

PROPOSAL FOR FINANCING AND TECHNICAL COOPERATION FOR:

FEDERACIÓN NACIONAL DE SORDOS DE COLOMBIA (FENASCOL)

(SP-93-02-08-5 and TC-93-02-08-5)

EXECUTIVE SUMMARY

AMOUNT AND SOURCE: IDB: Financing: US\$230,000 (local  
currency)  
Technical cooperation: US\$420,000 (local  
currency)  
Local counterpart contribution: US\$150,000  
Total: US\$800,000

The Bank resources used for the reimbursable financing and nonreimbursable technical-cooperation funding would be drawn on the net income of the Fund for Special Operations.

FINANCIAL Amortization period: 25 years  
TERMS AND Grace period: 8 years  
CONDITIONS: Disbursement period: 36 months for the financing  
42 months for the technical-  
cooperation funding  
Fee: 1%

PARALLEL TECHNICAL These activities would focus on the institutional  
COOPERATION: strengthening and consolidation of FENASCOL and its  
member associations.

OBJECTIVES: General: To help strengthen and consolidate the financial and institutional viability of FENASCOL as an institution committed to the socioeconomic development of very low income deaf people in Colombia, so that this disadvantaged segment of the population can improve its self-esteem and participation in society and tap into economic opportunities for its development. Specific: To place FENASCOL and its member associations in a position to provide and expand the supply of efficient, effective services for very low income deaf people, working through community-based organizations to promote job placement and access to and use of social, educational, health, legal and other services.

DESCRIPTION: The reimbursable financing component would be used to set up and launch a graphic arts company. Nonreimbursable funds would be provided to finance a support program for the organizational and institutional

strengthening of FENASCOL and its member associations, along with an ongoing training and communication services program for the deaf population.

**ENVIRONMENTAL  
CLASSIFICATION:**

The Environment Committee, at its meeting of May 30, 1995, classified this as a Category II operation.

**IMPACT ON LOW-  
INCOME GROUPS:**

The proposed operation benefits the low-income population according to the criteria established by the Bank.

**BENEFICIARIES:**

The target group would be made up of very low income deaf people in Colombia. In a general sense, strengthening organizations in the deaf community would increase the community's ability to influence society in order to obtain appropriate standards and legislation that would promote this sector and give it access to a socially and economically active life.

The ongoing training and communication program would directly benefit about 3,000 deaf persons, of which at least 50% would be women. The educational and promotional materials produced by the graphic arts company would be used by about 5,000 low-income deaf persons who are within FENASCOL's service area, and by several specialized educational institutions for deaf children and adults. The graphic arts company would also generate about six jobs for deaf persons and would train 30 deaf persons in graphic arts skills during the first three years of its operation.

**RISKS:**

The principal risk of the program lies in the institutional and organizational weakness of FENASCOL and its member associations and in the current low level of participation by the deaf population in these institutions. The technical-cooperation measures would be aimed at offsetting this risk.

**THE BANK'S COUNTRY  
STRATEGY:**

The Bank's strategy parallels the efforts of the Colombian government in high-priority areas, which include efforts to reduce poverty by promoting the socioeconomic development of disadvantaged and very low income population groups. The proposed program would institutionally strengthen private-sector institutions that encourage social groups to take an active part in solving their own problems and in providing services to disabled groups.

**SPECIAL  
CONTRACTUAL  
CONDITIONS:**

In addition to the general contractual conditions, it is recommended that the financing and technical-cooperation agreement include the following special conditions:

Prior to the first disbursement of the investment program and the technical-cooperation funding, FENASCOL is to submit evidence to the Bank's satisfaction that:

- it has hired an executive director who has the necessary professional training and experience to ensure efficient administrative and operational management of FENASCOL in the future (see paragraph 2.15).

Prior to the first disbursement of the investment program, FENASCOL is to submit evidence to the Bank's satisfaction that:

- it has hired the consultant for the feasibility study (see paragraph 2.16).

Prior to the first disbursement of the technical-cooperation program, FENASCOL is to submit to the Bank's satisfaction:

- the initial program execution plan, including a timetable for hiring the consultants and indicating the type, quantity, and duration of their services (see paragraph 2.17);
- the model agreement to be signed with the associations taking part in the program (see paragraph 2.18).

