

## WAYUU ECONOMIC DEVELOPMENT PROJECT

(TC-93-06-11)

### EXECUTIVE SUMMARY

**REQUESTER:** Departamento Nacional de Planeación

**EXECUTING AGENCY:** Fundación para el Desarrollo Industrial, Comercial, y Artesanal de la Guajira (FUNDICAR)

**BENEFICIARIES:** 2,300 Wayúu from eight clans selected due to their high level of basic unsatisfied needs as well as a commitment to the project and their involvement with FUNDICAR's activities.

**FINANCING:**

IDB (Japan Special Fund):	US\$285,000
Local counterpart funding:	US\$125,000
Total:	US\$410,000

**TERMS:**

Execution period:	18 months
Disbursement period:	20 months

**ENVIRONMENTAL CLASSIFICATION:** The Environmental Management Committee, at its meeting of February 8, 1994, classified this as a Category III operation.

**OBJECTIVES:** To improve the living conditions and expand the economic possibilities of 2,300 members of Wayúu communities in the department of Guajira. The investments contemplated will provide a greater availability of water for human and animal consumption as well as for small scale agricultural activities, and technical assistance to improve agricultural and animal husbandry practices and maintenance of windmills.

**DESCRIPTION:** The project has two basic areas of action: (a) water related investments which include: digging of ten wells; supply and installation of four new windmills; disassembly, repair, and reinstallation of six existing windmills; and building of ten new reservoir tanks and drinking troughs; and (b) consultancies focusing on agricultural practices, animal breeding and commercialization, and maintenance of windmills and wells. The three consultants will work closely with the communities to ensure a high degree of participation in the execution of the project; they will also provide training in conservation of scarce

water and soil resources and sanitary disposal of human and animal wastes and garbage.

**BENEFITS:**

Successful execution of the project will result in an improved quality of life for the targeted communities as their agricultural and animal husbandry activities will become more significant and efficient. Expanded income generation will result from the sale of healthier and heavier goats and related products. Education in soil and water conservation practices will facilitate more sustainable development in a region with extremely limited resources. Sanitary conditions should improve due to instruction in disposal of human and animal wastes as well as garbage. Important benefits will accrue specifically to women and children who frequently spend hours each day walking large distances to reach the nearest well. Finally, successful execution of the project and dissemination of the results may encourage similar initiatives in other regions of Guajira.

**RISKS:**

The risks that have been identified are considered manageable and specific recommendations are included in the plan of operations to mitigate their possible impact. The risks include: reduction of the water level, drying up of existing wells due to the drilling of new wells, and the possibility of a limited degree of community participation in the maintenance of windmills and wells.

The environmental risks are minimized by the small number of new wells to be constructed and by the technical advice for their use to be provided by the consultants. A map of the project site identifying all existing as well as new wells planned will be presented to the Bank prior to first disbursement along with the authorization of the regional development corporation for the construction of the wells. A private company has been identified to handle the perforation of the wells. Only Wayúu communities with a demonstrated commitment to FUNDICAR's programs will be eligible to participate in this operation.

**THE BANK'S  
COUNTRY STRATEGY:**

This project responds to the Bank's strategy in Colombia which focuses on improvement in the quality of life of people in the country's most economically depressed regions as well as sustainable use of renewable natural resources. The operation is compatible with the Environmental Program (910/SF, 774/OC) approved in 1993, and the Land Improvement Program (CO-0055) scheduled for presentation to the Board of Directors during the fourth quarter of 1994.

**CONTRACTUAL  
CLAUSES:**

Conditions prior to first disbursement:

- a. present the names and curriculum vitae of the three consultants to be financed under the operation (see paragraph 4.8).
- b. submit the final version of the map containing the location of the windmills and wells in the project site (see paragraph 4.8).

Contractual conditions:

- a. within 60 days following the end of each semester, present a report of the progress achieved, highlighting the use of resources from the technical cooperation (see paragraph 4.7).
- b. within 90 days after the end of the calendar year for each year until execution of the project is completed, submit financial statements audited by a public accounting firm acceptable to the Bank. The financial statements shall include an evaluation of the use of the funds provided under the technical cooperation (see paragraph 4.7)
- c. within 90 days following completion of the project, present a report which compares the objectives and final results (see paragraph 4.7).

## I. BACKGROUND

### A. Political conditions of Colombian indigenous communities

- 1.1 Colombia's indigenous peoples, representing 4-5% of the total population, confront numerous social and economic problems. In the Constitution of 1991, important new rights were registered for these groups, highlighted by the following: (a) election of two members of the Senate as well as representation in the Chamber of Deputies; (b) formation of legally recognized tribal councils that represent the indigenous communities in matters before the departmental governments; and (c) possession of land ("resguardos indígenas").

