SAN GIL INTEGRATED RURAL DEVELOPMENT PROJECT

Catholic Relief Services-USCC
Colombia Program

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Project Location:

Santander del Sur
Colombia

PVO Name and Location:

Catholic Relief Services-USCC
A A 11929
Bogotá, D.E. (1), Colombia

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Date of Submission to A.I.D.:

December 19, 1974

Total OPG Request:

$1,065,812.

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I. PROJECT PURPOSE AND DESCRIPTION

A. This project seeks to establish a self-supporting network of services and incentives affecting 30,000 rural families in three provinces of the Department of Santander del Sur in Colombia.

The project is built around the existing Cooperative Federation and an established program of leadership training and basic education created by the Secretariat of Pastoral Social (SEPAS). It will strengthen these institutional structures by establishing within the Cooperative movement new services consisting of a road-building unit, consumer stores, and marketing service. In addition, a broad new credit program aimed at providing incentives to small farmers to diversify crops and utilize appropriate technology in the production of food, as well as make necessary home and community improvements, will be established in stages through the cooperatives.

In close coordination with the cooperatives' activities, SEPAS will expand its human resource development program by adding a mobile leadership training team and developing two new programs stressing technical assistance for agricultural improvement and home and health improvement. These programs will allow SEPAS to utilize the extensive network of trained leaders as change agents, thereby producing lasting changes throughout the region.

It is the dynamic interplay of these various programs that give the project its vitality and high probability of success. The conditions expected at the end of a five-year life, assuming three years of external financing, are indicated below in general statements. Specific measures and targets are included within the plan for evaluation of this project:

1. The leadership training program will increase its base 33%, while continuing its full course for 260 students/year at existing levels.

2. Eighty percent of the leaders trained will assume positions in intermediary organizations and 100 community improvement projects per year will be accomplished by the 50 leadership groups organized.

3. The Cooperative Federation will increase its annual sales of consumer goods by 500%.

4. The credit program envisioned in the project will have financed 10,305 individual projects with a maximum rate of default of 5%.

5. The resulting increased activity of the co-operatives will generate an increase of real capital from existing and new members of 60%.

6. The 59 communities with new access provided for vehicles by this project will increase their amount of flow of goods by an average of 200%.

7. The Agricultural Improvement and Health and Home Improvement programs will be institutionalized as an on-going service with a staff of five professionals and 20 extensionists.

II. PROJECT BACKGROUND

A. The project encompasses the three provinces of Guanentá, Socorro, and Velez, which occupy the entire southeastern portion of the Department of Santander del Sur. The area this project benefits has a total extension of 10,954 Km^2 and a population of 400,000, according to the latest available statistics from 1973.

The capital and focal point of the zone in which the project will be carried out is San Gil, a city of 20,400 inhabitants, whose ideal weather provides a yearly average temperature of 24°C, at an altitude of 1,098 meters above sea level. Bogotá, Colombia's capital, lies 360 Kms. to the south, a six-hour drive. The departmental capital, Bucaramanga, is 98 Kms. to the north, or 2 1/2 hours by car. Aside from San Gil, the cities of Socorro and Velez, with a combined population of some 45,000, are the only other urban centers of relative size in the area.

Within this geographical region, the Secretariat of Pastoral Social (formerly Caritas), or SEPAS of San Gil, is the diocesan representative for the national secretariat of the same name, which comes under the jurisdiction of the Colombian Conference of Bishops. The sole activity of Social Pastoral within the Church in Colombia is that of social action.

In the last 15 years, SEPAS has taken upon itself the duties of coordinating, as well as instigating, extensive social action programs in the area. As a result, SEPAS has acquired wide and profound influence within the communities of the three provinces. This has been due, for the most part, to its actions on the behalf of the rural poor. The programs this institution has already developed, with limited local, national and international aid, in the areas of rural education and training, nutrition

(through the AID/CRS/Caritas food distribution program), economic incentives, and other assistance, have been formidable. In fact, they have made SEPAS a most capable regional organization in managing a project of the proportions presented here.

The wide span of SEPAS' operations has been concentrated particularly on its intimate collaboration with the small farmers from various community groups; specifically with credit unions and consumer cooperatives, communal action groups, clubs, and other grass-roots entities. In this sense, San Gil can be considered one of the most effective sectional offices National Social Pastoral has in the country.

SEPAS, through its director, Fr. Ramón González, a native of the region and an expert in credit union operations, and cooperatives in general, has been the inspiration behind the organization and management of two institutions, which already have promoted significant social and economic changes in the rural marginal sector of the region. These two institutions, 1) a network of credit union and consumer cooperatives, and 2) the Social Leadership Institute have been effectively combining their efforts to carry out change in the lives of the small farmer.

The initial thrust was in the field of credit unions. The first was set up in 1960, and in almost 15 years a total of 33 cooperatives have been successfully founded. Twenty-three serve the rural areas, of which 20 are credit unions and three are consumer cooperatives. Total active membership in these rural cooperatives is now at 24,925. To lead this movement, a Central Cooperative exists in San Gil, which lends technical assistance to the affiliated cooperatives.

The success of the cooperative movement has been limited primarily by the availability of capital. Members' savings and shares now amount to nearly a million dollars. At present external financing only amounts to $260,000, about half of which is obtained through the central cooperative for its affiliates. Therefore, the total amount available for loans after legal reserves are discounted averages out to only $30 per member.

Recognizing the success and limitations of the thriving cooperative movement, SEPAS offered leadership training by means of short courses throughout the late 1960's. In 1970 SEPAS led a study by an advisory group, which included a survey of 400 campesino families. Their conclusions were that the campesinos viewed their profession with esteem and desired to remain as farmers. Only 5% felt that unwillingness to work was a cause of their poverty as a group. Their greatest concern in remaining on the land was the limited possibility for educating their

children so that they could improve their lot. (Esquema Socio-Teologico de Reflexion, Diocesis de Socorro y San Gil, pages 26-27).

With these thoughts in mind, plans for a Social Leadership Institute were begun in 1971 under the auspices of SEPAS/San Gil. On August 1 of that same year, the Social Leadership Institute was quietly inaugurated as a permanent but flexible organization dedicated to the training of natural leaders. The primary objectives of the Institute were thus established as follows:

1. The training of those potential and presently active leaders in order that they may conscientiously guide their communities towards a progressive development change.

2. The formation--with an integral approach--of all those who show signs of having the vocation for future leadership.

3. The provision of advisory support to the ex-students in their work and programs in the education and development of their communities.

4. The organization of specialized courses in cooperativism, Communal Action, Popular Cultural Action ACPO (Radio Sutatenza), among others, in order to train the leaders in the philosophy and techniques of these movements.

5. The necessary coordination and collaboration with different national and international, private and governmental entities concerned with social education.

6. The organization of a variety of seminars and encounters for community leaders.

The purpose of the Institute, then, has been to make rural man the fulcrum of change in the process of development instead of a simple spectator who usually finds himself on the receiving end of external paternalistic actions which, rather than foment his independence, have progressively cast him into the role of perpetual dependence.

Therefore, today, four years following its inauguration, the Institute has two schools established: one primary in Paramo, and the other a secondary school in Zapatoca. In order to reach an even wider area and to maintain constant communications with the region's leaders, a mobile team of four training teachers was formed to dictate short courses in leadership awareness, cooperativism, and group organizations so as to provide these groups with the tools to

then, realizing the importance of the movement, thus began to finance 50 scholarships and the salaries for eight teachers, about $25,000 annually. Today, two groups of 80 students, each studying for five months, are attending the school where four years of high school level education are being offered. The entire annual budget for the two schools at Paramo and Zapatoca is $95,000 in operational costs, including 16 full-time salaried teachers, and $30,000 for overhead expenses. The departmental and national governments have since increased their contributions to approximately $40,000, to help defray scholarships, salaries, and other operational costs.

In addition to these schools, the above-mentioned mobile team is continuously in the field, working in the various communities giving courses in communal action and cooperativism, and especially designing methods for putting the various groups' leadership qualities to the most effective use. The team has inputs from eight persons equivalent to four man/years. The salaries for the extensionists on the team amount to $6,000 a year, while the equipment and materials at their disposal are valued at $8,000.

Graduates of the Paramo and Zapatoca centers, have already formed 29 different area groups that hold frequent meetings concerning community problems, to which they subsequently try to find a solution. The majority of these groups are functioning well, while others, which have been recently formed, are still groping for an identity within their communities.

B. An infrastructure for development now exists, but faces severe obstacles. Ninety percent of the population is rural, living off the land. All employment in industrial activities does not exceed 600. Therefore, agricultural development is essential to any program in the region.

The principal obstacle to development can be summed up in these bottlenecks: lack of educational services and technical assistance; dependence on the mono-culture of tobacco; poor communications; inadequate levels of health; and the unavailability of timely credit.

Educational Services and Technical Assistance:

Most small farmers in the region have access only to a third-grade education. Until the two schools were opened, there were no means of further education economically accessible to the majority of the rural population. Only the Colombian Agricultural Institute (ICA), the Secretary of Agriculture, and the Institute of Cafeteros provide training and rural extension in San Gil; and their programs

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can lend direct assistance to only a few farmers. The result is that the area's 90,000 farmers have little possibility of exposure to new techniques and possibilities of improving their agricultural production.

Mono-Culture of Tobacco:

The region has always been an important producer of tobacco since colonial times. At present 20,000 farmers produce tobacco to the exclusion of other crops, and 5,000 families depend on the handling, shipping, and processing of tobacco for their livlihood. Nevertheless, this heavy dependence on tobacco has produced negative effects.

A study made in late 1973 by ICA and COLTOBACCO--a national company which controls tobacco marketing in Santander--concluded that the average farmer had little or no return from his investment. The farmers who used the least technology fared the worst. Although dismissed as inaccurate by the tobacco company, the study dramatized this group's plight.

The tobacco farmers have handed down their tradition through generations, making it difficult to change. The heartiness of tobacco and its resistance to adverse soil offer advantages to the farmer with limited technology. The lack of technical assistance and credit for experimentation make it nearly impossible for the farmer to risk diversifying his production. Therefore, he continues at the mercy of tobacco buyers. The heavy investment in labor that he and his family must make can never allow him to capitalize and seek a more profitable form of enterprise.

Communications:

Another group of farmers that is suffering an insurmountable obstacle to progress are those who live in towns inaccessible to normal vehicular traffic. Particularly in the Province of Velez, many towns are two days on horseback from the nearest feeder road. Only 120,000, or 30% of the region's population, live in areas that have normal vehicle access. There are only 145 Kms. of paved road and 700 Kms. of unpaved road in the entire region.

In order to transport goods, a farmer has to pay $230 to $370 for a mule or horse. In the difficult terrain, an animal can only carry about 70 kilos. Considering the feed costs, this mode of transportation makes it impractical for a farmer to increase his production for this reason alone. The government has not been able to launch a major road-building program in these areas and has no plan to do so in the near future. With commercial road-building prices so high, most of these communities have no hope of acquiring the heavy machinery necessary to carve roads out of the mountanous terrain.

Health:

Malnutrition is a national problem in Colombia, where studies have shown that two thirds of children under five suffer from malnutrition. No studies exist for San Gil, although about one half of the 30 children admitted in the food program by the health post of Paramo, where a doctor is present, are suffering from II and III degree malnutrition. A rough estimate made by SEPAS is that 20% of rural children between one and five are suffering from these severe degrees of malnutrition.

Parasites are nearly universal among the population in the rural sector since rudimentary sanitation does not exist. More than 90% of homes in the rural area do not have latrines, have earthen floors and cramped living quarters. Preventive health care is little disseminated.

Agricultural Credit:

Underlying all these other bottlenecks, perhaps the most severe one is the availability of credit. In national studies, 80% of all agricultural credit is channeled through the Caja Agraria.

Outside of credit unions in the Socorro/San Gil region, the public and private lending institutions, which provide credit to small farmers, are predominated by the Caja Agraria. The typical small farmer of the region works five hectares and has a per capita income of about one hundred and fifty dollars a year. Constraints in the Caja's operations do not permit it to provide the variation and types of loans required by this group. Farmers themselves have expressed the problem.

"There exist various channels of credit, from the Caja Agraria to the money lending usurers. But throughout the gamut of lending institutions, situations of injustice are continually encountered, such as: Credits are granted on extremely short terms in relation to crop life, obliging in this way the campesino to sell his harvest in advance, or approach a usurer for an additional loan in order to comply with a rigid repayment schedule...The potential borrower must make numerous trips to the lending body, often at great distances, losing time and money in the process, and, therefore, increasing the real cost of any loan.

Loans are oftentimes insufficient; for instance, when a loan request for the purchase of a milk cow is made, only part of the amount is given, forcing the campesino to buy an animal of much poorer quality, whose milk production is so low that it serves little or no purpose. Mortgages loans for house construction or improvement are very costly,

and bureaucratic delays are frequent." (Third Regional Campesino Congress, Socorro y San Gil, 1972.)

After numerous interviews in the region with leadership groups, farmers, village priests and mayors, cooperative managers, a country physician, an economist, and teachers, and after having analyzed studies already made by the Ministry of Agriculture, ICA, the tobacco industry, and AID/Colombia, a plan was established through which these bottlenecks could be opened. This integrated project, then, represents almost a year of planning with diverse contributions from AID, CRS, and GOC personnel. Most importantly, though, it represents a concensus of needs as expressed by the people most affected by the project.

III. PROJECT ANALYSIS

A. The important strides given in developing a social and economic infrastructure in San Gil forms part of a fundamental hypothesis of this project. Its existence implies a tremendous under-utilized potential for development, which with the proper resources can yield substantially in benefits at low costs.

The primary beneficiaries of this project, then, will be the families of 25,000 members of the cooperative federation and the 2,800 leaders already trained, of which almost half are members of the cooperative now. This nucleus of over 26,000 families should expand to near 30,000 by the end of the project. The training of an additional 1,200 adult leaders is planned, and it is expected that the percent of trained leaders that are members of the cooperative will increase to 80%. This closer integration of these two groups is an essential step in achieving the purpose of this project, since the trained leaders are those who should react quickest to the new services and incentives. As a demonstration effect, naturally, these leaders should have a substantial effect on their neighbors, drawing them into active participation and support of these services.

The Social Leadership Institute has achieved a remarkably low cost/benefit ratio when one considers that 260 students are enrolled in the full-time courses (averaging 160 days a year) at a cost of $274 per student for all operational costs during a year. Therefore, expenses for room, board, personnel, and maintenance total only $1,70 a day per student. This calculation assumes that 75% of total operational costs are dedicated to this program.

For adult short course training, the cost per student is even lower, totalling an average of $95 a year.