EXCEPTIONS TO BANK None.  
POLICY:

## I. FRAME OF REFERENCE

### A. Principal problems

- 1.1 Although there are no official figures on the deaf population in Colombia, the Federación Nacional de Sordos de Colombia [Colombian Federation for the Deaf] (FENASCOL) estimates, on the basis of National Education Ministry statistics, that the universe of deaf persons - those individuals with acute bilateral hypoacusis - ranges from 300,000 to 600,000. The majority of the deaf population has had very little schooling and, as a result, displays high levels of unemployment. FENASCOL reports that 80-85% of the membership of its member associations do not know how to read or write and that a similar percentage is unemployed and therefore entirely dependent economically.
- 1.2 It is within this context that FENASCOL has submitted a request for financing to support its financial and institutional strengthening program, to strengthen its member associations, and to encourage active member participation by offering basic services to the deaf community, giving special attention to women.
- 1.3 The very low income deaf community in Colombia must contend with severe limitations in the social security system and in access to basic social services. Institutional care is very limited because there are few specialized institutions, and they all share the common denominators of the difficult economic situation and organizational and institutional weakness. Like other organizations of disadvantaged social groups, FENASCOL - and its member associations in general - are still to a large extent organizations of leaders who are guided by an outlook of immediacy; accordingly, management is passively delegated to those few leaders who show interest and some degree of ability. This situation stems from the low level of cultural assimilation and participatory ability of most of FENASCOL's deaf members, a situation the proposed operation would attempt to reverse.
- 1.4 Deaf persons have developed a variety of communication systems based on oral language, lipreading, writing, and various forms of manual communication, such as bilingualism. The fundamental problem is that deaf persons cannot communicate effectively with hearing persons except through an interpreter or by using costly technological means that are not within the reach of all deaf individuals. To mention only a few areas of daily life, the lack of such means virtually prevents these individuals from meeting legal obligations, having medical consultations, going to job interviews, and seeking help in emergencies. The proposed program would lend significant support to the development of bilingualism and would facilitate communication through interpreters.

- 1.5 Closely related to the problems of communication and education are the problems encountered by deaf persons in regard to job placement. On the one hand, they must deal with the limitations imposed by their disability, such as difficulty in obtaining instructions, properly heeding security systems that are primarily sound-oriented, and in general interacting productively with hearing persons. On the other hand, they must deal with the limitations imposed by lower levels of education and job-training, facing prejudice and rejection from employers who lack confidence in the ability of deaf persons to perform productive activities competently. The proposed operation includes a program of communication services and ongoing training that would dovetail with a priority area of organizations for the deaf, i.e., affirming the right of deaf persons to have access to adequate job training and calling for the removal of objective and subjective hurdles that limit their job opportunities.
- 1.6 Deaf women, in particular, suffer from the impact of problems associated with communication and the social exclusion imposed by their physical limitation, since these problems are compounded by the effects of gender inequality and discrimination inherent in Colombian society. This double disadvantage is manifested, for example, in labor relations, in conjugal life - when they are able to have such a life - and in child-rearing, which is so full of obstacles that they are even rejected by their families sometimes, thus suffering one more expression of social prejudice.
- 1.7 The Bank's strategy parallels the efforts of the Colombian government in high-priority areas, including efforts to reduce poverty by promoting the socioeconomic development of disadvantaged and very low income population groups. The proposed program would institutionally strengthen private-sector organizations that encourage social groups to take an active part in solving their own problems and in providing services to disabled groups.
- 1.8 The FENASCOL project is part of the 1995 pipeline as agreed with the national authorities.

B. The executing agency

- 1.9 FENASCOL, which was founded in 1984 with headquarters in Santafé de Bogotá, is a second-tier organization that brings together all the existing regional associations for the deaf. In addition to its 16 member associations that have with departmental or municipal coverage, there are three other associations with which it maintains some level of communication and with which it hopes to link up in the near future. The 16 member associations have about 1,400 active members, although there is a floating population of about 5,000 deaf persons over the age of 16 which displays varying degrees of participation.

- 1.10 FENASCOL's objectives include the functions of institutional representation, organizational incentives, socioeconomic advancement, and defense of the rights of the deaf population of Colombia in general and of its members in particular.
- 1.11 FENASCOL has been conducting activities in the following principal areas:
- a. Assistance to member associations and consolidation of the national organization. Leaders of the deaf community and association directors are offered advisory support and training in the initial organization process, outside relations, resources mobilization, and settling of conflicts. FENASCOL also organizes, promotes, and coordinates conferences and meetings. Nineteen associations have been successfully established.
  - b. Promotion of sign language. This activity has been aimed at promoting communication and education policies and techniques for the deaf, especially within the community of educators and therapists who work with public and private institutions, with emphasis on the promotion of sign language and bilingualism. Four national conferences were organized and were attended by teachers of the deaf, audiology and speech pathologists, and representatives of public and private institutions connected with education and rehabilitation of the deaf. FENASCOL has been conducting an ongoing program of sign language courses, through which some 40 courses have been offered in the past three years to approximately 1,000 participants. In addition, ongoing advisory support has been provided to educational and rehabilitation institutions; and a sign language text has been published, the second volume of which is currently in preparation.
  - c. Promotion of productive job placement for the deaf. FENASCOL has tried to overcome the barriers to productive job placement for the deaf through vocational training and guidance activities, linked to the creation of micro- and small enterprises whenever possible. It is anticipated that these activities, in addition to generating jobs for the deaf and creating conditions for promoting technical training and skills development programs, will generate profits that will strengthen the organization's finances.
  - d. Legislative and government lobbying for the rights of deaf persons. FENASCOL has been present at most of the proceedings and forums that have addressed the situation of the deaf and the physically or mentally impaired in general. The federation is recognized, in practice, as a consulting agency of the national government.

