

**PROPOSAL FOR FINANCING AND TECHNICAL COOPERATION  
FOR FUNDACIÓN GRANJA TALLER DE ASISTENCIA COLOMBIANA (FUNGRATA)**

(SP-93-02-01-9 AND TC-93-02-01-9)

**EXECUTIVE SUMMARY**

**AMOUNT AND SOURCE:** IDB:

Financing:	US\$450,000 (local currency)
Technical cooperation:	US\$150,000 (local currency)
Local contribution:	US\$ 20,000
Total:	US\$620,000

Bank funds for the reimbursable financing and the nonreimbursable technical-cooperation operation would be drawn from the net income of the Fund for Special Operations.

<b>TERMS AND</b>	Amortization period:	25 years
<b>CONDITIONS:</b>	Grace period:	8 years
	Disbursement period:	3.5 years
	Fee:	1%

**PARALLEL TECHNICAL COOPERATION:** The activities to be carried out would be aimed at the institutional strengthening and consolidation of FUNGRATA.

**OBJECTIVES:** The program's general objective is to contribute to the strengthening and consolidation of FUNGRATA's institutional, technical, and financial viability as an institution committed to rehabilitation of the homeless mentally ill population of Bogota, so that this disadvantaged sector of the population can improve its levels of well-being and social integration.

The project's specific objectives are to: (i) develop productive and job placement alternatives for the patients; (ii) broaden coverage to provide care for the homeless population by increasing the capacity both of FUNGRATA's housing facilities on its farm and of existing workshops; (iii) improve FUNGRATA's income by enlarging its premises and developing new productive activities that also have a therapeutic function; and (iv) support its research, methods, and scientific development by contracting specialized consultants.

**DESCRIPTION:** Through the reimbursable financing, the following subprograms will be funded: service network (gardening, painting, car washing); enlargement, refurbishment, and development of workshops; increased housing; and construction, equipping, and operation of a sales outlet on the farm.

The nonreimbursable funds will be directed towards financing a program to support FUNGRATA's institutional strengthening.

**ENVIRONMENTAL  
CLASSIFICATION:**

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

**BENEFICIARIES:**

The target group would be the homeless psychotic or severely neurotic adults between the ages of 18 and 45 who wander the streets of the city of Bogota.

**RISKS:**

The main risk would be that the goal involving the number of beneficiaries is not achieved because the length of stay in the program, and therefore the turnover of this type of beneficiary, is an unpredictable element. With the execution of the project and the technical-cooperation operation, however, FUNGRATA would have the funds for its institutional, financial, and technical strengthening and a larger supply of services for the patients, especially in the area of job placement, could result in a shorter stay and/or increased turnover of beneficiaries.

**THE BANK'S COUNTRY  
STRATEGY:**

The Bank's strategy is aimed at supporting the efforts of the Colombian government in priority areas, focused, among other things, on alleviating poverty through the economic and social development of marginalized and very poor population groups.

**SPECIAL  
CONTRACTUAL  
CONDITIONS:**

It is recommended, in addition to the general contractual conditions, that the following special conditions be included in the financing and technical-cooperation agreement:

Prior to the first disbursement of the investment program, FUNGRATA must submit to the Bank's satisfaction:

- evidence of having signed the contract with the consultant for the construction design and supervision (see paragraph 2.14);

Prior to the first disbursement of the technical-cooperation funding, FUNGRATA must submit to the Bank's satisfaction:

- the initial work plan for execution of the project, containing a timetable for contracting consultants and indicating the type, number, and duration of their services and terms of reference (see paragraph 2.14).