Naturally, it is more difficult to calculate the benefit to be produced by the two technical assistance programs for the Agriculture and Health/Community Improvements. However, once the agricultural assistance team of four agronomists and ten extentionists is totally structured, it is planned they will carry a caseload of 350 families. Considering they will spend about 60% of their time in field work, the service will cost about $48 per family annually.

The Health/Community team will work primarily on a community basis. Once fully structured, its campaigns will affect 45 communities or veredas annually. Generally, in Colombia each vereda consists of 50-100 families. This calculation would place the cost in personnel assisting each vereda at $460 per year.

These calculations indicate the low cost nature of the education program and technical services to be offered through SEPAS. The low-cost nature of SEPAS' overall program and the human resource infrastructure it has organized are the key reasons for these favorable cost/benefit ratios.

The programs organized under the direct administration of the Central Cooperative enjoy the advantage of utilizing a well-organized administrative structure. The Central Cooperative at present has a loan portfolio of $110,000, composed of the savings deposited by various organizations, such as parishes and community groups, and individuals. Its administrative costs average now about 7%-8% of their total portfolio, although, naturally, this includes all forms of assistance to the member cooperatives. The additional credit included in this program will naturally incur additional administration costs, but at the same time a proportional reduction in the percent spent on administration. The table below demonstrates the expected result:

TABLE 2

	Number Of Years				
	1	2	3	4	5
*Total Credit Portfolio (1,000 US$)	278	478	633	648	668
Administrative Costs (1,000 US$)	18	24	27	27	28
% of Total Portfolio	6.5	5.0	4.3	4.2	4.2

(* existing portfolio plus expected inputs)

This increase from administrative costs of $9,000 to $28,000 annually will not only allow the Central Coop to administer these larger amounts of credit, but also to improve its technical services to the Federation, such as auditing and management training.

One can also expect a similar improvement to take place in each individual cooperative that will benefit from this additional credit. The increased administrative structure in the Central Cooperative will also benefit the other services to be established under its management.

The Marketing service will benefit particularly the consumer cooperatives, but will extend its utility to other cooperatives in the form of marketing goods. No strict cost/benefit is established in this case, but the advantages are well distributed.

Finally, in the road-building activity, the most practical manner of measuring cost/benefits would be over the life of the project. Machinery costing $86,000 with a calculated ten-year life and with operational inputs of $119,000, including depreciation, are scheduled to construct 290 Kms. of unpaved access roads through difficult terrain in five years. The cost/benefit in terms of the heavy machinery, then, would be $559 per kilometer constructed. In terms of the 57 communities benefited, on the average, each access road would incur costs of $2,842, well within their possibilities of payment.

B. The technology employed for agricultural improvement will be adapted to farmers who work approximately five hectares of land. In general labor intensive methods designed to offer the greatest yields per hectare will be favored. This explains the need for inputs dedicated to human resource development and the organization of farmers into intermediary groups to take advantage of the services to be offered.

This technology will be transferred to the farmers through direct assistance and demonstrations revolving around four model farms. These farms will be used to introduce better techniques as well as to actually grow the necessary seedlings which would be used to experiment with new plant varieties.

Most equipment included in the project is also labor intensive. In the case of road building, the difficult terrain makes it imperative that some heavy equipment, such as the bulldozer, dump truck, and compressor be utilized. Even with this equipment, each community will necessarily have to contribute an average of 100 man/days of labor for each kilometer of road built.

The greatest amount of manpower needed for the project, which includes 24 extensionists for leadership training, agricultural and home/community improvements are being generated by the project's own training program through the Institute. The more qualified personnel will be sought

from other sources, but, fortunately, Colombia has sufficient graduates of agricultural and home economic studies, so that no problem is anticipated in locating such persons.

C. The region of San Gil has a demonstrated record of community and cooperative efforts. This project should strengthen that tradition and add to the self-esteem of the small farmer. The most important social change proposed here, then, is to give expression to people who are already conscious of the need to change an attitude, which can be mainly attributed to the Leadership Institute and the cooperative movement.

Five primary areas of intended social change are:

1. The leadership of the campesinos as expressed through the cooperative movement and the campesino congresses will be substantially strengthened. Their effectiveness as pressure groups to receive more and better services for the rural sectors should be a positive stimulus for governmental as well as commercial interests in the region.

2. The role of women in development will undergo substantial advances. Thirty percent, or about 80 of the full-time students in the schools are women; their involvement will no doubt create an important feminine leadership component for the future. Only 10% of the adults presently attending short courses are women, but this amount should reach 30% by the end of the project.

3. The tobacco farmers should change considerably their present status. With additional credit and the added possibilities demonstrated by the model farms they will have the opportunity to improve their productivity and diversify their crops. If successful, this decline in dependence on tobacco will open opportunities for a presently stagnated portion of the region's population.

4. The 57 veredas with a population of approximately 17,000, which will gain vehicle access for the first time through this project will undoubtedly undergo the greatest impact of any single group. Their access to supplies and marketing possibilities will

result in a sharp increase in productivity and modification of their present modes of production. This increased access will allow other governmental and commercial services to reach these areas and integrate them into the general life of the region.

5. Although agricultural development for economic ends is a primary objective, the production and consumption of nutrition foods is an important aspect. Rural families that now maintain inadequate diets will not only be urged through educational activities to change their eating habits, but also be able to find the necessary credit for family gardens, milk cows, food-related community enterprises, and sanitary improvements, all of which are necessary to improve their nutritional status. The concomitant increase in family income will also be another factor in diminishing the high incidence of malnutrition that exists.

Although these broad objectives of social change are far-reaching, no organized resistance is anticipated. Commercial middle men will undoubtedly oppose the formation of consumer cooperatives and a marketing service. However, this reaction in the long run would be offset by the additional purchasing power generated by the project. No one commercial concern will be eliminated by this project, so this opposition presents no serious dilemma.

D. This project clearly fulfills the objectives of the Foreign Assistance Act. The target group is entirely within the poorest majority of Colombia and the world. The program involves substantial local resources, and presents a model of development that can be certainly duplicated in other parts of Latin America.

An important benefit calculated in this project is the increased production of food. Although this increase aims primarily to satisfy local consumption, it also can benefit other regions through a greater supply of foodstuffs.

E. An important indicator of success for this project is the institutionalization of the diverse incentives to be created. Naturally, the demand for these services may change and

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give way to other higher priority needs in the future. However, it is planned to continue the basic program prepared here after the three-year period of financing ends as indicated in our detailed five-year input chart.

This objective can be accomplished through careful management of planned inputs. One can divide the planned inputs of the project into two classes--social and commercial. Of the three social programs, 1) Leadership Training is self-financing from government and diocesan inputs and contributions of the campesino leadership groups themselves. Within 2) the Agricultural Improvement Program, the model farms would be self-financing. However, the remaining aspects of the Agriculture and 3) Health/Community Improvement programs would generate no direct income.

In order to guarantee continuity, then, the amounts generated by the commercial programs in the form of rent for road-building equipment, fees for trucking, and interest on loans would be dedicated first to covering operating costs. Any surplus, then, would become part of an operational reserve divided between support for technical assistance programs and a reserve for future purchases for the commercial programs. The operational reserve could be further enriched by investing sums not needed immediately in safe short-term investments.

By the end of outside financing on the fourth year of project life, the reserve should generate about $64,000 annually. This income is divided among the various programs in the following manner:

Road Building	$15,000
Marketing Transport	15,000
Credit Program	26,000
Investments	8,000
TOTAL:	$64,000

This amount is sufficient to guarantee the continuity of the essential aspects of this program. In addition, the two entities involved intend to approach government agencies especially ICA (Colombia Agricultural Institute), and the Secretaries of Health, Agriculture, and Education for support, for various aspects of the planned programs. At least partial support for technicians or other needs should be possible, thereby increasing the possibilities of continuity.

The annexed Cash Flow Analysis chart outlines the dynamics of this Operational Reserve. To help clarify the chart, the following terms have been abbreviated: Operational Costs (O.C.); Inputs from the government of Colombia (GOC); Campesino Contributions (Camp. Cont.); and Community Organizations (Comm. Org.).

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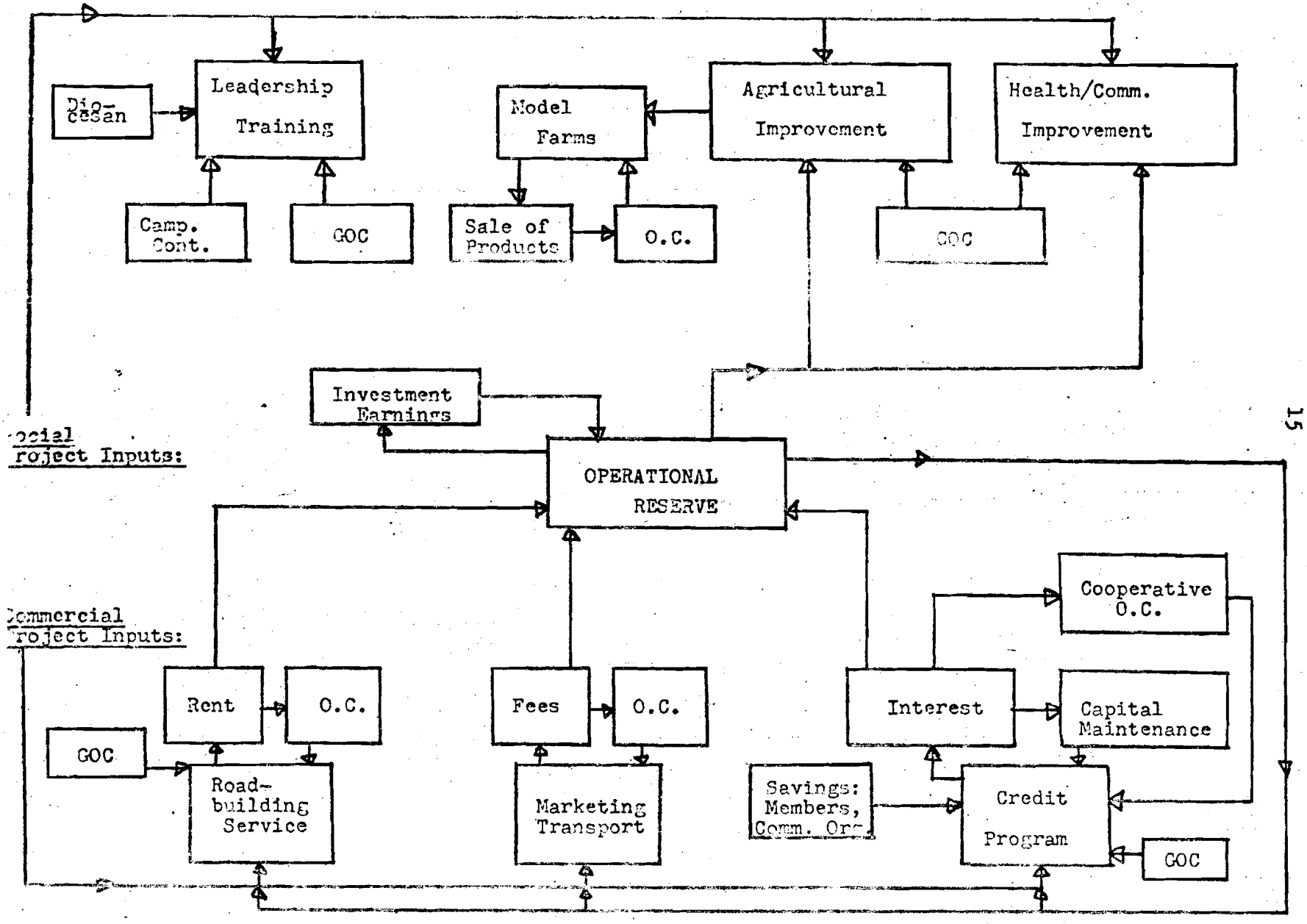
CASH FLOW ANALYSIS



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IV. PROJECT DESIGN AND IMPLEMENTATION

A. The shared responsibilities of the administration of this project assures its broad-based support. Its implementation centers around a seven-person Management Committee, consisting of: 1) the Central Cooperative Manager; 2) President of the Credit Committe of the Central Cooperative; 3) the SEPAS Director; 4) the Project Coordinator; and Heads of the 5) Leadership; 6) Agricultural Improvement; and 7) Health/Community Improvement Programs. This committee provides a qualified technical management group fully capable of evaluating and making decisions regarding implementation.

This management committee consists entirely of a salaried staff. Project inputs support only three of the seven. This committee also is vital to continuity after external financing ends since it will be in charge of the Operational Reserve generated and the eventual budgeting of its funds.

In addition, the project request includes a highly qualified consultant. He will spend some time each year in the region, to help initiate and assess the effectiveness of agricultural techniques employed. His recommendations are important in determining the technology, crops and other practices to be introduced.

The Project Coordinator has responsibilities touching on all aspects of the project. As project director within SEPAS, he directly oversees the management of all technical assistance programs. He receives regular reports from all members of the committee, and provides a synthesis of the project's progress to the committee. He represents the project's interests with outside organizations, especially governmental. In essence he is the administrator concerned that programmed outputs are being met and that the work of the diverse sections can develop harmoniously.

His support during the first three years is part of the project request, as is his secretary. Also included is the cost of an accountant, who will create and operate the necessary information system, to guarantee that project inputs are carefully controlled and the accounting carried out. SEPAS is contributing a bi-lingual secretary/administrative assistant to round out the needs of this coordinating department.

This department is also responsible for meeting the logistical needs of the project. Funds requested for office equipment, supplies, vehicle maintenance, and didactic material is distributed to the diverse programs through this department. Other overhead costs including office space, utilities etc. is contained within SEPAS' administrative budget.

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Under this general supervisory structure, the diverse programs will develop. The programs administered by SEPAS are discussed first.

Leadership Training:

This program has two facets--the structured courses given in the Institute's two schools, and the extension courses. Since it is assumed the Institute will be able to maintain its program through existing inputs, additional inputs are requested only for the extension aspects.

The project's inputs will increase the mobile team from four to eight full-time members. Also supplied for the program is a second vehicle, especially fitted with audio-visual equipment. This will be used for demonstrations and courses to be given in the communities. These courses will offer visual examples of the achievements of other groups, as well as other information designed to stimulate community action.

The team should devote an average of 15 days each month to working in the field. Their primary objective will be to increase the number of organized groups from 29, with 1,500 active participants, to 50, with 3,500 active members.

SEPAS intends to publish regularly a bulletin to facilitate communication among the groups. A yearly seminar in each of the three provinces is planned with a bi-annual Congress, to give the campesinos an organized voice in their affairs. Leaders elected from this Congress, then, will represent the movement's interests in relation to regional and national bodies. Four Congresses have already been held, and any subsequent ones should be improved by the results of the seminars. The campesinos themselves pay for these meetings.

