. However, some of the money in this fund is accrued from the earnings of other funds which FES manages, as well as from deposits.

Permanent Funds

Permanent Funds are established through the initiation of another party, such as a foundation or private individual, for a variety of

of educational, research and social services. Part of the yield of these funds (30%) is capitalized monthly by FES, while the remainder goes to the beneficiary. Some common aspects of all Permanent Funds are the following:

- They are, by definition, a perpetuity;
- They are all received through donations;
- They all have a specific destination; and
- Part of the proceeds of these funds are disbursed on a periodic basis, usually monthly.

Within the framework of Permanent Funds are two separate types of specialized funds.

Permanent Matching Funds is one of the FES concepts that has received a great deal of attention. An example of this phenomena is the following. In 1984 FES contributed about Col. \$381.5 million in matching funds for the establishment of 28 new Permanent Endowment Funds. At the end of 1984 there were 118 of these funds with assets of 1.1 billion pesos (almost \$9,450,000). Through these, FES made donations during the year of 129 million pesos (about \$1,267,000) for a variety of educational, research and social service programs. Since part of the yield of these funds is capitalized (usually around 30%) and new donations are obtained from them with the corresponding matching funds from FES, these donations will automatically increase over time. A recent, and quite important, endowment fund originated in a donation from a private U.S. foundation. In 1983 FES was asked to administer a three-year grant from the W.K. Kellogg Foundation to the University of Valle for the support of research in the delivery of health services and primary health care. The income generated in FES by the grant while it was used, was matched on a one-to-one basis by FES to create the fund. The balance of this fund on December 31, 1984 was 44.8 million pesos (about \$397,000). It financed separated projects totalling 10.6 million pesos (about \$104,200).

As a general rule, FES will set up a matching fund for monies donated by other non-profit organizations. However, FES always conducts an evaluation of prospective institutions that wish to have a fund administered. Both the Technical and Foundational Committees have input on this matter. First, a decision has to be made on whether or not a fund should be matched. Then, if a fund is to be matched, a decision is made as to what percent of the sum will be matched.

Another type of Permanent Fund is the Permanent Non-Matching Fund. These funds normally come from the private, profit-oriented sector, and are slated for specific purposes. At the end of 1983 there were 32 funds, worth 120 million pesos (about \$1,333,300) not receiving matching monies for FES. During 1983 total non-matched funds were valued at 12.5 million pesos (just over \$156,000). These funds come from diverse sources, such as private industry, religious groups, or professional associations.

Both of these funds earn market rates of interest, however, the effect of FES matching of certain funds is to make the actual dollars donated earn more. This is a result of FES adding to the principal, by "matching a certain proportion".

A third type of fund is the Special Restricted Funds. These funds are donations or contracts provided to FES by various entities so that FES can administer the funds for specific programs. FES does not match any of these funds. However, the funds that are donated do earn a rate of return during the period in which they are managed. Thus, a donation of \$300,000 for medical research over three years, will eventually pay out more than the original sum of \$300,000 due to the fact that the non-disbursed balance will be earning a return.

In 1984, besides donating the administrative costs for these funds, FES donated 17.2 million pesos to various programs. From an

accounting point of view, FES treats the responsibility of providing these services as a liability on its balance sheet.

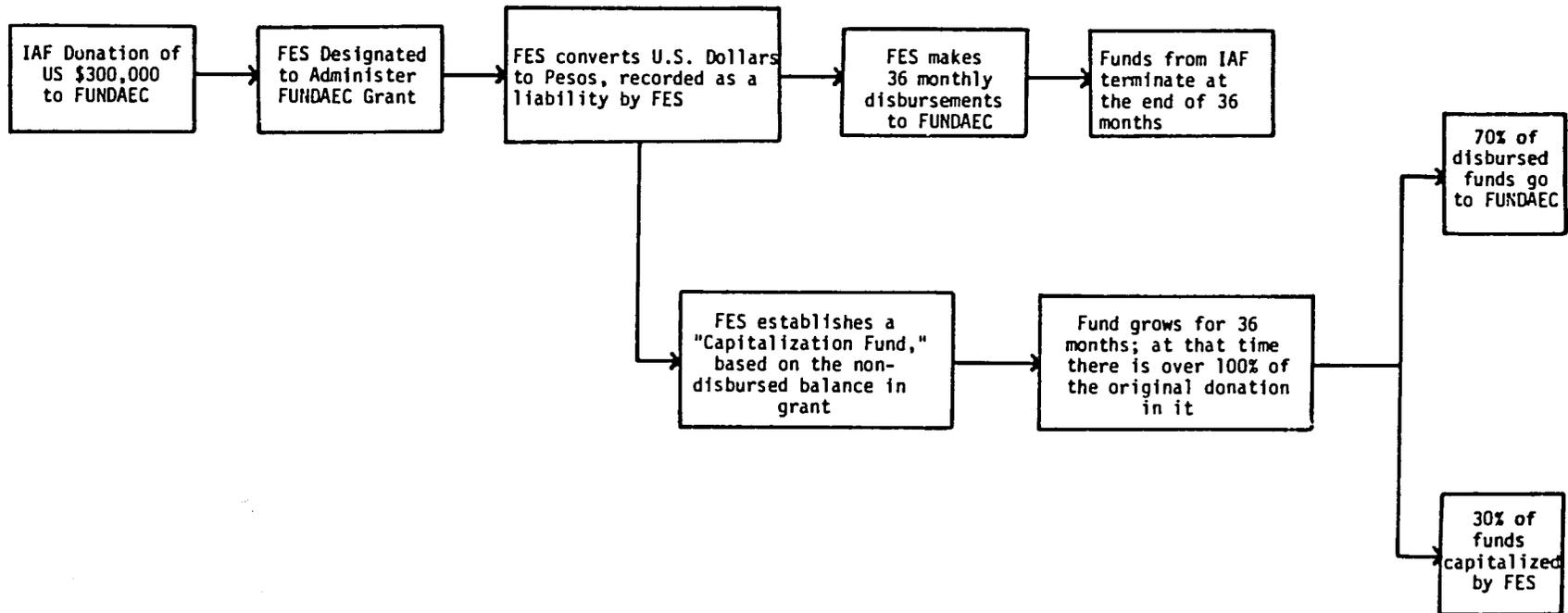
The Capitalization Fund is a hybrid fund created by FES to achieve certain objectives, as well as fulfill donor requirements regarding the management of the funds. The Capitalization Fund has much the same philosophy as do the Permanent Matching Funds. However, the actual Capitalization Fund is contributed to 100% by FES. This fund is created in response to a donation/grant which FES is to manage.

This fund is best understood by examining the reasons for its creation. The Inter-American Foundation (IAF), a frequent donor of funds for FES management to organizations such as FUNDAEC, is restricted in the type of fund it can place money in, due to the fact that it is supported by the U.S. Congress. Thus, FES cannot place these funds in a normal interest-bearing Permanent Matching Fund, assuming that FES will match the money. Instead the money is treated entirely as a liability on the balance sheet, and is usually disbursed in separate, equal trenches. The money earns no interest, and is not treated as a FES "fund" per se. Exhibit IV demonstrates how a FES Capitalization Fund works.

At the same time that FES is managing a fund for the IAF, it is contributing to a separate fund which it created. This is the actual Capitalization Fund. Contributions to the Capitalization Fund, 100% of which is FES money, is more of an accounting procedure. FES simply allocates a certain sum of money, on a monthly basis, to this fund. The amount donated, though, is based upon the non-disbursed liability, which FES has, of disbursing the IAF donation.

As a result of this process the Capitalization Fund increases steadily for 36 months, as monies are going in from FES and no withdrawals are made. Under current conditions, this Capitalization Fund will grow to over 100% of the initial IAF donation at

EXHIBIT IV
FES CAPITALIZATION FUND



the end of 36 months. Then, when the money from the IAF terminates at the end of three years, FES is able to continue to make donations to FUNDAEC based upon the money it has donated to the Capitalization Fund.

When FES commences to make donations to FUNDAEC from the Capitalization Fund, only 70% of the monthly installment is given to FUNDAEC. The remaining 30% is capitalized by FES, thereby strengthening themselves financially in the process. As a result of FES management of the IAF donation, an amount greater than the original donation is provided to FUNDAEC. At the same time, FES complies with U.S. law by not placing IAF money in a "speculative" fund.

The vast majority of individual funds that FES administers are the result of donations from private individuals and institutions. From a comprehensive list of FES funds provided to Development Associates, it was estimated that FES currently manages 16 programs for the Government of Colombia. Every one is a Special Restricted Fund, meaning that FES does not match them. Since FES does not match or capitalize any parts of these funds, there is very little management involved. This is not just true of funds managed for the government, it is true for all Special Restricted Funds. By their very nature these funds are set up with one specific purpose in mind, for a specified time period. The programs that the Colombian government is involved in focus on education and health projects.

Since FES fund management generally does not involve itself in project implementation and/or evaluation, there is no need for FES to involve itself in tasks that are the responsibility of government ministries.

The same thing has basically been the case with the international donations which FES receives as well. Almost all of them are through the Special Restricted Funds, meaning that FES simply

administers the program. Total international donations have increased by 59% between 1980 and 1984, summing to \$2.5 million for the last year. These donations normally come from a select group of international organizations. The World Health Organization has donated over \$680,000 during these five years for a variety of health programs. The Agency for International Development meanwhile has contributed over \$168,000 during the same time period for various projects. Other notable international donors include UNESCO, the Population Council, the German Agency for Technical Cooperation, the Rockefeller Foundation, the Ford Foundation, Partners of the Americas, and the World Wildlife Foundation.

The previous discussion is indicative of FES' innovativeness in providing money for social programs. The foundation has systematically responded to fluctuations and uncertainty in financial markets, while consistently complying with both Colombian and U.S. laws and regulations governing the operation of non-profit organizations.

FES is a unique foundation in the sense that it does not represent any religious, political, professional or private group, and it is not financially dependent on any one corporation, organization, family group or individual.

Accounting and Information Systems

The integrity of FES' accounting system is reviewed every year by Arthur Andersen & Co. In particular, the external audit examines the management of the separate funds which FES has established. The accounting policies that FES uses are analyzed each year, resulting in a judgment that FES is both consistent, and in conformity, with all Colombian laws.

Other significant FES accounting policies that merit mentioning, are the following:

- Investments made by FES are carried at the lower of cost or market value, a financially conservative approach.

- A reserve is maintained for possible loan losses at a level that, in FES' opinion "is adequate to cover potential loan losses." A look at the June 30, 1985 balance sheet shows that this reserve, 1.67 million pesos, is exactly the same level as the level of loans with personal guarantees. Non-performing loans with real collateral obviously can be collected on, at least sooner or later.
- Fixed assets are carried at cost, as opposed to actual market value, once again a conservative financial approach. Depreciation is provided under the straight-line method at the annual rates of 20% for vehicles, 10% for furniture, equipment and leasehold improvements, and 5% for buildings.
- FES maintains cash equivalent to 1% of the total deposits.

The main reason that the accounting system is so easily discernable and easy to use is that a regular set of accounting procedures are followed on a daily basis.

First of all there are regular, daily entries into the computer system of all transactions that FES is involved in. This includes loans, loan payments, deposits, withdrawals, and interest posting for the financial intermediary aspects of FES, as well as all transactions that affect any of the numerous funds. As a result, FES is able to provide, by computer print-out daily balances. Likewise, FES is able to provide daily status reports of any fund which it is managing.

As far as the actual outflow or disbursement of cash is concerned, it seems to be done on a logical and systematic basis. The Financial Division is in charge of the management of deposits, loans, and interest, while the Control Division implements it. The Administrative Division is in charge of all operating expenses, coming out of the Operating Fund, with the Comptroller Division implementing it. And finally, the Social Division manages the flow of the numerous funds under its control. The Social Division is responsible to both the Technical Committee and the Foundational Committee in this regard, while the Comptroller Division implements the policies.

One of the more impressive aspects of FES management in general, and financial management in particular, is the degree of sophistication and professionalism of the information system. At the core of this is the FES computer system.

Under the Comptroller Division is the Systems Department. Here under the Systems Chief, is where all of the computer hardware and software is managed. As far as basic computer capabilities, FES possesses the following items.

- Two Texas Instrument 990/10A minicomputers, one in Cali, and one in Bogota.
- Ten terminals in the Cali office accessing the main computer as well as one terminal each in Bogota and Bogota North.
- For use in telephone Communications is an IBM 3780 communications package, a modem, and a Texas Instrument 931 Terminal, in both the Cali and Bogota office.
- Six printers, two of near letter quality, in the Cali office, as well as one each in Bogota and Bogota North.
- Three minicomputers, two Texas Instrument Personal Computers and one IBM PC-XT in the Cali office.
- An assortment of software packages, developed by a Colombian company, providing the following capabilities to the Cali office:
 - Wordprocessing
 - Database management;
 - Financial, "spreadsheet" analysis;
 - Graphics, and
 - Communication with the minicomputer.

Specialized software has been developed for accounting, and is used by the minicomputer. Within six months this system will be capable of handling the management of the following:

- The loan portfolio;
- The deposit base.
- Fixed assets;
- Inventory;
- The budget;
- Payroll; and
- Accounting and cash management in general.

Currently, FES is in the process of adding display terminals and printers in the Medellin, Bucaramanga, and Barranquilla branch offices. This will enable these branches to exchange data with the main office. The key data that is exchanged on a regular basis between offices is the following:

- Loans and discounts;
- Deposits;
- Bank balances of FES in general;
- Balances of loans FES has taken; and
- Deposits/investments which FES has made.

A medium-term is to install processing ability in Medellin, Bucaramanga, and Barranquilla. With the current set-up, these branches must have their data processed in Cali.

While the previously listed capability is impressive, it was best appreciated when called upon to surrender data. A good example of the system's capability is the monthly budget figures which are printed out. Budget line items, ranging from salaries, to travel, to document duplication, are presented monthly with the amount spent through the month, the amount budgeted through that month, the difference between these two, if any, the annual budget for the entire year and the remaining, unspent balance. This breakdown is currently available on the following basis, at the very least:

- For FES as a whole, all cities and all divisions,
- Cali, all divisions;
- Cali, by division;
- Bogota, by division; and
- Medellin, Bucaramanga, and Barranquilla, all divisions and by separate division.

A possible alternative, which might be deemed necessary, would be data on all cities, but for just one division. This cross-section is also available from the system.

In conclusion, the information system is managed as well as the financial and accounting system of FES. It is quite easy to extract financial and accounting

information from it. This has obviously been important, as FES manages millions of dollars for other entities. Also, the present system is more than adequate to handle the current workload, both in terms of personnel and equipment. With current expansion plans in mind, FES is likewise assuring itself that it will be able to handle the future data workload.

Organizational Structure of Finance and Comptroller

This final section is presented mostly as a synthesis of how these two separate divisions are managed at the headquarters in Cali. Both of these divisions are at the same level as the Social Division and the Administrative Division, directly responsible to the Executive Director.

It also will focus more on general observations and perceptions of how these two divisions are managed than the three previous sections.

The Finance Division, which is responsible directly to the Executive Director, and indirectly to the Finance Committee, is headed by a Director. Immediately under him is the Sub-Director. After that, the division is broken down into three separate sections which basically mirrors the responsibilities of the division.

These sections are the following:

- The Technical Department, which is responsible for more of the medium- and long-term financial planning, has two offices under it, the office of Financial Analysis and the Portfolio Management Section.
- The Deposit Section and the Cashier Section, as their names imply, are more involved in the day-to-day cash flow activities of the CFC activities of FES.

The Finance Division appears to be competently and professionally managed. The Director, a lawyer, possesses a broad knowledge of both law and financial markets, a necessary combination in the highly complex and changing environment in which FES operates. The division seems to be run with a definite profit-making goal in mind, yet it melds in well with the more philanthropic goal of the Social Division.

The Comptroller Division, which is also directly responsible to the Executive Director, is headed by the Comptroller. Immediately under the Comptroller are three separate departments, once again basically providing a mirror of the separate functions of the division. These departments are the following:

- The Systems Department, which has six people, including a chief, an assistant in charge of production, and one in charge of analysis and operates the foundation's computer system.
- The Auditing Department is basically the "in house" entity that monitors the integrity and accuracy of the books, much the same way that Arthur Andersen provides an external "objective" audit. The Branch Auditing office is within this department, handling the accounts of the expanding number of FES branch offices.
- The Accounting Department, where the actual records are kept on the funds.

Like the Finance Division, the Comptroller Division appears to be competently and professionally managed. There is a logical division of labor, and there does not seem to be an excessive amount of authority vested in the head of the division. The Comptroller, with over 15 years experience with FES, seems extremely well versed in the intricacies of fund management. The timely and accurate manner in which this division submits monthly reports to the Colombian Superintendent of Banking, as well as detailed annual reports to the U.S. Internal Revenue Service, attests to its capabilities.