### B. Description of the project area

#### 1. Socioeconomic situation

- 1.2 The economic development of La Guajira peninsula of Colombia during the 1980s, spurred by the exploitation of El Cerrejón coal mine by Carbocol/Intercor (Exxon), brought profound changes to the area. To date, the economic and social benefits from El Cerrejón have reached a limited portion of the population, leaving a significant number, particularly the numerous indigenous population, living in conditions of extreme poverty.
- 1.3 Economic difficulties for the peninsula's indigenous population in the past decade led many into drug trafficking and smuggling. The opportunities in contraband diminished in recent years as a result of liberalization of the Colombian economy and the establishment of tax free zones in the former centers for the sale of smuggled goods. This deteriorating economic environment has prompted initiatives by the government and the private sector to improve the possibilities of the local population.
- 1.4 Standard economic and social indicators classify Guajira as one of the poorest regions of Colombia with disproportionately high indices of infant mortality and malnutrition, and inadequate health care and education services. There are serious deficiencies in sanitation which cause digestive and respiratory problems. Tuberculosis is relatively common due to malnutrition, water shortages, and deficient mechanisms for disposal of wastes.
- 1.5 The dry, hot climatic conditions and poor quality of the land provide limited economic possibilities. Only a small percentage of the total land area is considered arable, and, then, only in conjunction with irrigation systems.

## 2. Natural conditions

- 1.6 The department of Guajira is located in the northeastern corner of Colombia, with a large, relatively undeveloped coastline and an extensive border with Venezuela. Guajira is quite different from the other departments in the Caribbean region due to a very limited and badly distributed precipitation, high temperatures, limited vegetation, and unproductive soil.
- 1.7 The region's only river is the Ranchería, a small water course which begins at the Sierra Nevada de Santa Marta and discharging into the Caribbean Sea at Riohacha. The remaining bodies of water are small, shallow seasonal streams that cause significant erosion during the rainy season. The shallow waters coming from atmospheric precipitation are found underground at a depth of 20 to 60 m. Water quality gradually worsens with depth because of upflow of salinated water.
- 1.8 Due to the flat terrain and consistently high levels of wind, for over 30 years windmills have been utilized in the middle Guajira providing water to the indigenous people and their livestock. Despite inadequate maintenance, which results in a significant proportion of the windmills being inoperative for periods throughout the year, some windmills have been utilized for more than three decades. As the life of a well is shorter than that of the windmill due to intensive silting, the same windmill can be used for several wells drilled in successive years. Hand-driven wells are numerous in the project area and along with the windmills are the only water source during the dry season.

### C. The Wayúu

#### 1. Political and social organization

- 1.9 The Wayúu, a group indigenous to La Guajira region, live throughout the middle and upper Guajira. They number about 100,000 (30% of the total population of the department of La Guajira) and dwell mostly in reserves which occupy an important percentage of the land area of the Guajira peninsula. An additional 35,000 Wayúu live across the border in Venezuela.
- 1.10 The Wayúu family tends to be quite large due to a high mortality rate, the need for labor, and limited education. Traditionally, the Wayúu have a strong feeling of attachment to their region of ancestral origin. When migration occurs, it is usually caused by the long dry season that threatens the herds and forces the Wayúu to look for lands with more forage and water. The Wayúu migration ends with the arrival of the rainy season.
- 1.11 The Wayúu have limited proficiency in the Spanish language, ranging from 4-7% of the total populations of Wayúu communities. The Wayúu language is unwritten.

## 2. Economic activities

- 1.12 Animal husbandry, primarily involving goats, but also sheep, is the Wayúu's most important economic activity. Most families have between 100 to 150 animals. The herd is not only the primary source of income, but it frequently influences the level of prestige within the community.
- 1.13 The Wayúu make a limited attempt at farming. Due to the short rainy season, rapid growth crops such as corn, beans, melon, millet, and yuca are planted. Wild fruits, such as cherries and olives, and vegetables are generally used for self consumption with a small amount sold in the surrounding villages.
- 1.14 The women devote free time to weaving hammocks, funeral bands, and hand bags on manual looms. These quality crafts command a reasonably high price, but production tends to be slow and the number of marketable items limited.
- 1.15 Frequently, in recent years, the Wayúu traditional endeavors have been combined with non-traditional ones, such as salaried work and various illegal activities.

## 3. The Wayúus and Carbocol/Intercor

- 1.16 In 1991, Carbocol/Intercor, the investors in El Cerrejón coal mine, first extended funds to the Fundación para el Desarrollo Industrial Comercial y Artesanal de La Guajira (FUNDICAR) for programs related to the social and economic development of the Wayúu communities, creating the Programa de Ayuda Integral a las Comunidades Indígenas (PAICI). PAICI focuses on 50 indigenous communities with high levels of basic unsatisfied needs, promoting community involvement in construction of local infrastructure as well as other initiatives to deal with problems generated by the lack of access to education and health facilities.