This organization enables the campesino groups to request and often receive better services from private and governmental institutions. They will also provide the leadership necessary to make the other programs within the project successful.

Agricultural Improvement:

The initial inputs required are the hiring of four agronomists, and the training of ten extentionists. The extensionists will be selected from among those completing the secondary course at Zapatoca. Their two-year training period consists of six-month courses offered by SENA (National Apprenticeship Service), and six months of field work under the supervision of the agronomists. In the third year the extentionists will become salaried employees.

The four agronomists will necessarily be experienced practicioners of their trade with ample field experience, and

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hopefully an intimate knowledge of the region. A firm understanding of the ideals of the Social Leadership Institute and the area cooperatives will be a requisite in carrying out the general scope of activities programmed. Ideally, the four will reside in four distinct farming areas of the region--Zapatoca, Páramo, Velez, and San Gil. The agronomist resident in San Gil will be considered the program director. (see Appendix)

Three of the four agronomists--with the exception of the one to be located in Velez--will each be assisted by two extensionists; the agronomist assigned to the region of Velez, because of its comparatively large extension, will be assisted by three extensionists. The remaining extensionist will constitute a reserve for these four teams. These teams have two basic functions. One is the creation and maintenance of the model farms; the other is direct technical assistance to the farmer.

Each agronomist will prepare a detailed financial plan for his model farm. On each of them a variety of the region's crops will be cultivated, according to only those technological methods that are relevant to the local small farmer, such as the use of intermediate technology, improved seeds, and fertilizers. Fruits and vegetables, which have not previously been tried in the region will also be experimented with. Certain areas will be set aside for raising animals, for a typical family garden model, and for a nursery. Organized demonstrations are planned to attract 720 farmers to each farm annually.

The model farms, then, will evolve into supply stations for certain hybrid plants and seeds, and will be operated in conjunction with the credit program for those cooperative members who may wish to follow the practices carried out on the farms. In this manner they are an essential element of the integrated activities of the project. The sale of their supplies should allow the farms to become self-sufficient, as well as self-supporting.

The teams will give priority to offering direct assistance to those farmers prepared to innovate in their modes of production. Most of these farmers are included among those who will seek credit through the cooperatives, so that these programs will be mutually reinforcing. It is estimated that, once fully organized, each team will carry a caseload of 90 farmers a year. Additional farmers will be reached by courses dealing with topics of interest to the local farmers; these will be organized in the communities by each agronomist. Inputs for two vehicles are linked to the needs for transportation principally within this activity.

Finally, during their work the four teams will nominate farmers who show the most promise as leaders and innovators for producing desirable changes in their respective

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communities. Thirty of these farmers will receive scholarships to undertake further practical studies in courses offered by ICA and SENA, which in most cases are given outside of San Gil. This training is an additional incentive for higher achievement to the small farmer.

In general, then, this program will be a major contributor to the goal of greater small farmer income and food production. The development of this basic infrastructure tests the hypothesis that, with the proper institutional support, the small farmer can be a highly efficient and productive member of the agricultural economy.

Health/Community Improvement:

Initial project inputs are needed for the hiring of a Home Economist, a doctor, and the training and salaries for ten extensionists. The extensionists most likely will receive their six months of training in a private Institute in Santa Rosa de Cabal in the Department of Caldas, which specializes in educating campesino girls in home economics.

SEPAS will select extensionists from among candidates who have completed at least primary studies at Páramo. Since the extensionists will work principally in the region where they reside, geographical distribution is another consideration.

Once employed, they will work under the direct supervision of the Home Economist, who is also the head of the program. The Home Economist will plan campaigns in each area revolving around veredas, supervise their execution, and evaluate the results.

The doctor is needed to ensure that health care and preventive medicine is included within the concept of community improvement. He will train the extensionists in first-aid care and health fundamentals. In addition, by means of courses offered in the field, his objective will be to leave each vereda with persons trained as health monitors, who can administer first aid, give vaccinations and attend to minor emergency cases. Special attention will be given to training women who assist in prenatal care and childbirths in each community. It is also planned that the physician's contact with the health problems of the rural area will make him an excellent liason with governmental agencies to promote and improve their services.

Many leadership groups have demonstrated their interest in this program through the activities they now carry out. The campaigns, then, are closely coordinated with these groups, choosing the neediest--but best prepared--veredas at first. Besides the health programs already mentioned, the education campaigns focus on nutrition, hygiene and sanitation problems

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through courses and home visits by the extensionists. Once the community decides on its most urgent needs, it is encouraged to take advantage of the credit possibilities created through the cooperatives, especially for family gardens and community and home improvements. As an additional project input, 50 CINVA-RAM hand-operated block-making machines plus a tool bank are available on loan to facilitate construction projects generated by this activity. These campaigns are programmed to reach 45 veredas a year. Other veredas may be benefited as well through visits from the project's personnel and the multiplier effect of the campaigns.

Another important objective of this program is to organize women into clubs. These clubs can serve an economic as well as social function, and are essential to increasing roles of women in their communities. Cottage industries and artisan activities are excellent economic possibilities. SEPAS intends to organize 100 clubs the first three years and 150 by the end of this five-year project.

The additional vehicle input will be essential to fulfill the travel needs of the doctor and the Home Economist.

The programs administered directly by the Central Cooperative take advantage of this institution's expertise and organizational structure for handling commercial enterprise. Naturally, the existing personnel structure will be augmented to handle the increased load. As the project develops, the Central Cooperative plans to increase its extension monitoring staff from one to three extensionists by the third year. A full-time auditor by the third year is also planned for, as are the increases in operating costs related to handling larger amounts of credit. All additional costs will be covered by the income made possible by project inputs.

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A Council oversees the management of the Central Cooperative's affairs. It consists of managers of individual cooperatives as well as prominent citizens of the region. Father González sits on this Council; this presence strengthens the bonds between SEPAS and the Cooperative Federation.

Road Construction:

The required project inputs necessary to establish this service consist of a bulldozer, dump truck, and compressor. Many communities with no existing vehicle access have already requested this service.

As indicated on the map in the appendix, these access roads already requested would require the construction of 113 Kms. of roads through difficult terrain. SEPAS' past experience in self-help projects has demonstrated the willingness of

communities to enter into pick and shovel road construction. However, the nature and size of these proposed access roads place them beyond the capabilities of just manual labor and requires heavy equipment.

In order to utilize the equipment each community has to present a plan for construction acceptable to the cooperative. The local community must be prepared to pay an hourly rent for the use of the machinery, provide material costs for bridges, culverts and ditches as well as organize volunteer labor, estimated at 25 men per day.

There are 345 legally recognized Acción Comunal groups in the San Gil region. These groups meet governmental requirements for state aid, and offer an excellent vehicle for undertaking this type of project. Many Acción Comunal leaders have been through the Leadership Institute, and consequently participate in leadership group activities also.

These projects, then, will be carried out either through the many Acción Comunal or Leadership Groups, which will depend on their financing from community contributions, fund-raising events, departmental level grants, or through loans such as those mentioned in the Rural Credit Program.

The Central Cooperative will hire an experienced crew to operate this equipment, which will be paid through income generated by this service. The crew has a supervisor who receives all requests from community groups and studies them for viability. The final decision in which projects to implement will remain with the Management Committe of the project. Cost calculations are included in the appendix for maintenance and depreciation as well.

Other inputs are included from the government in the form of local transport of the bulldozer, which the Departmental Public Works agency has indicated its ability in most cases to provide. This agency also will supply topographical studies, some of which have already been done, as needed. Finally, the government sponsored program of "Caminos Vecinales", can in some cases give wages to the workers involved in self-help road construction. This type of input should amount to a minumum of $9,000 a year.

The outputs resulting from this service are calculated at 290 kilometers of new roads constructed during the life of the project. These roads are estimated to benefit directly 17,400 persons in 57 veredas. Naturally, other nearby veredas will be benefited by closer vehicle access, and the machinery on occasion will be used for road maintenance and improvement.

<u>Marketing Transport:</u>

Two trucks for hauling freight are included as project

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inputs in order to allow the Central Cooperative to establish a regular internal transportation service. Highest priority is to serve the growing number of consumer cooperatives--16 over five years--calculated in the outputs of the Credit Program. In addition, it will allow the cooperatives to begin a modest marketing service, taking advantage of the increased agricultural production during the life of the project.

Two trucks are considered adequate to prevent any bottlenecks in transportation. The trucks, based in San Gil, will follow fixed routes, offering regular weekly services to the cooperatives. Commercial rates less a small discount will be charged to the cooperatives for shipments. The creation of this service in no way should interfere with normal commercial transport companies since it will not compete for any substantial amount of existing commerce.

The output of this service is measured in 1,800 tons of cargo hauled annually. This rate of activity ensures its self-financing and allows it to make a significant contribution to the Operational Reserve necessary for the continuity of the entire project.

Based on their initial experience with this service, the Central Cooperative can decide whether to expand or not its marketing activities.

Rural Credit:

Almost one half of AID inputs are programmed in the form of credit. In order to ensure the integration of activities, the Management Committee will be responsible for supervising this program. This procedure also will afford the Central Cooperative the necessary technical assistance in administering the program.

Individual requests for loans stimulated through the other programs within this project are channeled to the local savings cooperatives, where the borrower's credit risk is determined. If the requests received fit within the criteria governing this Credit Program, then they are directed to the Central Cooperative. The committee studies the requests of each cooperative, relating it to existing activities of technical assistance. Their recommendations, then, are submitted to the Credit Committee of the Central Cooperative for final action. The loans made under this program will carry the Central Cooperative's normal interest rate to individual cooperatives. At present this rate is a maximum of 12% per annum, although it is possible that the government will be increasing this limit in the near future.

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The Credit Program is divided into six sections, each with specific objectives:

1. Consumer Cooperatives - These loans are designed to strengthen the three existing consumer cooperatives and to stimulate more credit unions into organizing others. The purpose of the cooperatives is to increase members' family income by decreasing the cost of essential consumer supplies. In addition, they can provide outlets for necessary agricultural supplies. The agronomists can assist the cooperatives in planning their purchases of these supplies.

The cooperatives purchase most consumer items and agricultural supplies in bulk in Bucaramanga and Bogotá, and transport them in the cooperative's trucks. Initially, the cooperatives, then, will also purchase quantities of produce easily marketable in other areas for transport in the same trucks. It is this direct buying and selling that should produce the greatest benefit for the farmer, and provide the basis for a potentially larger marketing service in the future.

The average loan to each cooperative revolves around $5,000 for terms of two years. Eight cooperatives, including three already in existence are programmed to receive loans in the first year. The repayment of these loans, then, will be applied in the creation of additional cooperatives, which should reach a total of 19 by the end of the project.

2. Production - These loans are most similar to the type of credit presently handled by the credit union cooperatives. However, priority use of this project input is given to farmers who demonstrate they are prepared to utilize appropriate technology, such as better seed varieties, fertilizers, insecticides, and agricultural implements, to increase their present productivity. Many farmers will also utilize this credit to begin diversification schemes. These types of loans, naturally, are closely linked to the Agricultural Improvement Programs. In most cases, their purpose is to give farmers the means to implement improvements recommended by the Agriculture Team. In addition, the teams will visit these projects to ensure not only a higher percentage of successful results, but also continuous feedback. The demonstration effect of these projects is also an important factor for multiplying the influence of this activity.

The average loan is programmed for $400, at a term of 12 months. Considerable variation may exist because of the distinct needs of diverse crops. The project inputs are phased over three years to allow time for structuring the necessary technical assistance. By the third year, the cooperative should be financing 200 projects a year. Loans to the same farmers in different years are possible, but should not exceed a third of the projects approved.

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3. Family Gardens - These loans support the objective of improving nutritional levels. The various technical assistance programs will stimulate families to start these gardens or improve those in existence. The nurseries of the model farms will provide visible proof of the possibilities as well as supply some of the needed seedlings.

The basic technique is an ideal combination of fruits and vegetables, which can be planted on one-fifth of a hectare. A project funded by AID in the Dominican Republic has indicated that a family of five can satisfy their basic nutritional needs for these products utilizing this technique.

The average loan is calculated at $50 per family for a term of one year. Repetition of loans to the same families should be minimal, so that nearly 3,000 families can be benefited by this activity over the life of the project.

4. Dairy Farming - Belonging to the cooperatives involved in this project are many members who have had little or no experience with "private property". This activity, then, seeks to supply the credit unions with funds for those members who truly aspire to achieve that goal. The proposed plan would help individual, and/or associated groups of low income rural families to initially obtain and keep a milk cow.

On the majority of the land parcels occupied by many cooperatives members who are tenant farmers, there exist marginal corners, strips, and fringe areas, which have no productive use. These areas could be easily taken advantage of by one or two cows, and with little additional cost to the owner.

When one considers the present high starch nature of the campesino's diet, the presence of milk is vital to improving nutrition. Each producer should be able to sell his excess production from one cow to three or four other families, thereby increasing the scope of this nutritional benefit.

The government rural extension service (ICA) has veternarian services, which it has indicated can serve this activity also.

The average loan for this program is $275, with a term of two years. In this program the cooperatives are contributing 30% of each loan from their own capital, while 70% comes from outside project inputs. This procedure allows them to finance 160 projects in the first two years and 320 over five years.

One other benefit planned in this activity will be for each cow to produce a calf a year, which will undoubtedly help

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in the cancellation of the original loan. To achieve this objective, ICA will offer artificial insemination through their facilities in the area to each of the borrowers, at minimal costs. ICA is presently expanding its services in this field. ICA estimates that its costs to the recipient for the service of each impregnation will not surpass US$15 per cow. The service would also figure as an important step in improving the breed of cattle in the region.

Those farmers who wish to take out a loan under the Dairy Cow Plan, will also have the option to have their cows artificially inseminated. Considering the possibility that each cow could produce an offspring per year, three calves could be the result at the end of the project period; this would mean an increase of approximately 480 head of improved cattle in the region, excluding the original 160 cows.

This additional service would add $30 to the average loan. It will be optional, but the cooperatives will encourage farmers who presently own cows also to take advantage of the service.

5. Health/Community Improvement - This activity finances non-income generating projects that are a high priority concern to the community. Financing will generally cover complementary materials for construction.

The compaigns discussed under this program will generate most of these loans. Combined with the tools and machine inputs already planned, they provide an effective combination of resources for low-cost realization of these projects. Most projects are accomplished with technical know-how available locally.

Sixty percent of loans are planned for housing improvements that can afford campesinos better sanitation conditions at little extra cost. Community projects, especially remodeling schoolhouses, building social centers, and providing drinking water would absorb the rest. Other occaisional possibilities are for construction of recreational facilities.

The average loan is $100 for a term of one year; although home improvements are closer to $70, while community projects would range around $140. Two hundred projects a year would be financed.

