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IDB DISCUSSES FINANCIAL SUPPORT FOR DEVELOPMENT PROGRAMS IN COLOMBIA

The Inter-American Bank's current and future loan and technical cooperation programs in Colombia were discussed at talks held recently in Washington between President Alfonso López Michelsen of Colombia and IDB President Antonio Ortiz Mena. The talks, President Ortiz Mena said, marked "the beginning of a new stage in the relations between Colombia and the IDB."

President López Michelsen was in Washington on an official visit at President Gerald Ford's invitation. He and Mr. Ortiz Mena met at Blair House on September 25 a few hours after his arrival in Washington.

Following the meeting, the two dignitaries participated in a ceremony in which documents reformulating two Bank loans for \$44 million were signed.

The loans will help to finance a major

urban development program costing almost \$90 million for the eastern part of Bogotá, the capital city. The program includes nine subprograms for the construction of housing, community and health centers, schools, sewage disposal systems, electric power and roads, as well as street paving and related works.

Participating in the meeting were a number of officials accompanying the Colombian President, including Rodrigo Botero, Minister of Finance and Public Credit; Jorge Ramírez, Minister for Economic Development; Rafael Pardo, Minister of Agriculture; Humberto Salcedo, Minister of Public Works; Luis Prieto Ocampo, Mayor of Bogotá, and Augusto Ramírez Ocampo, IDB Alternate Executive Director for Colombia and Peru.



The President of Colombia and the IDB President meet at Blair House in Washington, D.C. Participating in the meeting were Ambassador César Turbay Ayala, Rodrigo Botero Montoya, Minister of Economy, and Augusto Ramírez Ocampo, Alternate Executive Director of the Bank.

POSSIBLE PROJECTS

The talks between the Colombian President and Mr. Ortiz Mena included, among other topics, possible Bank support for the integrated development of the Magdalena and Cauca river basins, which comprise 50 per cent of the national territory. The Colombian Government seeks to make both rivers navigable, reclaim lands, improve flood control, install irrigation works, develop fish culture, reforest basin areas, and promote new development centers that will encourage industrial decentralization as well as the establishment of new population centers. The program will also make possible the development of important sources of electric power.

(Continued on page 3)

IDB BONDS ISSUED

A public offering of 60 million Swiss francs of 8 per cent, ten-year IDB bonds was made by a Swiss banking syndicate for sale beginning September 26, 1975.

The issue, equivalent to approximately \$22 million, is the seventh long-term issue the Bank has sold in Switzerland and represents a further step in the Bank's efforts to mobilize capital in the markets of both member and non-member countries for Latin America's development. Switzerland is one of the 12 non-regional countries which have indicated their intention of becoming members of the Bank.

The offering is being underwritten

by a group of Swiss banks headed by the Swiss Bank Corporation, Swiss Credit Bank and Union Bank of Switzerland.

The issue, which will be known as the "8 Per Cent Swiss Franc Bonds of 1975," will be dated October 14, 1975, and will mature in 1985. The issue is to be amortized in nine annual installments of SwF 2,000,000 each beginning at the end of the first year, with the balance due at maturity in 1985. The Inter-American Bank will have the right to repurchase the bonds in the market at any time and to redeem all outstanding bonds beginning in 1981.

Application will be made to list the issue on the stock exchanges of Basle, Zurich, Geneva, Lausanne and Berne.

IN THIS ISSUE

Training for development. Pages 4 and 5

Bank extends loans to 19 countries. Page 6

Bank loans to Argentina surpass \$1 billion. Page 8

THE IDB AT INTERNATIONAL MEETINGS

Among recent international meetings on economic and social development in which Bank officials have participated—and some of the topics discussed and conclusions or resolutions adopted—were:

20TH SESSION OF THE GOVERNING COUNCIL OF THE UNITED NATIONS DEVELOPMENT PROGRAMME. Geneva, Switzerland, June 11-27.

Pedro Abelardo Delgado represented the Bank.

The Governing Council's deliberations revolved around the administrator's report, "The Future Role of UNDP in World Development in the Context of the Preparations for the Seventh Special Session of the General Assembly."

The report, prepared for presentation to the United Nations General Assembly, contains a general review of UNDP programmes and policies. Its immediate purpose was to present to the Special Session of the General Assembly a comprehensive policy statement outlining UNDP's approach in providing for the changing needs of development countries during the remaining half of the Second United Nations Development Decade.