### D. The Bank's operations in the natural resources sector in Colombia and with FUNDICAR

- 1.17 The Bank has been active in water resource projects in Colombia. The Environmental Program (loans 910/SF and 774/OC), with a major component for protection of watersheds through reforestation and promotion of ecologically sound agricultural practices, was approved in September, 1993, and the Land Improvement Program (CO-0055), focusing on the establishment of medium and large scale irrigation districts, is programmed for presentation to the Board of Directors during the fourth quarter of 1994. The project described herein is compatible with these two other programs.
- 1.18 The Programa de Desarrollo Rural Integrado (DRI) (608/OC), approved in 1990, focuses on improvements in the quality of life for rural communities. Although DRI is currently expanding its focus of action beyond the central mountain zones to the coastal and other

outlying areas, its actions are concentrated in the central mountains where the population is more organized and there exists significant demand for its resources. If continued funding is required for future investment and training activities of the project after the resources of the technical cooperation are exhausted, DRI would be a possible source of funds.

- 1.19 In November, 1985, the Bank approved a small project loan to FUNDICAR for the equivalent of US\$150,000, with a tenor of thirty years and an interest rate of 1% per annum (SP/SF-85-12-CO). The final disbursement was in August, 1989. The project provided administrative, financial, and marketing training to over 2,000 microentrepreneurs as well as credit for 120 microenterprises. The loan was evaluated favorably in the Project Completion Report dated January, 1990. This project focused primarily on urban dwellers in the department of Guajira and did not have any notable impact on the Wayúu.

## II. OBJECTIVES

- 2.1 The project's objectives are to improve the living conditions and expand the economic possibilities of 2,300 members of Wayúu communities in the department of Guajira. The investments will provide a greater availability of water for human and animal consumption as well as for agricultural activities, and technical assistance to improve agricultural and animal husbandry practices and maintenance of windmills.

## III. PROJECT DESCRIPTION

### A. Specific activities

#### 1. Well drilling, windmill installations and civil works

#### 3.1 The works include:

- a. Digging of ten wells.
- b. Supply and installation of four new windmills.
- c. Disassembly, repair, and reinstallation of six existing windmills.
- d. Building of ten new reservoir tanks and drinking troughs.

#### 2. Consultant services

#### 3.2 The consulting services include:

- a. An agronomist for one year to work with the Wayúu communities on cultivation and irrigation of traditional and non-traditional vegetables and forages, conservation and improved use of water resources, and improved sanitary practices.
- b. A veterinarian for one year to provide assistance to improve efficiency of animal breeding and commercialization practices, conservation of water and soil, and more sanitary practices for disposal of human and animal wastes and garbage.
- c. A mechanical technician for one year to supervise the drilling of new wells, assembly of new windmills, disassembly/reassembly of old windmills, and training on windmill maintenance (see Annex III-1 for terms of reference).

B. Project beneficiaries

- 3.3 The beneficiaries are 2,300 Wayúus from eight clans selected due to their high levels of unsatisfied basic needs as well as a commitment to the project.

C. Project dimension

- 3.4 The dimension of the project is reasonable for the institutional capacity of the executing agency, FUNDICAR, which will not require substantial organizational changes and should be able to continue its other activities with a high level of efficiency.

D. Project budget and financing

1. Project budget

- 3.5 The project cost is estimated at US\$410,000. Table III-1 shows the detailed costs, subdivided into categories and financing sources.

TABLE III-1 (all amounts in US\$)					
COMPONENTS		IDB	LOCAL	TOTAL	%
2	INDIVIDUAL CONSULTANTS	79,200	18,900	98,100	23.9
2.1	Compensation	73,200	18,900	92,100	
	-Travel/per diem	6,000	-	6,000	
6	GENERAL SUPPORT	185,800	78,000	263,800	64.3
6.1	Premises	-	10,000	10,000	
6.3	Equipment	-	56,800	56,800	
	-Car purchase	-	9,500	9,500	
	-Supply & assambly of new windmills (4)	50,000	-	50,000	
	-Wells drilling (10)	120,000	-	120,000	
	-Disassembly & reassembly of old windmills (6)	-	9,000	9,000	
	-Reservoir tank buildings (10)	15,800	28,700	44,500	
	-Drinking trough buildings (10)	-	9,600	9,600	
6.4	Supplies	-	11,200	11,200	
	-Agric., livestock & mech. equip.	-	4,000	4,000	
	-Production factors	-	4,000	4,000	
	-Fuel & oil	-	3,200	3,200	
7	PUBLICATIONS	-	6,000	6,000	1.5
7.3	Printing/dissemination	-	6,000	6,000	
98	CONTINGENCIES	20,000	22,100	42,100	10.3
TOTAL COSTS		285,000	125,000	410,000	100.0

a. Individual consultants and administration (US\$98,100)