6. Others or Innovative Projects - This category encompasses about 40% of the total project inputs into credit. It involves financing projects that represent promising departures from existing practices.

Most loans are destined for group enterprises. Small rural industries such as processing food products, and handicrafts are expected to be most common. Community

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infrastructure for water supply for crops, electrification and other potentially income-generating improvements should be a close second in importance. Another possibility is loans for marketing needs, which would include storing of crops for future sales.

Individual entrepeneurs may also qualify, especially if they present new ideas which can be multiplied. Crops which show promise of providing a basis for diversification, or irrigation systems are good examples of projects expected.

All these loan projects will receive technical assistance before approval and during their implementation from project staff. Where necessary, the project holder may also have to secure additional technical assistance from local agencies. Essentially, then, these loans offer an outlet for creative energies, which this project engenders.

The average loan is calculated at $2,400, at a term of two years. Sizable variations may occur, but this average allows for 235 projects over five years, taking into account the upward phasing of project inputs during the first three years.

All funds for this project should be forwarded to CRS/New York for timely transmittal to CRS/Colombia. CRS/New York will retain those amounts necessary for U.S. purchases. After conversion to Colombian pesos, appropriate amounts will be sent directly to SEPAS and the Central Cooperative for their respective programs.

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B. The measurement of accomplishments realized through this project is divided by outputs, purpose and goal.

The detailed output schedule contained in the logical framework contains yearly targets for each phase of the project. The Project Coordinator is responsible for gathering data for these primary, as well as other more detailed, indicators. This information provides management control for each area of the program, so that any problem areas can be detected early and remedial action taken.

The Project Coordinator reports to the Management Committee at least monthly, offering his observations on the development of the overall project. At least once every six months, each of the six programs and services will be evaluated in depth by the committee to verify whether targets are being met.

The Project Coordinator is also responsible for gathering data concerning MOPS indicators. Referring to the logical

framework, indicators 1 and 2 will be SEPAS' responsibility to maintain needed information. A file is kept on each graduate of the Institute, including his activities after completing required course-work to be considered a trained leader. This file and those kept on each leadership group should facilitate measurement of those indicators. The average of two community projects per year is sufficient to prove the vitality of the leadership groups. A rough estimate of the projects expected are schoolhouses - 50%, water systems - 20%, aqueducts - 10%, others - 10%.

Indicators 3, 4, and 6 are measurable from the Central Cooperative's normal financial reporting. Although the prime indicator for the success of the credit program is the default rate, reports from the technical assistance programs also verify at least on a sample basis that the loans were used as approved in each project application. The repayment on time, then, of these loans can safely be assumed to indicate that the project was successful.

Indicator 5 requires that a survey of commercial traffic will be made before access roads are completed. Basic points of reference in each town, such as markets or commercial outlets, should facilitate this task, especially since small amounts of goods are transported to or from these communities. The survey is repeated a year after to determine the average increase.

Indicator 7 is measured through the activities of the Operational Reserve. The Project Coordinator is responsible for planning its growth and utilization as regards the continuity of technical assistance programs. The institutionalization of technical assistance does not mean that the entire staff included in the project will continue employed by SEPAS. Rather, it will be measured by the continuity of this personnel or the equivalent of their services, perhaps through agreements with the GOC, in pursuit of the objectives of the project.

In measuring goal achievement, a different approach is planned. The hypothesis this evaluation will test is most simply this: if low-cost assistance serving to unify resources are given to an aware campesino population, then through group action they will achieve their priority aspirations. This achievement lays the basis for development.

Being aware refers to their ability to analyze and describe their needs. Aspirations, then, are concrete steps the campesino comprehends to be necessary to elevate his status.

Fortunately, in San Gil, a means to identify aspirations exists in the form of bi-annual Campesino Congresses. Five hundred leaders from each municipio of Santander del

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Sur represent the campesino movement at these meetings. The diocese sponsors the Congresses, but the campesinos pay for and organize them. Four have been held, the last in July 1974. Three others are scheduled during the life of the project at the end of year 1, 3, and 5.

These Congresses offer an invaluable vehicle for measuring goal achievement in two ways. One is through their success as a pressure group in securing stated objectives. The other is through a comparative survey of these campesino leaders as to their own perceptions of their achievements.

The last Congress established certain specific objectives. Four significant longer-range ones will be the basis for comparison:

1. Availability of doctors in rural health posts, measured by number of hours doctors are working at selected health posts.

2. More credit availability, which in addition to this project's purpose, will be measured by increases in the loan portfolio of selected rural Caja Agraria branch offices.

3. Better maintenance of roads, as measured by the machinery and budget expended by the local Public Works department.

4. Increased rural electrification, measured by ICEL (Institute for Electrification) data on areas served.

Initial baseline data will be gathered in the first three months of project execution for future comparisons. Favorable trends increasing over the five years will be considered an indication of greater campesino capability as a pressure group.

The comparative survey will allow the campesinos themselves to evaluate their progress. SEPAS will devise a questionnaire to apply in successive Congresses, which measure the campesino's perceptions of his achievements. SEPAS will acquire the necessary external technical assistance to assure the competence of the survey. If the campesino perceives that he has become more capable of reaching his aspirations over the five years, then this will be a positive indicator.

A final indicator will be used to measure an objective improvement in the campesino's socio-economic status. The strongest aspiration voiced in the Congress is for a fairer return for the campesino's labor. Therefore, a decline in the rate of second and third degrees of malnutrition among children from one to five will be utilized as an indicator of greater family income and prosperity.

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A decline of 50% over the life of the project would be an excellent result. Data will be generated by project staff through random measurement in selected communities throughout the region. Standard height and weight criteria will be used to establish the degree of malnutrition.

The $10,000 a year requested for evaluation would cover the costs of specialized assistance, additional short-term personnel, materials and possibly publication expenses, which SEPAS estimates will arise, to complete all phases of the planned evaluation.

In order to guarantee the broadest basis for evaluation, annual group reviews are planned. These services will be conducted by the Management Committee, principally to provide an opportunity for a comprehensive study of the project. Outside observers from interested local agencies as well as collaborating international agencies will be invited to participate.

V. FINANCIAL PLAN

As part of this text, there is a detailed breakdown of annual AID funding by activity. In addition, a breakdown by category of disbursements for AID funding is included.

It should be noted that Catholic Relief Services maintains a purchasing and shipping service in New York. CRS/Colombia has an agreement with the Colombian government, which guarantees duty-free entry of all U.S. procured commodities included in the project.

A detailed schedule of total cost inputs is attached to the Logical Framework matrix presented with this project. Additional information concerning cost calculations are contained in the appendices.

An analysis of the total inputs indicates that over the life of the project, 1065.5 thousand dollars will generate 2153.2 thousand dollars of local investment. This is a most positive indicator, justifying the use of Foreign Assistance funds.

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BUDGET BREAKDOWN: AID FUNDING

YEAR:	1	2	3	TOTAL
I. SEPAS				
A. Coordination and Evaluation				
1. Salaries and travel				
a. Project coordinator	7,000	7,000	7,000	21,000
b. Agricultural consultant	20,000	20,000	20,000	60,000
c. Accountant/bookkeeper	3,850	3,850	3,850	11,550
d. Secretary	1,890	1,890	1,890	5,670
2. Estimated variable costs (for all SEPAS project personnel use)				
a. 4 vehicles (maintenance, insurance, repairs)				
b. Office supplies				
c. Didactic material	10,000	10,000	10,000	30,000
3. Office equipment (for all SEPAS project personnel use)	3,500	1,000	500	5,000
4. Project evaluation	10,000	6,000	10,000	26,000
SUBTOTAL:	56,240	49,740	53,240	159,220
B. Leadership Training				
1. Advisory follow-up program				
a. Salaries and travel (4)	6,310	6,310	6,310	18,930
2. Audio-visual mobile unit				
a. Purchase	10,500			10,500
b. Supplies	1,500	1,500	1,500	4,500
SUBTOTAL:	18,310	7,810	7,810	33,930
C. Agricultural Improvement and Diversification				
1. Scholarships: Extensionists (10)	7,440	7,440		14,880
2. Salaries and travel				
a. Agronomists (4)	19,084	19,084	19,084	57,252
b. Extensionists (10)			10,780	10,780
3. 2 vehicles				
a. Purchase	10,000			10,000
4. Establishment of 4 Model Farms (2/year)	36,000	36,000		72,000
5. Training of 15 Model Farmers		10,000	20,000	30,000
SUBTOTAL:	72,524	72,524	49,864	194,912

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YEAR:	1	2	3	TOTAL
I. SEPAS (continued)				
D. Diversified Health/Community Improvement				
1. Scholarships: Extensionists 6 months (10)	3,770			3,770
2. Salaries and travel				
a. Home Economist/Nutritionist	4,340	4,340	4,340	13,020
b. Extensionists (10)	5,390	10,780	10,780	26,950
c. Medical Doctor	5,920	5,920	5,920	17,760
3. Vehicle				
a. Purchase	5,000			5,000
4. Housing/Community Improvements				
a. Blockmaking machines	2,825	2,825		5,650
b. Tool Bank	7,270			7,270
SUBTOTAL:	34,515	23,865	21,040	79,420
GRAND SUBTOTAL:	181,589	153,939	131,954	467,482
II. CENTRAL COOPERATIVE				
A. Access Roads				
1. Bulldozer				
a. Purchase	67,000			67,000
2. Dump truck				
a. Purchase	10,000			10,000
3. Compressor				
a. Purchase	9,095			9,095
SUBTOTAL:	86,095			86,095
B. Market Transportation				
1. 2 trucks				
a. Purchase	20,000			20,000
C. Rural Credit				
1. Consumer cooperatives (10)	38,500			38,500
2. Production Loans	20,000	20,000	35,000	75,000
3. Family Gardens	25,000	50,000	25,000	100,000
4. Dairy farming				
a. milk cows	12,614	18,921		31,535
b. artificial insemination	2,880	4,320		7,200
5. Housing/Community Improvement	20,000	20,000		40,000
6. Others--untried crops, water projects, cottage industries, marketing improvements	50,000	70,000	80,000	200,000
SUBTOTAL:	168,994	183,241	140,000	492,235
GRAND SUBTOTAL:	275,089	183,241	140,000	598,330
GRAND TOTAL AID FUNDING	456,678	337,180	271,954	1065,812

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BUDGET BREAKDOWN AID FUNDING (3 YEARS) BY CATEGORY OF DISBURSEMENTS

I. PERSONNEL COSTS

A. U.S. Technicians: Agricultural Consultant	$ 60,000
B. Third Country Personnel: None	
C. Local Personnel:	
1. Project Coordinator	21,000
2. Accountant/Bookkeeper	11,550
3. Secretary	5,670
4. Advisory Follow-up Program (4)	18,930
5. Four Agronomists	57,252
6. Ten Extensionists (Agricultural)	10,780
7. Home Economist/Nutritionist	13,020
8. Ten Extensionists (Home Improvement)	26,950
9. Medical Doctor	17,760
SUBTOTAL LOCAL PERSONNEL:	$182,912
TOTAL:	$242,912

II. TRAINING COSTS

A. Training in U.S.: None	
B. Training in Third Countries: None	
C. Local Training:	
1. Ten Agricultural Extensionists	$ 14,880
2. Ten Home/Community Extensionists	3,770
3. 15 Model Farmers	30,000
TOTAL:	$ 48,650

III. COMMODITY COSTS

A. U.S. Procured:	
1. Audio-Visual Mobile Unit (Vehicle and equipment)	$ 15,000
2. Two vehicles for Agricultural Improvement	10,000
3. One vehicle for Health/Community Improvement	5,000
4. One Dump truck	10,000
5. Two Trucks - for marketing	20,000
SUBTOTAL U.S. PROCURED:	$ 60,000
B. Third Country Procured: None	
C. Locally Procured:	
1. Purchases for four Model Farms	$ 72,000
2. Block-making Machines	5,650
3. Tools	7,270
4. Bulldozer	67,000
5. Compressor	9,095
SUBTOTAL LOCALLY PROCURED:	$161,015
TOTAL:	$221,015

IV. OTHER COSTS

A. Cost of office and equipment rentals, etc.:	
1. Vehicles' maintenance, office supplies, didactic material	$ 30,000

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IV. OTHER COSTS (continued)

A.2. Office Equipment	$ 5,000
SUBTOTAL OFFICE SUPPLIES ETC.	$ 35,000
B. Other support costs	
1. Rural credit	$492,235
2. Project evaluation	26,000
SUBTOTAL OTHER SUPPORT COSTS:	$518,235
TOTAL:	$553,235
GRAND TOTAL:	$1,065,812

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VI. CONDITIONS

A. Local inputs from SENAS and the Central Cooperative are guaranteed by project agreements to be signed with Catholic Relief Services.

GOC inputs into the Leadership Institute are supported by a separate agreement with the Ministry of Education. Verbal agreements with local authorities are the basis for other GOC inputs.

Local community inputs are assumed as certain within the project design.

B. The project is in keeping with national government policies for the agrarian sector, especially in the areas of credit, technical assistance, and nutrition as expressed in Public Law 5a of 1973, whose prime stated objectives are: "a. To capitalize the agricultural sector, in order to increase production...and alleviate the food deficiencies of the Colombian people; b. to obtain adequate output per unit of land, to increase the internal product and (an) equal redistribution of income; and c. to insist on the rational utilization of human potential and of the rural sector (Jorge Restrepo Palacios. Politica Agricola, pages 11-12.)"

CRS' agreement with the Colombian government explicitly encourages the development activities embodied in this project. In addition, ICA has offered enthusiastic support both at national and local levels. The mayor of San Gil and all local leaders contacted voiced total support of the endeavor.