In summary, the Comptroller and Finance Divisions seem to complement each other reasonably well, providing mutual checks and balances. Each division seems to have a clear vision of its responsibility, as well as the overall goal of FES.

Also, at the same time, both of these divisions appear to check and balance the Social Division, which has a multitude of programs and projects. They also seem to be good at implementing ideas and proposals which come out of the Social Division such as the Capitalization Fund, and the various financing methods. These divisions provide a profit-making orientation to a non-profit institution.

In conclusion, the financial and control systems of FES appear to be extremely well managed and capable of handling the current workload. FES was able to start operations as an organization solely focused on philanthropic objectives. However, over the years FES has demonstrated an exceptional degree of flexibility and adaptability uncommon to many similar organizations. The innovative, private sector approaches used by FES have enabled them to jointly achieve two objectives - the maintenance of a strong viable financial institution, and a steadily increased level of funding for social programs.

TABLE 1
 THE COLOMBIAN FINANCIAL SECTOR
 THE 4 TYPES OF FINANCIAL INTERMEDIARIES
 WITH TOTAL DEPOSITS OF EACH
 (MILLIONS OF PESOS)

Type of Institution	Funds as of July 13, 1985	Percent of Total
Banks	597,691	52.0%
Finance Corporations	118,201*	10.3%
Savings & Housing Corporations	369,487	32.1%
Commercial Finance Companies	64,406*	5.6%
	<hr/> 1,149,785	<hr/> 100.0%

*As of July 6, 1985

TABLE 2
 COMMERCIAL FINANCE COMPANIES
 CAPITAL & RESERVES AND ASSETS OF ALL 33
 DECEMBER 1984
 (MILLIONS OF PESOS)

Institution	Capital & Reserves	Total Assets
1. Pronta S. A.	1,250	11,642
2. Inversiones Delta Bolivar S. A.	1,000	8,546
3. FES	874	7,195
4. Inversiones y Credito Colseguros, S. A.	734	6,416
5. Financiera Colpatria S. A.	579	6,829
6. Coltefinanciera	532	3,462
7. Comercial Grancolombiana S. A.	522	1,983
8. Serfinansa	406	3,780
9. REMAINING 25	3,364	22,830
TOTAL	9,261	72,683

TABLE 3
 FES TOTAL DEPOSITS
 (000s of U. S. DOLLARS)

	Foundations, Institutions, ° Associations	Universities and Schools	Other Institutions & Individuals	TOTAL
1980	\$ 8,094	\$ 2,439	\$ 13,677	\$ 24,210
1981	12,456	1,573	20,180	34,210
1982	13,582	1,898	22,955	38,436
1983	19,480	2,233	23,376	45,089
1984	24,685	2,120	23,676	50,481

TABLE 4

FES LOAN DISTRIBUTION

(000s of U. S. DOLLARS)

	Foundations & Associations	Educational Institution	Industry	Commerce	Private Individuals	Discounts	Other	TOTAL
1980	\$ 251	-	\$ 8,667	\$ 6,791	\$ 2,256	\$ 4,503	-	\$ 22,468
1981	69	\$ 165	13,927	10,858	-	2,517	\$ 1,535	29,072
1982	164	123	12,367	15,824	-	2,848	832	32,159
1983	214	223	24,317	17,527	1,148	1,301		44,730
1984 *	675	372	35,338	15,245	1,497	1,600		54,745

*In 1984, loans to employees totaled \$19,000.

Table 5

FES COLLATERAL/LOAN GUARANTEES
(000s of U.S. Dollars)

	Term Deposits	Pledged Guarantee	Bank Guarantee	Mortg.	Deposits in Foundation	Engineer. Agreement	Bills of Exchange	Stock	Pledged Bonds	Agricult. Pledge	Indust. Pledge	Portfolio	Total
1980	-	-	\$ 4,503	\$1,904	\$ 3,879	-	-	\$7,974	\$365	\$550	\$2,937	\$6,064	\$28,175
1981	\$2,507	\$18,108	-	5,946	4,348	\$3,765	-	4,178	-	-	-	-	38,852
1982	6,003	20,079	-	9,597	4,215	4,829	-	2,407	-	-	-	-	47,730
1983	6,575	24,545	12,308	8,037	8,720	3,497	\$ 75	2,891	-	-	-	-	66,648
1984	-	31,926	8,656	9,133	19,848	7,072	2,858	4,063	-	-	-	-	83,556

TABLE 6

FES
GROSS AVERAGE ANNUAL RETURN &
GROSS AVERAGE ANNUAL COSTS *

	Average Return	Average Costs	Spread
1980	34.9%	27.2%	7.7%
1981	36.2%	29.1%	7.1%
1982	35.7%	28.7%	7.0%
1983	37.1%	29.2%	7.9%
1984	36.6%	27.9%	8.7%

* Average return is the return derived from all investments, not simply loans made. Average costs represent the cost of all funds obtained by FES, not just from deposits.

TABLE 7

FES LONG-TERM INVESTMENTS
(000s of U.S. Dollars)

	Obligatory	Voluntary	TOTAL
1980	\$2,292	\$4,646	\$ 6,938
1981	3,290	8,020	11,310
1982	3,581	5,469	9,050
1983	4,418	4,618	9,036
1984	5,075	2,325	7,400

TABLE 8

FES ASSET STRUCTURE
(000s of U. S. Dollars)

	Fixed	Current	TOTAL
1980	\$ 437	\$32,451	\$32,889
1981	1,057	43,993	45,050
1982	1,261	51,155	52,416
1983	1,066	59,039	60,105
1984	962	68,761	69,723

TABLE 9

FES LIABILITY STRUCTURE
 (000s of U.S. Dollars)
 and
 LIQUIDITY RATIO

	Long-Term	Current	TOTAL*	Liquidity Ratio
1980	-	-	-	-
1981	\$2,230	\$36,556	\$38,785	1.2
1982	2,339	41,603	43,942	1.2
1983	2,970	49,366	52,336	1.2
1984	3,627	53,175	56,802	1.3

* Current plus long-term only; does not coincide exactly with total liability figure on balance sheet.

TABLE 10

NOMINAL & REAL INTEREST RATES
FES LOANS AND DEPOSITS

	<u>Average Annual Nominal Rate:</u>		Annual Rate of Inflation Colombia	<u>Average Real Rates:</u>	
	on Loans	on Deposits		on Loans	on Deposits
1980	-	-	25.9%	-	-
1981	32.6%	30.9%	26.3%	6.3%	4.6%
1982	32.0%	29.9%	24.1%	7.9%	5.8%
1983	30.0%	28.3%	16.6%	13.4%	11.7%
1984	29.3%	29.7%	18.3%	11.0%	11.4%

TABLE 11

FES OUTSTANDING LOANS IN DEFAULT *
(000s of U.S. Dollars)

	<u>Backed up By:</u>			Percent of Total
	Personal Collateral	(IOU)	Real Collateral	
			TOTAL	
1980	-		-	-
1981	\$41		\$41	0.1%
1982	27		29	0.1%
1983	16		25	0.1%
1984	12		92	0.2%

* Includes only the principal of the loan.

TABLE 12

FES ANNUAL OVERHEAD RATES*
(As a Percent of Salaries)

	<u>Fringe Benefits</u>	<u>General and Administrative</u>
1980	76%	662%
1981	76%	811%
1982	85%	676%
1983	99%	889%
1984	103%	677%

*The Fringe Benefits rate includes retirement, pensions, vacations, bonuses/benefits, social security, insurance premiums, and other benefits. The General & Administrative rate includes rent, travel, honorarium, public relations, repair/maintenance, portfolio protection, and general expenses.

Table 13

FES RETURN ON ASSETS

	(A) Income*	(B) Total Assets (000s of U.S. Dollars)	(A/B) Return on Assets
1980	\$ 2,702	\$ 32,889	8.2%
1981	2,466	45,050	5.5%
1982	3,387	52,146	6.5%
1983	4,905	60,105	8.2%
1984	5,229	69,723	7.5%

*As taken from the Statement of Profits and Losses, and submitted to the Superintendent of Banking

Table 14

A TEN-YEAR PERSPECTIVE
FES DEPOSIT & LOAN GROWTH SINCE 1974*
(000s of U.S. Dollars)

	Total Deposits	Total Assets
1974	\$ 3,546	\$ 4,248
1975	4,769	5,998
1976	6,181	7,595
1977	7,701	11,286
1978	11,483	16,821
1979	16,563	22,238
1980	24,210	32,889
1981	34,210	45,050
1982	38,436	52,416
1983	45,089	60,105
1984	50,481	69,723

*All data is taken from "FES, 20 Años, Documento de Trabajo." Data was provided in pesos, and converted into dollars using average annual exchange rates. Total assets were used instead of loans, as no historical data was available on loans in the document. However, loans have consistently represented at least 60% of the asset base.

Table 15

FES
CASH DONATIONS RECEIVED
(000s of U.S. Dollars)

	D E S T I N A T I O N			
	Direct	Permanent Funds	Restricted Funds	Total
1980	\$ 148	\$ 223	\$ 115	\$ 485
1981	321	668	88	1,077
1982	394	1,101	74	1,568
1983	497	1,285	117	1,899
1984	528	1,566	169	2,263

TABLE 16

AVERAGE ANNUAL EXCHANGE RATE
PESO/DOLLAR
1974 - 1984

1974	28.69	1980	47.28
1975	33.09	1981	54.49
1976	36.47	1982	64.09
1977	38.11	1983	78.86
1978	41.00	1984	101.86
1979	43.98		

Source: International Financial Statistics, IMF.
Various issues

VI. SOCIAL ANALYSIS

As a social development foundation, FES operates under a well-designed organizational structure consisting of specialized organizational units responsible for policy, technical operations, finance and administration. Development Associates examined the composition, and decision-making and administrative responsibilities of each unit, as well as the administrative processes employed in project selection, program and project activities, and monitoring and evaluation efforts. An overall analysis of FES' leadership and administration, project selection methodology and program activities was carried out by the Development Associates team as part of this case study.

FES is governed by a Board of Directors and a National Advisory Council. It is administered by an Executive Director, three board and administrative committees and three program divisions. Except for the program divisions whose functions are treated in other parts of the report, a brief description of each of these organizational units follows.

Board of Directors

The Board of Directors consist of 19 members of which 15 are permanent and four are temporary appointees. Temporary membership is for a two-year period and renewable. Traditionally, temporary members are appointed to permanent status whenever a vacancy exists. New members to the Board are appointed by the existing membership with input from program administrators. The Board's main function is to formulate policy to ensure that FES, as a non-profit financial institution, prudently manages deposits from the public while covering its own operating expenses and those of the various social development projects that it supports. Figure 1 displays the profile of the Board of Directors. As shown in the profile approximately two-thirds of the membership represents the business sector; the other third public and private educational insitutions. Also, as evidenced by their affiliations, most members lead an exceptionally active life. Aside from attending monthly board and committee meetings and

Figure 1

PROFILE OF THE FES BOARD OF DIRECTORS

NO.	NAME	YEAR OF APPT.	BOARD STATUS	OTHER POSITIONS HELD IN FES	CURRENT AND/OR PAST AFFILIATIONS
1	VALLEJO ARRELAEZ, Joaquin	1978	Perm.	Board of Directors Pres. Foundational Committee Member	Former Minister of Finance
2	ARANGO JARAMILLO, Alfonso	1967	Perm.	Financial Committee Member	Owner of Department Stores
3	OCAMPO LONDONO, Alfonso	1968	Perm.		Former Minister of Education and Rector of the University of Valle
4	LONDONO BARONA, Miguel	1975	Perm.		General Manager of Sugar Mill
5	GAVIRIA MACIAS, Octavio	1967	Perm.		Private Civil Engineer
6	BUENO DELGADO, Rodrigo	1975	Perm.		Finance Director of Carvajal & Co.
7	GARCES GIRALDO, Alvaro	1964	Perm.		Owner of Sugar Mill
9	CARVAJAL, Alberto Jose	1971	Perm.		Associate of Carvajal & Co.
10	DACCACH, Samir Camilo	1964	Perm.	Financial Committee Member	General Manager of a Textile Mill
11	VELAZQUES PALAU, Gabriel	1971	Perm.		Former Minister of Health and Education Currently Colombia. Consul in New Orleans
12	SAMPER GNECCO, Armando	1978	Perm.	Foundational Committee President	Former Minister of Agriculture Currently, President of the Sugar Research Institute.
13	BERNAL CORREA, Alberto	1978	Perm.	Financial Committee Member	Owner of Agricultural Companies
14	ZANGEN JANEK, Harold	1979	Perm.	Foundational Committee Member	Manager and owner of the Community Recreational Corporation.
15	PRETELT DE LA VEGA, Sabas	1978	Perm.		Manager of Department Stores President of the Commercial Industries
16	PEREZ, Luis H.	1984	Temp.		Dean of the University (Autonoma) de Occidente. Private Engineer.
17	HOYOS VASQUEZ, Jorge, S.J. (Bogota)	1981	Temp.		Dean of the Javeriana University
18	BOTERO PELAEZ, Luis Gabriel (Medellin)	1982	Temp.		Professor at Pontifical Bolivarian University. Private Auditor.
19	ECHVERRI MEJIA, Gilberto (Medellin)	1984	Temp.		President of Community Activities for Antioquia.

continuously "selling" FES, they also participate in local civic action activities, and attend to their respective businesses and professional practices.

National Advisory Council

The National Advisory Council is composed of five members; two are former Presidents of Colombia; a former director of the National Government Bank (Banco de la Republica); the director of a leading national university, and a former Minister of Health and Education, and now a prominent businessman.

Because of its composition, the Council provides an important bridge between FES, public and private sector interest groups, and the national government. Also, the Council's members can easily interact at all levels in both the public and private sectors, and has been instrumental in influencing the formulation of national policy, particularly in relation to social development issues. Clearly, the National Advisory Council has been a valuable instrument in facilitating FES' social development efforts.

Board and Administrative Committees

The Foundational Committee is composed of nine members, one of whom is from the National Advisory Council, five from the Board of Directors, the Executive Director, and two division directors. The committee's primary function is to provide direction and guidance to the Social Division in fulfilling its broad social objectives. The importance assigned to the social component is reflected in the composition of the committee.

Its membership consists of highly committed individuals with extensive experience in social action development activities. For instance, included in the committee is a former President of the country under whose administration and leadership effective land distribution and community action programs were introduced and implemented nationwide. The committee meets for two hours on the second Tuesday of each month.

The Financial Committee is composed of eight members, three of whom are members

of the Board of Directors and the remaining five including the Executive Director, are either service or division directors. This committee is responsible for providing direction in the management of all fiscal matters.

The progressive increase in income generated each fiscal year for social development attests to the committee's effective efforts in setting sound fiscal controls and in determining appropriate priorities and strategies. The committee meets twice a month, generally on Wednesday mornings.

The Technical Committee is composed solely of administrative staff. Except for two, the Comptroller and the Deputy Director for Finance, the members are from the Social Division. The committee is responsible for reviewing and approving all grant solicitations in accordance with the criteria and procedures established by FES.

In the past year, and since the establishment and application of written criteria and procedures, there have been no failures among FES-supported projects. Similarly, in prior years project failure was almost non-existent. Whenever early signs of potential failure were detected FES management would take immediate and decisive action to make the necessary and appropriate adjustments. In this fashion, an informal early warning system was developed that contributed to FES' success as a social development foundation.

The Technical Committee meets regularly twice a month. Their workload determines the length of a meeting while the availability of its members determines the day of the week on which it is held.

The committee system provides FES with an excellent source of external expertise, as well as a method of utilizing the expertise of its own staff in the financial and technical management of the organization.

Project Selection Criteria and Procedures

Part of FES' excellent track record in supporting successful projects can be traced to the system it utilizes in screening and selecting projects for

funding. In this respect, the Social Division has overall responsibility for philanthropic and social development efforts. Therefore, its function mainly, through the Technical Committee, is to analyze potential projects in accordance with FES' written selection criteria and procedures. To facilitate this function, FES developed a working document entitled "Established Criteria and Procedures for Implementing the Social Action Workplan". Essentially the document describes FES' social action development plan and within this framework denotes applicable criteria and procedures for all program activities in social development. Therefore, this document, which is quite comprehensive, is the division's guide for analyzing and selecting projects. A broad outline of content material follows. The document in its entirety is an appendix to this report.