- e. International promotion. FENASCOL is a member of the World Federation for the Deaf, and its president was recently named director of the Executive Secretariat for Latin America. In addition to being a significant distinction, this appointment has opened up interesting possibilities for access to international information and decision-making circuits, as well as opportunities for institutional development. In 1994, FENASCOL organized the Second Latin American Congress of the Deaf and, in 1995 - at the request of a European NGO - it will organize a meeting in the Andean subregion to discuss priority issues for deaf and blind persons.
  - f. Mobilization of funds. FENASCOL has sought financing through several mechanisms, such as: (i) contracting of services with government-sponsored anti-poverty programs; (ii) direct sale of services, especially sign language courses and teaching materials; and (iii) grants from private NGOs and contracting of professional services with international organizations to which the Federation has ties.
- 1.12 FENASCOL's financial situation has been very precarious in recent years owing to the social exclusion that characterizes most of the deaf population, and this has resulted in a very limited ability of members to contribute. Moreover, the new Constitution has eliminated the so-called "parliamentary relief" (budget funds administered by the Legislative Branch), which was FENASCOL's main source of financing for many years. Nevertheless, the financial situation began to improve in 1994. The Federation posted a surplus of some Col\$8.3 million (equivalent to roughly US\$10,000), which reduced its deficit to Col\$1.5 million (equivalent to about US\$1,500). This surplus arose from the receipt of grants and the successful sale of services; if this situation continues, it will be possible to offset some liabilities (such as payroll obligations) and to financially support the organizational and operational consolidation of FENASCOL. It is expected that the impact of the proposed program will help improve the organization's financial situation even further. In addition, the technical-cooperation funding would provide assistance for organizing FENASCOL's inadequate accounting and information operations.
- 1.13 In summary, and recognizing its organizational deficiencies, FENASCOL has experience, recognition in the institutional context, a promising international presence, leadership that has demonstrated commitment, and clear objectives. These factors create conditions favorable for undertaking this program, provided that it includes activities in the area of organizational and institutional strengthening, which are essential components in achieving its objectives.

## II. THE PROGRAM

### A. Objectives

- 2.1 The general objective of the program is to help strengthen and consolidate the financial and institutional viability of FENASCOL as an institution committed to the socioeconomic development of the very low income deaf population in Colombia, so that this disadvantaged segment of the population can improve its well-being and participation in society and tap into economic opportunities for its development.
- 2.2 The specific objective is to place FENASCOL and its member associations in a position to provide efficient, effective services for the very low income deaf population, working through community-based organizations to promote job placement and access to and use of social, educational, health, legal and other services.

### B. Description

- 2.3 The proposed operation consists of a reimbursable financing component and a parallel nonreimbursable technical-cooperation component for FENASCOL.

#### 1. Investments (Subprogram A)

- 2.4 The resources provided through the reimbursable financing would be used to set up a graphic arts company.
- 2.5 Through this investment, FENASCOL would seek to achieve the following business objectives: (i) to create internal capacity for producing periodical publications, texts, and training materials for the deaf as well as other printed materials that FENASCOL needs for its promotional and educational activities in Colombia and internationally. This demand would be a "captive" market niche and would provide a base for competing in the general market of commercially published printed materials; (ii) to generate revenue to help finance FENASCOL's activities; (iii) to offer job opportunities to deaf persons in graphic arts trades; and (iv) to establish an apprenticeship program within the company to train young deaf persons who would subsequently be employed in other companies in the sector, taking advantage of the fact that many of the skills related to graphic arts offer ideal employment opportunities for this population.
- 2.6 As it must compete successfully in the market and keep its investment within a prudent financial range, FENASCOL has opted for the model of a technology-based, small-sized enterprise, according to the classification developed by the Asociación Nacional de Empresas de Artes Gráficas de Colombia [Colombian Association of Graphic



Arts Companies] (ANDIGRAF). This model combines advanced technology in preprinting processes with conventional technology in printing processes. The company would be able to do offset printing and work with pre-and post-printing equipment, and it would be equipped to prepare practically any kind of printed material in flat, polychromatic colors of average complexity. Operations would be conducted using business efficiency criteria, for which the necessary technical advisory support would be made available.

- 2.7 The graphic arts company would aim its production at the following market segments: (i) the "captive" market, i.e., the needs of FENASCOL itself and of its national and international members for the production of published materials; (ii) the "friendly" market, consisting of the publication demands of NGOs, and especially of the public and private organizations that address the needs of persons with physical limitations; and (iii) the "commercial" market, which consists of the demand of small and medium-sized firms and individuals for commercially printed materials, and for which there are no entrance barriers owing to their competitive nature. It is estimated that 60% of the company's total sales would be filled by the "captive" and "friendly" markets, which is sufficient to reach the break-even point, while another 40% would go to the "commercial" market.