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APPENDICES:

Five Maps:

Colombia
Distribution of Proposed Roads
Leadership Groups
Rural Cooperatives
Model Farms

Coordination and Evaluation

Leadership Training

Agricultural Improvement

Health/Community Improvement

Access Roads

Marketing Service

Rural Credit

Bibliography

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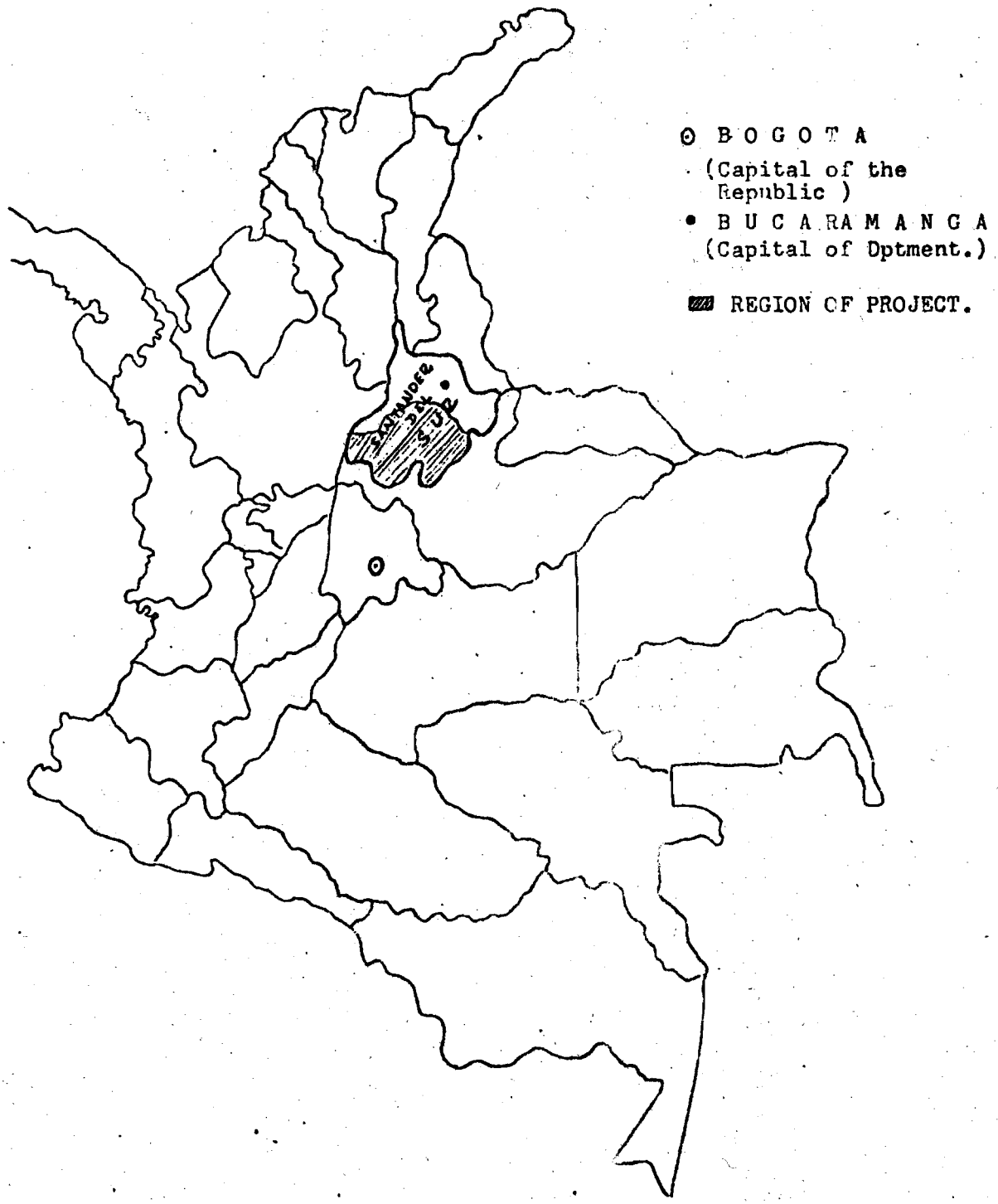
MAP No. 1.

C O L O M B I A

DEPARTMENT OF SANTANDER SUR AND REGION OF PROJECT

SOCORRO - SAN GIL



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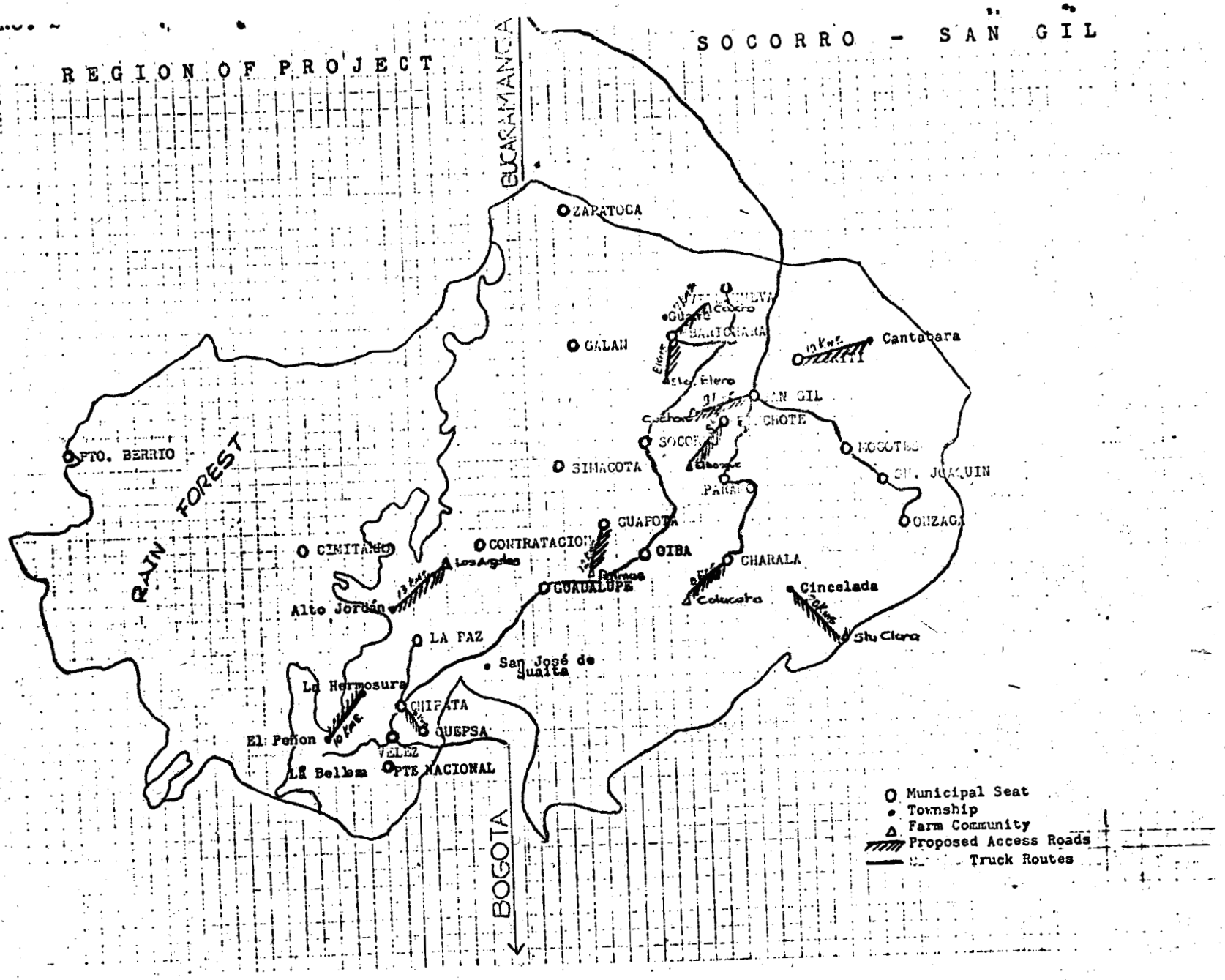

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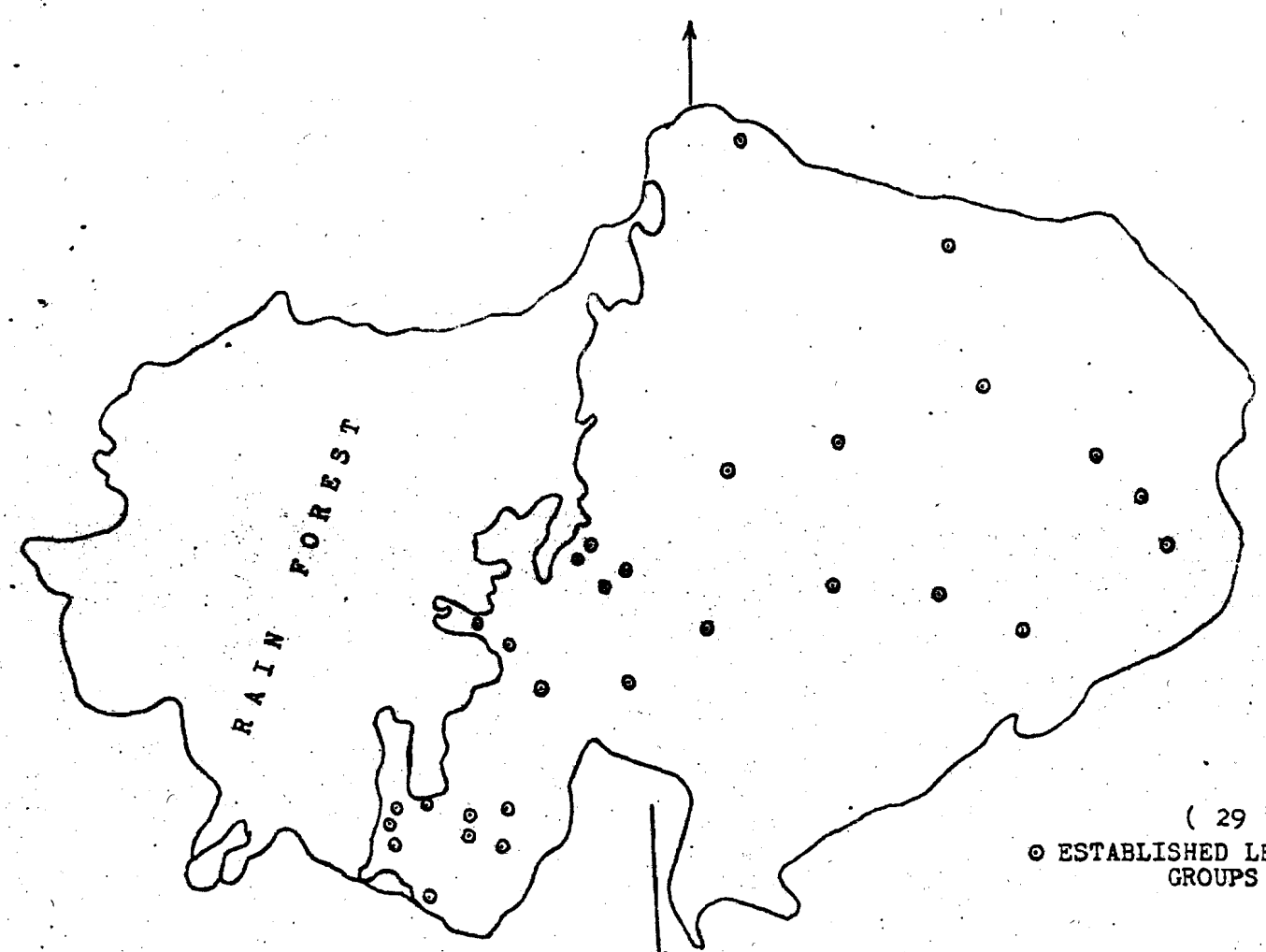
DISTRIBUTION OF EXISTING LEADERSHIP GROUPS



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⊙ ESTABLISHED LEADERSHIP GROUPS

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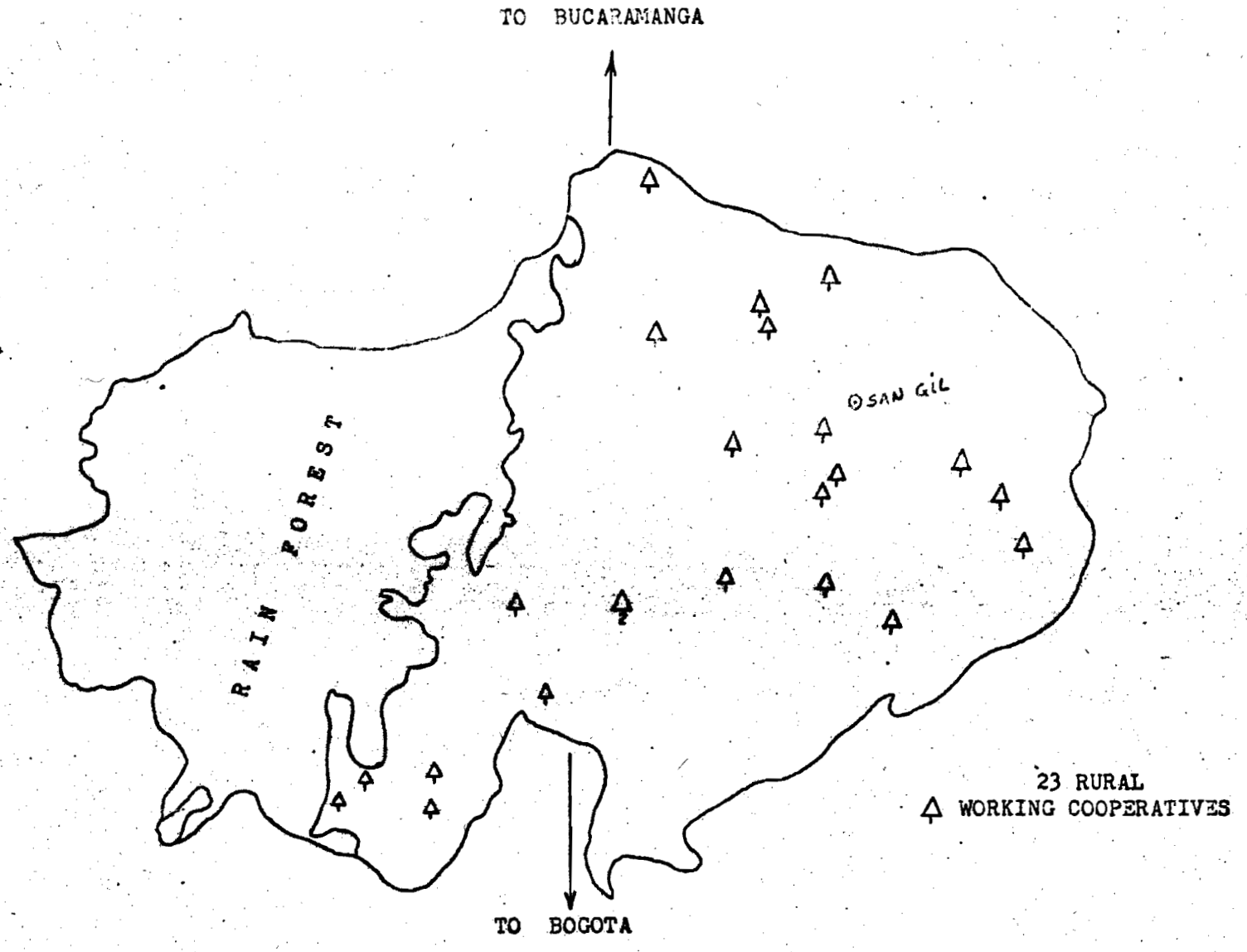
DISTRIBUTION OF EXISTING COOPERATIVES

AFFILIATED TO CENTRAL COOPERATIVE.