- 3.6 The cost of the agronomist and veterinary consultants is US\$2,500 per month plus US\$2,000 annually for travel/per diem expenses.
- 3.7 The cost of the mechanical consultant is US\$1,100 per month plus US\$2,000 annually for travel/per diem expenses.
- 3.8 Includes staff of FUNDICAR involved with the project for one year (US\$17,000), as well as those responsible for the preparatory work (US\$1,900).

b. General support (US\$263,800)

- 3.9 Transport, rental of meeting space, and meals for training programs and site demonstrations have an estimated cost of US\$10,000.
- 3.10 The car purchase cost is for a four-wheel drive vehicle (US\$9,500); fuel and oil are accounted for separately (US\$3,200).
- 3.11 Four new windmills, including their assembly, have an estimated cost of US\$50,000. The estimated budget for drilling of ten wells is US\$120,000. The cost of disassembly and reassembly of six windmills is US\$9,200.
- 3.12 The price of reservoir tanks and drinking troughs and the connecting tubes equals US\$54,100.

- 3.13 It is likely that the windmills will need to be imported through a registered dealer in Colombia. Most of the windmills in Guajira are produced in Argentina.
- 3.14 The funds in the category agriculture, animal husbandry and mechanical equipment (US\$4,000) will be used for the purchase of spades, machetes, watering-cans, fertilizer and pesticide spreader, ropes, iron wires, chain pipe wrenches and maintenance kits. Production factors (US\$4,000) relate to the purchase of seeds, fertilizers, pesticides, and animal inoculations and medicines.

c. Publications (US\$6,000)

- 3.15 Includes a budget of US\$6,000 for publications, illustrative materials, and dissemination.

d. Contingencies (US\$42,100)

- 3.16 Represents approximately 10% of the total cost of the project to cover unforeseen expenses.

2. Financing

- 3.17 The Bank financing to be extended from the Japan Special Fund totals US\$285,000. The remaining US\$125,000 will be supplied by FUNDICAR, utilizing funds that Carbocol/Intercor assigns to PAICI.
- 3.18 In the last two years, Carbocol/Intercor has increased significantly its financial support to FUNDICAR, permitting a major expansion in its activities. See financial statements in Annex III-2. For 1994, Carbocol/Intercor has budgeted the equivalent of US\$375,000 for FUNDICAR, subdivided as follows: US\$250,000 for microenterprise credit and US\$125,000 for PAICI.

IV. EXECUTION OF THE PROJECT

A. Executing agency

- 4.1 The executing agency for the project will be FUNDICAR, a not-for profit, non-governmental institution established in 1984 to support economic and social development in La Guajira through training, advisory services and credit for microenterprises. In 1991, under PAICI, FUNDICAR expanded its operations to offer assistance to the Wayúu indigenous community.
- 4.2 FUNDICAR has its headquarters in the city of Riohacha, capital of the department, and executes programs in several localities in Guajira. It has 24 employees (see Annex IV-1).
- 4.3 In its 10 years of existence, FUNDICAR has demonstrated a clear administrative and technical capacity. The substantial financial

support provided by Carbocol/Intercor, especially over the last two years, is a vote of confidence in its execution capacity. Annex IV-2 provides a list of FUNDICAR's major accomplishments.

- 4.4 To improve project execution, FUNDICAR will strengthen the management and operation of the PAICI. PAICI has a technical committee composed of three representatives of the Servicio Nacional de Aprendizaje (SENA), three representatives of the Instituto Colombiano de Agricultura (ICA), a representative of Carbocol/Intercor, the PAICI coordinator, and the Executive Director of FUNDICAR.

B. Supervision of loan execution

- 4.5 Responsibility for administration of the project will be with the Bank's Country Office in Colombia.
- 4.6 In the hiring of consultants, FUNDICAR will follow the normal procedures of the Bank.
- 4.7 The contract should stipulate the obligation of FUNDICAR to present the following reports to the Bank:
- a. Progress reports: within 60 days of the close of each semi-annual calendar period, reports assessing progress in activities financed out of project resources will be submitted. 1/
  - b. Annual financial statements: annual financial statements for the years until the project is completed, within a period of three months after the close of each calendar year. Prior to their submission, these financial statements will have been audited by an independent public accounting firm or by an independent public accountant, and will include an account of the sources and uses of project-related funds. 2/
  - c. Final report: The final report will be submitted after three months have elapsed following project completion and will contain an evaluation of the degree to which project goals have been attained. One year after completion of the project, the IDB Country Office will finance the hiring of a consultant to evaluate the economic and social effects of the project on the beneficiary communities as well as the level of maintenance of the investments financed under the project. 3/

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1/ See contractual conditions.  
2/ See contractual conditions.  
3/ See contractual conditions.