The report recommends greater flexibility in UNDP policies, with closer connection between technical cooperation, preinvestment and investment; broader support for institution building and high risk projects for the development and adaptation of technologies; more liberal policies toward local cost financing; more flexibility toward requirements of counterpart professional staff; and diversification of the supply base for technical expertise and facilities needed for executing technical cooperation operations; linking country and inter-country programs, and encouraging the development of new programs.

The main purpose of technical cooperation, according to the report, is to promote increasing self-reliance in regard to managerial, technical, administrative and research capabilities required to formulate and implement development plans and policies, including the management and development of appropriate institutions and enterprises.

The report suggests greater use of the resources of developing countries through the promotion of technical cooperation among them; and wider use of national experts from recipient countries, including expatriates, in order to reduce the "brain drain."

The report also recommends that links be forged with governmental and nongovernmental enterprises in developed countries, and states that transnational corporations, by virtue of the enormous capacity and resources at their disposal, can play a particularly useful role in increasing the technical competence of developing countries without investing equity capital and in the framework of the arrangements for surveillance being established within the United Nations.

Finally, the report recommends the establishment of relationships with universities, specialized institutes, development institutions, voluntary associations and technical departments of governments in both developed and developing countries as a practical way of expanding the supply of qualified experts, consultants and advisers.

SEVENTH MEETING OF THE URUGUAY-PARAGUAY-BOLIVIA PERMANENT MIXED COMMISSION (URUPABOL). Asunción, Paraguay, August 11-14.

Pedro Abelardo Delgado, Deputy Manager, Operations Department, Region III, Leopoldo Tettamanti, then Director of the Institute for the Integration of Latin America (INTAL) and Eduardo Barros, IDB Representative in Uruguay, comprised the Bank's delegation.

The Commission adopted 12 resolutions. Under several of these resolutions, IDB collaboration would be required in various projects, among them the preparation of a pre-feasibility study for a system for transporting hydrocarbon between Bolivia, Paraguay and Uruguay.

Eulalio R. Palacios, of Paraguay, was elected as the Commission's Executive Secretary. Julio César Gutiérrez, IDB Executive Director for the URUPABOL countries, presented a report on the Bank's action for the development of Latin America, with special reference to technical cooperation and financial operations in Bolivia, Paraguay and Uruguay.

The Gutiérrez report cites figures showing that IDB loans to the three URUPABOL countries rose in recent years by 56 per cent. That increase, the report states, shows that these countries have made significant pro-

gress in development planning techniques, in the preparation of projects for external financing, in personnel training, institutional improvement, and savings capability for national counterpart funds. The three countries, the report adds, have made great efforts in the development of economic infrastructure such as road, port and telecommunication improvements. The report also states that, of the total loans extended to them, 13.8 per cent were assigned to projects in the fields of education, health, urban development and housing. Up to June 1975, more than \$25 million were assigned to technical cooperation and, at the end of 1974, almost 1,500 people had received free instruction through training courses, seminars, and scholarships.

CENTRAL AMERICAN PUBLIC UTILITY SEMINAR. Washington, D.C. September 2-6.

The Seminar, held at World Bank headquarters, was attended by representatives of the five Central American countries and Panama, Luis Velasco and Ramón López Rivera represented the Inter-American Bank.

During the seminar, emphasis was given to subregional electric interconnections. Projects for electric interconnection between Honduras and Nicaragua are being executed, and similar projects between El Salvador and Guatemala, Honduras and Guatemala, Nicaragua and Costa Rica and Panama and Costa Rica are being considered. The Economic Commission for Latin America (ECLA), with the help of the Central American Bank for Economic Integration (CABEI) and the United Nations Development Programme (UNDP), is currently making a general study on the subject, the outcome of which could be of interest for advancing new interconnections.

SUMMER INSTITUTE ON SCIENCE, TECHNOLOGY AND DEVELOPMENT.

Cornell University, Ithaca, New York, July 14—August 9.

Ismael Escobar, Chief of the Education, Science and Technology Section, participated in the Institute's August 4 session on behalf of the Bank. He presented a statement on the Bank's work in science and technology in the less developed member countries and, together with Derek Lovejoy, UNDP Consultant on Science and Technology, on the policies of international agencies in their financing operations in those fields.