## I. FRAME OF REFERENCE

### A. The main problems

- 1.1 Although there is no conclusive data on the homeless population, it is estimated that there are approximately 5,000 homeless people in the city of Bogota, of which 46% are women. The group is constantly increasing. Almost 1,000 of the homeless show symptoms of mental illness or are in the process of severe psychological deterioration. The socioeconomic background of these people is predominantly the lower middle and lower strata and they are concentrated in the age range of 18 to 45. This sector of the population is very disadvantaged and discriminated against socially due to the incomprehension and ignorance of society about what mental illness means.
- 1.2 The homeless mentally ill population does not have a fixed place of abode. Its members continually wander the streets and learn where to obtain food and a place to sleep. They deny their physical suffering, emotional pain, and serious basic deficiencies, for which reason they are largely unaware of the need for medical and psychological care, and refuse or show great resistance to receiving it.
- 1.3 There are few institutions devoted to the care of the homeless in the capital district (Bogota Social Welfare Administrative Department, Fundación Niños de los Andes [Children of the Andes Foundation], and other NGOs that have begun to develop programs, basically in the area of the informal economy), and those involved in caring for persons who are both mentally ill and homeless are even more rare. These institutions are Fundación Granja Taller de Asistencia Colombiana, which has its own rehabilitation model, the Hospital de la Colonia [La Colonia Hospital] in Sibaté (Cundinamarca charitable organization), and the Bogota Health Department.
- 1.4 In this context, FUNGRATA submitted a request for financing aimed at supporting a program for its technical, financial, and institutional strengthening.
- 1.5 The Bank's strategy is aimed at supporting the efforts of the Colombian government in priority areas focused, among other things, on alleviating poverty through economic and social development of marginalized and very poor population groups. The proposed program, which would institutionally strengthen this private sector organization committed to the rehabilitation of the homeless psychotic population of Bogota, is fully consistent with the Bank's strategy and with the mandate of the Eighth Replenishment.

B. The executing agency

- 1.6 FUNGRATA is a private, nonprofit organization established in 1982 by the Fundación de Asistencia Colombiana [Colombian Welfare Foundation] of Banco de la República, Colombia's central bank. It is the result of the search for a social project which would make it possible to focus the foundation's efforts and resources on the homeless mentally ill population, an unprotected segment of the health sector due to a lack of programs that view the mentally ill as human beings with great potential for rehabilitation and that utilize alternative forms of treatment which differ from or supplement those used in traditional psychiatric institutions. This sector was covered by State or private psychiatric institutions, but under revised arrangements of the lunatic asylum or very traditional type of mental institution, in which the main forms of therapy were aimed more at "custodial care" of mentally ill persons rather than rehabilitation. Further, the issue of homelessness was not included in any mental health treatment or rehabilitation program. In 1993 and in compliance with the legal measures regulating this type of process, FUNGRATA decided to acquire legal and financial autonomy.
- 1.7 FUNGRATA's central objective is the physical, mental, social, and occupational rehabilitation of the homeless mentally ill who wander the streets of the city, for the purpose of reintegrating them into the social and working world in a healthy and productive way when their process of rehabilitation has been completed. Rehabilitation is understood as the process by which the mentally ill become as independent and functional as possible. The agency conducts its work through a therapeutic program which is carried out within a context of protected work - with work seen as a fundamental tool of rehabilitation - together with cultural activities and psychotherapeutic and pharmacotherapeutic strategies.
- 1.8 FUNGRATA's headquarters are in the municipality of Sopo. The initial phases of the rehabilitation process are carried out there (job training, learning about community life, intervention with psychotherapeutic tools). Its facilities are designed with specific concern for this type of patient and services and its country setting makes it in itself therapeutic. It has a 19-hectare site, of which approximately six contain the following buildings: (i) an administrative area; (ii) an outpatient consultation area; and (iii) common areas - dining room, kitchen, community room, library, television room, two housing units for patients, and laundry and bakery workshop areas. FUNGRATA has built two laundry and two bakery workshops (on the farm and in the city of Bogota), as well as agricultural workshops.
- 1.9 The last phases of the rehabilitation process are carried out by means of two therapeutic and productive laundry and bakery workshops located in Bogota, to which patients are sent when they have completed the entire process of job training, self-care, symptom

and medication management, and adjustment to community life on the Sopo farm. These patients live together and semi-independently run a halfway house located near the workshops.

- 1.10 FUNGRATA's human resources consist of 45 persons, of whom 60% are members of the multidisciplinary scientific team that provides the medical care and performs teaching and research functions. The other staff members perform administrative, technical, and auxiliary functions.
- 1.11 FUNGRATA has a phased rehabilitation process for the patients, as follows: (i) the first, known as the "street" or "detection" phase, is performed by FUNGRATA's professional team, who walk the city streets once a week, seeking to make contact with the homeless population, identifying signs of mental illness, inquiring about the area the homeless roam, their social group, and their mode of survival, for purposes of determining whether it is apposite to encourage them to join FUNGRATA's rehabilitation program. If so, the patient voluntarily decides whether or not to go and, if he does, has the option of remaining or returning to the street; (ii) the second phase, the "rehabilitation process", includes six different levels of ability to function, the passage from one level to another being defined as when the student has achieved ability to function in terms of the objectives of the preceding level. These levels are: Level A - preparation; Level B - incorporation; Level C - recovery; Level D - protected reintegration; Level E - semiprotected reintegration; and Level F - unprotected reintegration.
- 1.12 The experience acquired by FUNGRATA has established the merit of tying together three basic components - treatment, teaching, and research - whose interaction and mutual support are elements which allow the continual development of self-evaluation and adjustment mechanisms.
- 1.13 In the context of these dovetailed components, the program's various activities are carried out: (i) work activities that are both therapeutic and productive, implemented through protected occupational workshops. Past experience has made it possible to identify the three jobs that have the greatest rehabilitative value in relation to others - bread-making, clothes washing, and agricultural work; (ii) cultural activities that are tools for personal development and expression of the patient's internal potential, as well as for seeking his highest technical and artistic level; (iii) psychotherapeutic activities, which occupy a central place in the rehabilitation process and have as their objective creating a relationship with the mentally ill patient and entering his world in order to train him in awareness of his illness and management of his symptoms, as well as to strengthen his capacity to relate appropriately to others; and (iv) community activities, with the farm seen as a therapeutic community in that each of its members, regardless of the job he performs or the