The guide leads off by defining the institutional objectives. Briefly described, it states that FES does not implement projects, but rather assists individuals or entities that are involved in social development and supports long-range projects which are shouldered by permanent funding and contribute to human resource development that will bring about social change. Due to limited financial resources FES carefully selects projects which have a multiplier effect and are fully supported by the community, ensuring that all developed processes are institutionalized. Finally, FES makes an effort to monitor, and conduct periodic evaluations, of all foundation sponsored activities. The document then defines the general and specific objectives for each of FES' four priority areas. A more detailed description of these targeted areas and their programs is given later in this report. The guide also defines the objectives for general program strategies regarding finance, science and technology, administration, and marketing. These program components are directly inter-related and complement the cited priority area. Additionally, the guide lists the type of activities that FES will support with technical and financial assistance, as well as the applicable criteria for each activity, including criteria for the specific type of funding requirements. Finally, the guide graphically illustrates the flow of solicitations for review through the organizational structure. These procedures ensure that each solicitation is given a timely and appropriate review.

Specifically, initial solicitations are received and registered by CIDFES, FES' Information and Documentation Center. All solicitations must be submitted in appropriate formates. Once registered, a solicitation is then duplicated and distributed to designated individuals, but in particular to the individual in-charge of the corresponding program area. This individual is totally responsible for analyzing or overseeing the analysis of the solicitation in accordance with established criteria, and for submitting concerns, findings, and recommendations in writing to all Technical Committee members for their review and appraisal prior to a general review committee meeting. It should be noted that grant request for over Col. \$500,000 must also be reviewed and approved by the Foundational Committee. Once a solicitation is approved, a letter is prepared notifying the solicitor of the grant award and indicating grant conditions. This letter actually constitutes the letter of agreement as it sets forth all special conditions that must be met prior to or during the life of the project. The letter carries the signature of both the Executive Director and the Director of the Social Division. It must also be counter-signed by the awardee to indicate acceptance and agreement to comply with grant conditions.

Overall, selection criteria and procedures appeared to be appropriate and well-designed. The criteria define specific and objective standards, and the procedures provide a systematic path that guides the flow of solicitations through a reviewing process that ensure a professional, objective analysis of content. Individuals directly involved in the review and selection process have advanced educational degrees in either the social sciences, economics, business, or medicine from leading universities in the country. In fact, almost half of these staff members have completed post-graduate work and obtained advanced degrees in their respective fields from major universities in the U.S.

Social Action Development Activities

As mentioned earlier, FES functions as an integrated unit in that the Social Division under the direction of the Foundational and Technical Committees selects and conducts all social and philanthropical activities for the foundation. The division is further supported by the Administrative and Auditing Division in the management and control of these activities. Notably, these activities are subsidized by the funds generated through the commercial finance company. The funds for these activities are equivalent to the net income from the previous year. These funds have continued to increase significantly each year thereby allowing FES to expand its social development efforts. However, in an effort to concentrate its resources, FES has selected four priority areas and has established 12 programs of activities within these areas. A breakdown of the cited priority areas and programs follows:

<u>Priority Area</u>	<u>Activity Programs</u>
1. Education	1. Rural Education
	2. Quality of Secondary Education
	3. Economic Support for Higher Education
	4. Problems of Quality in Higher Education
2. Integrated Human Development	5. Social Security & Public Assistance for the Indigent
	6. Urban Social Development
	7. Rural Social Development
3. Health and Nutrition	8. Administration and Delivery of Health Services
	9. Epidemiological and Nutritional Surveillance (Quality of Life Indicators)
	10. Prevention of Physical & Mental Disability and Rehabilitation of the Handicapped
4. Environment and Resources	11. The Forest
	12. The Sea

FES' primary purpose is to promote social development by providing technical and financial assistance to individuals and entities that implement social projects thereby increasing the opportunity for socio-economic and cultural advancement of the country's population, particularly the poor. However, FES at times does take a more direct role through the use of various methods, each with varying degrees of FES involvement in the actual operation of a project, and subsequently provide it with a host of critical support services over a period of time. During this period of FES support the project is essentially incubated within an environment of technical, financial and political support until it reaches a mature stage and is ready to disengage from the FES life-cycle. In other instances, FES assumes a more direct role and participates in the actual management of a project, as well as providing technical or financial assistance. This method has often been employed by FES in salvaging or restructuring projects that were experiencing serious operational or financial difficulties.

As initiator and implementor, FES creates and nurtures a project until it becomes fully operational. Once operational and performing efficiently it is turned-over to an individual(s), community, or entity. Two of the projects that were examined offered an excellent example of FES' unique incubation methodology. Reserva Natural La Planada in Ricaurte, Narino is a nature reserve project. The reserve was purchased by FES with financial support from the World Wildlife Fund-US (WWF-US). WWF-US which supports studies to identify wildlands for conservation was interested in surveying this region of the Andes as it is reputed to be one of South America's most floristically and botanically diversified yet least studied tropical areas. Therefore, WWF-US paid for the survey and FES provided legal and administrative assistance to purchase the reserve, and together they developed a management plan. The plan ensured that these unique resources would be preserved while introducing sustainable rural development. Residents indigenous to the reserve will be involved in different facets of the project. Through their participation, positive economic benefits for the indigenous community are expected, in addition to minimizing social and environmental disruptions.

This conservation program was started in 1983 with FES providing the funding for staff, program activities, and physical development. At the time of Development Associates' study, all projected activities for the 18 month incubation period had been carried out, with many of these completed ahead of schedule. All proposed staff had been hired and they in turn had accomplished all projected tasks almost six-months prior to the end of the project's first developmental phase. FES was in the process of searching for a sponsor to take over the management of La Planada and the implementation of the later phases of the program. As such, La Planada represented an innovative conservation project that had been successfully incubated within FES system of support. Similarly FES' participation in this project appears to have been important in securing external financial support.

Another example of FES' incubation methodology is PROCADI, a Colombian program engaged in the administration of agricultural research. Concerned over the lack of an organized and concerted effort in the administration of agricultural research in Colombia, a small group of individuals representing the national government, the public and private sectors, founded PROCADI in 1984 with support and technical assistance from FES. PROCADI is a non-profit, scientific, and technical entity whose fundamental objective is to promote the effective and rational use of research in the agricultural field.

There are many highly trained scientists and researchers in Colombia who are unemployed, underemployed, or working at jobs that do not correspond to their academic training or interest. To cite one example, many of the individuals trained in U. S. research institutes and universities, some under USAID auspices, find themselves in such a predicament. Therefore, the project attempts to identify and design a mechanism that will develop administrative and institutional capabilities that will improve agricultural research and create job opportunities for those individuals whose training and interest are in research. The organizing group has pledged to financially support the project and to solicit financial support from other agricultural and related entities. It is envisioned that the project will eventually become self sufficient. At present, FES defrays the cost of the Project Director's salary and other operational expenses. But once operational, FES will dis-

continue its financial support allowing the project to pursue a self-supporting trajectory.

As mentioned earlier, in some projects FES takes an active role in the management of the enterprise, and also provides essential financial or technical assistance. A number of projects examined by Development Associates illustrated these approaches. For instance, FUNDES is a national foundation for social development. One of its main objectives is to assist small businesses and small farmers with technical and financial support. As is the case with many new ventures of this type, project staff extended credit before establishing adequate procedures for the disbursement of loans and the receipt of timely loan repayments. Consequently the project lost substantial sums of money and FUNDES was on the verge of bankruptcy. Subsequently, FES was asked to intervene and attempt to salvage the project. FES in essence took over the operations of the project by providing technical assistance in the formulation and enforcement of stringent loan fund controls. FES also participated in the decision-making and management of the project through the appointment of a FES staff member to the project's Board of Directors. The project is back on track and FES has begun to gradually disengage from the project and reduce its level of involvement.

Two other examples will serve to illustrate another FES modality wherein it is actively involved in the operation of a project. In the Viges-Dagua and El Diamante projects their Board of Directors include a FES representative. Therefore FES actively participates in the decision-making and management of these two projects aside from providing technical and financial support as we will note later.

The Viges-Dagua project is an integrated approach to education and rural community development in the municipalities of Viges and Dagua. These two adjoining municipalities are situated in the mountainous region between Cali and the port city of Buenaventura. Due to their physical isolation and lack of an economic base, they lack a basic infrastructure in the form of roads, electricity, drainage and potable water. In addition to the problems associated

with extreme poverty, poor health and nutrition, and illiteracy are prevalent. The Vijes-Dagua project is applying a number of innovative methods, including a unique teaching approach that shows promise as a technique for generating local leadership and capabilities. This methodology, referred to as Escuela Nueva, involves the training of teachers to function as facilitators within the classroom, in contrast to the more directive role of a teacher as practiced in a traditional setting. This methodology allows a teacher/facilitator to effectively work with a heterogeneous grouping of students from grades 1 to 5. This method is especially suitable for the rural areas that do not have access to many teachers. The method is an adaptation of the "open school" or "school without walls" systems that were extremely popular in the United States, and that place larger responsibility on students for their own learning. FES is collaborating with the Ministry of Education in conducting this training program as well as in evaluating the training and text books. FES' Education Director has the lead responsibility for this project. A salient feature of this project is that this new approach to teaching is expected to be replicated in the Colombian school system after the field testing has been completed and the methodology refined. These are the main features of the Vijes-Dagua project which serve to illustrate the type of projects in which FES has been engaged. As is characteristic of FES-supported projects, Vijes-Dagua is basically a seed project that is intended to grow and mature into a national endeavor with broader financial support from the Colombian government. In addition, through this project FES has been able to introduce modern educational technology into a remote and historically underserved rural area of the country, thereby empowering poor people through literacy.

The El Diamante project is an urban development program that is concentrated in an extremely impoverished barrio in Cali. This residential area is commonly referred to in Cali as one of the "invasion neighborhoods" which were literally created overnight by families that migrated to the city from the rural areas. Using bamboo, cardboard and other materials, these families built make-shift shelters in vacant lots that were not hooked-up with water or electricity. Hundreds of these instant shelters were built in El Diamante, which over a period of time were allowed to remain by municipal officials. The project is intended to serve as a model for solving major social, educational, housing,

and health problems in poor urban neighborhoods through joint efforts of the private and public sector. According to officials of this project, the model places a strong emphasis on the participation of barrio residents in advocating improved services from local, state and national governmental agencies. To date, El Diamante has been instrumental in the construction of an elementary school, and a training program in food preparation for mothers of students in this same school. In addition, a modern physical plant is close to being completed that will house a neighborhood health clinic. Again, through the project neighborhood residents will be trained to act as outreach workers for the health clinic. At the time of Development Associates visit to this neighborhood it was evident that the area was in dire need of adequate drainage and street paving. Following several rainy days, the streets were flooded in many parts of El Diamante posing health and physical hazards for the families and children of the area.

The project is intended for replication in other urban areas in Colombia. By including the principles of public and private sector collaboration, and resident participation El Diamante embraces many of the methods and support systems that FES has successfully employed. According to officials of this project, FES' financial and administrative support has been extremely important in getting the project underway.

Project Monitoring

Based on Development Associates' observations it appears that FES has not been able to assign a high priority to the monitoring and evaluation of its grant activities. This is largely due to the limited number of staff assigned to FES' Social Division. However, it is also important to note that FES does have a sound system for the financial monitoring of all grant activities. Similarly, progress reports which coincide with projected expenditures, tasks and timeframes are submitted periodically by all projects. Therefore, what was noted was the absence of regular technical monitoring of the activities performed by all FES supported projects. Granted that there are approximately 125 distinct projects and only six staff members in the division to handle the workload, nevertheless, timely and relevant information on overall operations is critical for program management. Monitoring and evaluation

provides managers with data to make judgments about the strengths and limitations of a project, and select alternative courses of action to continually refine project performance. Obviously it would be impractical for FES to periodically evaluate 125 distinct projects. However, a consistent monitoring system that gathers monthly and quarterly performance information, through the use of standard measures and indicators, would provide FES policy-makers and managers with timely data.

The Carvajal Foundation

As part of the case study, Development Associates gathered information about the Carvajal Foundation through informal telephone interviews and a review of some of the organization's promotional documents. This particular organization is described in some detail since it may be considered as one resource for implementing some of the recommendations presented in this report, particularly in the area of training. Accordingly, a brief analysis was made of the organization's history, and capabilities in the provision of training services.

The Carvajal Foundation is a non-profit entity established by the Carvajal family, owners of the Carvajal & Co firm. The firm is one of the largest, and most diversified businesses in Colombia. It is involved in retailing, manufacturing, construction, land development and other ventures. Since its inception, the company has practiced a policy of returning close to half of its profits to the community, specifically through the operation of the non-profit foundation.

The present foundation was preceded by La Fundacion Hernando Carvajal B which was created in 1961 with 40% of the shares of Carvajal & Company. In 1977 a new foundation, the present Carvajal Foundation was created with direct affiliation to the Catholic Church and obtained all of the holdings from the old Fundacion Hernando Carvajal B.

The Carvajal Foundation has a Directors Council that consists of the Archbishop of Cali and four members of the Carvajal family, a President, and an Executive Director. Both the President and Executive Director are chosen by the Council.

Initially, the foundation worked solely in the Catholic Archdiocesan Church Centers Program. Gradually the program was expanded to include programs in family action, skills training, small enterprise development, culture and sports, and dissemination of culture and education via radio. The foundation's 1981 assets, which also included administration and investments, totaled Col. \$214,686,570. Of this amount, Col \$15,181,550 represented community residents' contribution for health services rendered by the program.

Church Center Program

The Church Center Program, as planned by the archdiocese, was set up to construct a fairly large complex in all the barrios situated on the fringes of the city. These Church Centers were meant to provide a physical facility for religious services and counselling. It was planned that the program would gradually expand to include the basic services in areas such as education, health, recreation, and food preparation. In 1961, the Carvajal Foundation, through its predecessor, undertook the construction of these centers and at this time is administering five such centers. These Church Center complexes were constructed on church property and include large areas of municipal property dedicated to sports and recreational facilities. Each Church Center operates various departments related to culture and religion, health, education, development and sports. These centers provide a comprehensive set of services to the community.

Family Action Program

The Family Action Program was undertaken in 1976 under the auspices of the German Government in coordination with the Carvajal Foundation and the Colombian Episcopal Conference task group. The Family Action Program was initially started with the opening of the Church Centers. The program's objectives are to educate the community in human sexuality, human reproduction methods, natural family planning, and family life. To ensure nationwide coverage, the Family Action Program operates six regional offices with 30 service units in the major cities of Colombia.

Low Income Housing Programs

One of the most serious social problems in Colombia is the lack of low income housing. In the city of Cali, for example, according to housing statistics furnished by the Planning Office, in 1981 there were approximately 7,000 families living in squatter areas. The need for housing is placed at 36,000 units at least.

In an attempt to solve the housing project, the Carvajal Foundation contracted a group of housing professionals to assist in self-help home construction in the urbanized areas which are sponsored by the Housing Institute in Cali. The Institute provides technical assistance in architectural design and construction supervision, development of an Industrial Park where building materials are manufactured and sold, assisting construction companies, and in organizing the communities to facilitate self-help construction efforts.

Radio Cultural and Education Program

The Carvajal Foundation owns and operates two radio stations. One station operates on an FM frequency and broadcasts classical music from early morning to late evening. The other station operates an AM frequency and provides educational programs with a long distance coverage. It airs an Associates in Arts Degree program developed by Education Fund of Inravisión, a national television station. It is estimated that over six million persons followed the first year of high school of whom 2,120 took the final examination. The cost for the academic year, including written material was Col. \$600.00 per person. This AM radio station also airs an educational program in Accounting. The program was developed by the staff of the National Skills Training Program (SENA) and the Carvajal Foundation. SENA is in charge of the evaluation of the program and accreditation.

Small Enterprise Auditing Program

The Small Enterprise Auditing Program was started in 1977 in an attempt to improve the income of service area residents. However, it was rapidly extended to other sectors in the city. The program's objective is to improve the

administrative capabilities of existing small enterprises in an effort to accelerate their employment capabilities by providing them with technical and financial assistance. The Small Enterprise Auditing Program is staffed by four professionals, an industrial engineer and three Economists. Outside consultants are often hired to assist in specific areas.

For the new entrepreneur, the first two years of operation are critical as it requires the development of a methodology to follow, as existing practical experience on the purely practical level on how to generate interest is non-existent. It is expected that with the US \$500,000 loan, which was acquired from the Interamerican Development Bank (IDB) to primarily provide credit to small enterprises, the program coverage can be expanded and extended. It should be noted that the FES administers the IDB loan, as well as all other loans earmarked for small enterprise activities.

Under the Small Enterprise Auditing Program, as of 1981, a needs assessment had been conducted on 3,300 small enterprises of which 2,110 underwent a more detailed study. Technical assistance had been provided to 1,095 small enterprises. Of the 173 enterprises that had been provided with loans, 125 new permanent job positions had been generated and average sales had increased by 80%. In other words, one job was created for a cost of Col. \$77,900 loan money, a figure which is considerably low when compared to the cost of employment generation in other activities.

