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COUNTRY AND INTERCOUNTRY PROGRAMMES AND PROJECTS

Consideration and approval of country programmes

THIRD COUNTRY PROGRAMME FOR COLOMBIA

UNDP assistance requested by the Government of Colombia
for the period 1983-1986

CONTENTS

	<u>Page</u>
INTRODUCTION	2
NATIONAL DEVELOPMENT OBJECTIVES AND PROGRAMMES TO BE SUPPORTED BY UNDP	3
A. Planning of social change	4
B. Revival and stabilization of the economy	6
C. Consolidation of development	7

1/ The previous country programmes for Colombia were issued under the document symbols DP/GC/COL/R.1 and DP/GC/COL/R.2.

INTRODUCTION

1. The third programme of technical co-operation submitted to UNDP for its consideration covers the period 1983-1986. The programme does not cover the year 1982: with the change of Government on 7 August 1982 the new administration had to be allowed to define its own priorities and requirements for technical co-operation. Consequently, the second country programme was extended to cover 1982.
2. The formulation of the third programme began in September 1982 with a note from the Resident Representative to the Chief of the National Planning Department (DNP) containing some basic guidelines concerning UNDP technical co-operation policy which might serve as a frame of reference for the formulation and implementation of the programme. Specific issues relating to the evaluation and selection of projects to be included in the programme and operational arrangements for them were the subject of detailed discussions with the National Planning Department, government counterpart bodies and the executing agencies.
3. In its technical co-operation policy, the Government considers that UNDP assistance should serve as an instrument in the transfer and adaptation of skills, experience and technology which Colombia does not possess through the implementation of projects in those areas of economic and social development to which the country assigns priority. Accordingly, the third programme comprises large-scale projects designed to encourage investment in both economic and social areas. These projects will take the form of pre-feasibility studies, feasibility studies and direct participation in investments. Moreover, other agencies of the United Nations system will participate in the development of programmes and projects in complementary or additional areas which are not covered by the third country programme.
4. The resources available for programming during 1983-1986 total \$US 25,542,000, which includes \$11,133,000 of Government cost-sharing funds. The entire amount has been allocated to specific projects.
5. To complement UNDP resources, the Government has adopted a co-financing policy whereby every national counterpart agency must contribute in cash (dollars) the equivalent of 30 per cent (for new projects) or 50 per cent (in the case of extensions of ongoing projects) of the cost of the inputs supplied by UNDP against the IPF. It has in fact been proved that this policy ensures greater control of and participation in projects by the national agencies, together with greater utilization of the results.
6. Similarly, the Government, in order to ensure the quality and effectiveness of the programme, considers it vitally important to pay the utmost attention to the processes and methods of design, execution and monitoring of the projects selected.
7. The Government also attaches great importance to the promotion of activities of technical co-operation among developing countries (TCDC). It has therefore decided to allocate a portion of the IPF to promote activities benefiting from TCDC.

8. Finally, the programme is part of the national programme of technical co-operation prepared and co-ordinated by DNP in collaboration with all the bilateral and multilateral sources of technical assistance to Colombia, among them the Governments of the Netherlands, Japan, Canada, France, the Federal Republic of Germany, Italy, the United Kingdom of Great Britain and Northern Ireland, Switzerland, private institutions, the Organization of American States (OAS), the Inter-American Development Bank (IDB) and the agencies of the United Nations system.

NATIONAL DEVELOPMENT OBJECTIVES AND PROGRAMMES TO BE SUPPORTED BY UNDP

9. The third country programme for Colombia has been designed as an instrument to promote the three basic objectives of the National Development Plan, which is now being published, and whose primary goal is development with equity. These objectives are: (a) to plan social change; (b) to revive and stabilize the economy, and (c) to consolidate development.

10. The purpose of planning social change is to bring about more equitable distribution of opportunities for advancement within the framework of broad community participation. To that end, government action will be directed towards meeting basic needs in general, through the democratization of education ("open university" and "distance-teaching"), primary health care, nutrition, drinking water supply and low-cost housing.