## 2. Technical-cooperation funding (Subprogram B)

- 2.8 The nonreimbursable funds would be used to finance a support program for the organizational and institutional development of FENASCOL and its member associations, along with an ongoing training and communication services program for the deaf population. For details, see the plan of operations in Annex I.
- 2.9 The organizational development activities will focus on modernizing and consolidating the internal structure of FENASCOL, implementing an information and communication system to support its operational and administrative management, and improving its own capacity for leadership and management as well as that of its member associations. Technical cooperation will include action in the areas of bylaws, organization, administration, operations, and finance. FENASCOL will receive support from individual Colombian consultants in implementing the proposed measures.
- 2.10 The provision of logistical infrastructure would include the procurement of computer, copying and communications equipment -- both general-use and specifically for the deaf -- needed to support the organization and execution of the ongoing training and communication services program.
- 2.11 Under the ongoing training and communication services program, the following communication services would be offered: (i) provision

of sign-language interpreters to accompany deaf persons in work-related, medical, legal, and other activities; (ii) provision of interpreters for mass-audience events such as conferences, seminars, etc., and for mass-media broadcasts of special interest to the deaf; (iii) training of interpreters for educational centers for the deaf; and (iv) access to such communications resources as TTY, fax machines, electronic mail, etc. The program would have semiprofessional video filming and copying facilities for producing its own educational materials and for supporting institutional links between FENASCOL and its member associations.

- 2.12 In addition, the ongoing training services would offer information and education programs on: (i) work and productivity, i.e., vocational guidance, information on job markets and technical training services, job placement in businesses, becoming self-employed, etc.; (ii) social relations, i.e., guidance for family life, married life, child-rearing and education, recreation, etc.; and (iii) citizenship and human rights, i.e., information and guidance on the rights and duties of citizens, gender issues, government services, etc.
- 2.13 One of the most important activities of the ongoing training and communication program would be the organization of a workshop on follow-up and refresher training for sign-language interpreters, designed for persons currently working without training in that activity. This would be a fundamental step toward enhancing the professional level of the training and job aspects of sign-language interpretation.

C. Program cost and financing

- 2.14 The total cost of the proposed program is estimated at the equivalent of US\$800,000. The Bank would provide FENASCOL with: (i) reimbursable financing up to the equivalent of US\$230,000 in Colombian pesos to finance the investment component; and (ii) nonreimbursable financing of up to the equivalent of US\$420,000 in Colombian pesos to finance the technical-cooperation activities. The operation would be charged against the net income of the Fund for Special Operations. As local counterpart contribution, FENASCOL would provide up to the equivalent of US\$150,000. The following table summarizes the financing (in US\$ equivalent).

SUBPROGRAM	IDB	FENASCOL	TOTAL
Investment (Subprogram A)	230,000	70,000	300,000
- Administration	0	70,000	70,000
- Preinvestment	20,000	0	20,000
- Equipment and machinery	160,000	0	160,000
- Working capital	40,000	0	40,000
- Contingencies	10,000	0	10,000
Technical cooperation (Subprogram B)	420,000	80,000	500,000
TOTAL	650,000	150,000	800,000

2.15 The local contribution will be in the form of a grant formally approved by the Bank of the Republic for Col\$86.2 million (approximately US\$100,000), to be disbursed over 24 months and intended specifically to support the execution of this program and to cover the administrative costs of the project (executive director's salary, rent, travel expenses and teaching materials); and a contribution of Col\$54 million (approximately US\$50,000) from FENASCOL and its member associations to cover overhead and training costs. As a condition precedent to the first disbursement of the investment program and of the technical-cooperation funding, FENASCOL will be required to hire an executive director who has the necessary professional training and experience to ensure the efficient and effective administrative and operational management of FENASCOL in the future.

2.16 The investment program includes - as one of the preinvestment activities - the preparation of a feasibility study on the design and set-up of the graphic arts company. The cost is estimated at the equivalent of US\$20,000, providing in addition for the consulting services required in order to identify the equipment to be procured, the business plan, and technical advice to bring the company into operation. As a condition precedent to the first disbursement of the investment program, FENASCOL will be required to hire a consultant to prepare the feasibility study.

D. Program execution

1. Responsibility for execution

2.17 FENASCOL will sign the financing and technical-cooperation agreement with the Bank and will be responsible to the Bank for the execution, administration, and supervision of the program. To implement the program, an executing unit will be set up within FENASCOL. As a condition precedent to the first disbursement of the technical-cooperation program, FENASCOL will be required to submit to the Bank the initial program execution plan with a

timetable for hiring the consultants, indicating the type, quantity, and duration of their services.