Members of Bolivia's armed forces studying at the School for Advanced Military Training in La Paz, during a recent visit to Bank headquarters in Washington, D.C., called on various IDB officials. Here the group interviews Edmundo Valencia Ibáñez, the Alternate Executive Director for Bolivia, Paraguay and Uruguay in his office at the Bank.

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President Ortiz Mena, at the invitation of the Argentine Ambassador to Washington, Rafael Vázquez (center), describes IDB plans for cooperating with Argentina. Hernán Aldabe, IDB Executive Director for Argentina, participated in the meeting.

Bank Loans to Argentina Surpass \$1 Billion Mark

With the approval of a \$70 million loan on October 9, Argentina became the third member country to have received IDB financing for more than \$1 billion.

President Antonio Ortiz Mena pointed this out at a recent meeting with the Argentine Ambassador to the United States, Rafael Vázquez, and other Argentine diplomats and international agency officials based in Washington, D.C.

The IDB President attended the meeting in the Argentine Embassy at Ambassador Vázquez's invitation. The Ambassador, in introducing Mr. Ortiz Mena to the other officials, highlighted the role the Bank has played under his presidency in support of Argentina's economic

and social development plans.

Reviewing the Bank's relations with Argentina, Mr. Ortiz Mena said the institution was studying the possibility of participating in the financing of the country's basic industries, such as steel and iron—for which the recent loan was extended—paper and cellulose, chemistry, petrochemistry, fertilizers and agroindustry. He added that, besides using its own resources for that purpose, the Bank would assist in mobilizing additional resources from public and private sources.

Mr. Ortiz Mena's offer began to materialize with the \$70 million loan, which was granted to help increase the production capacity of the steel mill of the *Industria*

Bank Programs For Colombia

(from page 1)

Colombia also seeks Bank technical cooperation for a complete study of mass transportation in Bogotá, a city of more than 3 million people.

OPERATION PLANS

The Bank's financing operations programs for Colombia now under study fall into two categories: short-term—1975-77—and long-term.

The short-term plan of operations consists of loan applications now before the Bank, together with the respective feasi-

bility studies, for projects costing more than \$200 million for which \$100 million financing is sought. Since the Government of Colombia is working on several measures for feasible projects, the level of lending is expected to be significantly higher in 1976 than in 1975.

The applications Colombia would present under future loan programs include, among others, projects for the integrated urban development of the port of Buenaventura; a project for the exploitation of nickel in Cerro Matoso; a rural development project in the frontier region of the Departments of Boyacá and Santander; installation of rural telephone lines; a global credit program for the Agricultural Fund; an environmental program; an erosion control program; a project for developing the Santa Marta Atlantic Coast area and San Andrés island as tourist attractions; a technology development pro-

Argentina de Aceros, S.A. (ACINDAR).

In connection with this loan, the Bank negotiated a supplementary renewable—or "standby"—line of credit of up to \$15 million Eurodollars, which ACINDAR may use as needed to supplement financial arrangements for the project. The standby credit will be made available by two private banks in the United States—the Bank of America and the Chemical Bank—through the purchase of participations for the amount of the line of credit and the transfer of the funds to the IDB as required to meet ACINDAR's disbursement requests.

APPOINTMENTS

President Ortiz Mena recently announced the following appointments and transfers, effective October 1:

Manuel Bendfelt J., Chief of Operations Division 4, Colombia, Chile and Venezuela, was named Chief of Operations Division 6, Argentina. He replaced Norberto Max N., who was appointed as the Bank's Representative in El Salvador.

Cristián Santa Cruz, General Consultant in the Office of the Manager in the Operations Department, was named Chief of Operations Division 4, which since October 1, consists of Colombia, Ecuador and Venezuela.

Abayubá Morey Rolando, Chief of Operations, Division 5, is responsible for Bolivia, Chile and Peru as of October 1.

Oscar Rodríguez-Rozic, Deputy General Consultant in the Office of the Manager in the Operations Department, was named General Consultant in the same office.

gram, and a global loan to the *Banco de la República* to be channeled to national financial institutions. The World Bank is considering a similar project.