position he holds, must understand mental illness and be respectful of it.

- 1.14 FUNGRATA has developed a program of economic incentives for its beneficiaries during the rehabilitation process through their productive work. Remuneration thus serves the dual purpose of giving the patients the wherewithal to contribute to their support and strengthening their identity as productive and social beings. The incentives vary in amount according to their stage of rehabilitation and progress from one stage to another, reaching minimum wage when they are placed in the Bogota workshops, which corresponds to an advanced stage of rehabilitation. With this salary the patients cover their food, services, and psychiatric medication.
- 1.15 Inclusion of work as a core of the therapeutic process has made the FUNGRATA program a novel rehabilitation model in mental health given that it is: (i) therapeutic, because it is a powerful means of expression and clarification of the affected areas and it also strengthens the healthy resources of the patient; (ii) social, because it is conducive to the patient's interaction with a specific human environment which tends to reproduce the relationship features, practices, and patterns of any larger social group; (iii) productive, because it trains the patient for future performance of a specific competitive and independent job that provides him with the economic resources required for his survival.
- 1.16 In its 12 years of experience, FUNGRATA estimates that it has treated about 45% of the homeless mentally ill population (some 500 patients). Of these beneficiaries, 68 remain in the program, distributed as follows: 55 on the Sopo farm; 10 in the Bogota productive and therapeutic workshops, and three who live and/or work independently.
- 1.17 Of the total number of patients attended, almost 60% have left the program voluntarily without completing treatment, although having achieved some level of rehabilitation; 16% have been placed back with their families or in work; 14% remain in FUNGRATA; and 10% have been sent to other institutions because of lack of suitability for the program. Of the 68 people currently receiving treatment, 46% are women. As regards the educational level of the patients, 58% have two or more years of primary education; 32%, two or more years of secondary education; 6% have begun higher education without completing it; and 3% have no formal education. In regard to patient turnover, 35% remain between one and 12 months, 7% between one and three years, and 58% more than three years.
- 1.18 As of December 31, 1994, FUNGRATA's fixed assets totaled US\$2,077,757, almost the same levels as the preceding year. The item of greatest relative importance is investments, which was US\$1,487,672, showing an 8% increase over the immediately preceding year. Liabilities included US\$8,601 in short-term current

liabilities and payroll obligations valued at US\$418,168. Income exceeded expenses by 36%, represented by a surplus of US\$178,163, thus keeping the value of the operating fund stable but not providing the means to buy equipment and hire a sufficient number of professionals for optimal expansion of FUNGRATA's rehabilitation program and increased coverage of patients.

- 1.19 FUNGRATA's 12 years of experience in the development of a model of work has meant not only the construction of the physical plant, but also an arduous task of study and exploration of the problem and constant review of its forms of intervention, to develop a realistic alternative for the management of the chronically psychotic patient. All this constitutes a solid basis for stating that FUNGRATA has the physical, scientific, and administrative infrastructure required to carry out this program.

## II. THE PROGRAM

### A. Objectives

- 2.1 The program's general objective is to contribute to the strengthening and consolidation of FUNGRATA's institutional, technical, and financial viability as an agency committed to rehabilitation of the homeless mentally ill population of Bogota, so that this disadvantaged sector of the population can improve its levels of well-being and social participation.
- 2.2 The project's specific objectives are to: (i) develop productive and job placement alternatives for the patients through a program of service networks aimed at the outside community and improvement of productive and therapeutic workshops and methods that constitute the rehabilitation offered to the patients; (ii) improve and develop productive and therapeutic workshops and procedures that currently constitute the training offered to the patients for purposes of incorporating them efficiently into the institution's objective of economic self-sufficiency; (iii) broaden coverage to provide care for the homeless population, by increasing the capacity of both FUNGRATA's housing facilities on its farm and the existing workshops; (iv) increase FUNGRATA's income by enlarging its facilities and developing new productive activities that also have a therapeutic function; and (v) support its research, methods, and scientific development to improve and adapt the existing rehabilitation strategies and create and develop new strategies to generate higher levels of productivity, by contracting specialized consultants.