- 2.18 The ongoing training and communication services program for the deaf, provided for under the technical-cooperation funding, would be carried out with the participation of FENASCOL's member associations. As a condition precedent to the first disbursement of the technical-cooperation program, FENASCOL will be required to submit to the Bank the model agreement that would be signed with the associations taking part in the program.
- 2.19 With the exception of the program coordinator referred to in paragraph 2.22, FENASCOL would contract the professional services of consultants who would be required to have recognized experience in their respective areas of specialization. Hiring will be done in accordance with the terms of reference specified in Appendix 1 to Annex I (plan of operations) and with the Bank's procedures, regulations, and policies in that regard.
- 2.20 FENASCOL would be responsible for procuring the equipment and other assets necessary to achieve the program objectives. This activity will be carried out in accordance with the Bank's procedures, regulations, and policies in that regard.
- 2.21 FENASCOL and its member associations would contribute to program execution by providing offices/sites, vehicles for local transportation, counterpart technical staff and support staff, and equipment needed for the management, coordination, execution, and continuation of the program.
- 2.22 The Bank, through its Country Office in Colombia, would directly contract the professional services of a local specialist in organizational development and project administration, who would advise FENASCOL's executive director and the executing unit and would also act as coordinator for the execution of the technical-cooperation program.

## 2. Interim review of program execution

- 2.23 The Bank will directly contract the professional services necessary to conduct an interim review of overall program execution, so as to determine the progress made in terms of the original objectives and to ensure proper execution of the program. These consulting services would be charged to the technical-cooperation program. The interim review would be carried out in accordance with the terms of reference contained in Appendix 1 of Annex I. Unless agreed otherwise, the interim reviews would be conducted for the technical-cooperation program when 30% and 70% of the contribution has been disbursed, and for the investment when 50% of the financing has been disbursed.

3. Term for disbursement of funds

- 2.24 The funds for the financing component will be disbursed within 36 months after the effective date of the agreement, and the technical-cooperation funds will be disbursed within 42 months after the aforesaid agreement's effective date.

4. Advance of funds

- 2.25 Given the nature of the program, funds need to be made available in order to begin the consulting services for Subprograms A and B. Consequently, it is proposed that an advance of funds be authorized for a maximum of 10% of the financing and technical-cooperation components.

5. Environmental considerations

- 2.26 No negative environmental impacts are anticipated. The materials to be used by the graphic arts company are non-toxic and non-polluting. Furthermore, it is a known fact that poverty exacerbates environmental problems, so this program would have a positive impact by directly benefitting underprivileged population groups who suffer the consequences of discrimination and very low incomes, and by raising the level of environmental awareness of the beneficiary population. For this reason, the Environment Committee, at its meeting of May 30, 1995, classified this as a Category II operation.

III. THE BENEFICIARIES

A. Description

- 3.1 The target group would be the deaf community, which would have access to an institution able to represent the community and influence society in order to obtain appropriate standards and legislation that take the needs of this population into account, and to open up new and better opportunities for better living. Most association members come from the poorest socioeconomic strata and have few opportunities for family support and limited access to specialized institutions or, in general, to information and community support networks. For this reason, the associations take on great importance for them, even in simple matters of recreation and communication, and they hold significant potential as an institutional framework for promoting the development of the target population.

B. Number of beneficiaries

- 3.2 The direct beneficiaries would be: (i) FENASCOL and its 16 member associations, with their 1,400 members, who would participate in the institutional strengthening program; (ii) the ongoing training and communication services program would directly benefit some 3,000 deaf persons, of which at least 50% would be women; and (iii) the member associations and other associations currently in the process of organization that would be linked to FENASCOL.
- 3.3 The graphic arts company would generate about 20 permanent jobs and 10 temporary jobs, of which at least 20% would be held by deaf persons. In addition, it would provide training to 30 deaf persons in graphic arts skills within the first three years of the program. The educational and promotional materials produced by the company would be used in Colombia by a population of about 5,000 low-income deaf persons in FENASCOL's service area, and by several institutions specializing in education for deaf children and adults.

IV. FEASIBILITY AND RISKS

A. Socioeconomic feasibility

- 4.1 The institutional strengthening and, specifically, the organizational development of FENASCOL and its member associations would make it possible to consolidate a system for the organization and participation of the deaf population, whose social importance is very significant bearing in mind that this is one of the most underprivileged and discriminated against population groups in society. It would also set an example for other groups with physical disabilities and would serve as an interlocutor between the government and civil society that could participate in formulating policy and implementing social programs in its specific field of activity.
- 4.2 The ongoing training and communication services program would significantly increase the opportunities for the deaf population to obtain jobs, access public services, overcome basic educational deficiencies, and defend their citizenship rights which they are denied or unable to claim. In a general sense, the program would contribute considerably to improving the target population's self-esteem and to fostering among the citizenry an attitude marked by greater understanding, tolerance, and solidarity with deaf people.
- 4.3 Setting up the graphic arts company would enable FENASCOL to consolidate its programs that promote sign-language, deaf education, and the defense of this group's rights, because it would have its own facility for producing printed materials, the cost of which would be partially underwritten by revenues from the company's

commercial activity. In addition, FENASCOL would consolidate its institutional presence by being able to offer the company's services to international organizations for the deaf, especially in Latin America, and to national and international institutions that help the disabled.