11. As regards the objective of reviving and stabilizing the economy, it is hoped that moderate growth rates will be attained in the next two years by curbing inflationary trends, reducing the budget deficit to a smaller proportion of gross domestic product (GDP), reorganizing the financial sector, designing a rational scheme to protect national industry and granting larger real incentives for exports. Similarly, an effort will be made to introduce the concept of "balancing or stimulating" sectors, such as construction, and to channel public investment into national production.

12. The purpose of consolidating development will be to help the country to achieve growth rates considered to be normal in 1985 and 1986. This stage will focus on assistance to sectors in which the country has a demonstrated comparative advantage. The Plan emphasizes the complementarity of all sectors of production in this endeavour.

13. Agriculture will fulfil its basic role of producing food and complementing sectors such as mining in generating foreign exchange. Special emphasis will be given to higher productivity, improved marketing and the management of natural resources through larger institutional budgets and support for the National Agricultural Research Plan (PLANIA), rehabilitation of the irrigation districts and finance for marketing.

14. In industry, emphasis will be placed on reinforcing the productive structure by promoting the expansion of capital goods and the processing of raw materials and ores and by opening up industrial opportunities through encouragement to small- and medium-scale industry. Efforts will also be made to rehabilitate traditional sectors such as textiles and the motor vehicle industry.

15. Construction will be treated as the "lead" sector providing the basic "driving force" through the development of a broad programme of low-cost housing, the assignment to the sector of larger flows of savings and budget resources, and the granting of tax incentives.

16. The long-term growth of the country logically calls for: (a) strengthening of the external sector in conjunction with assistance for the expansion of the mining sector and the achievement of oil self-sufficiency; (b) expansion of the transport and communications infrastructure with priority given to east-west trunk roads, roads in the National Territories, local roads, airports, ports and railways; (c) a programme designed to continue to broaden the energy-generation base and to utilize all energy sources fully; and (d) the adoption of appropriate technology policies.

17. The projects making up the programme will be selected according to the following criteria: (a) they contribute to the achievement of the objectives of the Development Plan; (b) they constitute large-scale activities with multiplier effects; (c) they transfer technology, skills and experience which the country does not possess or cannot mobilize; and (d) adequate technical, administrative and financial capacity to absorb the assistance provided exists in the national counterpart.

18. A brief description follows of these national development objectives and of the projects making up the programme, broken down by objective and by sector, and classified into: (a) ongoing projects and (b) new projects. Moreover, the classification also comprises the projects of the United Nations system to be financed from sources other than the IPF.

A. Planning of social change

1. Health

19. The aim of government action is to improve the general health of the population and reduce mortality and morbidity levels. The basic components of the strategy to be carried out to this end consist of: (a) a programme to broaden coverage and decentralize health services; (b) modernization of the institutions comprising the national health system, training of human resources and strengthening of research activities; (c) expansion of primary care in order to meet the needs of the most vulnerable population groups; (d) expansion and strengthening of the National Food Plan; and (e) provision of drinking water and drainage services to both the urban and rural populations.

20. In helping to achieve some of these objectives, UNDP will provide assistance through the following project:

(a) New project

Administrative development of the health sector (COL/72/014)

21. The purpose of the project, which began in 1973, has been the implementation and consolidation of the National Health System. To this end, work has been

undertaken on the design and introduction of instruments, models and, in general, components of the system. Models for organization and for supplies, finance, personnel and general services have, in fact, been prepared, and in the time remaining until the end of the project (June 1983) it is hoped that the consultation, testing, introduction and monitoring phases of those models will be completed.

(b) Other projects of the United Nations system

22. The United Nations system is involved in the health sector primarily through the regular programmes of individual agencies. The programme of the World Health Organization (WHO) is intended to support government actions in areas such as: disease prevention and control, family health, environmental health services, animal health and public veterinary services, ancillary services, the development of health services, the development of physical, financial and technological resources and research co-ordination. The programming of the United Nations Children's Fund (UNICEF) for the period July 1983-December 1987 to be submitted to its Executive Board includes the following projects: basic services on the Pacific coast; basic urban services in Bucaramanga; primary health care for indigenous communities; and primary health care. The United Nations Fund for Population Activities (UNFPA) is financing execution of the project on the extension of national maternal and child care services and family planning.