B. Description

- 2.3 The proposed operation consists of reimbursable financing and parallel nonreimbursable technical-cooperation funding for FUNGRATA.

1. Investments (subprogram A)

- 2.4 The funds provided through the reimbursable financing will be used to execute the following four subprograms:

a. Service network

- 2.5 The objective of this subprogram is to consolidate the service network FUNGRATA has been developing that is linked to various community institutions and makes it possible gradually to deliver services that enable the patients to put into practice the knowledge and skills in which they were trained while at the same time creating and strengthening social and community ties and bonds. There are five jobs forming the network: garden planting and maintenance; exterior and interior painting; car washing; messenger services; and cleaning of premises. It is projected that approximately 23 patients will benefit through the five services.

b. Enlargement, improvement, and development of workshops

- 2.6 This subprogram consists of improving and enlarging the production capacity of the workshops (two bakeries and two laundries) both on the farm and in Bogota, by provision of new equipment and remodelling of the premises, including acquisition of vehicles for delivery of orders from the various production workshops. In addition, new horticultural crops would be planted on a three-hectare expansion of the farm. This subprogram would benefit 72 patients on an ongoing basis, a number which would increase with turnover.

c. Expanded housing

- 2.7 FUNGRATA provides basic housing for its patients, since participation in its rehabilitation program means staying on the farm. In order to handle a greater number of this type of patient, construction of a 222 square-meter housing unit is planned with capacity for 14 new homeless patients.

d. Construction and operation of a sales outlet

- 2.8 The prime geographic location of the farm offers great advantages (it borders on the main tourist route), for which reason the construction of a sales outlet for the various workshops' products would mean achieving several important objectives such as the establishment of a new therapeutic and productive workshop which, in itself, constitutes a rehabilitation tool for the patients



through various types of tasks such as preparation and packaging of products for sale, accounting and administrative tasks, product vending tasks, and social skills. The subprogram involves the construction of a 75 square-meter space and equipment of a sales outlet on the farm. It is expected that there will be a permanent need for four patients to box purchases and carry them to the parking lot.

2. Technical cooperation (subprogram B)

- 2.9 The nonreimbursable funds will be used to finance a program to support FUNGRATA's institutional strengthening. For details, see the Plan of Operations in Annex I.
- 2.10 Provision would be made to execute technical-assistance activities aimed at: (i) improving FUNGRATA's rehabilitation methods; (ii) improving both the institutional and patient information systems; (iii) determining FUNGRATA's cost per patient per stage; and (iv) efficiently administering the investments on the farm and in the workshops so that they achieve operational self-sufficiency.

C. Program cost and financing

- 2.11 The total cost of the proposed program would be the equivalent of US\$620,000. The Bank would provide FUNGRATA with: (i) reimbursable financing of up to the equivalent of US\$450,000 in Colombian pesos to finance the investment component; and (ii) nonreimbursable financing of up to the equivalent of US\$150,000 in Colombian pesos to finance the technical-cooperation activities. The funds would be drawn from the net income of the Fund for Special Operations. As local contribution, FUNGRATA would provide up to the equivalent of US\$20,000. The following table summarizes the financing (equivalent in US\$).

SUBPROGRAM	BANK	FUNGRATA	TOTAL
<b>A. Investments</b>	<b>450,000</b>	<b>0</b>	<b>450,000</b>
Construction	270,000	0	0
Machinery and equipment	180,000	0	0
<b>B. Technical cooperation</b>	<b>150,000</b>	<b>20,000</b>	<b>170,000</b>
<b>TOTAL</b>	<b>600,000</b>	<b>20,000</b>	<b>620,000</b>

- 2.12 The investment program includes the construction (approximately 460 square meters) and equipment of the workshops and acquisition of two vehicles. The details of the equipment to be acquired and the construction to be carried out are available in OD5's files.

- 2.13 The local contribution is represented by the cost of the support services and counterpart staff to the consultants' services.