C. Conditions prior to first disbursement

- 4.8 As a condition precedent to the first disbursement, FUNDICAR will fulfill the following conditions to the Bank's satisfaction:
- a. Submit the names and backgrounds of the three consultants. 4/
  - b. Submit the final map showing where all of the windmills and wells in the project area are located. 5/

D. Period of execution

- 4.9 The scheduled duration of the project is 18 months. The timetable is provided in Annex IV-3.

E. Extension and promotion of the project

- 4.10 The aim of extension is to generate ideas and provide motivation for the replication of activities similar to those of the proposed project in other sectors of the Wayúu community.
- 4.11 To achieve this aim, the following activities are planned:
- a. Articles will be published in national and regional newspapers, explaining the activities of the project and the benefits they will provide to the indigenous community.
  - b. The Carbocol/Intercor review Rumbo Norte will publish regular articles concerning various aspects of the project.
  - c. FUNDICAR will hold events with the beneficiary community, to which representatives of the government and private sector will be invited with a view to encouraging the organization of future cooperative efforts to benefit other communities.
  - d. FUNDICAR, with the participation of the consultants, will prepare illustrative educational materials for use by the Wayúu community, providing basic guidelines for cultivation, goat breeding and windmill maintenance.

V. BENEFITS AND RISKS

A. Benefits

- 5.1 Hygiene and sanitary benefits include:

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4/ See conditions prior to first disbursement.

5/ See conditions prior to prior disbursement.

- a. Expansion in the availability of drinking water and water for personal hygiene and more organized disposal of wastes which will result in a reduction in diseases of the digestive tract (e.g. typhus, gastroenteritis) and parasites.
  - b. Through improved farming technology, obtention of a higher standard of nutrition, both qualitatively and quantitatively (vegetables, cereals, meat, milk and cheese). Improvement in the health of the communities, such as increased resistance against tuberculosis and strengthening during puberty.
- 5.2 Economic benefits for the communities will arise from the sale of bigger and healthier goats. The higher income will increase the standard of living of the community. Women and children will primarily benefit from new water sources being established closer to their residences. They will spend less time transporting heavy buckets of water and have additional time available for weaving and attending school.
- 5.3 The environmental benefits include more sustainable use of scarce natural resources, such as water and soil, through: (a) regular maintenance of windmills and hand-driven wells; (b) use of more efficient irrigation systems; (c) more controlled disposal of wastes; and (d) education on the use of water.
- 5.4 Training will be extended to the Wayúu to preserve and utilize soil in the following ways: (a) avoid use of water with high levels of salinity for irrigation; (b) excavation of holes where trash can be disposed; (c) growing new forage varieties combined with local vegetation and increasing the natural and vegetable cover; and (d) new feeding habits of livestock to avoid uncontrolled use of pasture.

B. Risks

- 5.5 Risks mainly deal with the water resources and refer to the following:
- a. The new windmills might lower the water level, resulting in encroachment of saline water, and might dry pre-existing hand-driven wells. This risk is limited as there will only be four new windmills strategically located to avoid interference with hand driven wells. In this regard, the completion of the map of the project site noting the location of the pre-existing hand-driven wells and windmills, will be a condition prior to first disbursement.
  - b. There might be little participation of the Wayúu in windmill maintenance. The beneficiary communities have been carefully selected and their incorporation in the project will be contingent upon active participation in the project's execution, performing much of the required manual labor, and a commitment to attend training programs in well and windmill

maintenance. The terms of reference for the mechanical consultant provide for the identification and the training of selected members of the Wayúu community in the operation and maintenance of wells and windmills.

VI. TIME REQUIRED FOR PROJECT PREPARATION AND EXECUTION

A. Project preparation

Bank staff: seven weeks

Consultant: six weeks

B. Project execution (estimate)

Bank staff: three weeks

Consultant: none

## TERMS OF REFERENCE

### I. AGRONOMIC CONSULTANT

#### A. Qualifications

- 1.1 Graduate in Agronomy with at least five years of experience in agricultural extension activities such as:
  - a. cropping techniques (land preparation, seeding, irrigation, fertilization and harvest);
  - b. cultivation of vegetables and plants in dry tropical zones; and
  - c. fodder crops suitable for dry land and silage technology for use during the dry season.
- 1.2 The consultant shall be proficient in Spanish. Knowledge of the Wayúu language will be extremely useful. The consultant must have the capacity to work closely with Wayúu communities and to include native members in the work team.