2. Education

23. Government activities are directed towards improving, expanding and democratizing education with a view to providing equal opportunity to all citizens, improving the productivity of the labour force and thereby creating the necessary conditions for improved social well-being. To that end, the following will be implemented nation-wide: (a) a comprehensive programme of formal and non-formal education incorporating "open" and "distance-teaching" methods through the mass media; (b) a programme for the eradication of illiteracy entitled the "National instruction campaign (CAMINA)"; (c) a programme to modernize universities and regional research centres, which requires raising investment in research from 0.15 per cent of GDP in 1982 to 0.50 per cent in 1986.

24. In order to achieve the first of these objectives, UNDP will provide technical assistance through the following project:

(a) Ongoing project

Training of human resources for higher "open" and "distance-teaching" education programmes (COL/82/027)

25. In the context of this project, the Government, through the Colombian Institute for the Development of Higher Education (ICFES) will carry out the vocational training of the staff responsible for the operational and instructional part of the programmes (at present 10 in number) providing higher "open" and

(a) Ongoing projects

Nation-wide regional agricultural planning (COL/79/001)

36. The purpose of this project, which was started in June 1979, is to establish and implement a regional agricultural planning system for the whole country which will provide the technical framework for the formulation and execution of plans, programmes and projects for agricultural development. In order to establish permanent training arrangements in the area of planning and to complete activities relating to the establishment and operation of the regional agricultural planning system, the project will be extended into a phase II.

(b) New projects

Livestock development programme (COL/82/032)

37. This project is intended to provide the agricultural sector with an efficient planning structure for the livestock subsector with a view to increasing the production and consumption of meat and dairy products. To this end, the project

(c) strategies and policies for the development, conservation and utilization of water; (d) a study of water quality; and (e) an investment plan for the sector.

(b) Other projects of the United Nations system

47. Through its regular technical co-operation programme (TCP), FAO will finance the following projects: a pilot plan for the management of forest areas in Colombia; and assistance to the integrated development plan for the Pacific Coast of Colombia.

3. Industry

48. The basic goals set for this sector are: (a) an increase in the value added; (b) job creation; (c) the generation of foreign exchange; and (d) utilization and processing of national raw materials from agriculture and mining.

49. Government efforts will be directed towards raising labour productivity, raising the technological level and intensifying the use of existing installed capacity. Priority areas comprise: (a) encouraging agro-industrial development as an instrument for reviving agricultural production and meeting the demand for food-stuffs; (b) developing the capital goods industry by apportioning public investment in the electricity, mining and infrastructure sectors by reference to the technology involved; (c) integrating the motor vehicle engineering industry; and (d) incentives for small and medium-scale industry.

50. The projects which have been selected in this area to receive UNDP co-operation are the following:

(a) Ongoing projects

Training in investment promotion (COL/81/007)

53. The purpose of this project, which began in October 1981, is to train ZFIC staff in the use and application of techniques for promoting the duty-free zone, with special emphasis on the identification of potential investors from the United States and Canada. Training will be conducted in New York through a specialized programme of the United Nations Industrial Development Organization (UNIDO). Project activities have been extended until September 1983 to allow for subsequent contact with the United States industrial firms which have been identified.

(b) New projects

Leather Technology Centre (COL/82/007)

54. The goal of this project is to make available to the leather sector an infrastructure of support services through which it can improve the quality of its products, diversify production, increase exports and the added value generated by the sector and create additional jobs. Project activities will be specifically geared to: (a) establishing a Leather Technology Centre to provide assistance to the sector in all aspects of the processing and utilization of hides and tanned leather; and (b) strengthening the National Apprenticeship Service (SENA) so that it can train workers and specialists required for the sector. The project will be co-financed by the Italian Government through the Italo-Latin American Institute (IILA).