D. Execution of the program

1. Responsibility for execution

- 2.14 FUNGRATA 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 activities to be carried out within the program. As a condition precedent to the first disbursement of the resources of the financing for subprogram A - investments - FUNGRATA must submit to the Bank evidence of having contracted the consultant for the works design and supervision; a condition precedent to the first disbursement of the technical-cooperation funding is that FUNGRATA submit to the Bank the initial program execution plan, containing a timetable for contracting the consultants and indicating the type and duration of services.
- 2.15 FUNGRATA would contract the professional services of the experts required for implementation of the program, who should have recognized experience in their respective specializations. The contracting must be carried out in accordance with the terms of reference specified in Appendix 1 to Annex I (Plan of Operations) and with the Bank's procedures, rules, and policies on this subject.
- 2.16 FUNGRATA would be responsible for procurement of equipment and other goods needed to achieve the program's objectives, for which purpose the Bank's procedures, rules, and policies will be followed.

2. Interim review of program execution

- 2.17 The Bank would directly contract the professional services required to carry out interim reviews of execution of the financing and technical-cooperation program, for purposes of determining the achievements to date in relation to the original objectives, as well as to ensure proper execution of the program. These consulting services will be chargeable to the technical-cooperation operation. The interim reviews will be conducted in accordance with the terms of reference specified in Appendix 1 to Annex I. Unless otherwise agreed, the interim reviews would be carried out for the financing and technical-cooperation components when 30% and 70% of the contribution and financing have been disbursed.

3. Term for disbursement of funds

- 2.18 The resources from the financing will be disbursed within a 42-month period from the date of entry into force of the agreement.

4. Advance of funds

- 2.19 Given the nature of the program, some resources need to be made readily available for the proposed consulting work to begin, in both subprograms A and B. Authorization for an advance of funds of up to 10% of both the financing and the technical cooperation is therefore proposed.

5. Environmental aspects

- 2.20 Negative impact on the environment is not anticipated. On the contrary, it is a recognized fact that poverty contributes to aggravating environmental problems. This program, by directly benefiting disadvantaged human groups who are discriminated against and very poor, would have a positive environmental impact. For this reason, the Environment Committee, at its meeting of May 30, 1995, classified this as a Category II operation.

- 2.21 FUNGRATA must submit the following reports to the Bank:

- a. Progress reports that make it possible to assess the status of the activities financed with resources from the project will be submitted within 60 days following the close of each calendar half year.
- b. The last of these progress reports, after the date of the final disbursement of the financing, will comprise the final report and will indicate the results of the project.
- c. Annual financial statements will be submitted for three years after execution of the project is completed, within 120 days following the end of the calendar year. These financial statements will have been audited by a firm of independent public accountants or by an independent public accountant, and will include a report on the sources and uses of the funds related to the project.

### III. THE BENEFICIARIES

A. Characteristics

- 3.1 The target group would be homeless psychotic or seriously neurotic adults between the ages of 18 and 45 who, in addition to their mental illness, have unmet basic housing and food needs, no family or work, and wander the streets of the city of Bogota.

B. The role of women

- 3.2 Approximately 46% of the population currently treated at FUNGRATA is composed of women. Mentally ill homeless women raise two basic concerns: (i) they come, in most cases, from a low socioeconomic stratum, which places them in a position of greater inferiority in relation to women of other strata; and (ii) the social violence and instability which Colombia has witnessed in recent decades affects this sector of the population significantly, the widows and male and female orphans of the violence being the main groups making up the exodus or displacement to the poor urban areas. Due to the psychosocial damage that this condition implies, many of these women are in a state of vulnerability and significant psychological deterioration as a large part of the economic responsibility for supporting the family group falls on them, causing them to resort to stealing or other actions to meet their basic needs.
- 3.3 There is a structural tendency for them to be discriminated against within their reference social groups because they are women and, therefore, for them to have fewer opportunities. Finally, their mental illness limits their capacity to assume maternal roles in a healthy fashion, which means they are often separated from their children (temporarily or permanently) with the consequent emotional damage that this implies.

C. Number of beneficiaries

- 3.4 The program beneficiaries would be the 68 current FUNGRATA patients, whose opportunities for rehabilitation and reinsertion into work and society would be expanded; and some 42 new patients, when both the housing facilities and the laundry and bakery workshops are expanded and new activities are undertaken such as the agricultural workshop, service network, and sales outlet. Taking account of the turnover of the patients, estimated at 41% in three years, the number of beneficiaries would be increased by 90 in the three years, for a total of 200 beneficiaries.
- 3.5 Therefore, one of the elements that led to and therefore justifies the effort involved in this project is the reinsertion of the patients into the work and social environment. The entire rehabilitation process acquires real significance in that it prepares the patients to participate efficiently and independently in the labor market and society.
- 3.6 Although this reinsertion into work and society does not depend exclusively on the work of FUNGRATA, activities are included in the project that would contribute to overcoming the difficulties both in the area of rehabilitation of patients and in the attitude, judgment, and tolerance with which the social and work environment accepts them.