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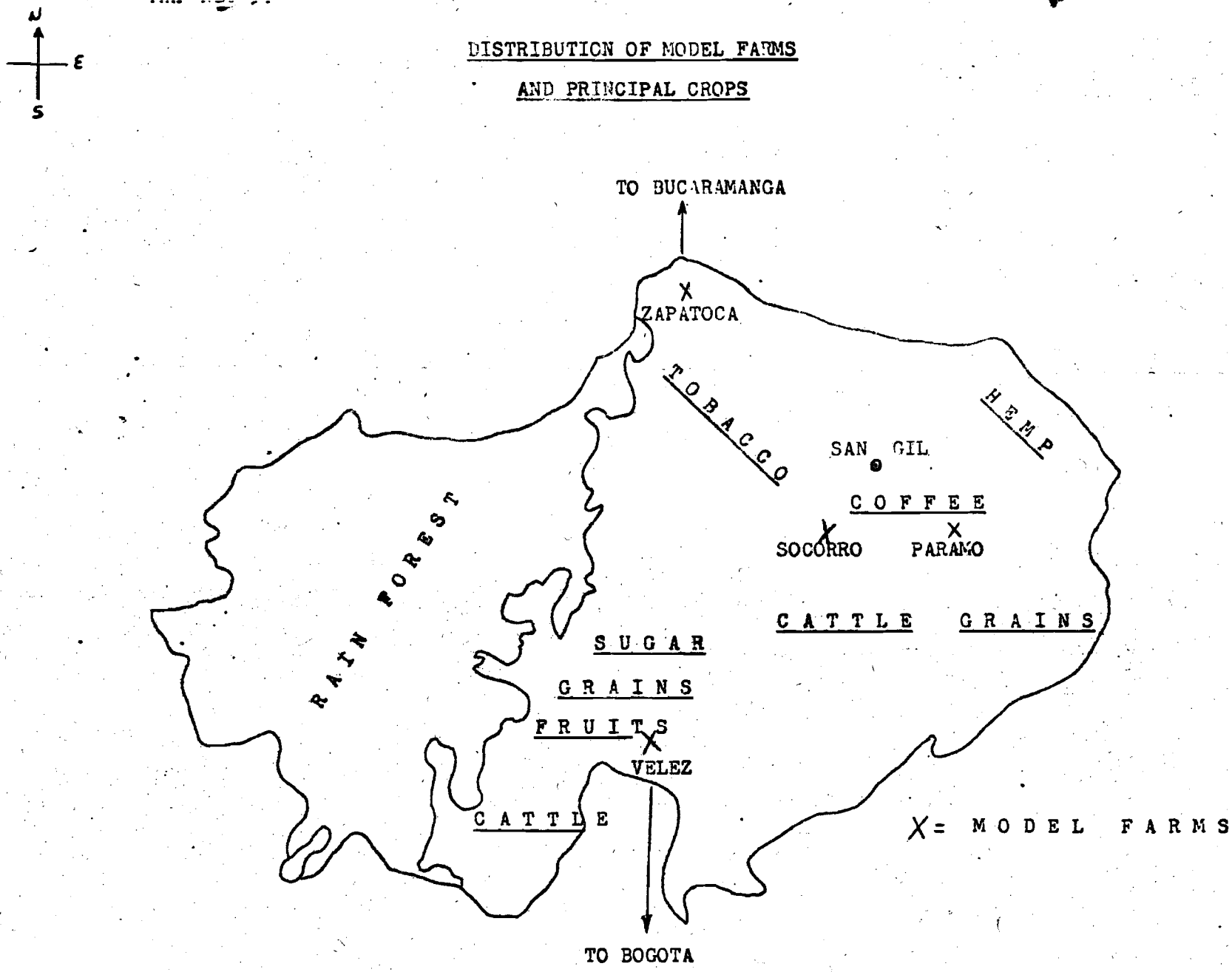
DISTRIBUTION OF MODEL FARMS

AND PRINCIPAL CROPS



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APPENDIX

COORDINATION AND EVALUATION

The budget breakdown for the operational costs of the program, including all inputs from SEPAS and the project funds are expressed below:

TOTAL INPUTS BREAKDOWN

A. Administrative Costs
1. Salaries of: Father Ramón González, two secretaries, one bi-lingual secretary/administrative assistant to Project Coordinator, five persons, messenger, and watchman.
2. Maintenance and repairs of VW Safari, Land Rover, and Ford F-350 truck.
3. Vehicles' fuel and oil, office rent, telephone, electricity, water, cleaning, supplies, public relations, printing, travel, transportation. (estimated) $30,000

B. Vehicles, Supplies, Didactic Material
1. Vehicle insurance, taxes, and plates (4 PROJECT VEHICLES) 19,000
2. Repairs and maintenance 2,000
3. Preparation of didactic material: posters, pamphlets, charts, etc.; and of audio-visual teaching materials 6,100

SUBTOTAL: $10,000

C. Personnel
1. Salary and travel
   a. agricultural economist or equivalent (Project Coordinator) ($500 x 14) 7,000
   b. Agricultural consultant ($1,665 x 12) 19,980
   c. accountant/bookkeeper ($275 x 14) 3,850
   d. secretary ($135 x 14) 1,890

SUBTOTAL: $32,720

D. Office Equipment
1. Typewriters, adding machines, desks, chairs, and other office equipment for the addition of seven staff people for over three years. ($5,000)

E. Evaluation
1. Short-term professional and local survey services, assistance, materials and publication expenses 10,000

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APPENDIX

LEADERSHIP TRAINING PROGRAM

The extension team included in this program has the following detailed description of activities:

1. To maintain and answer all written correspondence with the groups and leaders as a means of continued contact and service aimed at assuring an immediate response to any queries or problems, which might arise. One community organizer would be assigned to each of the three provinces of the diocese. Though it is expected that they should spend the majority of their time in their respective regions--indeed, living in the area--the organizers would periodically be drawn together to discuss problems and coordinate group efforts.

2. To provide on request--generally from one of the community organizers--pertinent technical materials needed for group projects in a form conducive to efficient and effective presentation by either the in-house experts or outside professionals. This could run the gamut from poster production through slide/tape combinations to videotaped series (due care has been exercised in selection of this last medium; potential training and maintenance facilities have been sounded out in an effort to circumvent the handling problems commonly associated with video equipment).

3. To select two interested leaders to accompany the unit in the course of visits to two or three neighboring communities to the end of providing them with the opportunity of seeing similar groups with similar problems and demonstrating the broader context of the regional campesino movement. In addition, training would be imparted through the use of audio-visual materials.

4. To formulate audio-visual materials for use in the extension courses and in the schools of Páramo and Zapatoca. The Audio-Visual Unit would also facilitate the adaptation of equipment and prepared materials (from 2 above) for utilization by other sectors of SEPAS.

5. To identify and develop additional applications for Audio-Visual Unit equipment. It is recognized that the flexibility of the unit and its adaptability to growth and change will increase with the proficiency of the staff. Some future possibilities could include generation of professional grade videotape recordings which, transferred to two-inch tape, would be provided to television stations to give the campesino point of view a wider audience; recording of interviews with persons of national or regional influence and power regarding campesino interests; collection of data for distribution to interested technical agencies and publication by newspapers and journals.

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6. To organize the various leaders into 21 new groups where none presently exist.

7. To plan conventions and encounters in order to provide orientation and follow-up to the courses begun at the Institute.

8. To provide permanent evaluation of the various activities carried out by the leaders once they have graduated from the Social Leadership Institute.

TOTAL INPUTS BREAKDOWN

A. Social Leadership Institute

1. Zapatoca: Salaried personnel (15) at an average of $97each/month ($97/mo.x15x14)	$ 20,370
2. Páramo: Salaried personnel (7) at an average of $95each/month ($95/mo.x7x14)	9,310
3. Zapatoca: Room and board expenses	33,300
4. Páramo: Room and board expenses	30,780
SUBTOTAL OPERATIONAL COSTS	$93,760
5. Zapatoca: Physical plant and equipment (10% depreciation of $240,529)	24,053
6. Páramo: Physical plant and equipment (10% depreciation of $70,350)	7,035
SUBTOTAL FIXED COSTS	$31,088

B. Extension Service

1. Existing Mobile Team Unit (4)	
a. Team salaries at an average of $63.50each/month ($63.50/mo.x4x14)	3,556
b. Team per diem at $22.50each/month ($22.50/mo.x4x11)	990
2. Additional Four Member Mobile Team	
a. Team salaries at $95each/month ($95/mo.x4x14)	5,320
b. Team per diem at $22.50each/month ($22.50/mo.x4x11)	990
SUBTOTAL	$10,856

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C. Equipment and Supplies

1. Existing equipment and supplies
   a. Vehicle: Land Rover (10% depreciation of $6,155) — $ 615
   b. Didactic material — 640
   c. Vehicle maintenance, repairs — 285
   d. Vehicle insurance — 430

2. Mobile equipment and supplies
   a. Vehicle: Chevrolet Blazer
      Purchase: $6,000
   b. Audio-visual equipment
      Purchase: $3,000
      1) 1 Sony Rover VTR
      2) 3 Panasonic 1/2 video playback units
      3) 1 Kodak Carousel Slide Projector
      4) 1 Bell & Howell Filmsound 16mm. Projector
      5) 3 Sony 110a Cassette taperecorders
      6) 2 Canon FTB 35mm. cameras w/3 lenses
      7) 1 Honeywell electronic flash
      8) 1 Photo enlarger
      9) 1 Portable generator
      10) 1 Loudspeaker system
   c. Annual supplies — 2,000

SUBTOTAL.....$4,070

D. Seminars and Congresses

1. Three annual seminars (200 participants in each for three days at a cost of $1/day) — 1,800

2. Campesino Congress - bi-annual (500 participants for three days at a cost of $1/day) — 1,500

SUBTOTAL.....$3,300

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APPENDIX

AGRICULTURAL IMPROVEMENT AND DIVERSIFICATION

Prior to entering their apprenticeship training and receiving their scholarships, the prospective extensionists will be required to sign an agreement with SEPAS, promising to work in their capacity as extensionists for a period not less than a total of two years, once they have concluded their studies. Courses during the two-year work-study will include preparation of soils, proper planting techniques, and cultivation and harvesting of all types of agricultural products. Studies will be alternated every six months with equal six-month work periods.

The Model Farms will be an average five hectares (12.4 acres) in size in order to keep within the land and work limits of the typical small farmer belonging to the target group of the region.

Each farm will have an experimental nursery, various specific area crops with all the appropriate technical methods used, other experimental crops that might be adaptable to the area, and a model family garden carefully tended.

The farms will also each have a resident caretaker family, plus two farm laborers, to provide adequate care and maintenance. The family's income, as well as the laborers, will be paid for through farm production. Any additional income gained from the farms will be used on improvements and extraordinary costs incurred during the course of operations.

It is estimated that each five-hectare farm will carry an average purchase price of $6,000. Improvements to be made in building up each model farm will cost an additional $6,000; these would include such items as developing adequate water sources, labor costs, seedlings, plant purchases, preparation of the land, and planting. The capital provided for improvements would embrace those elements needed to establish the basic infrastructure for the farms. This first phase--the farm purchases and improvements--will be carried out over the first two years of the project.

The second phase will be the development of the nursery programs for each farm; the average per farm cost of each program will be an additional $6,000 since the majority of hybrid seeds, plants, maintenance equipment, etc. must be purchased from national or international agencies, because they are often expensive. (ICA and a number of institutions outside the country would be major sources.)

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It is estimated that annual costs for additional improvements, purchases for the nurseries, salaries and maintenance will total approximately $2,500 per farm.

TOTAL INPUTS BREAKDOWN

A. Scholarships and Travel	
1. Ten extensionists ($62/month x 12 x 10)	$ 7,440
B. Four Agronomists	
1. Salary ($285/month x 14 x 4)	15,960
2. Travel ($71/month x 11 x 4)	3,124
SUBTOTAL:	$19,084
C. Ten extensionists' salaries ($77/month x 14 x 10)	10,780
D. GOC Advisory Services (includes ICA and Secretary of Agriculture assistance given for Model Farms, additional courses and direct veternarian and agricultural assistance to individual campesinos.	
1. Estimated at:	9,000
E. Four Model Farms (Zapatoca, Páramo, Socorro, Velez)	
1. Farm purchases ($6,000 x 4=$24,000)	
2. Land improvements ($6,000 x 4=$24,000) ($250 x 4)	1,000
3. Nursery ($6,000 x 4=$24,000) ($180 x 4)	720
4. Resident family ($77/month x 4 x 14)	4,312
5. Two farm laborers ($36/month x 2 x 4 x 14)	4,032
SUBTOTAL ANNUAL MAINTENANCE COST:	$10,064
F. Two vehicles (utility jeeps)	
1. Purchase: $5,000 x 2=$10,000	
G. Training for 15 Model Farmers (includes travel, room, and board expenses) ($2,000/year x 15=$30,000)	

The rural extension service established in this project is not designed to replace government extension services. The caseload of 20 farmers per team is based on local practices for ICA teams. The total of 300 farmers assisted per year is sufficient to cover technical assistance for all projects finance under the Production and Innovations loan categories, as well as about a 100 different other farmers who are prospective change agents. Therefore, the exact localization of the agronomists and the areas they work will vary as the project develops, according to those areas requiring most assistance.

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APPENDIX . .

CONTRACT FOR AGRICULTURAL EXTENSIONISTS AND HOME ECONOMISTS

This is made between Social Pastoral of San Gil, whose legal representative is Father Ramon Gonzalez Parra, y Mr. /Miss _____ with Citizen Identification (C.C.) No._____ expedited on _____ in return for a study scholarchip in Agricultural Extension or Home Economics, whichever the case may be, the recipient promises to lend his/her services for three full years--following the period of study--, in the Institutes of either Paramo or Zapatoca, and to the programs outlined for them in work among the small farmers of the Diocese of Socorro/San Gil for the agricultural improvement of the area, and as provided in the clauses below:

CLAUSE No. 1 - Social Pastoral of San Gil will provide the means of economic support necessary for room and board, educational supplies and fees, and transportation for the recipient during a period of two (2) years/one (1) year, whichever the case may be.

CLAUSE No. 2 - The recipient will be required to dedicate all of his/her available time and capacities to the indicated studies without becoming involved in other tasks which have no direct relation to his/her apprenticeship.

CLAUSE No. 3 - The recipient agrees to carry out his/her studies in the time and place that Social Pastoral/San Gil indicates.

CLAUSE No. 4 - For the duration of the course, the recipient will not receive a salary, nor will Social Pastoral/San Gil agree to any compromise in this respect.