CAPITAL REPLENISHMENT

During the López Michelsen-Ortiz Mena interview, steps were taken to formalize Colombia's contribution to the capital increase recommended by the IDB Board of Governors on July 9. On that date, the Board recommended that member governments increase the institution's capital from \$10.4 billion to nearly \$17 billion. Colombia's action reaffirmed its confidence in the Bank and its operations.

"Colombia is the first country to implement this recent recommendation, which will enable the Bank to maintain the high level of its financing to member countries," Mr. Ortiz Mena said.

Training for Development: Who, Where, Why and How

The classroom may be a well-appointed office, a workshop, or an open field in a cattle ranch; the instructor, a highly-trained specialist; and the students, young men and women from various countries, some speaking different languages. The subject matter—a specific topic related to development, ranging from how to prepare a development project to the best way of running a business.

This is what at the IDB is called "training"—one of the Bank's least known activities, but an effort to which it devotes constant attention and assigns considerable resources.

So far about 14,000 students have attended the training courses, but many more have benefited from them, for Bank-trained technicians have themselves become teachers, so that there has been a multiplier effect.

Banks do not usually engage in teaching, but one of the IDB's earliest objectives was to transmit or exchange information in fields related to its financing activities. The IDB sought to accelerate the economic and social development of its member countries through loans and technical cooperation—and training is a vital part of technical cooperation. Usually the funds used for training programs are nonreimbursable, but they are sometimes extended as loans tied to projects the Bank is helping to finance.

The Bank's training program was initially designed simply to acquaint officials in its member countries, as well as potential borrowers, whether they were governments or organizations in the private sector, with the Bank and its objectives—what it was, what it did, and what it had to offer. But in response to the growing demand for this kind of orientation, the Bank in 1963 offered its first training course in Washington, D.C. Gradually the content of that course was expanded until it embraced the entire field of external financing.

"The Bank was anxious to find the best way of providing training," Ferruccio Accame, Chief of the Training Division, recalls. "It sought to combine theory and practice, and that is best done in the field."

Thus it was decided to hold most of the training courses in the member countries. This decision enabled students to apply classroom theories to local conditions and so served to lend greater relevance to the subject matter offered. That decision also

pursued one of the Bank's long-term objectives: to develop national training centers capable of providing the type of training required.

FIELDS COVERED

What sort of training does the Bank offer?

In the training programs, some areas are given priority attention. At the top of the list is the preparation and evaluation of development projects. Development banking, management, and sectoral programs, especially agricultural programs, are others. In each case, the Bank established priorities after identifying needs on the basis of experience.

When the Bank began operations, it found that one of the member countries' main difficulties was assuring an adequate flow of projects capable of attracting external financing. This situation arose from the shortage of personnel trained for the complex task of planning, formulating and evaluating specific development projects. The Bank, therefore, emphasized the task of strengthening national planning agencies and of training project planners in its member countries through courses in project preparation, evaluation and execution.

To that end, courses on basic theory were complemented by actual preparation, up to the prefeasibility stage, of projects in which the respective governments were interested. The work done was such that several of the projects later received financing and were completed. Others served as a basis for the preparation of teaching materials and of teaching and methodology manuals adapted to the needs of the respective countries.

Another situation that became evident was the need for more effective loan, project and institutional management. The requirement for greater numbers of trained national personnel and effectively managed organizations began to be filled through programs ranging from individual professional training courses to courses on strengthening institutions through what the Bank calls "institution building."

With this in mind, the Bank-sponsored training courses have been geared to the training of project managers who are qualified to use available resources for executing projects as rapidly and effectively as possible.



Learning new ways on the farm: Peruvian Indian farmers meet in a classroom at the local elementary school for training in new techniques. Training in modern farming methods and use of equipment and machinery is one of the basic features of the Peruvian Government's programs for integrated rural development.

As Bank loans are extended with increasing frequency to autonomous and semi-autonomous public agencies, the Bank has been promoting other training programs designed to enhance the effectiveness of their managerial and operational personnel. It has also emphasized training activities in two other vitally important areas: development banking and agricultural development. It seeks to heighten the analytical and administrative skills of the present and future professional staff of development banks and of public, mixed or private financial institutions operating in Latin America. These entities have played a crucial role in the region's economic and social development and in future will be called upon to assume even greater responsibilities.