#### IV. VIABILITY AND RISKS

##### A. Socioeconomic viability

- 4.1 FUNGRATA's institutional strengthening, and specifically its scientific development, would make it possible to improve and consolidate its method of care and rehabilitation of the homeless mentally ill population of the city of Bogota, a defenseless, marginalized, and very poor group of people. FUNGRATA would also be an example for other groups of the population that suffer limitations, and would become an interlocutor with the State from civil society with the ability to participate in policy formulation and the execution of social programs in its specific area of activity.
- 4.2 The project would offer treatment and services to a number of beneficiaries, estimated at 200, all of them poor, about 50% of them women, whose opportunities for rehabilitation and insertion into work and society would be significantly increased. In general, the project would contribute meaningfully to improving the levels of well-being of the target population and create in the citizenry a more understanding, tolerant, and sympathetic attitude toward the homeless mentally ill population.

##### B. Institutional viability

- 4.3 FUNGRATA has acquired significant experience in the treatment and rehabilitation of the homeless mentally ill population of the city of Bogota, having developed its own methods as well as the physical infrastructure required for its activities. It has professional staff and funds that will ensure proper execution of the project.

##### C. Financial viability

- 4.4 The reimbursable funds under the project would be utilized for investment in the expansion and commercial operation of the productive workshops. Market analyses show that there is a demand in FUNGRATA itself and niches of easily captive demand in related institutions, for a volume sufficient to achieve a level of sales that would make it possible to exceed the break-even point in the enterprise's second year of operation.
- 4.5 On the basis of FUNGRATA's past performance in operation of the workshops, it is anticipated that it will collect an amount equivalent to US\$70,000 annually. This sum would be increased by the equivalent of US\$32,000 with the production expansion of the workshops, which would make it possible to generate sufficient funds both to improve the incentives to the beneficiaries and to maintain and operate the workshops.

D. Risks of the operation

- 4.6 The main risk would be that the goal involving the number of beneficiaries would not be achieved because the length of stay in the program, and therefore the turnover of this type of beneficiary, is in principle an unpredictable element. With execution of the project and the technical-cooperation operation, however, FUNGRATA would have the funds for its institutional, financial, and technical strengthening and a greater supply of services for the patients, especially in the area of job placement, which could result in a shorter stay and/or increased turnover of the beneficiaries.

E. Justification and recommendation

- 4.7 The proposed operation is justified in that it meets the eligibility criteria of the Small Projects Financing Program established in the Operations Policies Manual (OP-706) and is consistent with the Bank's policy on women in development set out in the same manual (OP-761), by directly benefiting very poor, marginalized human groups who are discriminated against and generating opportunities for future economic and social development.
- 4.8 Although the project takes on its real significance in the behavioral rehabilitation of the patients and in training them to participate efficiently in the job market and society, it must be borne in mind that this incorporation is not determined exclusively by FUNGRATA's efforts. However, it is possible to carry out activities that contribute to overcoming difficulties in terms of both patients' abilities and the attitude, judgment, and tolerance with which the social and work environment accepts them.
- 4.9 The institutional and financial analyses of FUNGRATA make it possible to conclude that the execution of the program is viable, for which reason the Management of the Bank recommends that the Board of Executive Directors approve the financing, for which purpose it submits the proposed resolution for financing and nonreimbursable technical-cooperation funding for its consideration.
- 4.10 It should be noted that, while FUNGRATA does not have the legal authority to grant subloans under the general characteristics of the Small Projects Financing Program, it has been declared eligible to participate in the program inasmuch as the proposed project is aimed in its entirety at the financing of investments and does not involve the execution of credit activities.

PLAN OF OPERATIONS  
INSTITUTIONAL STRENGTHENING  
FOR THE  
FUNDACIÓN GRANJA TALLER DE ASISTENCIA COLOMBIANA (FUNGRATA)  
(TC-93-02-01-9)

I. BACKGROUND

- 1.1 As a supplement to the request for financing submitted under the Small Projects Financing Program, Fundación Granja Taller de Asistencia Colombiana, FUNGRATA, has requested nonreimbursable technical-cooperation funding from the Bank for purposes of developing a program of institutional strengthening which would support execution of the proposed program.