#### B. Activities

- 1.3 The activities to be developed by this consultant are:
  - a. to evaluate the various seeds existing in the market, to carry out germination test, and to experiment new seeds of different sources;
  - b. to recommend crops that are more nutritious, require less water and are more profitable;
  - c. to recommend, where appropriate, shifting from present farming areas to other more productive ones with less salinated soil;
  - d. to teach basic practices of land and nursery preparation, sowing and drainage;
  - e. to recommend practices to improve the water retention and feeding of the plant and to make the best use of the water resources during the dry season;
  - f. to recommend the use only of those fertilizers and pesticides permitted by Colombian authorities;

- g. to teach, together with the livestock consultant, technology for trench preparation of the fodder ensilage or other crops for its utilization during the dry season;
- h. to train the agricultural staff of FUNDICAR;
- i. to encourage the Wayúus to preserve the water and soil environment, digging cesspools and holes for trash; and
- j. to prepare agricultural extension material addressed to the Wayúu communities to teach them basic hygiene and agricultural practices.

C. Consulting period

- 1.4 The consultancy period is estimated in 12 months.
- 1.5 Within one month after the beginning of the consultancy, the consultant will present a work plan showing how objectives will be realized.
- 1.6 Within six months after the beginning of the consultancy, the consultant will present a mid-term report regarding progress achieved in meeting the objectives of the consultancy.
- 1.7 At the completion of the consultancy, the consultant will prepare a final report describing the activities performed, specifying achievements, evaluations, remarks and recommendations.

II. ZOOTECHNICAL CONSULTANT

A. Qualifications

- 2.1 Graduate in Veterinary Science with at least five years of professional experience in:
  - a. animal breeding (especially goat breeding) and techniques to improve meat, milk and cheese quality; and
  - b. fodder crops suitable for dry lands and silage technology for use during the dry season;
- 2.2 The consultant shall be proficient in Spanish. Knowledge of the Wayúu language will be extremely useful. The consultant must have the capacity to work closely with Wayúu communities and to include native members in the work team.

B. Activities

- 2.3 The activities to be developed by this consultant are:

- a. to supervise a program to improve the practices of goat breeding;
- b. to recommend suitable nourishment to improve the quality of goat meat, milk and cheese;
- c. to recommend the treatments necessary for the goat's health (vaccinations, recurrent washings and cures against parasites and possible diseases, etc.);
- d. to teach new methodologies to better dairy production;
- e. to advise in marketing of the goat products;
- f. to teach together with the agricultural consultant the technology for trench preparation, testing new shredded forage and new techniques of fodder ensilage;
- g. to train the zootechnical staff of FUNDICAR;
- h. to stress to the Wayúus the importance of preserving the water and the soil environment, including digging cesspools and holes for trash; and
- i. to prepare zootechnical extension material for the Wayúu communities to teach them basic hygiene and goat breeding.

C. Consulting period

- 2.4 The consultancy period is estimated in 12 months.
- 2.5 Within one month after the beginning of the consultancy, the consultant will present a work plan showing how objectives will be realized.
- 2.6 Within six months after the beginning of the consultancy, the consultant will present a mid-term report regarding progress achieved in meeting the objectives of the consultancy.
- 2.7 At the completion of the consultancy, the consultant will prepare a final report describing the activities performed, specifying achievements, evaluations, remarks and recommendations.

III. MECHANICAL CONSULTANT

A. Qualifications

- 3.1 At least five years of experience in:
  - a. windmill planning, installation and operation;

- b. well drilling; and
  - c. water distribution system with plastic pipes and relevant joints.
- 3.2 The consultant shall master the Wayuu language and shall have the capacity to work closely with the Wayuu communities and to include native members in the maintenance team.
- 3.3 Ideally the consultant should be a Wayúu who has been working for PROAGUAS and is capable of transferring to Wayúu communities his maintenance knowledge.