Since 1971, after an initial experience in Washington with American University and in Brazil with the Institute of Economic Research of the University of São Paulo (IPE), the Bank launched a large-scale, pioneering training program on development banking which was designed and executed in collaboration with the Latin American Association of Financial Institutions (ALIDE) and three regional institutions—IPE, the Central American Institute for Business Administration (INCAE) in Managua, Nicaragua, and the Graduate Business Administration School (ESAN) in Lima. Through this program a new interdisciplinary specialization is being established which is based, on the one hand, on the analysis of projects and, on the other, on the administration of the institution itself and of the projects it finances.

Bank support for agricultural programs spotlights another crucial regional need—the integration of the rural sectors into national productive activities and increased agricultural production, a need

which the world food shortage has made even more pressing.

The Bank has made important contributions to Latin America's advance toward that goal. It has made available almost \$1.8 billion to help finance agricultural development projects having a total cost of about \$5 billion. But the region must obtain even greater amounts of external resources for agricultural development, and that will require carefully prepared and evaluated projects and feasibility studies. However, several countries lack sufficient personnel qualified in those specialties, partly because few institutions offer training in agricultural development.

In this task the IDB has collaborated with the Inter-American Institute for Agricultural Sciences (IICA) in region-wide training programs on the preparation and evaluation of agricultural development projects. The Bank has also helped to finance three international centers for agricultural research based in Latin America—the International Center for the Improvement of Maize and Wheat (CIMMYT); the International Center for Tropical Agriculture (CIAT) in Colombia; and the International Potato Center (CIP) in Peru. One

of these institutions' main goals is the training of agricultural research personnel in all aspects of production.

The Training Division—comprising only a dozen professionals or so—could not by itself carry out such broad tasks. Thus the Bank's training activities have been associated with the leading national and international financing, planning, research and teaching institutions in Latin America. Students who have taken the courses have, in turn, helped to spread and multiply the benefits of the programs.

"In Bolivia, Paraguay and Uruguay alone, about 1,500 technicians have been trained," says Julio César Gutiérrez, IDB Executive Director for those three countries. "And those technicians have taken the benefits of that professional training back home, improving the quality of service and passing on to others what they have learned."

FUTURE ACTIVITIES

Improvement of the IDB's system of programming its loans and technical cooperation, Bank officials say, will require closer coordination between the training activities of the Training Division and the Bank's financing priorities by sector.

It is expected that this will require greater emphasis on the sectoral training approach, while gradually de-emphasizing the general courses, particularly in the field of project formulation and evaluation.

The definition of activities at the sectoral level would help to strengthen even more the trend toward sectoral programming, including activities to be undertaken in a two to five-year period designed to service the needs of a large number of member countries on a sub-regional or national basis. Such a program could easily be developed on a sectoral basis through specific centers of excellence with special competence in each field.

Another result of the specialization process in the orientation of training will become evident through interest in improving and increasing the effectiveness of public service agencies. The Bank's increasing activity in the financing of public services has shown in recent years that the agencies responsible for administering such services and for broadening them through the preparation and execution of new projects are playing an increasingly significant role in the countries' national development.

INSTITUTIONS COOPERATING IN IDB-FINANCED TRAINING PROGRAM

International Development Agency (AID), Washington, D. C.
American Association of Port Authorities (AAPA), Washington, D.C.
American Water Works Association, Denver, Colorado
Canadian International Development Agency (CIDA), Ottawa, Canada
Colonization Studies Center (CEC), Rehovot, Israel
Planning Center (CEPLA), University of Chile, Santiago, Chile
Paraguayan Center for Economic and Social Development Studies (CEPADES), Asunción, Paraguay
Department of Housing and Urban Development (HUD), Washington, D.C.
Civil Service Administrative Department (DASC), Bogotá, Colombia
Business Management School (EAESP), São Paulo, Brazil
Business Administration School for Graduate Studies (ESAN), Lima, Peru
Graduate School of Public Administration (ESAP), Bogotá, Colombia
Federal Housing Administration (FHA), Washington, D.C.
Getulio Vargas Foundation (FGV), Rio de Janeiro, Brazil
Foundation for Higher Education (FES), Bogotá, Colombia
Venezuelan Foundation for the Development of Socioeconomic Activities (FUNDASE), Caracas, Venezuela
Brazilian Institute of Municipal Administration (IBAM), Rio de Janeiro, Brazil
Agrarian Reform Training and Research Institute (ICIRA), Santiago, Chile
Institute for Organization and Administration (INSORA), University of Chile, Santiago, Chile
Institute for Developing Executives in Argentina (IDEA), Buenos Aires, Argentina
Agricultural Institute, Santiago de los Caballeros, Dominican Republic
Technological and Advanced Studies Institute, Monterrey, Mexico
Department of Water Resources of Mexico (SRH), Mexico, D. F., Mexico
The American University, Washington, D.C.
Catholic University of Chile, Santiago, Chile
University of Costa Rica, San José, Costa Rica
University of the Andes, Bogotá, Colombia
Del Valle University, Cali, Colombia
University of Houston, Houston, Texas
University of the West Indies, Mona, Jamaica
Nuevo León University, Monterrey, Mexico
Oriente University, Cumaná, Venezuela