II. OBJECTIVES

- 2.1 The program's general objective is to contribute to the strengthening and consolidation of FUNGRATA's institutional, technical, scientific, and financial viability and to the improvement and expansion of the services and coverage of its programs for the homeless mentally ill population of the city of Bogota.
- 2.2 The project's specific objective is for FUNGRATA to acquire the capacity to deliver efficient and effective services to the homeless mentally ill population of Bogota so that this marginalized sector of the population has opportunities for rehabilitation and improves its levels of self-esteem and social integration, through the provision of economic opportunities for its development.

III. DESCRIPTION

- 3.1 The institutional and operational analysis of FUNGRATA has determined the need for focusing the technical-cooperation operation on institutional, technical, scientific, and organizational strengthening.
- 3.2 For this purpose, the components of the technical-cooperation program would be directed towards:

- a. Strengthening FUNGRATA's administrative, technical, and scientific capacity.
  - b. Improving the capacity, quality, and efficiency of its rehabilitation, training, and job placement programs for the target population.
  - c. Designing and developing strategies and services to increase treatment coverage for the target population.
- 3.3 The following professional services would be contracted using the technical-cooperation funds:
- a. Two evaluation specialists for one month each, to conduct the interim review of execution of the financing and technical-cooperation program.
  - b. A specialist in psychiatry for 12 months, for the evaluation and improvement of the rehabilitation methods used by FUNGRATA;
  - c. A specialist in psychology for 12 months, for the evaluation and improvement of the rehabilitation, clinical, and group therapy processes;
  - d. A specialist in sociology for 20 months, to design comprehensive human development and social rehabilitation strategies;
  - e. Two occupational therapists for 20 months, as support to the medical team and to provide treatment for the increased number of patients;
  - f. A business administration specialist for six months, to evaluate and improve the efficiency of the productive workshops and services provided under the program;
  - g. A systems specialist for 10 months, for the design of systems, cost centers, accounting systems, etc.
  - h. An architect for four months, to design and oversee the proposed works.
- 3.4 The procurement of computer equipment, supplies, and printing of educational materials to support the training, rehabilitation, and job placement programs would also be financed with the technical-cooperation funds.



#### IV. COST AND FINANCING

- 4.1 The total cost of the technical-cooperation program requested is estimated at the equivalent of US\$170,000 in local currency. The Bank's contribution would be up to the equivalent of US\$150,000 in local currency, drawn from the net income of the Fund for Special Operations, distributed as follows (equivalent US\$):

ITEM	BANK	FUNGRATA	TOTAL
2. Individual consultants	104,800		104,800
2.1 Fees	104,800		
- Specialist in psychiatry (12 months @ US\$1,200/month)	14,400		
- Specialist in psychology (12 months @ US\$1,200/month)	14,400		
- Specialist in sociology (20 months @ US\$1,200/month)	24,000		
- Occupational therapists (20 months @ US\$800/month)	32,000		
- Information systems and computer specialist (10 months @ US\$1,000/month)	10,000		
- Business administration specialist (6 months @ US\$1,000/month)	6,000		
- Architect (4 months @ US\$1,000/month)	4,000		
6. General support	23,000	20,000	43,000
6.3.1 Procurement of equipment	17,000		17,000
6.4.1 Teaching material	6,000		6,000
6.6 Support personnel		20,000	
7. Publications	7,000		7,000
7.3 Printing	7,000		7,000
8. Evaluations	10,000		10,000
8.2 Fees (review of execution)	10,000		10,000
98. Contingencies	5,200		5,200
Total	150,000	20,000	170,000

#### V. EXECUTION

- 5.1 The technical-cooperation operation would be carried out in conjunction with the investment program, which would be approved simultaneously with this technical-cooperation operation.
- 5.2 FUNGRATA would be responsible to the Bank for execution of the technical-cooperation component and would sign a technical-cooperation agreement with the Bank.

