

MEMORANDUM

6P.

DATE: June 2, 1976

TO : Mr. James Megellas, Director

FROM : William D. Bair, Project Manager *WDB*

SUBJECT : Loan Completion Review and Report  
514-L-069 Health Sector Loan I

Attached is the report based upon the review required by M.O. 1264.1, IV. The only action remaining, is your approval to terminate all Loan Agreement monitoring and status reporting requirements.

Approved

*James Megellas*  
James Megellas  
Director, USAID/Colombia

*If this is a 21  
cannot not be done*

**RECORD COPY**

## COLOMBIA HEALTH SECTOR LOAN

June 2, 1976

### Loan Completion Review Report - 069

This loan, for \$19,400,000 to finance local currency and dollar costs of goods and services, was signed on February 28, 1973. It was first of the two health loans to support the GOC health sector program. The amount of the loan was later reduced to \$18,811,000 and \$589,000 were deobligated as the result of decreased dollar requirements due to peso devaluation. A carry-over of \$2,847,000 was provided to Loan 075 for programmatic purposes. The terminal disbursement date was 10/31/75.

#### 1. Purpose and Accomplishment

The goal toward which this loan was contributing was the provision of public health services to an increasingly large proportion of the Colombian population until, by phases, the coverage is to be extended eventually to all Colombians eligible to use the public health system. The specific purposes of this loan are set forth in the loan agreement (page 1) as that of "assisting the GOC in carrying out its health sector program by (i) assisting it in the financing of dollar costs of vehicles related to the program and (ii) assisting it in financing its investment program in the health sector."

The investment program included: (i) expanding public health coverage through a regionalized system of health services emphasizing unified direction and coordination of all public health activities, preventive and curative (ii) increased delegation of medical functions and rationalized selection of location of facilities; (iii) expanded health training programs; (iv) improved rural sanitation; (v) an intensified preventive campaign of disease control and eradication; (vi) operational research; (vii) augmented production of health supplies; and (viii) improved sector planning and administration. The programs supported in each specific area are delineated in Annex I of the Loan Agreement according to the appropriate implementing sub-agency. The GOC was required to complete 16 programmatic conditions and carry out many programmatic activities through the period of the loan.

The programmatic conditions were designed primarily to encourage (and insist) that the GOC carry out emphases it had identified in its health policy, such as emphasis on preventive campaigns, extension of service, delegation of functions to auxiliary personnel, improvements in the schools of auxiliary nursing, use of community "mid-wives", encouraging participation of the community, emphasis on nutrition, exploration of expanded use of malaria and rural sanitation personnel in other health activities, etc.. Regarding these programmatic conditions, all were acceptably completed except one which was cancelled because the agency it referred to, CORPAL, was discontinued.

While the individual programmatic activities are not reviewed in detail here, it is important to note that the support provided under this loan did reach the implementing sub-agencies and did provide necessary support to the activities as described in the Loan annex. Specific accomplishments and progress in attaining the goals, purposes inputs and outputs of this loan are detailed for 1973 in part five of "1974 Colombian Health Sector Analysis" and for 1974 in the attached document, "An Evaluation of Health Sector Loan 069 period covering CY 1974." The following are worthy of note:

- 1) Further definition of the regionalized system did occur and increased attention to the delegation of functions is apparent through the expansion of the promotora system.
- 2) Significant attention was given to the training of auxiliaries in many health fields.
- 3) AID and PAHO assistance has initiated important improvements in sector planning and administration.
- 4) Malaria, yellow fever and yaws control programs were expanded.

Significant steps were made toward realizing the loan goal, and the activities planned for fulfillment of the purposes were undertaken and advanced without modification. Although only partial success was achieved in some individual areas, unquestionably this loan contributed substantially to improving the planning, management and implementation of health sector activities. We have no doubt that improvements presently observed are continuing and that many had their basis in activities initiated under Loan 069.

## 2. Covenants and Warranties

The general covenants were in substance complied with. There were three special covenants.

a) "Borrower's Contribution. - Borrower covenants that its contribution to the Program, as described in Annex I hereof, shall be provided in a timely manner, and in accordance with the provisions set forth therein." - This was done with minor exceptions requiring reductions in A.I.D. disbursements.

b) "Ecological Considerations in Approval of Projects. -

The Borrower warrants and covenants that it shall take into account, or cause to be taken into account by the Sub-Implementing Agencies, ecological criteria, where appropriate, among other factors to be taken into consideration in approval of any specific project." As far as we are able to determine, this was done."

c) "Data Collection and Compilation System. The Borrower covenants that within six (6) months of the execution of this Agreement, the Ministry of Health shall have designed, developed and entered into contracts or other arrangements, acceptable to A.I.D., necessary for the implementation of a data collection and compilation system which will provide a wide range of information on the status of health of the Colombian population and actual utilization of public health system, in order to provide a more adequate basis for continuing assessment of the performance of the public health system." After entering into this contract it

became apparent to the GOC and AID that the scope of this project was far too great to complete even this part in the time scheduled. Designs and work plans were developed and initiated in a reasonable manner; a knowledgeable qualified Colombian was placed in charge of the projects (and remains there continuing to do fine work) and substantial technical assistance has been provided by qualified experts of the U.S. National Center of Health Statistics. While the data collection and compilation system covenant was not completed in the manner envisioned by the condition, the present planning and implementation of the system has progressed well beyond the spirit of the covenant. It was AID's opinion that this had been satisfactorily completed.

### 3. Reporting and Monitoring

This loan agreement required "the Borrower and MINHEALTH shall furnish to A.I.D. such information and reports relating to the loan and the Program as A.I.D. may request." A formalized reporting format was designed for quarterly reporting of status of completion of programmatic conditions, financial status and loan annex activities in a quantified manner. All reports were received and a gradual improvement of reporting was apparent. The GOC provided additional information on an as needed and required basis. AID/C believes the reporting required on initiation of the loan was satisfactorily carried out by GOC.

To assist in monitoring the loan and GOC reporting, AID/C also undertook field trips to project sites, in depth reviews of specific topics and used qualified technical assistance to assure adequate GOC compliance in specialized areas.

### 4. Vehicles and Equipment

198 vehicles were purchased and imported through the dollar purchase category of this loan. The Ministry of Health and the National Planning Department, encouraged by AID, recently reviewed their status and found that all were properly

located and assigned to the appropriate use. However, the information received on vehicle equipment was partial and was sufficient to assure that only 40% had been adequately equipped. The Ministry of Health is presently obtaining more complete information and has demonstrated a determination to rectify shortcomings where encountered.

5. Recommendations

It is recommended that this loan be declared terminated and that no further reporting be required.