Aside from the above noted activities, the Small Enterprise Auditing Program has been extended to include national and international training in small enterprise development. Training at this level is directed at upgrading the skills of managers and trainers in small enterprise development programs. Training is conducted in the Carvajal Foundation complex in Cali or abroad. Training has been conducted in Mexico, and throughout most of the countries of central and south America, including most of the Caribbean Basin countries. At the time of the Development Associates study, the Small Enterprise Auditing Program team was preparing to conduct an in-country training course for a group of Chilean women in charge of small businesses.

In sum, the Carvajal Foundation has a long record of public service in Colombia and has capabilities in a broad range of areas including human services, construction, economic development and health. In addition, the foundation has strong capacities in training that may be useful in transferring some of the FES technology to other PVOs and intermediary organizations from other developing countries.

Partners of the Americas

The information on the Partners of the Americas was obtained from Jartha Cecilia Villada, the Regional Representative for the Partners in Bogota. She is responsible for the Spanish speaking regions of Central and South America, Mexico and the Caribbean.

Partners of the Americas is a private voluntary organization dedicated to foster friendship, goodwill and cooperation through the promotion of economic and social development in the Western Hemisphere. The Organization pairs off U.S. cities with regions or cities of Latin America and the Caribbean. For example, the State of Utah is paired with the Bolivian Andean region, the City of Cali with the State of South Carolina, Alabama with Guatemala, the San Francisco Bay Area with Mexico City, etc.

Partners has formed 55 partnerships which are composed of volunteers. These volunteers from both the north and south United States work together to carry out development and educational projects, the majority of which are at the grassroots levels. The 55 partnerships carry out over 1300 projects yearly ranging from swine production, doctor and nurse training in advanced medical methods to creating employment opportunities.

Program activities in the Spanish speaking regions are mainly carried out through the Community Centers for Education (CEC). There are three regional CEC centers located in Brazil, Costa Rica and Colombia. Activities consist mainly of community education and development with emphasis on the need to develop the total person by enabling that person to identify true needs and self development, thereby eradicating paternalistic attitudes.

Partners (Regional Office) has maintained long and meaningful relationships with FES. The Education Director's office oversees all CEC activities in Cali, and pays the salary of the Executive Directors and other logistical support. Also Partners shared an office with the Bogota FES staff for over a year at no cost to Partners.

Summary

Overall, FES has performed exceptionally well in promoting social development projects in Colombia. This exceptional performance can be attributed to FES' leadership and administration. Its leadership, through the Board of Directors has contributed to both its growth and stability as the majority of its members have been involved in the transformation of FES from an idea to a viable operation. Coupled with their commitment to social development, they have shared their knowledge and understanding of the educational, banking and business sectors. Similarly, the National Advisory Council has provided the necessary linkage between the local and national governments and the business community. Both of these organizational units maintain and nurture relationships with the public and private sectors both national and international. FES' administration, with the assistance and guidance of the various committees and the Executive Director, has been able to create a source of revenue to support FES' operations, administration and social involvement. These administrators, aside from possessing strong technical competencies and grantsmanship skills, are highly committed to FES' goals and aspirations. They have designed and applied sound management practices in all program areas and continue to explore new sources of revenue to enable FES to refine and expand its social initiatives.

However, given FES' stature and prominence as a national foundation, and the dramatic expansion it has experienced, the organization will have to face some important issues with respect to its role, character and mode of operation. For one, FES is presently a highly centralized enterprise with all of the major policy, programmatic and financial decisions emanating from its Cali headquarters. With future expansions on the horizon, FES may need to restructure some of its decision-making systems to allow for a decentralization of

both responsibilities and authority. Moreover, the question of centralization may also be related to "public image" considerations. That is, avoiding a perception of FES, at least in some sectors, as a monolithic foundation giant that exercises undue control over the birth and destiny of small development organizations in Colombia. These issues of centralization and public perception are not uncommon to highly visible and rapidly growing institutions like FES.

In sum, FES has successfully devised and refined several innovative methods in the creation, support and management of social development projects. During the past 21 years, it has grown from a small university-based foundation to a national organization engaged in a broad spectrum of innovative development projects in health, education, economic development, urban development and agricultural research, to name but a few. The project incubation methods developed by FES are particularly promising tools for promoting effective social development in other developing countries.

VII. SUMMARY AND RECOMMENDATIONS

Over the past 21 years FES has matured into a unique national foundation engaged in the promotion of educational, scientific, and cultural projects in Colombia. FES has developed a highly innovative methodology of incubating social development projects by providing them with essential financial, technical and management assistance. In addition, as a licensed commercial finance company, FES is able to leverage the donations received by various social development projects that are deposited with FES. Through various funds within its commercial finance company, FES provides social development projects with added revenues. Likewise, the commercial finance company operation has given FES a healthy source of income that subsidized its philanthropic projects.

Development Associates, Inc., a private management and governmental consulting firm, was contracted by USAID to conduct a comprehensive case study of FES. An intensive review and analysis was conducted of FES' development as a national foundation, as well as its financial, administrative, and project management, systems. Particular attention was paid to its commercial finance company operations, and FES' methodology for selecting social development projects. Through this case study, FES' unique incubation methodology was observed. This methodology represents a highly promising practice that could be replicated in other settings.

On the basis of the data gathered through the case study, Development Associates has formulated some judgements with respect to FES' strengths and limitations. Within the framework of these observations, a number of recommendations have been made that are related to FES internal operations, as well as alternative strategies for strengthening the collaborative relationship between USAID and FES.

Strengths and Limitations

La Fundacion para la Education Superior (FES) is a well organized enterprise with relatively sophisticated methods of managing its financial, technical and human resources. Over the past 21 years the organization has developed internal capacities that have enabled FES to thrive financially, as a CFC, while other financial institutions in Colombia are experiencing numerous difficulties. In addition, FES has gradually emerged as a national foundation engaged in a broad spectrum of projects related to the social development of Colombia, and particularly addressing the problems of the poor.

In terms of its principal strengths, they can be summarized as follows:

- Efficient financial management vis a vis its CFC division that enables FES to both attract deposits/donations from governmental agencies, international donors, and PVOs, and leverage these funds to produce revenues for FES and its depositor/project entities.
- An administrative, accounting and management infrastructure that is highly developed and has a track record of efficiently managing hundreds of grants, projects, and social development efforts in Colombia.
- An internal information and documentation system that is able to track numerous projects, and maintain accurate records of major transactions, correspondence, and technical reports.
- An objective system and set of criteria for choosing which projects or proposals ought to be supported by FES. As well as an in-house decision-making system that permits thorough evaluation of proposed projects, and input from both policy level and technical personnel.

- What appears to be a unique system of "incubating" social development projects by providing seed funding (or matching funds) and allowing the project to grow within the FES support system that gives the project valuable technical, accounting, promotional and managerial assistance.
- Strong linkages with the Colombian private sector, national governmental agencies and elected officials. These linkages are evident in the make-up/membership of the FES Board of Directors. This network of relationships with key national influencers has been a major tool in successfully implementing major projects in education, conservation, health and economic development.
- A thorough understanding of the US foundation system, as well as those of other countries. Part of the design and evolution of FES has been influenced by the foundation movement in the US.
- Strong staff capabilities with professional personnel that is well trained and committed to the goals of FES. Ability of FES to attract and maintain highly qualified professional staff.
- Strong policy-level and executive leadership characterized by willingness to undertake innovative (at times high risk) projects, backed up by efficient financial and technical management. Creation of an organizational climate that is productive, yet to some extent still person-centered.
- High degree of public/private sector confidence in FES as evidenced by increased demands for its involvement and support, and ability to marshal prominent political and government figures in support of its projects.
- Operation of an IRS approved 501 (c) non profit organization in the United States that allows FES to receive US grants in that same country.
- An on-going, informal self evaluation process whereby the direction, status and performance of FES is reviewed at all levels. Recognition of the external demands placed on the organization at this time, and the importance of selecting alternative courses of action.

The observed limitations of FES, i.e., those areas that merit further attention or refinement included:

- Procedures for increased monitoring of FES supported projects, at least on a sample basis. More direct documentation of project performance.
- Development of a formal project evaluation system that allows for quantitative measures of impacts and benefits. These should be applied to both short-term and longitudinal effects. In addition qualitative indicators are also important such as client satisfaction measures, attitudinal changes, etc. At a minimum, such data should be obtained from a sample of FES supported projects.
- Based on available data, it appears that the Social Division may require additional personnel in order to adequately carryout its functions and deal with future growth and expansions (if they occur). At this time the Social Division consists of 6 professional staff. FES total staff is approximately 152.

Overall, FES is a well managed enterprise that has exceptional capabilities in creating and supporting a diverse network of social development projects. The organization has highly competent managerial leadership, as well as strong policy-level guidance through its governing board. This type of leadership has played a major role in the evolution and maturation of FES.

Replication

There are a number of approaches and methods which are employed by FES that are amenable to replication in diverse settings. These replicable practices are related to FES' linkages with the private and public sector, and its technical and financial management methods.

- Composition of governing board with strong linkages with private sector, government, and political/elected officials.
- Principles of "incubating" social development projects through the provision of financial, technical, administrative and political support. Discuss in more detail an incubator model for replication.
- Creation of a Commercial Finance Corporation, depending on national banking regulations, that can provide a foundation with healthy source of revenues, as well as a mechanism for leveraging donations and grants received by related projects.
- Replication or adaptation of FES social analysis systems and criteria used to evaluate proposals and decide where to invest their resources.
- Notion of a broad based foundation that is involved in promotion of a range of projects including small/micro enterprises, health, rural development, conservation, education, urban development, and strengthening community infrastructures.
- Grantsmanship capabilities represent another competency that is replicable. FES ability to attract a variety of international donors over past 21 years.
- Basic project management system (financial, accounting, technical, etc.) Methods of overseeing and supporting a large number of projects, yet not get into direct operation of any projects.
- Technique of promotion and image management. Strategies for obtaining support from a broad base of business groups, elected officials, government agencies, community groups and PVOs.

FES has been successful in developing and applying a variety of approaches to financing and supporting social development projects. These approaches have proven to be quite effective in Colombia, and through various strategies, could be replicated in other developing countries.

Alternate Strategies

The following recommendations were formulated within the context of the FES case study and are intended to address several key questions with respect to future strategies for (a) replication of FES-type operations in other countries and (b) potential collaborative role of FES in helping in the implementation of USAID grants aimed at promoting the social development process in Colombia. Indeed, given the long history of cooperation that has existed between USAID/US Embassy and FES, a number of strategies are proposed/designed to strengthen this cooperative spirit.

Within the framework of creating still stronger linkages between FES and USAID, and promoting future collaboration in the achievement of recommendations, the following strategies are presented.

Regional Training Seminars

With USAID financial and technical assistance, conduct a series of training seminars for PVOs, intermediary organizations and other entities engaged in social development efforts from surrounding LDCs such as Honduras, Peru, Panama and the Dominican Republic. These training seminars would be conducted through a joint effort between FES and the Fundacion Carvajal, as an example, and intended to provide the participants with intermediate and advanced training in the conceptualization, planning, creation and management of foundations similar to FES in other countries.

Tentatively, Development Associates proposes that at least two seminars be conducted, either in Cali or Bogota. The first seminar would be an Intermediate Level Course designed to introduce the fundamental concepts, techniques, philosophy and methodologies to a select group. This seminar would lay a foundation of basic information and techniques that can assist PVOs, intermediaries, and individuals in planning a process for the eventual creation of a FES-type entity in their respective countries.

Subsequently (6 months later, for example) bring the same group of participants to an Advanced Level Course wherein the instruction is of a higher order and includes specific training in areas such as (a) creation of commercial financial corporations, (b) techniques in the use of "incubator systems", (c) organizing a board with private and public sector linkages, (d) grantsmanship and sources of funding from international donors. A final product of the advanced seminar could be for each organization and/or participants to prepare a strategic plan for the adoption or replication of specific methodologies or the actual creation of a new non-profit organization patterned after FES principles.

The regional training strategies offer several important advantages by:

- Providing a cost effective method of disseminating information and assisting a diverse audience in replicating selected features and/or broader aspects of a FES-type system in different settings.
- Bringing together two major organizations such as FES and La Fundacion Carvajal to collaborate in this type of inter-country training process, thereby producing a highly synergistic training process that combines the expertise of both organizations.
- Augmenting economical and social development efforts supported by AID in other countries by strengthening the skills of intermediaries from those same countries. In theory, promoting a strategy that can leverage USAID funds in other countries, and in some cases, even assure recapturing the initial grant monies.
- As explained later, the regional training seminars can provide USAID with a mechanism for focusing future on-site technical assistance to particular organizations that have a definite commitment to replicating a FES-type model.

Technical Assistance/Operations Handbook

The regional training seminars will provide valuable information and skills development to the participants. In addition, these seminars will identify those organizations or groups that have a strong commitment and interest in pursuing the adoption of certain methodologies or creating new institutions to carryout FES-type functions. In any event, the seminar training should be

followed by on-site technical assistance to selected organizations, with special emphasis on the adoption of key methodologies such as the incubator method, creation of commercial financial corporations, private sector linkages and project selection and management methods.

In tandem with the provision of on-site technical assistance, a contractor would prepare an Operations Handbook as a resource for those organizations engaged in the replication of a FES system. The handbook would be a supplement to the on-site technical assistance and a cost effective method of providing organizations with a concrete set of planning and management tools. Thus in the replication process an integrated series of methods would be used to promote the dissemination of a FES-type system, i.e., formal seminar training, on-site technical assistance and written resource materials in the form of a handbook. Ideally, both the technical assistance and preparation of the handbook should be done by a single contractor, with the requisite expertise in this area.

The direct technical assistance should expedite the process of technology transfer to other country settings, as well as provide USAID with valuable data on the factors associated with the successful (or unsuccessful) adoption or replication of new methodologies, under diverse social and economic conditions.

AID Funding of FES

Based on the results of the case study it is evident that FES has significant potential as a tool to help increase the impact of certain AID grants to Colombia, and to serve as an additional link between USAID and a diverse network of existing social development projects. In addition, given the various financial leveraging methods evolved by FES, particularly through its commercial financial corporation, there may be an opportunity to multiply the benefits of certain parts of AID's financial assistance, including the possibility of recovering most, if not all, of the US Government's investment in those activities. FES's methodology of not directly operating social development programs, but rather incubating new (as well as existing) social development programs allows the organization to become effectively involved in a wide variety of areas, as well as to avoid the effort and expense attendant in the direct administration of projects. In this manner, FES has acted as a vehicle

for creation and institutionalization of diverse 'change agents" in education, science, health, rural development, assistance to small and micro enterprises, and a host of other areas.

Within the parameters of this case study there are a number of alternatives that merit consideration, alternatives which Development Associates consider to be feasible and practical in light of the good relations and cooperation that have characterized FES' association with the US Embassy and AID. Indeed, the long standing relationship between FES and USAID presents a unique opportunity to create new and stronger linkages between both organizations, linkages that can serve to facilitate the process of social development.

1. FES Assistance in Conducting the Regional Training Seminars

If the option of conducting a series of regional training seminars is chosen as a means of transferring some of the FES methodology, including the incubation system, direct funding of FES by USAID should be considered. The funding would be earmarked specifically for activities related to the training including curriculum design, development of training materials, payment of FES staff to act as trainers/facilitators, preparation of a training manual, etc. If other organizations are selected to collaborate in this training effort, appropriate financial support will be needed to defray design and delivery costs.

An alternative within this scheme is to link the training with current AID technical assistance contracts, such as the one that was recently awarded for TTA services to intermediaries engaged in providing services to small and micro enterprises.

It may be possible to obtain some resources through that particular TTA contract, including consultants and trainers.

2. USAID Loan or Grant to FES for Special Development Projects

FES as a national foundation obviously is in a good position to help administer funding in selected areas of social development in Colombia. Importantly, FES may be a mechanism for increasing the impact of US assistance in certain areas and still maintain a relatively low-profile in provision of this assistance. However, it is important to recognize one factor that has contributed to FES' success, namely their independence from any political, religious or governmental entity. In weighing alternative ways of using FES as a medium to assist in the administration of USAID grants, it is important to preserve this autonomy. Thus it is important that the integrity of both USAID's role and FES' independence be maintained.

While FES in fact might be a valuable resource, FES cannot and should not be perceived as a surrogate or substitute for AID in Colombia.