- 5.3 FUNGRATA would contract the professional services of the consultants, who should have recognized experience in their respective fields, and who should be engaged in accordance with the terms of reference set out in Appendix 1 to this Plan of Operations, and the Bank's procedures, rules, and policies on the subject.
- 5.4 FUNGRATA would be responsible to the Bank for the procurement of equipment and other goods required to achieve the program's objectives, which would be conducted in accordance with the Bank's procedures, rules, and policies on the subject.
- 5.5 The Bank would directly contract the professional services required to conduct the interim reviews of execution of the financing and technical-cooperation program, for the purpose of determining the achievements to date in relation to the original objectives. These consulting services would be financed with funds budgeted for this purpose under the technical-cooperation component. Unless otherwise agreed, the interim reviews would be conducted when 30% and 70% of the contribution and the financing have been disbursed.
- 5.6 The execution period of the technical-cooperation operation would be 36 months from the date of entry into force of the financing and technical-cooperation agreement.
- 5.7 As a condition precedent to the first disbursement of the technical-cooperation funding, FUNGRATA must submit to the Bank's satisfaction an initial work plan for project execution which must include a timetable for contracting the consultants and describe the type, number, duration of services, and terms of reference thereof.
- 5.8 In general, FUNGRATA will be responsible for providing the counterpart personnel required to manage and coordinate the project as well as premises, services, and support materials.

## VI. REPORTS

### 1. Reports on the program

- 6.1 FUNGRATA must submit the following reports to the Bank:
  - a. Within sixty (60) days following the end of each calendar half year, a detailed progress report which makes it possible to assess the status of the activities financed with program resources;

- b. The last of these progress reports, after the date of the final disbursement of the financing, will comprise the final report and will indicate the results of the project;
- c. Copies of the proposed technical materials to be used, which must be submitted together with the semiannual reports;
- d. Within 120 days following the end of each calendar year beginning with the fiscal year in which disbursements from the financing begin and for five years until the year in which execution of the project is completed, the annual financial reports, which would also include a detailed report of the expenses chargeable to the Bank's contribution and financing. These financial statements would be submitted after having been audited by a firm of independent public accountants or by an independent public accountant acceptable to the Bank.

## 2. Consultants' reports

- 6.2 The contracts that FUNGRATA signs with the individual consultants to be selected should include the requirement that the consultants submit to FUNGRATA, with a copy for the Bank for its approval:
  - a. An initial report with the performance and schedule of work of each consultant based on the respective terms of reference;
  - b. Within the 30 days following the end of each calendar half year from the date of commencement of work, a detailed progress report, showing the headway gained; and
  - c. Within the 30 days following the end of professional work, a detailed final report, indicating the results achieved, evaluated as a function of the program's objectives, and recommendations for future activities.
- 6.3 Within at most thirty (30) days after the consultants have submitted their respective reports, the evaluation of the consultants' reports, including comments and evaluation of each consultant's report, will be submitted.

## VII. SUPERVISION AND RESPONSIBILITY

- 7.1 FUNGRATA will be responsible for supervision of the activities that the consultants carry out under contract. For its part, the Bank, through the Country Office in Colombia, will supervise the technical-cooperation program.

- 7.2 The Country Office in Colombia would have the basic technical responsibility for the proposed operation.

### VIII. DISBURSEMENTS

- 8.1 Disbursements under this technical-cooperation operation would be made during a 42-month period from the date of entry into force of the financing and technical-cooperation agreement.
- 8.2 It is recommended that the advance of funds be 10% of the resources available for the technical-cooperation program, to ensure that some resources are readily available to carry out the program effectively.

### IX. JUSTIFICATION AND RECOMMENDATION

- 9.1 The proposed technical-cooperation operation meets the Bank's requirements for granting nonreimbursable technical-cooperation funding inasmuch as it will be used to strengthen and consolidate the institutional and financial viability of an intermediary agency committed to the economic and social development of the low-income population.
- 9.2 FUNGRATA does not have the resources required to finance the activities envisaged in the proposed technical-cooperation program. The project would allow FUNGRATA to enhance its performance significantly, by improving its technical and scientific areas and consolidating its rehabilitation methods to improve and expand its services for the benefit and protection of the very poor, homeless mentally ill population. The project would make it possible for FUNGRATA to improve its managerial capacity and efficiency in the productive management of the therapeutic workshops, for the purpose of becoming operationally self-sufficient. The project would contribute to directly benefiting approximately 140 mentally ill homeless people.

PROPOSED RESOLUTION

COLOMBIA. FINANCING AND TECHNICAL COOPERATION TO THE FUNDACION  
GRANJA TALLER DE ASISTENCIA COLOMBIANA 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 Fundación Granja Taller de Asistencia Colombiana, 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\$450,000 in pesos colombianos, is authorized for the purposes indicated in paragraph 1(a), and up to the equivalent of US\$150,000 in pesos colombianos, for the purposes indicated in paragraph 1(b), both chargeable to the net income of the Fund for Special Operations.