B. Institutional feasibility

- 4.4 The assessment of FENASCOL's institutional capacity should keep in mind the special difficulty of its mission, given the inherent limitations of its target population and the fact that these limitations are shared by its leaders. In this context, the institution shows significant strengths and achievements that indicate a potential for development. However, it clearly shows weaknesses in two major areas: its organizational development and the relatively low levels of participation by deaf people in the member associations. With the institutional strengthening that would be achieved through the organizational development program and through the expected mobilizing effect of the ongoing training and communication services program, FENASCOL and its member associations should be able to execute the proposed program effectively and move quite vigorously and securely toward future institutional development.

C. Financial feasibility

- 4.5 The project's reimbursable component would be invested in the establishment and startup of a graphic arts company whose financial feasibility has already been determined. The market analyses show that there is internal demand within FENASCOL as well as easily tapped niches of demand in related institutions, in sufficient volumes to achieve sales that would enable the company to exceed the break-even point in its second year of operation.
- 4.6 Given its record in the area of mobilization of funds, FENASCOL is expected to bring in an annual sum equivalent to US\$40,000 from training courses for sign-language interpreters at member associations and from services supplied to different organizations. In addition, the ongoing training and communication services program would be designed so that its users would pay a service access fee that can be scaled to reflect the financial capacity of the users and the personal or institutional nature of the service provided. In any case, the financial strategy of the program should allow it to generate funds to cover its direct operating costs in the medium term (three years), at least.

D. Risks

- 4.7 The principal risk of the operation lies in the institutional and financial weakness of FENASCOL and its member associations and in the low level of participation by the deaf population in its organizations. This institutional and organizational risk would be

offset by the activities aimed at institutional strengthening to be undertaken within the framework of the technical-cooperation program.

E. Justification and recommendation

- 4.8 The proposed operation is justified because it meets the eligibility criteria of the Small Projects Financing Program set forth in the Operations Policies Manual (OP-706) and is in line with Bank policy on women in development set forth in that same manual (OP-761); it directly benefits low-income underprivileged population groups who suffer from discrimination, and generates opportunities for their future socioeconomic development.
- 4.9 The operation would help consolidate FENASCOL's financial situation and would provide it with adequate management capacity and logistical infrastructure so as to improve its supply of services to its member associations and to the deaf members of those associations. Through the ongoing training and communication services component, the program would have a major impact on promoting and consolidating FENASCOL's member base, thus contributing decisively to the institutional strengthening of the support network for the deaf population. The organization of FENASCOL and its member associations would be significantly improved, thereby enabling them to participate in and influence various public and private forums in order to benefit and protect the very low income deaf population.
- 4.10 Based on the institutional and financial analyses of FENASCOL, it can be concluded that the execution of the program is feasible. Accordingly, Management recommends that the Board of Executive Directors approve the financing for the project and submits for the Board's consideration the proposed resolution for financing and nonreimbursable technical-cooperation funding.



PLAN OF OPERATIONS  
INSTITUTIONAL STRENGTHENING  
OF THE  
FEDERACIÓN NACIONAL DE SORDOS DE COLOMBIA (FENASCOL)  
(TC-93-02-08-5)

I. BACKGROUND

- 1.1 To supplement the financing requested under the Small Projects Financing Program, the Federación Nacional de Sordos de Colombia [Colombian Federation for the Deaf] (FENASCOL) has asked the Bank for nonreimbursable technical-cooperation funding to carry out an institutional strengthening program that would support the execution of the proposed investment program.

II. OBJECTIVES

- 2.1 The general objective of the program is to help strengthen and consolidate the financial and institutional viability of FENASCOL as an institution committed to the socioeconomic development of the very low income deaf population in Colombia, so that this disadvantaged segment of the population can improve its self-esteem and participation in society and tap into economic opportunities for its development.
- 2.2 The specific objective is to place FENASCOL and its member associations in a position to provide efficient, effective services to the very low income deaf population, working through community-based organizations to promote job placement and access to and use of social, educational, health, legal and other services.

III. DESCRIPTION

- 3.1 An institutional and operational analysis of FENASCOL has identified the need to focus the technical-cooperation program on the institutional and organizational strengthening of FENASCOL and its member associations.
- 3.2 With that purpose in mind, the components of the technical-cooperation program would be aimed at:

- a. strengthening the managerial, administrative, and technical capacity of FENASCOL and its member associations, including the drafting of organizational development plans;
- b. enhancing the member associations' capacity, quality, and efficiency in providing services by helping to transfer methods and procedures from FENASCOL to its member associations;
- c. designing and developing strategies and services to promote and expand the participation of the deaf population;
- d. developing a data base to identify the deaf population;
- e. providing communication and training facilities for the target population so as to improve their access to government services.