CLAUSE No. 5 - Once having terminated the course, the recipient promises to work for three years directly with the programs of Social Pastoral/San Gil specifically for the purpose of capacitating the small farmers and the community women by transferring to them the knowledge gained from the corresponding courses.

CLAUSE No. 6 - For the three years of work in service to the community after the initial period of study, the recipient will earn a salary commensurate with the training received, which will be mutually agreed upon.

CLAUSE No. 7 - In the case that the recipient would decline to offer his/her services to the Social Pastoral program --once having

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completed the study program-- he/she will be obliged to return the full sum of the value of the expenses incurred during the study period to Social Pastoral.

CLAUSE No. 8 The recipient promises to teach the student leaders at the Paramo and Zapatoca Institutes for a minimum period to be determined. Such instructions to the leader groups in no way gives the recipient the right to charge fees above and beyond the regular salary payments.

CLAUSE No. 9 At such time that the recipient should be required to present himself/herself as instructor at any one of the mentioned institutes, he/she will receive the necessary room and board, and transportation for the duration of the stay.

This contract was signed in San Gil on the _____day of the_____ month of 197__.

For Social Pastoral,

Scholarship Student _____

_____

Fr. Ramon Gonzalez

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APPENDIX

HEALTH/COMMUNITY IMPROVEMENT PROGRAM

The extensionists working under the Home Economist will be governed by the same type of contract agreement used for the agricultural extensionists. (see Agricultural Improvement Appendix.) The other aspect of this program that merits further explanation is the CINVA-RAM brick-making machines.

The suggestion of supplying the methods for producing low-cost materials through the use of CINVA-RAM machines was enthusiastically received by everyone contacted on the subject. The only raw materals needed to make these blocks are earth, water, and a small percentage of sand and cement. The machines are simple to operate, completely manual, and require practically no maintenance.

With a total of 50 of these machines producing up to 350 blocks a day each, a diverse rural housing improvement plan would have considerable impact on the provinces.

If only used on Sundays (the only time available for the majority of farmers), 50 machines would be in use at least 52 days out of the year, accumulating well over 1/2 million blocks in a year; this amount would construct the equivalent of some 160 structures in the year, at an average of 3,000 blocks to build a needed school, social center, or house.

The blockmaking machines will be loaned out for a determined amount of time, with the only requirements being that they not be used initially on commercial projects, and that an agreement be signed to that effect (see attached contract.)

Although provisions have been made in the contract for repairs and/or replacements in case of loss or heavy damage, no specific replacement fund has been proposed, since 1) the originals are expected to last well beyond the three-year period, and 2) after having seen and appreciated the results demonstrated by the CINVA-RAM machines, it is expected that the truly committed community groups will have been stimulated to purchase their own, considering the relatively low unit price and high durability.

The tools for the Tool Bank will be purchased either in the Federation of Coffee Growers Cooperative or the Caja Agraria, both of which are located in San Gil, and which have the lowest prices available.

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TOTAL INPUTS BREAKDOWN

A. Scholarships and Travel	
1. Ten extensionists (62/mo.x6mos.x10)	$ 3,720
B. Medical Doctor	
1. Salary at $325/month ($325x14)	4,540
2. Travel at $80/month ($80x11)	880
C. Home Economist	
1. Salary at $285/month ($285/mo.x14)	3,990
2. Travel at $71/month ($71/mo.x11)	781
D. Extensionists	
1. Salaries (including travel) at $77/month ($77/mo.x14x10)	10,780
E. CINVA-RAM Machines	
1. Purchase: $113 each ($113x50)	5,650
F. Tool Bank	
1. 200 wheelbarrows	1,920
2. 1,000 picks	2,000
3. 1,000 shovels	1,250
4. 400 iron crows	1,540
5. 400 hoes	560
SUBTOTAL TOOL BANK:	7,270
G. Local Materials and Labor	
1. 50 machines: 2 men/machine at an average of 52 days/year 50x2x52=5,200 man/days/year (5,200x$1.55-daily wage/man)	8,060
2. Community Improvements - equivalent to three projects per week 52x3=156/year (material costs: $154/156 projects)	24,024
a. labor costs (120 man/days x$1.55=$186/project) ($186x156)	29,016
SUBTOTAL:	61,100
H. Vehicle	
1. Purchase:	5,000

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APPENDIX

CINVA-RAM MACHINE LOAN CONTRACT

These machine(s) will be loaned to _____
(Name of group)

community group of _____ for a period of time not to
(Location, site)

exceed _____ days. The families and/or works to be benefited by

this loan will be _____
(Specify names of beneficiaries)

The recipient group agrees to abide by the following clauses:

CLAUSE No. 1 - The above named community group promises to carry out the following works with the machine (s) borrowed: _____

_____

CLAUSE No. 2 - During the time stipulated for the loan of _____
(number)

machine (s) , approximately _____ blocks
(approximately)

will be produced for the produced for the porposed works.

CLAUSE No. 3 - The group mentioned in the 1st paragraph above promises to use the machine (s) solely for the purposes for which it (they) were loaned as listed in CLAUSE No. 1

CLAUSE No. 4 - The group accepts the machine (s) in the following conditions: _____

(number, and condition of each, i.e. excellent,

_____

good, fair)

CLAUSE No. 5 - If the machine (s) is (are) found to have been utilized improperly, or for works other than those stipulated in CLAUSE No. 1; or if the machine (s) is (are) not returned within the specified loan period of _____days --which has not been previously renegiated--, the group responsible agrees to pay Social Pastoral of San Gil a sum not to exceed COL$ 10.00 per week for each borrowed machine, for

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the time during which it (they) was (were) not used according to the clauses within this agreement.

CLAUSE No. 6 - The group promises to adequately maintain and protect the machine(s) as well as return it (them) condition as stated in CLAUSE No. 4. In the case of damages or loss of any or all parts of the machine(s), all repairs, replacements, or payments there of will be assumed by the borrowing group.

Signed in the city of San Gil on the _____ day of the _____ month of 197__.

For Social Pastoral,

_____

Fr. Ramon Gonzalez

For the group,

_____

(Position)
C.C.

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APPENDIX

ACCESS ROADS

The bulldozer most suitable is a Caterpillar D-6. Its excellent capacity and durability are considered essential for optimum results.

In Colombia, the General Electric Company is the official representative firm for Caterpillar. The actual cost of this machine in Bogotá amounts to US$67,000. The cost of the compressor, plus two air hammers and 120 cubic feet of line totals US$9,095.

The work plan includes a team of four persons: 1) a supervisor-coordinator; 2) a bulldozer operator; 3) a driver for the dump truck; and 4) a team assistant. The above personnel, with the exception of the supervisor-coordinator, need no further explanation.

The supervisor's principal function will consist of coordinating all of the work being done--or scheduled--, and of working with the various groups to arrange the financial and manual aspects to be accomplished. In his capacity as supervisor he will be in charge of all the works being carried out according to a fixed schedule. He will see to it that the machines are well maintained and cared for, and that the community work contribution is developed in a technically effective manner. The supervisor-coordinator will also be responsible for periodic progress reports to San Gil on all work being performed.

The work schedule, based on what has been stated above in the text, for an average six months is shown below:

ROAD CONSTRUCTION: ANNUAL WORK SCHEDULE

Hours of Work	Work Days
Monthly 140	20
Six Months 840	120
Annual 1,680	240

As shown in the work schedule, the bulldozer will be in operation only 20 days a month, since the difference is expected to be spent on maintenance and care so that the machine is kept in perfect running order. Included is also the time needed to transport the machinery from one site to another. A normal working day for the bulldozer will consist of an average seven hours.

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TOTAL INPUTS BREAKDOWN

A. Access Roads
1. Caterpillar D-6 Bulldozer
   a. Purchase: $67,000
2. Schramm Air Compressor
   a. Purchase: $ 2,905
3. Ford F-6 Dump truck
   a. Purchase: $17,000
TOTAL:..... $86,905

B. Maintenance and Depreciation
1. Depreciation of all machinery, calculated at 10% per year of original value — $ 8,600
2. Maintenance Costs
   a. Supervisor Coordinator, Salary ($115/mo. x 14) — 1,610
   b. Bulldozer Costs
      1) Operator, Salary ($115/mo. x 14) — $1,610
      2) Assistant, Salary ($ 57.50/mo. x 14) — 805
      — $2,415
      3) Fuel and Oil — 1,034
      4) Maintenance and Repairs
         a) mechanical check-ups 2/yr. — 670
         b) change of wheel works — 600
         c) change of scoop blade 4x — 480
         d) various minor repairs — 950
         — $6,700
      5) Other Expenses (per diem, machinery transport, etc.) — $ 756
   SUBTOTAL BULLDOZER..... — $10,905
   c. Dump truck Costs
      1) Driver, Salary ($96/mo. x 14) — $1,344
      2) Assistant, Salary ($36.50/mo. x 14) — 520
      — $1,863
      3) Fuel and Oil — 1,738
      4) Maintenance and Repairs — 424
      5) Other Expenses — 600
SUBTOTAL DUMP TRUCK:..... — $ 4,625
   d. Compressor Costs
      1) Fuel and Oil — 111
      2) Maintenance and Repairs — 500
   SUBTOTAL COMPRESSOR:..... — $ 611
ANNUAL TOTAL:..... — $26,384

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C. GOC Contributions

1. Topographical studies	$ 3,846
2. Caminos Vecinales	$ 3,000
3. Transportation of machinery	$ 1,000
4. Other services	$ 1,200
SUBTOTAL:.....	$ 9,046

D. Voluntary Labor

1. 25 workers for 10 days/month (25 x 20 x12 =6,000 man days) (6,000 x 1.7)	$10,200

E. Materials for construction of 30 kms. first year

1. four drains (at $153.84 each)	$ 615
2. road bedding	385
SUBTOTAL:.....	$ 1,000
(times 30 kms.).....	$30,000

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APPENDIX

MARKET TRANSPORTATION

Each truck will be assigned a fixed route to be covered an average of four to six times a month, according to a strict schedule of cooperatives to be visited. The routes will cover all of the existing consumer cooperatives in the region, concentrating specifically on the cooperatives to be created through the loan fund. An example of the routes to be travelled weekly would be Barichara, Villanueva, Oiba, Guadalupe, Velez, and then perhaps to Bogotá. The other route would include Páramo, Charalá, Cincelada, Onzaga, San Joaquín, and Mogotes, arriving finally in San Gil or Bucaramanga.

An estimated average of 18 tons per week would be hauled by each truck, or 936 tons per year. The exact cost per ton will depend on the place where the goods are picked up, and the market where the produce is to be sold.

Since the total depreciation and operational costs of the trucks amount to $10,550 and the total tonnage to be shipped by the trucks in a year will be some 1,872, the breakdown point will be $5.63/ton.

Two routes have tentatively been established for the two trucks; these have been made for transport from the sites of the prospective consumer cooperatives to San Gil principally, and then from this city to the final destinations of Bucaramanga and/or Bogotá.

The average cost per ton at the present commercial rates to these two markets and over the same routes is at $12.19, as of November 1974.

For this service the two trucks proposed are the equivalent to the Ford F-600, the most appropriate for the type of service to be implemented.

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TOTAL INPUTS BREAKDOWN

A. Two Trucks (Ford F-600)
   1. Purchase: $20,000

B. Maintenance and Depreciation

1. Depreciation at 10%	$ 2,000
2. Salaries of two drivers ($96.00/mo.x2x14)	2,688
3. Salaries of two assistants ($38.50/mo.x2x14)	1,078
4. Repairs	1,115
5. Fuel and oil	3,477
6. Other expenses	192
TOTAL:	$10,550

APPENDIX

RURAL CREDIT PROGRAM

All transactions under this project between the Central Cooperative and its federated members are to be carried out through their normal channels. The Central Cooperative will, therefore, administer all disbursements of project funds in the form of loans to its affiliates. The affiliates, in turn, will in some cases have to acquire new personnel, and incur additional overhead and operational costs. These expenses will be covered through normal cooperative procedures, i.e. the interest charged to borrowers (up to 18%.)

The same types of costs accrued by the new and existing consumer cooperatives that have received capital inputs will also be covered by their regular gains on sales.

Included in this appendix are: 1) the Financial Summary of the 23 rural cooperatives affiliated with the Central Cooperative; 2) a sample loan application; and 3) the I.O.U. agreement from affiliates to the Central Cooperative.

The Financial Summary of the 23 rural cooperatives associated with the Central Cooperative is dated November 1974. The amounts are indicated in Colombian pesos for each line item. Their translations are as follows:

1. Shares of Members
2. Savings from Members
3. Outside Resources (Banks and Coocentral)
4. Total Working Capital
5. Loan Portfolio
6. Overhead
7. Total Active
8. Number of Members

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COOPERATIVAS DEL SECTOR AGRICOLA SOCIAS DE "COOPCENTRAL"

NOMBRE DE LA SOCIEDAD (Name of Cooperative)	1. CAPITAL SOCIAL	2. AHORROS DE SOCIOS	3. RECURSOS EXTERNOS	4. TOTAL CAP. DE TRABAJO	5. CARTERA	6. MUEBLES E INMUEBLES	7. TOTAL ACTIVO	8. No. SOCIOS
COOP. A. Y C. AGR. VALLE	226.927	121.336	109.200	457.463	343.712	12.587	494.048	1.350
COOP. A Y C. AGR. ONZAGA	208.666	65.947	148.800	423.413	288.277	19.398	499.429	850
COOP. A Y C. AGR. OIBA	429.804	453.493	499.799	1.383.096	607.141	168.178	1.470.553	1.800
COOP. A. Y C. AGR. SAN JOAQUIN	154.683	496.236	222.500	873.419	639.793	98.210	957.585	600
COOP. A Y C. AGR. VELEZ	2.054.729	1.632.189	950.000	4.636.918	3.779.385	432.513	4.931.958	2.800
COOP A Y C. AGR. BARICHARA	227.395	438.105	12.000	677.500	497.107	31.531	710.846	1.000
COOP. A. Y C. AGR. ZAPATOCA	92.777	701.430	1.756.386	2.550.593	95.354	43.580	3.020.579	2.100
COOP A. Y C. AGR SOCORRO	1.575.824	1.763.227	714.081	4.053.132	3.438.527	146.667	4.567.930	2.300
COOP. A Y C. AGR. PINCHOTE	85.468	60.728	50.000	196.196	180.000	18.000	220.000	300
COOP. A. Y C AGR. CHARALA	587.282	798.462	170.000	1.555.744	1.316.333	108.725	1.900.000	1.900
COOP. A. Y C AGR. SUAITA	99.786	205.616	41.592	346.994	210.108	13.106	360.156	500
COOP. A. Y C AGR. PUENTE NAL.	1.160.000	2.000.000	373.000	3.533.000	2.500.000	250.000	3.900.000	1.800
COOP. A. Y C. AGR GUANE	82.268	143.980	4.911	231.159	203.000	10.000	360.000	258
COOP. A. Y C. AGR. LA GRANJA	50.000	30.000	- 0 -	80.000	60.000	4.500	100.000	280
COOP. A. Y C. AGR. GUACAMAYO	128.474	59.042	50.000	237.516	180.000	5.400	300.000	350
COOP. A. Y C. AGR. GALAN	400.000	800.000	300.000	1.500.000	900.435	30.224	2.050.000	1.500
COOP. A. Y C. AGR. GUADALUPE	648.327	467.076	200.000	1.315.403	1.020.000	96.364	1.800.000	600
COOP. A. Y C. AGR. MOGOTES	250.468	326.682	800.000	1.377.150	350.721	136.486	1.816.975	867
COOP. A. Y C. AGR. VILLANUEVA	1.200.000	4.700.608	200.000	6.100.608	3.164.022	165.147	6.900.000	2.300
COOP. A. Y C. AGR. LA BELLEZA	822.904	190.440	622.086	1.635.430	1.317.294	145.115	1.760.000	750
COOP. DE CONSUMO GUADALUPE	300.000	100.000	80.000	480.000	---	90.000	620.000	500
COOP. DE CONSUMO CINCELADA	40.000	10.000	50.000	100.000	---	5.000	170.000	100
COOP. CAMPESINA DE CONS. PARAMO	48.000	---	12.000	60.000	---	3.000	85.000	120
TOTALES	10.873.782	15.564.597	7.366.355	33.804.734	21.091.209	2.033.730	38.995.059	24.925

(FIRMADO)
DARIO BENITEZ
GERENTE

(SELLO)

(US$1.00 = COL$28.00)

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Appendix

PAGARE No. Cuenta No. Por $ m. C.