**B. Activities**

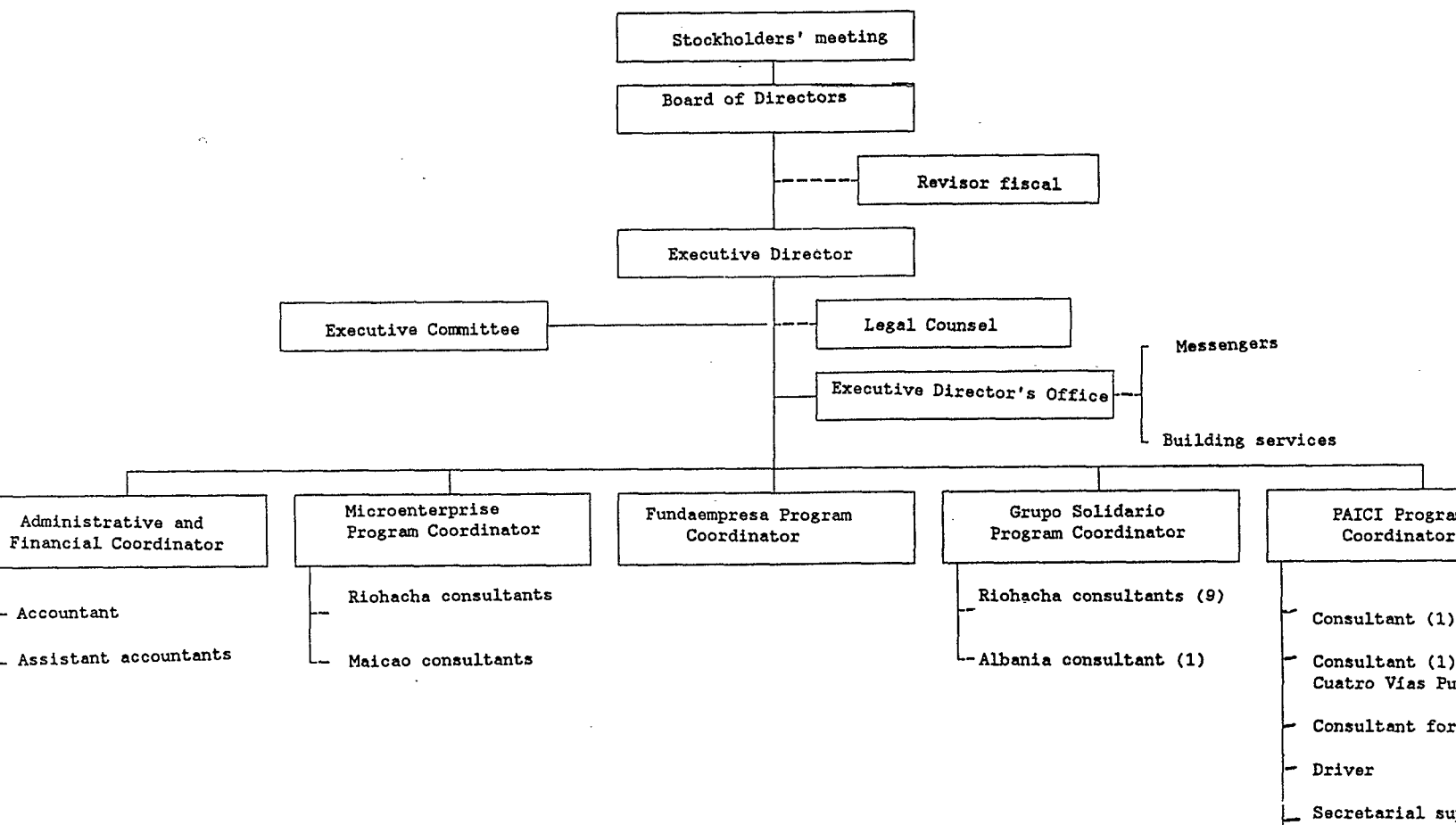
- 3.4 The activities to be developed by this consultant are:
  - a. to supervise the drilling program;
  - b. to supervise windmill disassembly and reassembly as well as assembly of the new windmills;
  - c. to supervise the construction of the reservoir tanks, the drinking-troughs and the relevant water distribution system;
  - d. to identify one person in each community to be responsible and train the Wayúus in the basic techniques for windmill maintenance and repair;
  - e. to make the Wayúus aware of the need to use water in a sustainable manner; and
  - f. to prepare mechanical extension material for Wayúu communities to teach the basic methods for windmill maintenance.

**C. Consulting period**

- 3.5 The consultancy period is estimated in 12 months.
- 3.6 Within one month after the beginning of the consultancy, the consultant will prepare a work plan showing how objectives will be realized.
- 3.7 Within six months after the beginning of the consultancy, the consultant will present a mid-term report regarding progress achieved in meeting the objectives of the consultancy.
- 3.8 At the completion of the consultancy, the consultant will prepare a final report describing the activities performed, specifying achievements, evaluations, remarks and recommendations.