Planning of the capital goods industry (COL/82/016)

55. The purpose of this project is to stimulate the country's industrial and technological development through the formulation of policies, plans and programmes to strengthen the capital goods manufacturing industry on the basis of the purchasing power held by local public and private enterprises.

Modernizing the administration of industrial property (COL/82/035)

56. This project seeks to improve and modernize the administrative procedures and methods of the Industrial Property Division of the Office of Industry and Trade of the Ministry of Economic Development with a view to streamlining the entire process of identifying, selecting, procuring, adapting and generating technologies.

Agro-industrial development of the National Territories (COL/82/028)

57. The aim of this project is to accelerate the process of extending the country's socio-economic development to the national frontier territories through the establishment of agro-industrial ventures in such fields as the fishing industry, production of coconuts and coconut products, apiculture, production of yuccas and bananas and their by-products, animal feed, the meat and tanning industries and the intensive production of pigs and capybaras.

(c) Other projects of the United Nations system

58. Through the Special Industrial Services (SIS), UNIDO is executing the following projects:

(a) Assistance to the programme for the development of the capital goods industry in Colombia (IS/COL/82/801) whose purpose is to advise the Colombian Foreign Trade Institute (INCOMEX) on the preparation of an analysis of the supply of capital goods, the identification of current and potential demand, the development of a classified information system and preparation of the above-mentioned project (COL/82/016);

(b) Technical assistance to agro-industrial development in Colombia (IS/COL/82/802), which is designed to advise the Departamento Administrativo de Intendencias y Comisarias (Administrative Department for non-autonomous provinces and districts) (DAINCO) on the planning of an agro-industrial programme for the national territories and the preparation of the above-mentioned project (COL/82/028).

The following projects have also been submitted for possible SIS financing: feasibility of the industrialization of silk; feasibility of the industrial use of sugar-cane by-products and assistance for the development of the duty-free zone at Barranquilla.

59. A project to establish a pilot centre for energy conservation in industry has been submitted to the United Nations Industrial Development Fund (UNIDF) for its consideration.

60. Similarly, a project to set up a research and development unit in the Las Gaviotas centre capable of developing, producing and disseminating technologies adapted to the socio-cultural conditions of the tropical lowlands has been submitted to the United Nations Financing System for Science and Technology for Development for its consideration.

61. UNICEF is financing projects to generate income for women in selected urban and rural areas through the establishment of small production enterprises with training, credit facilities and technical assistance components.

62. The VFUNDW is financing projects in training and the development of micro-businesses in the informal sector in the cities of Cartagena, Zambrano and Sincelejo. Similarly, a project which will complement the CADESOC project mentioned above, on increasing the participation of women and raising the status of their work in the rural economy, has been submitted to VFUNDW for its consideration. Its purpose is to organize and bring into operation in rural areas various small- and medium-scale industries, including production, processing and marketing, to be managed by producers' associations having women as active members.

4. Mining

63. This sector will have a significant role to play in the Government's strategy of decentralizing development, generating foreign exchange, creating employment and stimulating domestic demand for capital goods. Short- and medium-term efforts will be directed primarily to prospecting for, extracting and marketing coal, nickel, petroleum and natural gas and to the institutional strengthening of government enterprises operating in the sector. Moreover, a comprehensive mining development plan will be drawn up which will provide guidelines for the sector's long-term growth and for taking full advantage of the country's vast mineral resources.

64. In this context, UNDP assistance will be channelled towards achieving the main government objectives in this sector through the following projects:

(a) Ongoing projects

Basic metals (phase II) (COL/76/030)

65. The purpose of this project, which began in July 1976, is to provide the quantitative and qualitative information and data - geological, geochemical, geophysical, economic and financial - and the drilling data required to determine the advisability of conducting a technical and economic feasibility study of the mining of polymetallic ores (copper, molybdenum, zinc, etc.) in Mocoa. During the remainder of the project, drilling, metallurgical assays and analysis of economic and financial data will be completed so that a pre-feasibility report may be submitted by February 1984 at the latest.