In terms of providing direct financial assistance to FES, and given the fact that AID has no bilateral program with Colombia, it may be necessary for USAID to determine whether an entity such as FES qualifies for a US loan (as proposed in this section), or if assistance must be restricted to a cooperative agreement or grant. There may also be several legal questions regarding the type of arrangements which FES could utilize in handling USG funds. However, if the legal issues could be resolved, certain special conditions might be incorporated into a USAID loan (if allowable) or grant that would permit FES to leverage these same funds through its Permanent Fund. At an average annual interest rate of 30%, an original USAID loan could be fully repaid within a three to four year period, and still provide FES with revenues and funding for special projects. As explained in Chapter V (Financial Systems), FES retains 30% of the earnings derived from grants placed in a special fund. Normally, the remainder is disbursed to the projects(s), thus, stretching the actual life of a grant beyond the normal funding period. However, in this arrangement, the USAID loan could be repayed using the earned interest.

This USAID funding (either in the form of a loan or grant) could be applied in a number of areas that are in line with FES' capabilities, including the following:

- Scholarship programs to train Colombians in US colleges and universities. FES could either administer the program directly or through one of its associated projects. (The AID office in Colombia currently is examining this possibility, through a proposal recently submitted to it by FES and Colombia's Higher Education Coordinating Institute, ICFES.)
- Seed monies to create new institutions or foundations to undertake development work in education, health, training, urban development, etc. FES could act as an incubator for these new institutions for a three to five year period. In addition, FES would refine its incubator methodology for future dissemination.
- A portion of the funding should be used to augment FES internal resources. For example, using the funds to hire additional professional staff for the Social Division to allow better technical and performance monitoring, and permit FES to effectively undertake some of the new ventures proposed in this report. Additional FES personnel, highly specialized, also could create a functional evaluation unit that can conduct rigorous assessments of successful projects, and create a reliable data base for planning and allocation of resources.
- Augment funding for current FES projects that appear to be especially promising and that have already built a good operational foundation. For example, El Diamante, an urban development project targeted in an extremely poor and neglected barrio in Cali, has an urgent need for construction of basic paved streets and water drainage systems. Likewise, the Viges-Dagua rural development project shows promise as a methodology for assisting highly remote and underserved areas in the Cauca Valley, and developing indigenous leaders and teachers.
- With USAID assistance, FES could take a leadership role in planning and establishing a national system of Technical Assistance Centers (TAC) to provide credit and technical assistance to small and micro enterprises. The private sector stimulation would build upon FES' proven capability as an "incubator" mechanism and would help round out strategies to promote income and employment generation. Such a TAC system could be linked to FES' regional offices and its commercial financial corporation. (FYI, USAID is supporting the creation of similar systems in Panama and the Dominican Republic.)

-In conjunction with the Technical Assistance Centers, assist FES in establishing a revolving loan fund, or supplementing an existing one, that provides small and micro enterprises with short-term loans for working capital, purchase of inventory, business expansion and other productive uses.

There is little question about FES' ability to effectively assist a variety of social development projects to operate efficiently and gain a certain degree of self sufficiency. In this respect, FES represents a potentially valuable ally for USAID in helping to carry out certain development efforts in Colombia, nurturing the creation and maturation of new development institutions, and thus further linking AID with FES's own rich network of competent development projects in varied fields. In this manner, FES can provide a multiplier effect for certain AID emphases in Colombia, as well as assist in promulgating similar methodologies throughout the region.

By the same token however there are practical and technical limits to the role that FES can undertake in the overall social development picture. While FES can assist in administration of certain AID funds and provide support, through its incubation methodology, to implementing agencies, when using US assistance it should function within the larger strategic priorities of AID in Colombia. Likewise, FES must preserve its independence and autonomy thus avoiding acting as a surrogate for an international agency, be it AID, IDRC or the Ford Foundation. In short, FES can be a unique and highly effective source of help to AID in achieving its goals in Colombia. But it is also a resource that must be handled wisely, recognizing its strengths and its limitations, and respecting its tradition of autonomy. FES cannot and ought not replace the leadership, guidance and control exercised by USAID in managing and overseeing US financial assistance in Colombia.

Estimated Level of Effort

Development Associates has prepared tentative estimates of the level of effort required to undertake each of the recommendations contained in this case study report. These estimates are based on the company's experience with similar types of projects in the US and internationally. Cost estimates are expressed in terms of professional person-months.

Regional Training Seminars

-Curriculum Design	3 Person months
-Materials Development	2 Person months
-Logistics and Preparation	2 Person months
-Trainers/Consultants	1 Person month
-Seminar Management	1 Person month

Technical Assistance

-On Site TA	6 Person months
-Prepare Operations Handbook	6 Person months

AID Funding of FES

-Regional Seminars	9 Person months (maximum)*
-USAID Loan/Special Projects	\$200,000 - 500,000**

* Nine person months assumes that FES would undertake the entire regional training effort.

** The recommended amounts would support various projects mentioned under the discussion of special projects. This recommendations is being made on a tentative basis only, however, in recognition of the fact that several issues -- legal and otherwise -- must be resolved before it can be considered.

APPENDIX A
DATA COLLECTION GUIDE

FES STUDY DATA COLLECTION GUIDE

This data collection guide is a general tool in gathering information from a variety of sources related to the operation of the Columbian Foundation for Higher Education (FES). Bear in mind that these items are not all inclusive. You will have to use your own expert judgement in deciding whether other types of information are needed to complete the case study. Similarly, we are not restricted to only interview data or secondary document sources. Personal observation is a valuable source of data with respect to systems, leadership characteristics, decision-making and other related areas.

I. ORGANIZATIONAL CHARACTERISTICS

When was FES founded? _____

At that time what was the purpose of FES? _____

What conditions prompted the creation of the organization? _____

Who were the main leaders in creating of the organization? _____

How was it funded in the early years? _____

What was its original philosophy? _____

In 1985 what is the mission of FES? What is its philosophy? _____

What factors contributed to the evolution of FES over the past 21 years? _____

How is it presently organized? Obtain copy of organizational chart. _____

What relations are established with

Public sector _____

Private sector _____

International donors _____

US Government donors _____

Other _____

How is the overall work of FES planned? Who makes decisions about annual targets, use of resources, selection of new projects? _____

How much autonomy does the Director have in relation to the Board directors? _____

Is the Board involved in the operation or administration of the project? _____

Is there a written set of FES policies, regulations, etc.? _____

What is the most important thing that FES is doing at this time? Why? _____

How many employees are there, and where are they located? _____

What qualities or skills does FES emphasize in recruiting staff persons? What methods are used to screen and hire new employees? _____

What is the annual operating budget of FES in 1984-85? How is it allocated?

- Administrative Salaries _____
- Employee Salaries _____
- Fringe Benefits _____
- Marketing and Promotion _____
- Board of Directors _____
- Operating Expenses _____

Please describe the makeup of the governing Board and the types of groups they represent. _____

How are Board members appointed and for what period? _____

Determine the division of labor within FES in terms of:

- span of control of senior managers _____
- span of control of middle managers _____
- span of control of specialists _____

II. MANAGEMENT AND ADMINISTRATIVE SYSTEMS

What are the main administrative divisions within FES (i.e. those responsible for personnel, accounting, finance, marketing). _____

What are the specific administrative systems used by FES

- Personnel systems _____
- Cash disbursements _____
- Issuance/signing of checks _____
- Authorizations to make deposits _____
- Authorization to establish new deposit accounts _____
- Documentation and allocation of costs _____
- Evaluation of personnel _____
- Administrative records and files _____

Describe the overall record keeping system of the organization with respect to:

- Personnel records _____
- Project operation records _____
- Financial records _____

What are the computer capabilities of FES? What types of systems do they currently employ? How are these applied to overall management of the organization? _____

What is the capacity of FES in terms of its administrative resources to expand present operations? What level of expansion would be feasible, if any? _____

How would FES respond or plan for projects growth in the range and amount of projects managed? _____

(The following relate primarily to management systems)

Examine a sample of internal memoranda for the last 12 months to assess frequency, type and quality of communications. _____

What is the decision-making flow in FES? What types of decisions are made at which level? Is it highly centralized? Is it decentralized?

Do people understand the decision-making system? _____

For example, in deciding to establish a new regional office what decisions must be made and by whom? How long would it take? (Look an internal memorandum for some indications on these processes) _____

Does FES use of standard procedures manual in the management of projects? If yes, obtain a copy of manual. _____

What are the most important elements applied by FES in managing its projects? _____

What specific personnel are responsible for the management of the various projects? _____

How many projects are currently managed by FES? Obtain a list and brief description of each one. _____

Over the past three years have there been any FES projects that were unable to achieve their goals, i.e., not successful? Why did they not succeed? _____

Describe procedures used to monitor project performance (both technical and financial). Who is responsible for these? _____

How often are staff meetings conducted:

- Senior Staff _____
- Middle management staff _____
- Specialists/project management staff _____
- All FES staff _____

Is any training (in-house) provided to FES managers? Obtain details (when, how often, content, provider, etc.) _____

Observe--what is the organizational climate of FES in terms of

- general emotional climate/staff morale
- emphasis on task/production
- emphasis on human needs/personal factors
- time values
- leadership styles (direct, collaborative, task oriented...)
- informal communications (high oral, high written)
- physical movement in offices (hi, med or low)
- stratification (hi, med or low)

Observe--general management climate philosophy:

- vertical vs horizontal systems
- tasks-centered vs person-centered
- structured activities vs intuitive activities
- extent of direct supervision
- creativity/opportunities used to monitor project performance (both technical and financial). Who is responsible for these?

How often are staff meetings conducted

- Senior Staff _____
- Middle management staff _____
- Specialists/project management staff _____
- All FES staff _____

Is any training (in-house) provided to FES managers? Obtain details (when, how often, content, provider, etc.) _____

Observe--what is the organizational climate of FES in terms of

- general emotional climate/staff morale _____
- emphasis on task production _____
- emphasis on human needs/personal factors _____
- time values _____
- leadership styles (direct, collaborative, task oriented...) _____
- informal communications (high oral, high written) _____
- physical movement in offices (hi, med or low) _____
- stratification (hi, med or low) _____

Observe--general management climate philosophy:

- vertical vs. horizontal systems _____
- task-centered vs. person-centered _____
- structures activities vs. intuitive activities _____
- extent of direct supervision _____
- creativity/opportunities. _____

III. FINANCIAL SYSTEMS

What does FES do with short-term cash?

- Is there a set of procedures or plan? _____
- Who has authority to disburse cash? _____

How is long-term cash managed?

- Is there a set of procedures? _____
- Who decides how cash is utilized? _____

Specifically, what external sources of funds have been available (World Bank, BID, Ford Foundation, etc.)

- How much is currently being received from each one? _____
- Historically, how much has been received from each? _____
- What has been the focus of the assistance? _____
- Breakdown by loans and grants. _____

Does FES have standards for its investments, i.e. a certain rate of return? What are these standards? _____

Who makes deposits in the "financiera"?

- Members of various sub-organizations _____
- Regional breakdown _____
- Can anyone make a deposit? _____
- Obtain list of current depositors _____

What has been the deposit base since 1975? _____

What has been the average annual rate of interest paid to deposits over this period? _____

What has been, and currently is the term structure of these deposits?

- Percent short-term (under one year) _____
- Percent long-term (over one year) _____

Where does the "financiera" make loans?

- By sector:
- Percent to manufacturing _____
 - Percent to services _____
 - Percent to agriculture _____

Does the "financiera" make an effort to provide credit especially to very small businesses? Medium-small businesses? Microenterprise?

What is the term structure of the loans, by sector?

What is the average loan size, by sector? _____

Is any technical assistance tied to these loans? If not, is it available anyway? _____

- What does it focus on (bookkeeping, etc.) _____

What has been the total loan base since 1975? _____

What have been the annual default rates on these loans over the past 10 years? How does this compare with industry standards? _____

What procedures does FES have when a loan is in default? _____

How long has the "Financiera" had a loan guarantee fund? How does it function? _____

How are overhead expenses funded? Out of loans, grants, profits from the "financiera"? _____

What is the salary profile? _____

How much has been spent on marketing and promotion over the past 10 years? _____

- For what specific purposes is the money spent? _____

What has been the breakdown of overhead costs over the past 10 years? _____

What are the financial strengths of FES? _____

- Why has it succeeded? _____

What are some areas of current financial trouble? _____

- Too great a dependency on certain sources of funding

Does FES have collateral requirements for loans that it makes?

Background Data Necessary

1. Annual inflation rate since 1975 _____
2. Average annual exchange rate since 1975 _____
3. Interest rate ceilings on deposits/loans _____
4. Total assets of the financier (get s P&L sheet) _____
5. Copy of most recent external audit report _____
6. List of depositors _____
7. Printout on status of loans (30 days-60 days-90 days-120 days) _____

Program Staff/Selected Beneficiary/Clients (Social analysis)

1. Who is primarily responsible for marketing on identifying potential projects?
 - A. Staff _____
Specify whether it is staff in a particular program discussion or level, task force, or individual (s): _____
 - B. Policy and Management Officers _____
Specify whether it is Board members, Board committees, division directors _____
 - C. Other _____
Specify _____
2. Who is primarily responsible for analyzing identified projects prior to approval?
 - A. Management staff _____
 - B. Task force _____
 - C. Board committee _____
 - D. Individual (s) _____
 - E. Combination of above _____
 - F. Other _____
Please explain _____
3. Who is responsible for fiscal approval and incorporation of a project into the Foundation?
 - A. Board _____
 - B. Board committee (specify) _____
 - C. Division directors (specify) _____
 - D. Combination of above _____

4. FES projects can be classified into four categories: (1) on-going programs/projects; (2) research and development; (3) demonstration; and (4) funding arrangement:

4a. Are all prospective projects of cited types analysed using:
A. Same criteria for all types _____
B. Different set of criteria for each type of project _____
C. Other _____
Explain _____

4b. Are all prospective projects of cited types analyzed by:
A. Selected program personnel cited on question #2 above _____
B. Program personnel from selected or corresponding division _____
C. A combination of the above _____
D. Other _____
Explain _____

5. If there is established criteria for analyzing and selecting projects, list the criteria and rank each interior in order of value using a scale of 1-5 or 1-10 (1 as the highest)

6. Also using a value scale of 1-5 (5 is the highest) rank each of the following factors in order of importance in determining project selection:

A. Social development implications _____
B. Short vs. long range benefits _____
C. Sustainability _____
D. Funding mechanism _____
E. New vs. on-going _____
F. Other _____
Explain _____

7. Describe the specific steps used in analyzing and selecting new projects _____

8. How many staff is the Social Division? _____
What is their training and experience background? _____

9. What factors moved prevent or limit FES ability to undertake new (major) projects in the future? Explain _____

10. In your opinion, what is the "secret" ingredient in choosing successful projects? _____

11. Are the project analysis procedures written in a formal document? If yes, obtain a copy. _____

12. What do you consider to be critical skills of staff in analyzing project potential? _____

13. As a general rule, what is the source of new concepts or project ideas in FES:

- Staff personals _____
- International donors' request _____
- Foundations (Ford, etc.) _____
- Community feedback _____
- Other _____

14. If you were training someone to assume your job, what would be the most important skills? _____

BOARD MEMBERS

1. Regarding Board of Directors membership:

1a. What percentage of the membership is active (attends over half of meeting held during the year)

- 75 to 100 percent _____
- 75 to 50 percent _____
- Less than 50 percent _____

1b. How long have you served of on the Board

- 1 year or less _____
- 2 to 5 years _____
- More than 5 _____
- Since inception _____

1c. As a member, are you

- An officer _____
- A committee member _____
- Both of the above _____
- Other _____

2. Regarding Board meetings:

- 2a.- Frequency of general meetings _____
- Frequency of especulative meetings _____
- Frequency of committee meetings _____
- Length of meetings (each type) _____
- Venue for meetings (each type) _____
- Percentage of attendance (each type) _____

2b. Other than p. rescribed Board business, cite prevailing issues/themes brought up at meetings: _____

3. Explain what is the Board's role in marketing and identification of prospective projects: _____

4. Regarding project selection and approval:

4a. Who do you feel plays the major role in the selection of projects:

- Board _____
 - Discussion director (s) specify _____
 - Technical/reviewing staff _____
 - Task force _____
 - Individual(s) specify _____
 - Combination of above _____
 - Other _____
- Explain _____

4b. Briefly explain, as you understand it, the review and selection process of all projects _____

5. Also, as you understand it, what is the establish criteria or factors which greatly influence the selection of a project? _____

6. General FES has been rather successful in meeting program objectives. To who, or to what do you attribute program success?