São Paulo University, Economic Research Institute (IPE), São Paulo, Brazil
University of Texas, Austin, Texas
University of Southampton, England
Latin American Association of Development Financing Institutions (ALIDE), Lima, Peru
Latin American Center for Financial Studies (CEMLA), Mexico, D. F., Mexico
Inter-American Housing Center (CINVA), Bogotá, Colombia
International Center for Tropical Agriculture (CIAT), Cali, Colombia
International Potato Center (CIP), Lima, Peru
International Center for the Improvement of Maize and Wheat (CIMMYT), El Batán, Mexico
Latin American Population Center (CELADE), Santiago, Chile
Economic Commission for Latin America (ECLA), Santiago, Chile
Latin American Committee of Deans of Schools of Administration (CLADEA)
Central American University Higher Council (CSUCA), San José, Costa Rica
Economic Development Institute (EDI) of the World Bank Group, Washington, D.C.
Inter-American School for Public Administration (EIAP), Rio de Janeiro, Brazil
Latin American College for Public Administration and Political Science (ELACP), Santiago, Chile
Latin American School of Social Sciences (FLACSO), Santiago, Chile
Food and Agriculture Organization of the United Nations (FAO), Rome, Italy
Central American Business Management Institute (INCAE), Managua, Nicaragua
Central American Public Administration Institute (ICAP), San José, Costa Rica
Inter-American Institute of Agricultural Sciences (IICA), Turrialba, Costa Rica
Latin American Institute for Economic and Social Planning (ILPES), Santiago, Chile
Organization of American States (OAS), Washington, D.C.
Pan American Health Organization (PAHO), Washington, D.C.
Organization for Training International Officials (OFI), Regional Office for Latin America, Buenos Aires, Argentina
Permanent Secretariat of the General Treaty for Central American Integration (SIECA), Guatemala, Guatemala

Bank Extends Loans for Projects In 19 Member Countries

The Inter-American Bank in recent weeks approved several technical cooperation operations for development projects that will benefit Barbados, Brazil, Central America, Costa Rica, Ecuador, Haiti, Nicaragua, Panama, Paraguay and the six countries of the Cartagena Agreement. The details are as follows:

BARBADOS: The Bank on September 11 announced the approval of \$100,000 in grant technical cooperation to help prepare a study of the country's health services.

The technical cooperation will be used by the Ministry of Health and Welfare to achieve better functional integration and efficiency of the health services. The total cost of the project is estimated at \$122,000.

The Bank's resources will enable the Ministry to contract a consulting firm to carry out the following program:

- To study the institutional, functional and administrative aspects of the existing health services and facilities at central and local levels.
- To identify deficiencies and prepare a plan outlining ways to increase efficiency by coordinating and integrating the preventive and curative services.
- To establish the possible need for expanding or building hospitals and other health facilities and identify specific areas for possible future projects.

IDB HELPS FINANCE SOCIAL SECURITY

The Inter-American Bank announced the approval of a \$20 million loan to help Costa Rica improve its national health services.

The loan, which was extended to the Republic of Costa Rica, is the first approved by the Bank for improvement of a social security system in Latin America.

The loan will be used by the *Caja Costarricense de Seguro Social (CCSS)*, the national social security agency, to help solve the shortage of outpatient services in rural areas and to comply with legislation calling for the extension of comprehensive health services throughout the country.