(b) New projects

Development of the El Cerrejón project, Block B (COL/82/026)

66. This project seeks to strengthen the national mining company, Carbones de Colombia, S.A. (CARBOCOL) during the construction and initial operation phases of the project to mine the coal deposits in the northern zone of El Cerrejón, in the department of la Guajira, in which \$US 3 billion is being invested, the largest investment in the country. The project will cover such aspects as planning and operation of the mine, planning and carrying out structural works, testing and operation of electrical and engineering works, handling and transport of materials, and the budget, accounting, cost control and management control systems for the project.

National Mining Development Plan (COL/82/039)

67. In order satisfactorily to develop and utilize the country's mineral potential, the Government has embarked on formulating the National Mining Development Plan and has concluded contracts with national consultancy firms to that end. As an integral part of this Plan, DNP has decided to develop a frame of reference and mechanisms for evaluating programmes and projects for developing various mineral resources. To these ends, the project will produce: (a) an inventory of mineral resources; (b) a study on the demand for selected ores until

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the year 2000; (c) an information, record-keeping and statistics system; (d) a set of strategies and policies for the development and use of the resources; (e) a pre-investment plan for the sector; and (f) recommendations for improving the existing legal, negotiating and contracting framework.

5. Transport

68. The basic objective of government action in this area is to ensure physical integration of the national territory. To do so, highest priority will be given to consolidating the network of major highways with land, air, river, railway and maritime communication systems and to expanding the east-west highways and local roads and linking them with the secondary and trunk networks of the country. The Government further intends to rationalize and modernize transport operations by upgrading and expanding the railway, port and airport network and strengthening the institutional capacity of government enterprises and agencies involved in the sector.

69. The following projects will receive UNDP assistance in this area:

(a) Ongoing projects

Strengthening and development of the Civil Aviation Administration Department (COL/79/003)

70. The purpose of this project, which began in March 1979, is to strengthen the Civil Aviation Administration Department (DAAC) in such areas as airport planning and administration, air services, administration and finance and training. A phase II is planned to provide the Aviation Training Centre (CEA), now under construction, with the technical capacity and the necessary equipment to conduct a large-scale aviation training programme. This project complements a loan granted by the World Bank to DAAC.

(b) New projects

Road transport (COL/82/040)

71. This project is intended to make institutional improvements in the National Transport Institute (INTRA), the Transport Finance Corporation (CFT) and the Transit and Transport Administration Department (DATT) in order to enable them to implement specific national programmes in such areas as freight management, road safety, transport surveys, surveys on the origin and destination of intercity transport, the operations of transport firms and utilization of the vehicle fleet and administrative supervision for implementation of the master terminal plan.

Modernization and expansion of national railways (COL/81/011)

72. This project is part of a series of measures to modernize and expand the national railways on the basis of a loan granted by the World Bank. In particular, the following aspects will be covered: a technical and economic feasibility study

of transport in the Bogotá-Buenaventura corridor and the area served by it; a diagnosis of the state of the signalling and communication system; a study on providing uniform capacity on all segments of the Saboyá-Carare line; a study of modal demand of rail traffic by origin and destination, by type of product and by line; a diagnosis of present systems of planning and control, accounting, costs, tariff structure, statistics and finance; and a study of the operational systems of repair and maintenance workshops.

Advisory services to the Colombian Port Authority (COL/82/023)

73. This project seeks to provide selected ports on the Atlantic and Pacific coasts, with an institutional and physical infrastructure enabling them to cope with the volume of cargo and type of traffic expected in coming years. The project will place particular emphasis on the establishment of modern container handling facilities. The project will lend support to a possible World Bank loan to the Colombian Port Authority (COLPUERTOS).

6. Communications

74. Government action is directed towards gradually expanding and improving the coverage of telephone, telegraph, telex, radio and television services and postal services, primarily in rural areas. Specifically, through the mass media, a programme will be implemented to support the national "distance-teaching" educational campaign, which is one of the pillars of the Government's social development scheme to meet the needs of the most deprived population groups.