6a. Particular program sector(s), or individual(s) _____
Explain _____

6b. Program approaches and strategies _____
Explain _____

6c. A combination of both _____
Explain _____

7. As you see it, which, if any, program areas could be improved upon, by whom, and how should such improvements be made? _____

8. Also as you see it, are there program areas that FES should be placing greater emphasis or exploring new ventures. If so, what are they and what are your suggestions for implementation? _____

9. What role does the Boards play in making decisions about:

- General FES policy _____
- Allocation of financial resources _____
- Selection/hiring of personnel _____
- Evaluation of executive director _____
- Preparation of annual plans _____
- FES administration (day-to-day) _____
- Dealing with private sector _____

10. If you were to create another FES in another country or region, what are the most important factors to consider? _____

11. Why did you agree to be on this Board? What were main reasons? _____

12. Is there another organization in Columbia similar to FES? Explain: _____

13. What do you see FES doing over the next 5 years? What goals? _____

VI. DOCUMENT CHECKLIST

Financial Documents

1. Recent External Audit Report(s)
2. Financiera Records (deposits, loans, interest, etc)
3. Staff salaries schedules
4. Funding sources/donations/grants
5. List of organizations/persons receiving financial support from FES (use this for later client interviews)
6. Policies on disbursements, check writing, etc.

APPENDIX B
SUMMARY OF FES FUNDS

The following list contains the various funds administered by FES since September 1975. The numerical codes are used to designate the various types of funds.

<u>Numerical Code</u>	<u>Fund</u>
1	Operating Funds
2	Special Restricted Funds
3	Permanent Matching Funds
4	Permanent Non-Matching Funds

FUNDACION PARA LA EDUCACION SUPERIOR

F.E.S.

LISTA DE FONDOS

ACTUAL	ANTERIOR	NOMBRE
1		FONDO COMUN DE OPERACIONES
1 001	01	FONDO CORRIENTE - CALI
1 002	04	FONDO INMOBILIARIO
1 005	03	FONDO CORRIENTE - BOGOTA
1 008	05	FONDO CORRIENTE - MEDELLIN
1 021		FONDO CORRIENTE - BOGOTA - AGENCIA NORTE
1 040		FONDO CORRIENTE - BARRANQUILLA
1 050		FONDO CORRIENTE - BUCARAMANGA
2	C A L I	FONDOS RESTRINGIDOS ESPECIALES
2 004	36	INVESTIGACION EN NUTRICION - PROGRAMA CANCER
2 006	52-1	CIMDER - FONDO ESPECIAL PRODUCIDOS
2 003	58	FONDO DE BECAS - MANOS S.A.
2 009	59	CIRUGIA SIMPLIFICADA
2 010	64	PROGRAMA INTEGRADO DE REPRODUCCION
2 015	92	PROGRAMA CANCER N.I.H.
2 017	105	ADQUISICION DE MATERIAL EDUCATIVO Y EQUIPO EN EL EXTERIOR
2 013	119	CURSO EVOLUCION ESQUIZOFRENIA EN CALI
2 020	143	EFICACIA Y SEGURIDAD TERAPEUTICA DE LA DIFENOXINA EN ADULTOS
2 021	149	FONDO DE EDUCACION PARA EL DESARROLLO MANUEL CARVAJAL
2 023	153	NUTRICION Y DESARROLLO DE LA APTITUD FISICA
2 028	164	PROYECTO DE INVESTIGACION DE MARICULTURA COLOMBIANA - COMPONENTE PACIFICO
2 031	175	PROYECTO DE FLUJOGRAMA - DIAGNOSTICO EN SALUD MENTAL
2 033	180	PROYECTO - PROGRAMA OPS / MINSALUD
2 034	181	EFFECTOS DE CONTAMINACION AMBIENTAL INECER
2 035	182	PROYECTO CIRUGIA DERMATOLOGICA
2 037	185	PROYECTO CADENA DEL FRIO-PROGRAMA CIMDER
2 038	187	FONDO EDUCACIONAL EN SALUD DE ENFERMERIA
2 039	192	PROGRAMA TRANSFERENCIA TECNOLOGIA CIMTE - ROBLES

2 046	204-1	ESTUDIOS DE VACUNACION - PRODUCIDOS
2 047	207	FES - FUNDACION CARVAJAL - PRESTAMOS MI- CROEMPRESARIOS
2 048	212	PROYECTO DE DESPARASITACION/DESNUTRICION
2 052	221	METODOLOGIA DE EDUCACION CONTINUADA PARA PROMOTORAS DE SALUD
2 053	224	PROYECTO DE HORMONAS TIROIDICAS - LABORA- TORIO DE ENDOCRINOLOGIA - RADIANALISIS
2 055	235	PROYECTO PILOTO DE VIGILANCIA DEL ESTADO NUTRICIONAL GTZ
2 056	239	CENTRO COLABORADOR OMS DE INVESTIGACION EN REPRODUCCION
2 057	242	FES - AULA DE MEDICINA INTERNA
2 060	255	CONVENIO FES-ICA-UNICEF (CREDITO MUJER CAMPESENA)
2 062	264	PROGRAMA CANCER GASTRICO
2 063	265	AMIGOS Y EGRESADOS DIVISION CIENCIAS DE DE LA SALUD UNIVERSIDAD DEL VALLE
2 066	277	PARTNERS - COMPANEROS DE LAS AMERICAS
2 067	278	P.D.V. - GASTOS DE ADMINISTRACION DAGUA - VIJES
2 070	281	P.D.V. - CAPACITACION MAESTROS RURALES
2 072	283	P.D.V. - FOMENTO A LA EDUCACION RURAL ES. CUELA NUEVA
2 075	286	P.D.V. - SANEAMIENTO AMBIENTAL
2 077	288	P.D.V. - MODELO DE REPRODUCCION AGROPE- CUARIA
2 079	291	P.D.V. - ORGANIZACION Y DESARROLLO COMU- NITARIO
2 080	301	PROYECTO AID - CIMDER - ECUADOR
2 081	304	FONDO OMS/OPS - FES - UNIVALLE
2 082	308	RESERVA FORESTAL LA PLANADA
2 083	310	PROGRAMA EPIDEMIOLOGIA EN ENFERMEDADES TROPICALES
2 084	313	ESTADO NUTRICIONAL Y PROTECCION POR VACU- NACION
2 085	315	TRABAJO INMUNOLOGICO VACUNACION CIID
2 087	321	CEPADS - O.P.S./REP. DOMINICANA
2 088	322	CEPADS - FUNDACION KELLOGG
2 089	327	LEISHMANIASIS CUTANEA Y MUCOCUTANEA EN COLOMBIA
2 092		FONDO CAMARA AMBIENTAL TERMICAS
2 093		FONDO BANDERA SANTIAGO DE CALI
2 094		P.D.V. - CURSO DE TECNICOS EN DAGUA
2 095		P.D.V. - ESTABLECIMIENTO DE SAT Y SUBSIS- TEMAS AGRICOLAS
2 096		P.D.V. - COLEGIOS DE BACHILLERATO EN BIE- NESTAR RURAL
2 097		P.D.V. - EVALUACION ENERGETICA EN EL SEC- TOR RURAL
2 098		P.D.V. - EVALUACION DE AGENTES DE DESA- ROLLO Y CONTROL
2 099		CURSILLO SOBRE PROBLEMAS DE LA ANCIANIDAD
2 100		FONDO CENTRO DE EDUCACION DE LA COMUNIDAD

		(COMPANEROS DE LAS AMERICAS)
2 102		IMPLEMENTACION DEL CURSO DE IMPULSORES EN BIENESTAR RURAL - FER
2 103		FONDO FES - FUNDACION BANCO MUNDIAL DE LA MUJER "CREDIMICROS"
2 104		FUNDACION FORD - EXPERIMENTACION Y APLICACION DE LA METODOLOGIA DE ANALISIS PERCEPTIVO EN COMUNIDADES RURALES
2 105		CENTRO DE FOMENTO A LA CAPACITACION PROFESIONAL - (DE PPTO. DONACIONES FES)
2 106		FONDO DE CREDITO ROTATORIO DE LOS GRUPOS SOLIDARIOS
2 107		FONDO DE GARANTIAS DE GRUPOS SOLIDARIOS
2 108		CIMDER - EVALUACION DE SISTEMAS DE AGUA
2 109		FONDO INVESTIGACIONES BOTANICAS EN LA REGION DE LA COSTA PACIFICA DE COLOMBIA
2 110		ESTUDIO DE TIPO DOBLE CIEGO SOBRE LA EFICACIA COMPARATIVA DEL ALPRAZOLAM, IMIPRAMINA Y PLACEBO PARA EL TRATAMIENTO DE ATAQUES DE PANICO (CIA. UPJOHN S.A.
2 111		FONDO FES - MINSALUD - UNIVALLE
2 112		FES - PROGRAMAS ESPECIALES DE EDUCACION
2 113		PROGRAMA PARA EL DESARROLLO DE SALUD RURAL (CIMDER - COLOMBIA)
2 114		CONVENIO FES - A.T.INTERNATIONAL - "PROGRAMA DE PRODUCCION Y DISTRIBUCION DE SILLAS DE RUEDAS"

B O G O T A

2 601	57	FES - NACIONES UNIDAS - D.R.I.
2 607	227	FONDO CONVENIO FES - UNICEF
2 609	249	CONVENIO FES - COLCIENCIAS
2 610	250	CONVENIO FES - ISS - BANREPUBLICA
2 611	270	MINISTERIO DE EDUCACION NACIONAL - CAMPAÑA "CAMINA"
2 613	272	CONVENIO FES - PRESIDENCIA DE LA REPUBLICA
2 617	293	MINISTERIO DE SALUD --PROYECTOS
2 618	299	ICFES - CONTRATOS POR PRESTACION DE SERVICIOS TECNICOS
2 620		CIID - INVESTIGACION PESCA ARTESANAL
2 621		FUNDACION ESTUDIOS RURALES LATINOAMERICANOS -(I.A.F.)
2 622		PROYECTO INMUNOLOGIA DE LA LEPROA
2 623		FONDO DE CAPACITACION E INVESTIGACIONES DERMATOLOGICAS (CENTRO DERMATOLOGICO FEDERICO LLERAS ACOSTA)

M E D E L L I N

2 301		MICROEMPRESAS DE ANTIOQUIA - FONDO ROTATORIO DE CREDITO A MICROEMPRESARIOS
2 302		CORP. ACCION PCR ANTIOQUIA "ACTUAR" - FONDO ROTATORIO DE PRESTAMOS
3	A L I	FONDOS PERMANENTES CON CONTRAPARTIDA
3 001	72	FES - EDUARDO MOYA TOVAR
3 002	97	FES - BECAS POST-GRADO UNIVALLE
3 003	111	FES - UNIVERSIDAD DEL VALLE INVESTIGACION EN SALUD
3 004	112	FES - BIBLIOTECA MEDICA UNIVALLE
3 005	119	FES - FUNDACION PARA EL DESARROLLO INDUSTRIAL "F.D.I."
3 006	120	FES - ASOCIACION DE EXALUMNOS DE LA UNIVERSIDAD DEL CAUCA "ASEDUCA"
3 007	122	FES - CORPORACION EDUCATIVA POPULAR
3 009	125	FES - FUNDACION CIRENA
3 010	135	FES - FUNDACION DE INVESTIGACIONES EN ECOLOGIA HUMANA (FUNDACION FORD)
3 011	144	FES - CONFAMILIAR ANDI
3 012	143	FES - HANS SORENSEN BECAS
3 013	154	FES - MARGARITA DE PACCINI
3 014	165	FES - EDUCACION CONTINUADA CIENCIAS SALUD
3 015	169	FES - FUNDAEC
3 016	171	FES - CIRUJIA SIMPLIFICADA
3 017	190	FES - CIMDER
3 018	198	FES - FUNDACION BIBLIOTECA PADRE EMILIO ARANGO
3 019	209	FES - HIJAS DE LA CARIDAD DE SAN VICENTE DE PAUL
3 020	211	FES - CRUZ ROJA
3 021	214	FES - COMUNIDAD PARROQUIAL DE DAGUA
3 022	223	FES - FUNDACION CARVAJAL DESAP
3 023	226	FES - ORQUESTA SINFONICA DEL VALLE
3 024	230	FES - CASA DE RECUPERACION LA VIGA
3 025	236	FES - EMERGENCIA CIUDADANA
3 027	245	FES - NUTRICION
3 028	246	FES - COMUNIDAD SALESIANA
3 029	251	FES - AGAPE
3 030	252	FES - HOSPITAL SAN MIGUEL
3 031	257	FES - CENIPACIFICO
3 032	259	FES - PROGRAMA COLABORATIVO DAGUA - VIJ
3 033	260	FES - UNICANCER
3 034	261	FES - PREVISION SOCIAL - UNIVALLE
3 035	262	FES - CENTRO DE CAPACITACION ANTONIO NARRINO
3 036	269	FES - CLUB DELFINES DEL VALLE
3 037	293	FES - CIUDAD DON BOSCO - MEDELLIN

3 033	302	FES - INSTITUTO DE AYUDA AL LISIADO
3 039	303	FES - FUNDACION GRUPO 80
3 041	305	FES - SOCIEDAD COLOMBIANA DE ECONOMISTAS
3 042	309	FES - INVESTIGACION Y BIBLIOTECA DIVISION DE CIENCIAS
3 043	311	FES - SOLIDARIDAD ASPROMEDICA
3 044	312	FES - CAMARA DE COMERCIO FONDO CULTURAL
3 046	320	** FES - FUNDACION DE INVESTIGACIONES EN ECOLOGIA HUMANA-HERF (FONDO DE CAPITALIZACION - I.A.F.)
3 047	324	FES - CORPORACION PARA LA RECREACION POPULAR
3 048	325	FES - FUNDACION MARIA CRISTINA PALAU DE SARMIENTO
3 049	329	FES - CLUB NUEVOS HORIZONTES - PARTNERS
3 050		FES - FUNDACION ZOOLOGICA DE CALI
3 051		FES - IESE "INSTITUTO DE ESTUDIOS SOCIO-ECONOMICOS PARA EL DESARROLLO SOCIAL"
3 052		FES - FONDO ANCIANATO DE SAN JOAQUIN - MUNICIPIO DE GUAPI
3 053		FES - INVESTIGACIONES SOBRE LA PAZ Y LA DEMOCRACIA
3 054		FES - CEPADS - FUNDACION KELLOG
3 055		FES - SEMINARIO PREFECTURA APOSTOLICA DE GUAPI
3 057		FES - HOGAR DEL NINO
3 058		FES - AMIGOS DEL HOSPITAL UNIVERSITARIO DEL VALLE
3 059		FES - COMPANEROS DE LAS AMERICAS (EDUCACION ANCIZAR PIAMBA)
3 061		FES - CENTRO DE PROMOCION DE LA FAMILIA
3 062		FES - PROYECTO ORBIS, INC.
3 063		FES - HOGAR JUVENIL CAMPESINO DEL HORMIGUERO
3 064		FES - FUNDACION SIMON BOLIVAR DE OCCIDENT
3 065		FES - CENTRO PROMOCION SOCIAL HORMIGUERO
3 066		FES - W.W.F. -RESERVA FORESTAL LA PLANADA
3 067		FES - SOCIEDAD ZOOLOGICA DE CALI
3 068		FES - RECREACION Y PLANES SOCIALES LTDA.
3 069		FES - CENTRO VOCACIONAL FUNDACION GRASAS DE BUGA (CENVOC)
3 070		FES - CODE CENTRO CULTURAL UNIVERSITARIO
3 071		FES - REFUGIO INFANTIL HOGAR MONICA DE GUAPI
3 072		FES - INSTITUTO MARIA MULUMBA
3 073		FES - GARY MINTZ
3 074		FES - FUNDACION MUSEO RAYO
3 075		FES - FUNDACION PARA EL DESARROLLO INFANTIL
3 076		FES - CORPORACION EDUCATIVA POPULAR
3 077		FES - CLUB SOCIAL Y DEPORTIVO SUPERACION
3 078		FES - FUNDACION CARVAJAL-CREDITO ESTUDIANTIL
3 079		FES - FUNDACION PARA LA PROMOCION Y DESA-

ROLLO DEL BALANCEO "FUNDEBA"