3.3 The technical-cooperation funding would be used to hire the following professional services:

- a. a specialist in organizational development and project administration who would advise the FENASCOL's executive director and the executing unit and would also act as coordinator for execution of the technical-cooperation program (30 months);
- b. an evaluation specialist, to conduct the interim review of execution of the financing and technical-cooperation program (1 month);
- c. a specialist in communication services and training for the deaf (24 months);
- d. several adult education specialists, on a short-term basis, as needed (46 months);
- e. several expert sign-language interpreters (60 months);
- f. a specialist in audiovisual media (24 months);
- g. several short-term consultants, with specializations in accounting systems, information systems, legal affairs, and development of leadership and management skills (18 months total).

3.4 The technical-cooperation funds would also be used to finance: (i) official travel for consultants to advise the member associations; (ii) costs of organizing the training workshop for sign-language interpreters, including subsistence, travel, and per diems for participants from other cities; (iii) procurement of computer and communications equipment (TTY and fax machines);

(iv) production of visual educational materials; and (v) publishing, printing, and distribution of materials and documents needed for proper organization of the ongoing training and communication program.

- 3.5 The local counterpart contribution will be used to finance FENASCOL's executive director, the support staff assigned to the project, a representative at courses for sign-language interpreters, and part of the cost of the teaching materials.

#### IV. COST AND FINANCING

- 4.1 The total cost of the proposed technical-cooperation program is estimated at the equivalent of US\$500,000 in local currency. The Bank would contribute nonreimbursable funds up to the equivalent of US\$420,000 in local currency, charged against the net income of the Fund for Special Operations. FENASCOL would contribute up to the equivalent of US\$80,000. The detailed budget for the operation (in US\$ equivalent) is presented below:

ITEM	Bank	FENASCOL	TOTAL
<b>2. Individual consultants</b>	<b>242,800</b>	<b>57,500</b>	<b>282,300</b>
<b>2.1 Fees</b>	<b>224,800</b>		
- Coordinator/Specialist in administration (30 months @ US\$2,200/month)	66,000		
- Specialists in training and communication (24 months @ US\$1,200/month)	28,800		
- Specialists in adult education (46 months @ US\$1,000/month)	46,000		
- Communications media (24 months @ US\$1,000)	24,000		
- Specialists in information and computer systems; leadership and management skills; legal aspects (18 months @ 1,000/month)	18,000		
- Sign-language interpreters (60 months @ US\$700/month)	42,000		
<b>2.5 Travel and per diems (for consultants on official mission)</b>	<b>20,000</b>	<b>16,500</b>	<b>36,500</b>
<b>3. Grant recipients and participants (up to 20 persons)</b>	<b>15,000</b>		<b>15,000</b>
3.2 Subsistence			
3.3.2.1 Travel			
3.3.2.2 Per diems			
<b>6. General support</b>	<b>125,000</b>	<b>6,000</b>	<b>131,000</b>
6.3.1 Procurement of equipment	115,000	0	115,000
6.4.1 Teaching materials	10,000	6,000	16,000
<b>7. Publications</b>	<b>15,200</b>		<b>15,200</b>
7.3 Printing	15,200		15,200
<b>8. Evaluations</b>	<b>10,000</b>		<b>10,000</b>
8.2 Fees (review of execution)	10,000		10,000
<b>98. Contingencies</b>	<b>10,000</b>		<b>10,000</b>
<b>TOTAL</b>	<b>420,000</b>	<b>80,000</b>	<b>500,000</b>

## V. EXECUTION

- 5.1 The technical-cooperation component would be carried out in parallel with the investment program, which would be approved at the same time as the technical-cooperation funding.
- 5.2 FENASCOL would be responsible to the Bank for the execution of the technical-cooperation program and would sign a technical-cooperation agreement with the Bank. For program execution, an executing unit will be set up within FENASCOL.
- 5.3 The ongoing training and communication services program for the deaf, included within the technical-cooperation component, would be jointly executed by the member associations of FENASCOL.
- 5.4 Except for the coordination consultant to be hired directly by the Bank (see paragraph 5.6), FENASCOL would hire and supervise the professional services of the consultants, who would be required to have recognized experience in their respective areas of specialization. Hiring would be done in accordance with the terms of reference specified in Appendix 1 to this plan of operations and with the Bank's procedures, regulations, and policies in that regard.
- 5.5 FENASCOL would be responsible for procuring the equipment and other assets necessary to achieve the program objectives. This activity would be carried out in accordance with the Bank's procedures, regulations, and policies in that regard.
- 5.6 The Bank would directly contract the professional services of a local specialist in organizational development and project administration, who would advise the executive director and the executing unit and would also act as coordinator for the execution of the technical-cooperation program.
- 5.7 It would also contract the professional services necessary to conduct the interim review of execution of the financing and technical-cooperation program, so as to determine the progress made in terms of the original objectives. These interim reviews would be charged to the technical-cooperation program. Unless agreed otherwise, the three interim reviews would be conducted when 30% and 70% of the contribution has been disbursed, and when 50% of the financing has been disbursed.
- 5.8 FENASCOL and its member associations would contribute to program execution by providing offices/sites, vehicles for local transportation, technical counterpart staff and support staff, and equipment needed for the management, coordination, execution, and continuation of the program.