Nosotros

identificados como aparece al pie de nuestra firma, pagaremos a la COOPERATIVA CENTRAL DE PROMOCION SOCIAL CARITAS LTDA. o a su orden la cantidad de

suma que recibimos en mutuo o préstamo de la citada entidad y que nos obligamos a pagarle en el siguiente plazo contado a partir de la fecha del presente pagaré.

Además pagaremos los intereses al %. mensual sobre los saldos. En caso de mora en el pago de la totalidad o de cualquiera de los contados estipulados, pagaremos intereses de mora a razón del %. mensual sin perjuicio de que el saldo total de esta obligación se dé por vencido y su pago sea exigido inmediatamente a opción del tenedor. También podrá la Cooperativa Central dar por vencido el plazo y exigir inmediatamente la totalidad del pago, en el caso de que se comprobare a juicio de la Cooperativa, que los suscritos han cambiado la inversión declarada al recibir el préstamo. Expresamente declaramos excusado el protesto del presente pagaré. En caso de que haya lugar a cobro judicial, los gastos de la cobranza, así como las costas judicales y las agencias en derecho, serán pagadas por nosotros, sometiéndonos a la jurisdicción legal en cualquier lugar de la República y renunciando a favor de la Cooperativa Central de Promoción Social Cáritas Ltda. el nombramiento de depositario de bienes. Damos como garantía, además de las acciones y derechos que poseemos en la Cooperativa, las siguientes:

Como garantía adicional de todas y cada una de las obligaciones a nuestro cargo, según consta en este pagaré, suscribe(n) este documento como

quien en señal de que acepta las obligaciones como tal en los términos expresados, solidaria y mancomunadamente, firma con nosotros en SAN GIL Santander, a

Deudor Deudor

C. de C. No. C. de C. No.

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COOPERATIVA _____

CONFIDENCIAL

SOLICITUD DE PRESTAMO

Cuenta No. _____

Fecha _____

Señores Comité de Crédito:

De conformidad con lo dispuesto en el reglamento de nuestra Cooperativa, por la presente solicito un préstamo por la cantidad de $ _____ para invertirlo en _____

_____

Me comprometo a cancelar este préstamo más sus intereses al 1% Mensual sobre los saldos adeudados dentro de un plazo de _____ meses a partir de la fecha de la firma del Pagaré, en la siguiente forma:

_____ Abonos — Semanales ☐ / Quincenales ☐ / Mensuales ☐ — de $ _____ cada uno

_____

También me comprometo a seguir aportando la suma de $ _____ mensuales para incrementar el capital de la Cooperativa, según compromiso que tengo con dicha institución.

Mi ingreso mensual promedio es de $ _____

Además de mis aportes para certificados que poseo en la Cooperativa, ofrezco las siguientes garantías:

1) Sueldos, prestaciones y demás proventos que devengue en: _____ _____ donde trabajo desde: _____

2) La fianza de los socios _____

_____

3) Los siguientes bienes (Muebles o Inmuebles) _____

4) La fianza de los no socios (Especificar nombre, dirección y referencias): _____

A) _____

_____

B) _____

_____

No tengo deudas con ninguna otra Cooperativa de crédito, ni como prestatario ni como fiador. Salvo lo que se declara en esta solicitud. Lo aquí suscrito lo declaro con el objeto de obtener el préstamo y es verdadero, según mi mejor conocimiento y mi creencia.

Observaciones: _____

_____

_____ _____

Nombres y Apellidos — Firma del Solicitante

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INFORME CONFIDENCIAL

DEL SOCIO PRESTATARIO

Fecha de ingreso _____ Aportaciones para acciones $ _____

Depósitos $ _____

Bienes Raices: _____ Valor $ _____

Deudas: Acreedor: _____ Valor $ _____

Préstamos Anteriores: _____ Atrasos $ _____

Observaciones _____

GARANTIAS EN VIGENCIAS A OTROS SOCIOS

CUENTA NUMERO	PAGARE	CANTIDAD ORIGINAL	SALDO PENDIENTE

DEL FIADOR

Fecha de ingreso _____ Aportaciones para acciones $ _____

Depósitos $ _____

Bienes Raices: _____ Valor $ _____

Deudas: Acreedor: _____ Valor $ _____

Observaciones _____

GARANTIAS EN VIGENCIAS A OTROS SOCIOS

CUENTA NUMERO	PAGARE	CANTIDAD ORIGINAL	SALDO PENDIENTE

DEL FIADOR

Fecha de ingreso _____ Aportaciones para acciones $ _____

Depósitos $ _____

Bienes Raices: _____ Valor $ _____

Deudas: Acreedor: _____ Valor $ _____

Observaciones _____

GARANTIAS EN VIGENCIAS A OTROS SOCIOS

CUENTA NUMERO	PAGARE	CANTIDAD ORIGINAL	SALDO PENDIENTE

Aprobada por Resolución del Comité de Crédito del día _____ con las siguientes indicaciones: _____

Firmas: _____

_____ _____ _____

Pagaré No. _____ Cheque No. _____ Banco _____

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LOGICAL FRAMEWORK: SAN GIL INTEGRATED RURAL DEVELOPMENT PROJECT

NARRATIVE SUMMARY	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	IMPORTANT ASSUMPTIONS
GRAM OR SECTOR GOAL Fulfill highest priority development aspirations of an aware campesino population through organized community group action.	MEASURES OF GOAL ACHIEVEMENT 1. Success in realizing present aspirations as pressure group. 2. Higher productivity and income among small farmers. 3. Campesino aspirations in accord with objectives being realized.	1. Comparison of progress toward specific objectives established in 1974 Campesino Congress. (see text) 2. 50% decline, 2nd-3rd degree malnutrition among children, 1 to 5 years of age. 3. Comparative surveys taken in three Campesino Congresses.	ASSUMPTIONS FOR ACHIEVING GOAL TARGETS 1. Favorable climatic conditions for agriculture. 2. Government maintains political and economic stability. 3. Campesino Congresses representative of campesino aspirations.
JECT PURPOSE Establish a network of self-supporting services and incentives for 30,000 rural families within existing local cooperatives and community development institutions.	END OF PROJECT STATUS 1. Increase # trained leaders by 33% 2. 50 leadership groups realize 100 community projects per year. 3. Cooperatives increase consumer sales by 50%. 4. Rate of default in Credit Program of 5%. 5. Increase 200%, flow of goods for communities with new access roads. 6. Increase 60%, members' capital in cooperatives. 7. Technical assistance institutionalized.	1.&2. Records--Institute and SEPAS 3.,4.,&6. Records--Cooperative 5. Comparative sample survey 7. Continuation of basic personnel services to project after 5 years.	ASSUMPTIONS FOR ACHIEVING PURPOSE 1. Institute can maintain present funding. 2. GOC maintains favorable policies toward cooperatives, possibly increase ceiling on interest if present inflation continues. 3. Campesinos desire services planned. 4. Campesinos repaying loans on time, successfully execute projects planned. 5. Communities will maintain access roads & govt. will construct more principal feeder roads.
PUTS SCHEDULE ANNEXED	MAGNITUDE OF OUTPUTS	Central Cooperative and SEPAS records.	ASSUMPTIONS FOR ACHIEVING OUTPUTS 1. Availability of technical personnel. 2. Purchase & shipment of equipment accomplished as scheduled. 3. GOC inputs will occur as scheduled. 4. Training facilities available for extensionists.
PUTS SCHEDULE ANNEXED	IMPLEMENTATION TARGET	SEPAS agreements Ministry of Education, ICA & local authorities. AID funding. CRS assistance	ASSUMPTIONS FOR PROVIDING INPUTS 1. 1,700 leaders trained with 1,400 active in 20 leadership groups. 2. Consumer sales of $23,000 through three cooperatives. 3. Central Coop. members' capital: [illegible]. Total members' capital in Federation: [illegible]. 4. 23 rural coop. w/ 25,000 members.

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INPUTS SCHEDULE (in thousand dollars) YEAR:	1	2	3	4	5
I. SEPAS					
A. Coordination and Evaluation					
1. Administrative costs	30	33	35	35	35
2. Vehicle, supplies, didactic material	10	10	10	10	10
3. Personnel	33	33	33	9	9
4. Office equipment	3.5	1.0	0.5		
5. Evaluation	10	6	10		
SUBTOTAL:	86.5	83	88.5	54	54
B. Leadership Training					
1. Institute Operational cost	94	94	94	94	94
2. Institute Fixed cost	31	31	31	31	31
3. Extension Service	11	11	11	11	11
4. Equipment and supplies	13	4	4	4	4
5. Seminars/Congresses	3.3	1.8	3.3	1.8	3.3
SUBTOTAL:	152.3	141.8	143.3	141.8	143.3
C. Agricultural Improvement					
1. Scholarships for ten extensionists	7.5	7.5			
2. Four agronomists (salaries and travel)	19	19	19	19	19
3. Ten extensionists (salaries)			10.8	10.8	10.8
4. Advisory Service (GOC)	9	9	9	9	9
5. Model Farms: seed capital	36	36			
maintenance	5	10	10	10	10
6. Two vehicles	10				
7. Scholarships for 15 farmers		10	20		
SUBTOTAL:	86.5	91.5	68.8	48.8	48.8
D. Health/Community Improvement					
1. Scholarships for ten extensionists	3.8				
2. Doctor	5.4	5.4	5.4	5.4	5.4
3. Home Economist/Nutritionist	4.5	4.5	4.5	4.5	4.5
4. Ten extensionists (salaries)	5.4	10.8	10.8	10.8	10.8
5. Brick-making machines (50)	2.8	2.8			
6. Tool bank	7				
7. Local materials	61	61	61	61	61
8. Vehicle	5				
SUBTOTAL:	94.9	84.5	81.7	81.7	81.7
GRAND TOTAL AID FUNDING:	181.5	154	132		
OTHER:	238.7	246.8	250.3	326.3	327.8

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INPUTS SCHEDULE (in thousand dollars) (cont.)

	YEAR: 1	2	3	4	5
II. CENTRAL COOPERATIVE					
A. Road Construction					
1. Equipment purchase	86				
2. Maintenance and depreciation	13	26	26	27	27
3. GOC Contributions	9	9	9	9	9
4. Volunteer Labor	10	10	10	10	10
5. Materials	30	60	80	60	60
SUBTOTAL:	148	105	125	106	106
B. Marketing Service					
1. Two trucks	20				
2. Maintenance and depreciation	10.5	10.5	10.5	11	11
SUBTOTAL:	30.5	10.5	10.5	11	11
C. Credit Program					
1. Administrative costs (annual increments)	18	24	27	27	28
2. Credit					
a. Central Cooperative's (increments from savings)	5	10	15	20	20
b. Consumer stores	38.5				
c. Production	20	20	35		
d. Family gardens	25	50	25		
e. Dairy farming: Milk cows	16.5	26.6			
Artificial insemination	2.8	4.4			
f. Innovations/others	50	70	80		
g. Housing/Community Improvements	20	20			
*Total Credit Portfolio of Central Cooperative	(283)	(476)	(631)	(651)	(671)
SUBTOTAL:	195.8	225	182	47	48
GRAND TOTAL AID FUNDING:	275	183	140		
OTHER:	99.3	157.5	177.5	164	165

GRAND TOTAL LIFE OF PROJECT:

AID FUNDING: 1065.5

OTHER: 2153.2

TOTAL: 3218.7

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LOGICAL FRAMEWORK

OUTPUTS SCHEDULE	YEAR: 1	2	3	4	5
I. SEPAS					
B. Leadership Training					
1. Students in Basic Capacitation Courses	260	260	260	260	260
2. Adults trained in Short Courses (at Institute)	250	250	250	250	250
3. Persons active in Leadership Groups/# groups	1700/37	2000/45	2400/50	3000/50	3500/50
4. Seminars/Congresses held	3/1	3/0	3/1	3/0	3/1
C. Agricultural Improvement					
1. Agricultural Extensionists trained		10			
2. Model Farms established	2	2			
3. Farmers attending demonstrations on farms	1,440	2,880	2,880	2,880	2,880
4. # days of courses/# individual farmers assisted, by agricultural team	40/150	40/275	40/360	40/360	40/360
5. # farmers trained		10	20		
D. Health/Community Improvement					
1. Home Extensionists trained	10				
2. Women's Groups organized	25	50	25	25	25
3. # campaigns in veredas executed by H/C	15	45	45	45	45
II. CENTRAL COOPERATIVE					
A. Road Construction					
1. Kms. of roads constructed	30	60	80	60	60
2. # persons/veredas with new vehicle access	1800/6	3600/12	4800/15	3600/12	3600/12
B. Marketing Service					
1. Amount of cargo for supply and marketing (in tons)	900	1,800	1,800	1,800	1,800
C. Rural Credit					
1. # loans approved					
a. total # new consumer cooperatives organized	5	2	3	3	3
b. production	50	100	200	200	200
c. family gardens	500	1,500	2,000	2,000	2,000
d. dairy farming	60	100		60	100
e. innovations/others	21	40	69	50	55
f. housing community	200	200	200	200	200

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