BALANCE SHEET OF FUNDICAR 1992-1994 (US\$)						
	31/dec/92	%	31/dec/93	%	30/jun/94	%
<b>ASSETS:</b>						
Total current assets (cash, investments, banks, inventory)	329,688	79.0	626,738	81.6	781,047	81.5
Total non-current assets (loans, fixed assets, properties)	87,669	21.0	141,780	18.4	176,736	18.5
<b>TOTAL ASSETS</b>	<b>417,357</b>	<b>100.0</b>	<b>768,518</b>	<b>100.0</b>	<b>957,784</b>	<b>100.0</b>
<b>LIABILITIES:</b>						
Total current liabilities (bank obligations, various A/P)	35,262	8.4	31,447	4.1	43,193	4.5
Total non-current liabilities (IDB loan, special reserve funds)	133,226	31.9	353,527	46.0	384,048	40.1
<b>TOTAL LIABILITIES</b>	<b>168,487</b>	<b>40.4</b>	<b>384,974</b>	<b>50.1</b>	<b>427,241</b>	<b>44.6</b>
<b>EQUITY (net worth and reserve funds)</b>	<b>248,870</b>	<b>59.6</b>	<b>383,544</b>	<b>49.9</b>	<b>530,542</b>	<b>55.4</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>417,357</b>	<b>100.0</b>	<b>768,518</b>	<b>100.0</b>	<b>957,784</b>	<b>100.0</b>
Exchange rate	738.0		802.7		819.6	
FUNDICAR INCOME STATEMENT (US\$)						
<b>REVENUES:</b>						
Interest income loans	53,862	15.1	105,300	42.2	65,748	14.3
Training/technical assistance	33,628	9.4	47,824	19.2	40,156	8.7
Investment income	656	0.2	11,812	4.7	2,755	0.6
Donations/other	269,112	75.3	84,760	33.9	352,331	76.4
<b>TOTAL INCOME</b>	<b>357,257</b>	<b>100.0</b>	<b>249,696</b>	<b>100.0</b>	<b>460,991</b>	<b>100.0</b>
<b>EXPENSES:</b>						
Programs	197,374	75.2	149,301	62.1	169,851	89.7
Administrative/financial	65,016	24.8	91,053	37.9	19,517	10.3
<b>TOTAL EXPENSES</b>	<b>262,389</b>	<b>100.0</b>	<b>240,354</b>	<b>100.0</b>	<b>189,367</b>	<b>100.0</b>
<b>NET INCOME/(LOSS)</b>	<b>94,868</b>	<b>26.5</b>	<b>9,342</b>	<b>3.7</b>	<b>271,623</b>	<b>58.9</b>

# FUNDICAR ORGANIZATIONAL STRUCTURE



## MAIN ACHIEVEMENTS OF FUNDICAR

FUNDICAR's major achievements include the following:

### Microenterprise

Number of companies trained	1,532
Number of loans granted	426
Amount of credit disbursed	Col\$307,555,000
Number of jobs generated and/or consolidated	1,278

### Solidarity groups

Number of persons organized in groups	2,181
Amount leant	Col\$1,698,000,000
Number of credits granted	12,091

### FUNDAEMPRESA

Number of enterprises created	23
Number of active enterprises	19
Number of jobs generated and/or accumulated	96
Amount of credits	Col\$80,200,000

### PAICI

Indigenous communities covered	10
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#### Artisanry Program:

Artisans trained	125
Credits granted	Col\$10,500,000
Purchase of handicrafts	Col\$15,300,000

#### Solidarity groups for the farm population:

Number of groups	18
Indigenous beneficiaries	72
Amount of credit	Col\$9,000,000

#### Goat breeding fund:

Beneficiary families	20
Number of animals delivered	434

#### Training in community organization:

Number of persons trained	661
Official unions	9

### TIMETABLE FOR PROJECT EXECUTION

ACTIVITY	MONTHS																		
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	
Drilling of wells	(*)						XX	XX	XX										
Construction of new windmills								XX											
Disassembly and reassembly of old windmills									XX	X									
Construction of reservoir tanks, drinking troughs and the distribution systems							X	XX	XX	X									
Economic consultant							XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX
Mechanical consultant							XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX
Technical consultant							XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX
Drilling of wells							XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX	

\*) Presentation of the final map showing all the windmills and the reservoir tanks.  
\*) Preparatory activities and order to proceed.

PROPOSED RESOLUTION

COLOMBIA. NONREIMBURSABLE TECHNICAL COOPERATION FOR AN  
ECONOMIC DEVELOPMENT PROJECT OF THE WAYUU

The Board of Executive Directors

RESOLVES:

1. That the President of the Bank, or such representative as he shall designate, is authorized, in the name and on behalf of the Bank, as Administrator of the Special Fund of Japan, to enter into such agreements as may be necessary and to adopt such other measures as may be pertinent for the execution of the plan of operations referred to in Document AT- with respect to a non-reimbursable technical cooperation with the Fundación para el Desarrollo Industrial, Comercial y Artesanal de la Guajira, of the República de Colombia, for the realization of an economic development project of the Wayúu.

2. That up to the sum of US\$285,000, is authorized for the purposes of this resolution, chargeable to the resources of the Special Fund of Japan.

3. That the above mentioned sum is to be provided on a nonreimbursable basis.