- 5.9 The term of execution for the technical-cooperation program would be 36 months from the effective date of the financing and technical-cooperation agreement.

## VI. REPORTS

### 1. Program reports

- 6.1 FENASCOL would submit to the Bank the following reports:

- a. Within 60 days after the end of each calendar half-year, a detailed progress report for assessing the progress of the activities financed under the program. The last of these reports, after the date of the final disbursement of the financing, will be the final report and will show the results of the project.
- b. Copies of the draft technical materials proposed for publishing, which will be presented along with the semiannual reports.
- c. Within 120 days after the end of each calendar year until the year in which project execution is completed, the annual financial statements, which will also include a detailed report of the expenses charged to the Bank's contribution and financing. These financial statements will be submitted after audit by an independent public accounting firm or an independent public accountant approved by the Bank.

### 2. Consultants' reports

- 6.2 The contracts that FENASCOL will sign with individual consultants will include the consultants' obligation to submit to FENASCOL, with a copy for the Bank's approval:

- a. An initial report including a description and timetable of each consultant's work, based on the respective terms of reference;
- b. Within 30 days after the end of each calendar half-year starting from the date work begins, a detailed progress report showing work completed; and
- c. Within 30 days after the professional work is completed, a detailed final report showing the results achieved and evaluating them in terms of the program's objectives, along with recommendations for future action.

## VII. SUPERVISION AND RESPONSIBILITY

- 7.1 FENASCOL will be responsible for supervising the activities carried out by the consultants. For its part, the Bank, through its Country Office in Colombia, would carry out the supervision of the technical-cooperation program.
- 7.2 The Bank's Country Office in Colombia would have basic technical responsibility for the proposed operation.

## VIII. DISBURSEMENTS

- 8.1 The disbursements of this technical-cooperation program will be made over a period of 42 months after the effective date of the financial and technical-cooperation agreement.
- 8.2 It is recommended that an advance of 10% be made available from the resources for the technical-cooperation program so as to ensure the necessary liquidity for effective program implementation.

## IX. JUSTIFICATION AND RECOMMENDATION

- 9.1 The proposed technical-cooperation program meets the requirements established by the Bank for nonreimbursable technical-cooperation funding, inasmuch as it is aimed at strengthening and consolidating the institutional and financial viability of an intermediary organization and its member associations committed to the socioeconomic development of low-income groups.
- 9.2 The program would be aimed at significantly improving the organization of FENASCOL and its member associations.
- 9.3 FENASCOL does not have the resources needed to finance the activities described in the proposed technical-cooperation program. It would be provided with adequate management capacity and logistical infrastructure so as to improve its supply of services to its member associations and to the deaf members of those associations. In addition, through the training and communication services component, the program would have a major impact on promoting and consolidating FENASCOL's member base, thus contributing decisively to the institutional strengthening of the support network for the deaf population. The organization of FENASCOL and its member associations would be significantly improved, thereby enabling them to participate in and influence various public and private forums in order to benefit and protect the very low income deaf population.

It is estimated that the program would directly benefit about 3,000 persons with severe hearing impairment.

- 9.4 For the foregoing reasons, Management recommends that the Board of Executive Directors approve the nonreimbursable technical-cooperation operation proposed in this plan of operations.

APPENDICES

1. Terms of reference for the institutional strengthening of FENASCOL and its member associations
2. Terms of reference for the interim reviews of the execution of the financing and technical-cooperation program



APENDICE

PROPOSED RESOLUTION

COLOMBIA. FINANCING AND TECHNICAL COOPERATION TO THE FEDERACION  
NACIONAL DE SORDOS DE COLOMBIA WITHIN THE PROGRAM  
FOR FINANCING SMALL PROJECTS

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, to enter into such agreement or agreements as may be necessary with the Federación Nacional de Sordos de Colombia, of the República de Colombia, to grant it, within the Program for Financing Small Projects, approved by Resolutions DE-85/78 and DE-147/79: (a) reimbursable financing for the execution of the program referred to in Document PR- ; and (b) nonreimbursable technical cooperation for the execution of the program, in accordance with Annex I of said document.

2. That up to the equivalent of US\$230,000 in pesos colombianos, is authorized for the purposes indicated in paragraph 1(a), and up to the equivalent of US\$420,000 in pesos colombianos, for the purposes indicated in paragraph 1(b), both chargeable to the net income of the Fund for Special Operations.