

PDAAA-635-C1

574-183
5140183005301
5140183 (4)

USAID / COLOMBIA

LOAN COMPLETION REVIEW REPORT

LOAN NO. 514-U-076 Small City Environmental Sanitation

BORROWER : Republic of Colombia

DATE LOAN AUTHORIZED: June 28, 1974

DATE LOAN AGREEMENT: December 17, 1974

FINAL DATE FOR COMMITMENT: June 30, 1977

FINAL DATE FOR DISBURSEMENT: December 31, 1977 *

AMOUNT OF LOAN: US\$7,500,000

DISBURSEMENT STATUS:

DISBURSED: US\$ 7,483,598.17

DEOBLIGATED: US\$ 16,401.83

US\$ 7,500,000.00

* Originally, the Final Date for Disbursement was December 31, 1976.

I - PURPOSE OF LOAN

In assisting the GOC to carry out the urban sanitation activity of its "Health Sector Investment Program" the AID Loan supported INSFOPAL's investment in selected water and sewer systems in smaller and intermediate cities. The primary objective of the Loan was to improve health status with the provision of adequate sanitary services to the lower income groups. Secondary objectives included:

1. Forming community sanitary systems to encourage local responsibility for reaching solutions to sanitary needs.
2. Providing adequate users' charges for operation and expansion of sanitary system.
3. Improving planning for investment projects.

4. Improving sanitary service and financial levels to a point where the systems are capable to receive national and international loans.

II - COVENANTS

The Borrower has complied with all covenants.

III - REPORTS

All reporting requirements as set forth in the Loan Agreement and Implementation Letters have been complied with.

IV - MONITORING

No further monitoring is required.

V - RECOMMENDED ACTIONS

None.

VI - SUMMARY

(i) Utilizing AID Loan funds (US\$7.48 millions) and GOC's counterpart (US\$7.96 millions) sanitary programs were executed in 279 low income towns. Benefitted towns have a population range between 2,500 and 100,000 inhabitants. Basic works included: construction of new aqueduct and/or sewerage systems and enlarge - ment or rehabilitation of existing sanitary systems which were insufficient for the town's needs.

The project made it possible to give aqueduct service to 53,000 inhabitants and sewerage service to 159,000 inhabitants who did not have this service before. In addition, a Rotary Sanitation Fund was created with sub-loan repayments from the water utilities assisted by the AID Loan to finance in the future sanitary works in towns similar to the ones described above. Presently, the Rotary Fund contains US\$6.29 millions. Although this is a small amount compared to the investment needs of the sector, the fund continues to function and serves as a model to illustrate how government investment in sanitation may be repaid and the investment replicated to other cities.

(ii) The implementing agency (INSFOPAL) has more than 25 years experience in the execution of similar projects to those realized with AID Loan funds. Formal contracting and construction procedures with the supervision of qualified contractors and superintendents were followed. The quality of construction and materials used such as pipe lines and equipment for the aqueduct and sewerage systems complied with all requirements established under the Loan Agreement and the Letters of Implementation.

A total of US\$0.15 millions of the AID Loan were utilized in a training program "PLANADI" in order to improve the skills of the officials of small sanitation utilities. Under "PLANADI" 46 training courses took place and 130 officials from different towns in Colombia participated.

(iii) All purposes established in the Project Paper were completed as follows: a) Gastrointestinal diseases were reduced and sanitary works completed in small towns and with inhabitants of low income sectors. b) Under secondary objectives, administration was improved at local and central levels, many services were decentralized for rapid solution of local problems, utility rates were revised and investment planning through execution of the projects by stages was initiated.

(iv) INSFOPAL's ability to prepare and administer large international loan funded projects was improved greatly as evidenced by the fact that INSFOPAL is preparing credit requests to the Banco Mundial, Banco Interamericano de Desarrollo, CIDA and KFW.