3 080	FES - CORPORACION REGIONAL DE REHABILITACION DEL VALLE
3 081	FES - LA CASALA
3 082	FES - ASOCIACION DE SORDOS DEL VALLE - (ASORVAL)
3 083	FES - COMPANEROS DE LAS AMERICAS
3 084	FES - PATRULLA AEREA CIVIL DEL PACIFICO
3 085	FES - CLUB ROTARIO "CALI NORTE"
3 086	FES - PREFECTURA APOSTOLICA DE GUAPI
3 087	FES - FUNDACION TALLERES ESPECIALES - (FUNTAES)
3 088	FES - FUNDACION HOGARES JUVENILES CAMPESINOS
3 089	FES - UNIVERSIDAD DE TULANE - UNIVERSIDAD DEL VALLE
3 090	FES - CENTRO DE DIAGNOSTICO Y ORIENTACION ESCOLAR (GOOD YEAR DE COLOMBIA S.A.)
3 091	FES - MUSEO DE LA CANA DE AZUCAR (HASIEN LA PROVIDENCIA)
3 092	FES - AYUDEMOS (PRO FUNDACION VALLE DEL LILI)
3 093	FES - FUNDACION PARA LA REHABILITACION DE ALCOHOLICOS (FUNDAR DEL VALLE)
3 094	** FES - FUNDAEC (FUNDACION PARA LA APLICACION Y ENSEANZA DE LA CIENCIA) - AIBR (ASOCIACION DE INGENIEROS EN BIENESTAR RURAL) - (FONDO CAPITALIZACION - IAF)
3 095	FES - THE AMERICAN SOCIETY OF CALI
3 096	** FES - AGAPE (ASOCIACION GENERAL PARA ASESORAR PEQUENAS EMPRESAS) - (FONDO DE CAPITALIZACION - I.A.F.)
3 097	FES - CORPORACION PARA LA TERCERA EDAD
3 098	FES - ASOCIACION DE ANTIGUOS ALUMNOS JESUITAS "ASIA SANTIAGO DE CALI" - COLEGIO BERCHMANS
3 099	FES - MIT-HARVARD CLUB DE COLOMBIA (FONDO ALBERTO LEON BETANCOURT)
3 100	FES - CLUB ROTARIO YUMBO-ARROYOHONDO - (FONDO PRO-REHABILITACION DEL FARMACO-DEPENDIENTE "RODRIGO LARA BONILLA")
3 101	FES - FUNDACION COLEGIO PARROQUIAL DE SAN JOAQUIN
3 103	FES - CORPORACION MI CASA
3 104	FES - UNIVERSIDAD DEL NORTE
3 105	FES - UNIVERSIDAD INDUSTRIAL DE SANTANDE

2 3 6 3 7 A

3 601	77	FES - FUNDACION FORD CORSOCIALES
3 602	156	FES - FEDERAL
3 603	179	FES - FENALCO

3 504	133	FES - FANA
3 506	194	FES - UNIVERSIDAD JAVERIANA
3 508	240	FES - INSTITUTO NEUROLOGICO DE COLOMBIA
3 509	254	FES - ICA (FONDO DE GARANTIAS)
3 610	263	FES - SENA - UNICEF
3 511	266	FES - FUNDACION PARA CIENCIAS MATEMATICAS
3 512	274	FES - CRUZ-ROJA NACIONAL
3 513	275	FES - FUNDACION SANTA MARIA
3 514	275	FES - FUNDACION DE CIENCIAS AFINES
3 515	314	FES - INPAHU
3 516		FES - UNIVERSIDAD DE LOS ANDES
3 518		FES - UNIVERSIDAD JAVERIANA - PAMI - PROGRAMA INTEGRAL DE ATENCION EN SALUD
3 619		FES - COORDINACION COLOMBIANA DE TRABAJO VOLUNTARIO
3 520		FES - INSTITUTO COLOMBIANO DE LA AUDI- CION Y EL LENGUAJE-ICAL
3 521		FES - CATEDRA DE AMERICA - UNIVERSIDAD DE LOS ANDES
3 522		** FES - FUNDACION ESTUDIOS RURALES LATINO- AMERICANOS (FONDO CAPITALIZACION-IAF)
3 523		FES - COMPANIA DE JESUS (CREDITO EDUCATI- VO UNIJAVERIANA)
3 524		FES - FUNDACION UNIVERSITARIA LOS LIBER- TADORES
3 525		** FES - CECA (CENTRO ESTUDIOS COMUNITARIOS APLICADOS)-(FONDO CAPITALIZACION-IAF)
3 526		FES - ACIS (ASOCIACION COLOMBIANA DE IN- GENIEROS DE SISTEMAS)
3 527		FES - ASOCIACION DEL PADRE JOHN STAFFORD
3 528		** FES - ACPA (ASOCIACION COLOMBIANA DE PRO- DUCCION ARTESANAL)-(FONDO DE CAPITALIZA- CION-I.A.F.)
3 529		** FES - FUNDAC (FUNDACION DE APOYO COMUNI- TARIO)-(FONDO CAPITALIZACION-I.A.F.)
3 530		** FES - FUNCOL (FUNDACION PARA LAS COMUNI- DADES COLOMBIANAS)-(FONDO CAPITALIZA- CION-I.A.F.)
3 531		FES - FUNDACION SANTA FE DE BOGOTA

M E D E L L I N

3 801		** FES - COMUNIDAD POR LOS NINOS-FUNDACION EDUCADORA SAN NICOLAS - (FONDO DE CA- PITALIZACION - I.A.F.)
3 802		FES - INSTITUTO DE CIENCIAS DE LA SALUD

FONDOS- PERMANENTES SIN CONTRAPARTIDA

C A L I

4 001	39	FONDO LUIS-MARIA BARRERO
4 002	54	FONDO CATEDRAS UNION CARBIDE
4 003	61	FONDO FUNDAEC
4 004	63	FONDO SOLIDARIDAD PROFESORAL
4 005	91	FONDO PREMIO RAMIRO GUERRERO
4 006	130	FONDO CULTURAL COLOMBIANO
4 007	133	FONDO DE SOLIDARIDAD COLOMBO-LIBANES
4 008	157	FONDO PREMIO ALVARO SANTACRUZ
4 009	186	FONDO ESCUELA CEAT GENERAL DE COLOMBIA
4 010	187	FONDO DIEGO LEON OSPINA
4 011	191	FONDO SOLIDARIDAD EMPLEADOS FES
4 012	203	FONDO IRRI - FES - SENA
4 013	222	FONDO SOLIDARIDAD CON LA COMUNIDAD
4 014	229	FONDO PARA LA EDUCACION Y EL DESARROLLO CRISTIANO
4 015	229	FONDO FUNVIVIENDA
4 016	234	FONDO FES MEDIO AMBIENTE
4 017	233	FONDO ALBERTO JOSE CARVAJAL
4 019	253	FONDO EMPLEADOS CLUB COLOMBIA
4 020	256	FONDO ARTES PLASTICAS EDMOND COBO
4 021	294	FONDO OFTALMOLOGICO SUROCCIDENTE COLOM- BIANO - FOSOC
4 022	295	FONDO DAMNIFICADOS DE INUNDACION
4 023	313	FONDO JAIME LUIS MONROY
4 024	315	FONDO JAIME LOPEZ COLLAZOS - UNIVALLE
4 025	326	FONDO EDUCATIVO PRODUCTOS QUAKER S.A.
4 027		FONDO HERNANDO VILLAMARIN (SANDRA PATRI- CIA GUERRERO YEPES)
4 028		FONDO PRECLINICA SIQUIATRICA DE CALI
4 029		FONDO PROGRAMA CANCER
4 030		FONDO CASA DE RECUPERACION LA VIGA
4 031		FONDO SANTIAGO VELEZ MARTINEZ
4 032		FONDO FES COMITE EJECUTIVO CALI- MIAMI CIUDADES HERMANAS
4 033		FONDO ABOGADOS ANCIANOS DESVALIDOS
4 035		FONDO DE ESTUDIOS DE POSTGRADO EN SALUD

APPENDIX C
PROJECT SELECTION CRITERIA

CRITERIOS Y PROCEDIMIENTOS ESTABLECIDOS PARA LA
EJECUCION DEL PLAN GENERAL DE ACCION SOCIAL

-Documento de Trabajo-

DIVISION SOCIAL

Area de Evaluacion y Seguimiento

Calí, Agosto de 1985

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 - 1.2 Areas Prioritarias
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2. ACTIVIDADES APOYADAS POR FES

3. CRITERIOS Y PROCEDIMIENTOS PARA APROBACION DE ACTIVIDADES
 - 3.1 Criterios Generales
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 - 3.2.2 Para Proyectos de Investigación
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ANEXO : Formato e Instructivo para Presentación de Propuestas de Investigación.

INTRODUCCION

El presente documento tiene como objetivo principal el ordenar y aclarar los criterios y procedimientos establecidos por FES, para determinar su apoyo a programas y entidades de carácter social.

Las políticas y normas aquí definidas son resultado de las experiencias vividas por la Fundación, maduradas a través de su diaria labor. Se refieren únicamente a las actividades desarrolladas dentro del Plan General de Acción Social (aprobado por la Junta Superior de Directores, Julio de 1981), en el cual participan tanto en su definición como ejecución, todos los miembros de la Fundación. La Fundación ha apoyado otras actividades por iniciativa de otros sectores de la misma, las cuales no necesariamente se ajustan a lo presentado en este documento.

Cabe anotar que todos estos reglamentos han sido aprobados por el Comité Fundacional y por la Junta Superior de Directores, según su competencia y en su debido tiempo.

Como en la actualidad la División Social está realizando una revisión del "Plan General de Acción Social", es indispensable que este documento sea analizado por todas las dependencias de la Fundación, puesto que de él se derivan indicadores claros de la eficiencia de la labor Social de FES. Un estudio detallado de él puede indicar cambios necesarios para que la actividad social de la Fundación esté en mayor concordancia con su objetivo institucional.

1. PLAN GENERAL DE ACCION SOCIAL

1.1 Objetivo Institucional

"Propiciar el desarrollo social del país dando su apoyo a actividades y programas de carácter educacional, científico y cultural que contribuyan a mejorar la calidad de vida de toda la población, pero especialmente de los grupos menos favorecidos. La acción social de la Fundación debe contribuir a fortalecer el marco institucional y representativo que rige al país y las libertades que garantizan nuestra Constitución. Para ello fomentará la participación del sector privado en la solución de los problemas nacionales, en la búsqueda de la justicia social y de una solidaridad efectiva de todos los ciudadanos". (Artículo 5o., Estatutos de FES).

Para poder cumplir tan ambiciosos propósitos se elaboró el Plan de Acción Social en Diciembre de 1980, y en Julio de 1981 la División Social comenzó a realizar las acciones y a apoyar los procesos dentro de las Estrategias Generales convenidas para el cumplimiento de los objetivos específicos relacionados con cada una de las cuatro Areas Prioritarias y los trece programas constitutivos del Plan. Para la selección de las actividades realizadas y para la adjudicación de los recursos se han utilizado criterios establecidos por la Junta Superior de Directores y se han aplicado principios derivados de la experiencia institucional. Estos son algunos de los más importantes:

- a. La Fundación es promotora y no ejecutora de proyectos. Facilita los medios para que otras instituciones y grupos cumplan mejor su labor social. Capta recursos del sector privado nacional e internacional y genera recursos propios de su actividad financiera para esas instituciones y sus programas.
- b. Para solucionar los problemas del desarrollo en Colombia se deben fomentar programas de gran alcance, respaldados con recursos financieros permanentes y contribuir a la formación de nuevos y mejores recursos humanos capaces de generar e impulsar el cambio social y el nuevo conocimiento necesario.
- c. Siendo nuestros recursos financieros e institucionales limitados, tenemos la obligación de utilizarlos cuidadosamente para que multiplique su efecto en la acción. Las actividades e iniciativas de nuestros directores, ejecutivos y funcionarios y nuestras donaciones deberían contribuir a la promoción de nuestros programas y a que sean reforzados con el apoyo de la comunidad, especialmente de la dirección política, social y económica del país.
- d. Debemos tener en cuenta que nuestra contribución será efectiva en la medida en que se institucionalicen los procesos que apoyamos y se integren con las instituciones propias de la comunidad, para producir una verdadera mejoría en la condición de vida de la mayoría de la población.

- e. Se debe hacer un seguimiento continuo de todas las actividades fundacionales y una evaluación periódica de las Estrategias Generales y de los programas constitutivos del Plan de Acción Social.

Los objetivos sociales de FES, las estrategias y los programas para su logro, deben ser compartidos por todos los miembros de la Fundación y todos ellos deben participar en su definición, así como en su ejecución.

Presentamos a continuación los planes de acción para cada una de las áreas prioritarias. Cada plan comprende áreas específicas de acción y para cada una de ellas se han definido objetivos específicos. Las actividades, los proyectos, los fondos, los recursos financieros y administrativos se han agrupado en programas, cuyo propósito es el cumplimiento de los objetivos específicos.

1.2 Areas Prioritarias

1. La Educación: Educación primaria rural, evaluación de la educación secundaria, y de la Reforma Universitaria en la Educación Superior.
2. Desarrollo Urbano y Rural Integrado.
3. Salud y Nutrición.
4. El Medio Ambiente y los Recursos Naturales.

Para cada área se presenta a continuación sus objetivos generales y específicos:

1.2.1 Area de Educación.-

1. Objetivos Generales:
 - a. Contribuir al conocimiento y la difusión de prácticas sobre procesos que sirvan para aumentar las oportunidades de educación de la población rural y mejorar la calidad de la educación media como de la educación superior.
 - b. Contribuir a la búsqueda de mejores mecanismos para el financiamiento de la educación superior.

- c. Mejorar la calidad de la investigación y la docencia en todos los niveles del sistema educativo.
- d. Estudiar la contribución de la educación al incremento de la productividad del trabajo.

2. Objetivos Específicos:

- a. Educación Rural
 - Conocer las experiencias y procesos realizados en Colombia rescatarlos y difundir los que han tenido éxito.
 - Contribuir a la implantación de estos procesos en otras zonas rurales y evaluarlos.
- b. Calidad de la Educación Media.
 - Definir marco de referencia sobre indicadores de calidad.
 - Conocer los procesos que mayormente contribuyan a la mejora de estos indicadores y apoyarlos.
- c. Calidad de la Educación Superior.
 - Apoyar la creación de redes de Centros de Investigación y Educación de Postgrado en las áreas prioritarias para el desarrollo social adoptadas por FES.
 - Apoyar la investigación para evaluar la Reforma de la Educación Postsecundaria.
 - Apoyar la investigación sobre nuevos modelos de organización y financiación de las instituciones de Educación Superior.
 - Promover la discusión al mas alto nivel sobre la Educación Postsecundaria (FOROS).

1.2.2 Area de Desarrollo Integral Urbano-Rural.

1. Objetivos Generales:

- a. Conocer los procesos de desarrollo que deben realizarse dentro de las comunidades para mejorar la calidad de vida de los menos favorecidos.
- b. Promover la realización de estos procesos.

2. Objetivos Específicos:

- a. Investigación-Acción en la Formación de Recursos Humanos propios de las Comunidades Específicas.

- Conocer los procesos educativos existentes (formales y no formales) en las comunidades y su relevancia para el propio desarrollo.
 - Diseñar e implantar los modelos educativos adecuados y evaluarlos.
- b. Adopción y Utilización de Técnicas Apropriadas para el Desarrollo de las Comunidades Específicas.
- Buscar y aplicar tecnologías que permitan la producción de bienes y servicios para beneficio de la comunidad.
 - Buscar mecanismos financieros, administrativos y de asesoría para el desarrollo de estas comunidades.
- c. Organización Comunitaria.
- Conocer mejor el proceso de desintegración de la economía campesina y sus efectos y cómo se lo puede influenciar positivamente.
 - Conocer mejor el proceso de urbanización, sus efectos y cómo se lo puede influenciar positivamente.
 - Conocer el funcionamiento dentro de la comunidad de las organizaciones/instituciones para identificar las causas de sus logros y limitaciones.
 - De las Instituciones Formales.
 - De las Instituciones no Formales
 - Implantar estrategias que refuercen la estructura comunitaria.
- d. Fomento del Empleo y del Ingreso Familiar.
- Investigación para conocer mejor los procesos que faciliten la reactivación económica y que favorezcan la inversión para el empleo.
 - Identificar estrategias innovadoras para la promoción del empleo y del ingreso familiar.
 - Identificar y apoyar procesos educativos (formales y no formales) que promuevan el espíritu empresarial y la capacidad productiva.

1.2.3. Area de Salud y Nutrición.

1. Objetivos Generales:

- a. Contribuir a elevar el nivel de salud de la población y a reducir los índices de morbi-mortalidad de los grupos más vulnerables.

- b. Contribuir a aumentar y mejorar la atención en salud, ampliando la cobertura con servicios efectivos, eficientes y de buena calidad.
- b. Contribuir a mejorar la nutrición de la población.

2. Objetivos Específicos:

a. Investigación de Atención en Salud.

- Conocer los factores determinantes de la morbi-mortalidad materno-infantil para establecer factores de riesgo y prioritarios.
- Conocer la oferta y demanda de servicios en el área materno-infantil.
- Conocer la prevalencia de la incapacidad física y mental, especialmente del Retardo Mental en Colombia, para establecer factores de riesgo y prioridades.
- Conocer la oferta y demanda de servicios para la atención del minusválido.

b. Administración de la Salud y la Nutrición.