The total cost of the project is estimated at \$28 million, of which the Bank loan will cover 71.4 per cent and the Costa Rican Government the remaining 28.6 per cent. The project will include:

- The construction of three new CCSS hospitals with a total capacity of approximately 540 beds. Of these, one

BRAZIL: The Bank on September 18 announced the approval of a \$40 million loan to help finance an agricultural credit program for medium and small-scale producers and rural cooperatives.

The loan will be used by the *Banco Central do Brasil (BCB)* through its Rural Credit Department to help raise national agricultural and livestock production by means of a global program of supervised credit to farmers and cattle raisers throughout the country.

The total cost of the program is estimated at \$80 million, of which the Bank loan will cover 50 per cent, the BCB 40 per cent and financial agents the remaining 10 per cent. The program is expected to:

- Increase the productivity and income of approximately 6,800 medium and small-scale rural producers and of some 14,000 additional producers who will benefit by the reinvestment of loan recoveries.
- Strengthen the activities of existing rural cooperatives and encourage the formation of new cooperatives, thereby benefiting approximately 180,000 cooperative members, more than 70 per cent of whom will be medium and small-scale producers.
- Coordinate the provision of rural extension services at the producer level, stimulate the use of fertilizers and modern production techniques and help create new employment opportunities in the rural sector.

will be located in the town of Quezada in northern Alajuela Province, one in Puerto Limón on the Atlantic coast, and one in Villa Neily on the Pan American Highway in Puntarenas Province near the Panamanian border.

- The construction of three new CCSS maternal and child care clinics with a total capacity of some 49 beds, to be located in Upala and Los Chiles in Alajuela Province and in San Vito de Java in southern Puntarenas Province.

- The construction of approximately 12 new CCSS outpatient clinics, without beds, to be located in various regions other than the central zone, primarily in Guanacaste and Puntarenas Provinces.

- The provision of medical and surgical equipment for the new facilities.

In addition to the loan, the Bank extended \$284,610 in grant technical cooperation to contract consultants to strengthen the institutional structure of the CCSS, to provide fellowships to CCSS staff members for training abroad, and to train CCSS executives at home and abroad in modern financial managements concepts.

CENTRAL AMERICA: The Bank on September 11 announced the approval of \$235,000 in grant technical cooperation to help finance a study of the Central America-Panama tourism circuit and for the institutional strengthening of the Bureau of Central American Tourism Integration and of the tourism departments of the six countries of the area.

The technical cooperation was extended to the Governments of Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua and Panama and will be used by the *Secretaría de Integración Turística Centroamericana (SITCA)*, the regional tourism secretariat, through the respective national tourist agencies.

The total cost of the project is estimated at \$265,000.

The project will consist of the preparation of a study presenting a tourism development strategy through the operation of a circuit that would connect the primary tourism development poles of the five Central American countries and Panama.

Completion of the circuit is expected to induce activity in other sectors of the economy and promote redistribution of tourism benefits between rural and urban areas. It will also permit an increase of national investment in the sector and coordinating it with the creation of new lodging facilities.

ECUADOR: On September 18 the Bank announced the approval of a \$17 million loan to help finance a global industrial credit program.

The loan was extended from the Venezuelan Trust Fund administered by the Bank under an agreement signed in February with the Venezuelan Investment Fund.

The borrower is the *Comisión Nacional de Valores-Corporación Financiera Nacional (CV-CFN)*, the national development agency, which will use the resources of the loan to grant credits to industrial and manufacturing enterprises throughout the country.

The total cost of the program is estimated at \$30 million, of which the Bank loan will cover 56.7 per cent and the CV-CFN the remaining 43.3 per cent.

The purpose of the program is to foster the establishment, expansion and improvement of enterprises in the industrial manufacturing sector.

The program will place special emphasis on the financing of agroindustrial manufacturing projects in an effort to increase the production of food and other agriculture and livestock products and to help open up additional markets for primary products. A minimum of 30 per cent of the program resources will be used for this purpose.

An estimated 40 per cent of the program resources will be used to help finance projects outside the urban areas of Quito and Guayaquil, the country's major mark-

ets, thereby encouraging the decentralization of industry. The remaining 15 per cent of the program's resources will help finance new enterprises.

HAITI: On September 11 the Bank also announced the approval of a \$7.5 million loan to help Haiti expand and improve port installations in Port-au-Prince, the country's capital city and major sea port.