75. The project which will receive UNDP assistance in this area, is:

New project

Technical and operational strengthening of the national radio and television institute, INRAVISION (COL/82/041)

76. This project seeks to provide INRAVISION with the technical and operational capacity to broadcast "open" and "distance-teaching" educational programmes. To this end, (a) a system will be set up for television broadcasting via cable, area broadcasting with low-power transmitters and international broadcasting by satellite; (b) broadcasting procedures will be systematized and a computerized central equipment monitoring system will be set up; (c) appropriate modern services will be provided for the production of broadcasts; and (d) preventive maintenance programmes will be developed.

7. Energy

77. Government policy is oriented towards the establishment of conditions capable of meeting domestic short-, medium- and long-term demand through the expansion and extension of electricity networks, more rational use of energy resources, financial self-sufficiency of the sector, interconnection of the various electrical systems

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in the country, gradual introduction of non-conventional energy sources, increased utilization of geothermal energy, coal and natural gas, and gradual reduction of petroleum imports.

78. To assist in achieving some of these objectives, UNDP will provide its technical assistance under the following projects:

(a) New project

Management, supervision and programming of hydroelectric works (COL/82/038)

79. The purpose of this project is to develop methodologies to enable the state company, Interconexión Eléctrica S.A. (ISA), responsible for the interconnection of all the electricity systems in the country, to plan, programme, carry out, monitor and evaluate the execution of the major electricity generation and supply projects.

(b) Other projects of the UNDP system

80. The purpose of the project entitled "Planning methodology for the expansion of the Colombian electricity system" (COL/82/025), which is financed directly by the UNDP energy account, is to provide ISA with the data, procedures and criteria it needs in order to rationalize, supplement and harmonize planning models for the expansion of the electricity sector. This project is preliminary to a possible World Bank loan to ISA.

8. Miscellaneous

(a) New projects

Improvement of systems for registering consultancy firms (COL/82/037)

81. The purpose of this project is to update and check a register of over 1,000 national and international consultancy firms and to design a data bank for pre-feasibility and feasibility studies of investment for individual sectors of the national economy. This registration system of consultancy firms will lend support to TCDC activities.

Fund for co-operation activities among developing countries (COL/82/042)

82. This project makes IPF funds available for TCDC activities whose content will be determined during the present programming period.

(b) Regional programme

83. Colombia will participate actively in the global, interregional and regional projects of interest to the country. In particular, special emphasis will be placed on those regional projects which promote the Latin American integration process. Similarly, to the extent possible an effort will be made to link regional activities with national projects.

Annex

FINANCIAL SUMMARY

A.	<u>Resources</u>	(US dollars)
	<u>IPF and other resources</u>	
(i)	Illustrative IPF for 1982-1986	22 000 000
(ii)	Less unprogrammed balance a/	(4 400 000)
(iii)	Less authorized budget level for 1982	(3 656 000)
(iv)	Previous IPF cycle balance	465 000
(v)	Other resources: cost-sharing	<u>11 133 000</u>
	Total resources available for programming	<u>25 542 000</u>
B.	<u>Use of resources</u>	
	<u>Programmed</u>	
(i)	Ongoing projects	3 084 000
(ii)	New projects and new phases of ongoing projects included in the country programme	<u>22 458 000</u>
	SUBTOTAL	<u>25 542 000</u>
	Total programmed plus reserve	<u><u>25 542 000</u></u>

C. Financial distribution of programme by sector

<u>Sector b/</u>		<u>Ongoing projects</u>	<u>New projects</u> (US dollars)	<u>Total</u>
02	General development	7 000	1 859 400	1 866 400
03	Natural resources	482 000	5 185 700	5 667 700
04	Agriculture, forestry and fishing	470 000	4 314 300	4 784 300
05	Industry	500 000	2 950 000	3 450 000
06	Transport and communications	1 506 000	4 577 100	6 083 100
09	Human settlements	18 000	714 300	732 300
10	Health	72 000	---	72 000
11	Education	29 000	2 857 100	2 886 100
Total		3 084 000	22 457 900	25 541 900

a/ Representing 20 per cent of the illustrative IPF which has not been taken into account for programming.

b/ According to ACC classification.