- Conocer los problemas de cobertura de los servicios que inciden en la calidad de la atención primaria.
- Desarrollar metodologías de atención en salud.
- Establecer sistemas de coordinación entre los programas existentes y otros de desarrollo económico-social.
- Estudiar sistemas para mejorar el control de la gestión administrativa y la toma de decisiones.
- Mejorar los sistemas de referencia de pacientes.
- Diseñar y establecer un sistema de vigilancia epidemiológica-nutricional.
- Contribuir a mejorar los programas de alimentación y nutrición.
- Diseñar, financiar y establecer mejores sistemas de atención a casos de alta complejidad.

c. Integración Docente Asistencial.

- Conocer los procesos educativos de formación de personal de salud y nutrición.
- Conocer la demanda y oferta del personal de salud y nutrición, su preparación, su utilización y su productividad.
- Diseñar, implantar y evaluar modelos nuevos de formación de administradores a nivel gerencial en salud y nutrición.
- Desarrollar tecnologías educativas en salud y nutrición.

d. Participación de la Comunidad.

- Estudiar alternativas de participación comunitaria a través de: concientización acerca de los problemas, contribución a las soluciones y participación en la toma de decisiones.
- Contribuir al cambio de actitudes y comportamiento de la población para beneficio de su salud.

1.2.4 Area del Medio Ambiente y Recursos Naturales.-

1. Objetivos Generales:

- a. Ampliar el conocimiento que el país tiene de las causas y los efectos de los problemas del medio ambiente.
- b. Lograr cambios de actitud y comportamiento sobre el medio ambiente y el aprovechamiento de los recursos naturales en la población, en el Estado y en la empresa privada.
- c. Plantear soluciones a problemas analizados.

2. Objetivos Específicos:

- a. El Bosque.
El bosque como área inicial para el desarrollo de actividades en el medio ambiente.

- Conocer los problemas forestales del país y la interrelación hombre-bosque.
 - Educación y concientización de la población colombiana de la importancia del bosque como recursos natural renovable.
- b. El Mar.
- Contribuir a la creación de un Centro de Investigaciones Marinas del Pacífico.

1.3 Estrategias Generales

1. En lo Financiero:

- a. Continuación y Ampliación de los Mecanismos Actuales.
- 1) Programa en Administración (Fondos Restringidos).
 - 2) Fondos Permanentes con Contrapartida y sin Contrapartida.
 - 3) Donaciones Directas.
 - 4) Trato Preferencial a Instituciones sin Animo de Lucro, vinculadas a FES.
- b. Nuevos Mecanismos Financieros.
- 1) Fondos de Renta Diferida (FRD).
 - 2) Convenios de Cooperación (Depósitos y Créditos con Universidades).
 - 3) Títulos Universitarios.
 - 4) Préstamos a largo plazo con recursos de otras Instituciones Nacionales e Internacionales.

2. En lo Científico-Tecnológico:

- a. Selección de un pequeño número de instituciones y programas, generadores de conocimiento en cada Area Prioritaria, para ser apoyadas a largo plazo.
- b. Selección de Areas Geográficas o grupos de población específicos para experimentación y proyectos pilotos de los planes.
- c. Promoción de la información sobre Programas Sociales y

promoción de la utilización del conocimiento Científico y Tecnológico.

- 1) Redes de Información y Comunicación.
- 2) Seminarios y Talleres de tipo Científico-Técnico.
- 3) Foros con el Nivel Político-Administrativo y con las Instituciones Donantes.
- 4) Publicaciones Científicas y Promocionales.
- 5) Formación de Recursos Humanos.
- 6) Premio FES a la Investigación.

d. Seguimiento y Evaluación Técnica, Científica y Social de:

- 1) Los Programas y Proyectos que apoya la División Social.
- 2) El Plan General de Acción Social de FES.

e. Ayuda para la elaboración de propuestas (creación de grupos de trabajo).

3. En lo Administrativo:

- a. Asesoría Administrativa Permanente a instituciones vinculadas, programas y proyectos.
- b. Seminarios y talleres sobre servicios y asesoría Administrativa.

4. En lo Promocional:

- a. Influenciar en la toma de decisiones político-administrativas.
- b. Influenciar en la toma de decisiones de instituciones del sector privado.
- c. Influenciar en la actitud de la comunidad.

2. ACTIVIDADES DEL PLAN SOCIAL DE ACCION APOYADAS POR FES

Dentro del Plan Social de Acción podemos distinguir seis tipos de actividades apoyadas técnica y financieramente por FES.

- a. Investigaciones tendientes a cumplir los objetivos específicos de las áreas de acción de FES.
- b. Desarrollo institucional de entidades y programas cuyos objetivos se enmarcan dentro del objetivo institucional de FES.
- c. Promoción de entidades, programas y proyectos afines con el Plan General de Acción Social.
- d. Formación de recursos humanos.
- e. Reuniones, seminarios, talleres y congresos de carácter científico.
- f. Publicaciones científicas y promocionales.

3. CRITERIOS Y PROCEDIMIENTOS PARA APROBACION DE ACTIVIDADES

3.1 Criterios Generales:

Los criterios generales se aplican a todas las actividades apoyadas por la Fundación. La característica básica de la ayuda de FES es la ser semilla, o sea que genere procesos que puedan autosostenerse.

1. Toda actividad para ser considerada para apoyo deberá enmarcarse dentro de los objetivos del Plan General de Acción Social.
2. FES como entidad no ejecutora no debe asumir la totalidad de la responsabilidad de las actividades que apoya. Siempre deberá buscar la colaboración de otros y primordialmente complementará la actividad de entidades afines.
3. Se buscará que las actividades y eventos apoyados tengan una trascendencia a nivel nacional y regional, esto es buscando el mayor impacto de la labor de la Fundación.
4. Por lo general no se financiará la totalidad de la actividad sino que el beneficiario debe aportar de sus propios recursos o conseguir algún complemento.
5. Dadas las limitaciones financieras al apoyo se enfocará no a gastos de inversión en infraestructura. En algunos casos, se colaborará con equipos, para desembotellar programas y proyectos importantes.
6. En términos generales, no se financiarán viajes excepto cuando son de delegados de FES ante eventos y reuniones muy importantes.

3.2 Criterios Específicos

3.2.1 Para Programas.

A. De Otras Instituciones:

a. La Fundación presta generalmente dos tipos de apoyo a programas de otras instituciones: técnicas y financieras, y dentro de este último bajo dos modalidades: donaciones directas y fondos permanentes. Aquí solamente nos ocuparemos de los fondos, debido a que las donaciones en especies y directas se asemejan mucho a las investigaciones, en sus criterios y procedimientos.

b. Criterios para constituir fondos permanentes:

- Sin Contrapartida:

Además de los criterios generales aplicables, el objetivo del fondo debe ser sin ánimo de lucro.

- Con Contrapartida:

- 1) Objetivo sin ánimo de lucro.
- 2) La entidad o el programa beneficiario o terceros deben hacer aportes al Fondo.
- 3) Los fondos deben firmarse dentro del formato aprobado por el departamento jurídico y bajo las siguientes condiciones financieras:

Contrapartida del 50%
Capitalización del 30% de los producidos
Tasa de interés del 28% anual, en mensualidades vencidas.

c. Procedimiento para constituir fondos permanentes:

- 1) Reuniones preliminares, donde se explican los mecanismos de los fondos.
- 2) Solicitud de fondo, mediante carta a FES.
- 3) Aprobación por parte del Comité Técnico.
- 4) Si se trata de un fondo con contrapartida, firma del Convenio, carta de donación y de aceptación de la donación, y constitución del Comité Administrativo. (Este punto está a cargo de la sección Coordinación de Fondos).

B. Programa Adscritos a FES

- a. De acuerdo con el acta No.23, del 20 de octubre de 1983, del Comité Técnico "se entiende por Programa Adscrito, aquel que por su calificación de FES tenga necesidad real de apoyo institucional en aspectos administrativos, logísticos y de funcionamiento. Este apoyo se considera una contribución que va más allá de las donaciones y ayudas que FES normalmente presta a entidades y programas sin ánimo de lucro.
- b. Criterios para Adscribir Programas:
 - 1) Calificación por parte de FES (Comité Técnico y Comité Fundacional) de apoyo institucional.
 - 2) Existencia de un convenio donde se aclare el compromiso institucional de FES.
 - 3) Que FES participe en la Dirección del Programa.
 - 4) Se estima conveniente que los programas sean adscritos por un tiempo limitado, ya que deben madurar para evitar una dependencia de la tutela de FES.

3.2.2 Para Proyectos de Investigación:

a. Criterios para evaluar las propuestas:

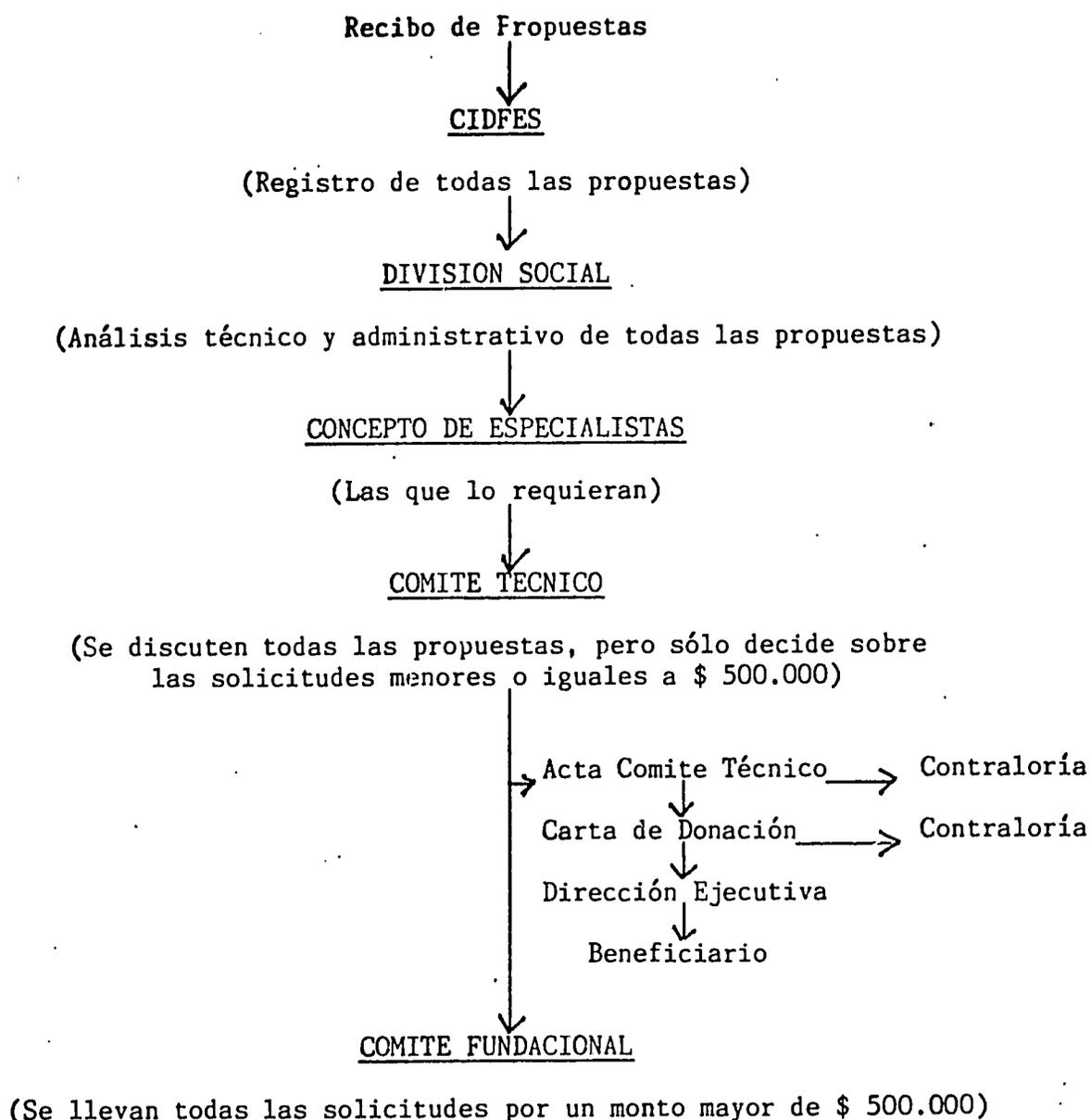
- 1) Cumplimiento de las normas de presentación establecidas en el formato e instructivo (ver Anexo No.1).
- 2) Tema: Hay que analizar si el tema se ajusta a las prioridades establecidas por la Fundación (o por el Fondo).
- 3) Analizar si la propuesta corresponde a una etapa de una investigación ya en marcha. De ser así, se debe pedir información sobre las etapas previas, incluyendo informes y concepto de la (s) entidad(es) que las financiaron.
- 4) Evaluación de los contenidos de la propuesta:
 - a) Pedir revisión detallada por especialistas.
 - b) Estudiar las hojas de vida de los investigadores para evaluar la experiencia e idoneidad de los mismos para desarrollar proyectos.
 - c) Establecer los vínculos y respaldos institucionales de los investigadores.

- d) Estudiar cuidadosamente la presentación general de la propuesta (redacción, manejo del tema, claridad, etc.)
- e) Evaluar los equipos e infraestructura requerida para garantizar el éxito de la investigación.
- f) Aspectos Presupuestales:

Aclarar cada rubro y ver si se cuenta con los fondos requeridos; en otras palabras, si con lo solicitado se completa el presupuesto total de la investigación.

- g) Analizar detalladamente los siguientes aspectos:
 - Exámen del problema concreto del país, que justifique la investigación.
 - Exámen de la bibliografía.
 - Objetivos de la investigación.
 - Marco de referencia.
 - Hipótesis y modelos planteados.
 - Metodología.
 - Originalidad.

- b. Con el fin de llevar un mejor control de todas las solicitudes de donación que recibe la Fundación, se decidió que éstas deben llegar al Centro de Información y Documentación de FES "CIDFES" para ser sometidas al procedimiento que se describe a continuación:



La Dirección Ejecutiva y la Dirección de la División Social pueden otorgar donaciones hasta \$ 100.000 sin consulta de ningún otro organismo.

Las solicitudes deben ser presentadas en los formatos que la División Social ha preparado y que están disponibles en las oficinas de la Fundación.

El CIDFES llevará un registro de todas las solicitudes recibidas, de la fecha de su recibo y de su aprobación o revisados.

3.2.3 Para Seminarios, Tallers y Congresos

a. Criterios para aprobación de Eventos:

1. De ellos deben surgir propuestas para nuevos proyectos y actividades relacionadas con las áreas prioritarias.
2. Los que tengan como objetivo "la Promoción de la Información sobre Programas Sociales y promoción de la utilización del conocimiento Científico y Tecnológico"(Numeral 2C, Plan de Acción Social).
 - 1) Redes de Información y Comunicación.
 - 2) Seminarios y talleres de tipo científico-técnico.
 - 3) Foros con el Nivel Político-Administrativo y con Instituciones Donantes.
 - 4) Publicaciones científicas y promocionales.
 - 5) Formación de Recursos Humanos.
3. Siempre que de ellos se deriven conclusiones a planteamientos concretos e importantes para la investigación, el desarrollo social, la educación, la salud y el medio ambiente.
4. Las convocadas por la FES por iniciativa propia y que cumplen los criterios anteriores.
5. La FES cofinancia los seminarios que abarquen los puntos anteriores; sólo se financia el 100% a los seminarios convocados por iniciativa propia de FES.

NOTA: Estos criterios fueron aprobados por el Comité Técnico (Acta No.31, Mayo 25, 1984).

b. Procedimiento:

Los pasos para aprobar apoyos a este tipo de eventos son idénticos a los establecidos para investigaciones.

3.2.4 Para Publicaciones.

a. Criterios para apoyo a publicaciones:

1. Se apoyan dos tipos de publicaciones : de carácter científico y de tipo promocional de instituciones sin ánimo de lucro.

2. Las publicaciones científicas deben hacer aportes al conocimiento en su área.
3. Se dará prioridad a textos para docencia, de autores colombianos.
4. Por norma general no se financian publicaciones periódicas.

b. Procedimiento:

El procedimiento es igual al establecido para investigaciones. Cabe anotar que el concepto del especialista requiere una labor mucho más ardua, que en el caso de una propuesta de investigación.

Cuando la publicación se piensa realizar con los producidos del fondo Cultural Colombiano, se consulta con el Dr. Joaquín Vallejo A., donante del fondo.