The loan, which was extended to the *Banque Nationale de la République d'Haïti (BNRH)*, complements a \$10 million Bank loan approved in 1972. The new loan will be used by the *Administration Portuaire de Port-au-Prince (APP)* to complete the financing of the second stage of a program designed to increase the port's cargo-handling capacity.

The total cost of the project is estimated at \$20.8 million, of which the two Bank loans—the \$7.5 million loan and the \$10 million loan approved in 1972—will cover 84.1 per cent and local sources the remaining 15.9 per cent.

The new facilities will permit Port-au-Prince to handle a projected 510,000 tons of cargo a year by 1980 compared with 192,693 tons in 1971 and to receive approximately 1,100 vessels. The facilities will also expedite the handling of passenger traffic from Caribbean cruise ships, which is expected to increase from 24,100 passengers in 1971 to 125,000 in 1980.

NICARAGUA: On September 11 the Bank announced the approval of a \$16.5 million loan to finance a rural electrification project.

The loan will be used by the *Empresa Nacional de Luz y Fuerza (ENALUF)*, the government-owned power company, to help carry out the first stage of the Second National Rural Electrification Program. Within 10 years of operation, the program is expected to supply electric power to an estimated 21,600 consumers in a 1,776 square-mile area of 70,000 inhabitants in the Departments of Matagalpa and Zelaya.

The total cost of the project is estimated at \$20,850,000, of which the Bank loan will cover 79.1 per cent and the Government the remaining 20.9 per cent.

The two areas are the first of eight rural zones which will be supplied with electric energy under the three-stage Second National Rural Electrification Program at a total estimated cost of \$40.6 million.

PANAMA: On September 11 the Bank announced the approval of a \$30 million loan to help finance the construction and improvement of rural roads.

The loan will be used by the Ministry of Public Works through its National Construction Bureau (DNC) for the third stage of a road program that will make it possible to bring new production areas into the national economy and improve substantially the socioeconomic condition of

inhabitants of the rural areas where the works will be executed.

The total cost of the project is estimated at \$43 million, of which the Bank loan will cover 69.8 per cent and the Government will cover the remaining 30.2 per cent.

The DNC will use the resources of the Bank loan to build eight roads with a combined length of approximately 134 miles in rural areas lacking road facilities and inhabited by low-income families in the provinces of Coclé, Los Santos, Herrera, Chiriquí, Colón and Veraguas.

The program is designed to increase agricultural production and productivity and to expand marketing prospects in these regions, encourage new agroindustrial activities, and facilitate the use of existing farm credit, technical assistance and health education programs, as well as reduce transportation costs.

PARAGUAY: The Bank on September 10 announced the approval of \$48,000 in technical cooperation to carry out an economic feasibility study of the second stage of the construction of a storm sewage system in Asunción, the country's capital city.

The technical cooperation agreement was signed in a ceremony at the Bank by President Antonio Ortiz Mena and Alberto Ramírez Patiño, General Manager of the *Corporación de Obras Sanitarias (CORPOSANA)*, the national water and sewage agency (photo).

The Bank's resources, extended to CORPOSANA on a contingent recovery basis under the Special Program for Project Preparation administered by the Bank, will be used to contract a consulting firm to carry out the study.

The study will include a revised estimate of the costs of construction and maintenance of the second stage of the storm sewer system, an analysis of the benefits and profitability of the project, a



technical evaluation of designs and other basic documents relating to the works, and a revision of the plan for the institutional strengthening of CORPOSANA.

The total cost of the project is estimated at \$63,000, of which the Bank's technical cooperation will cover 76 per cent.

REGIONAL: The Bank on September 11 announced the approval of \$113,500 in grant technical cooperation to finance a training program on the administration of higher education at universities of the Andean region.

The technical cooperation will be used by the *Universidad de los Andes*, in Colombia, to initiate the training of Latin American university administrators to promote greater efficiency in the use of resources and in the planning for the development of higher education in the region.

The program, to be carried out at a total estimated cost of \$137,000, will benefit the authorities of universities in Bolivia, Colombia, Chile, Ecuador, Peru and Venezuela.

ALIDE ANNOUNCES CONTEST

A \$3,000 prize is being offered by the Association of Latin American Financial Institutions (ALIDE) in a contest to encourage research on and study of the responsibility of development banks for financing industrial development in terms of national efforts and of regional schemes for integration.

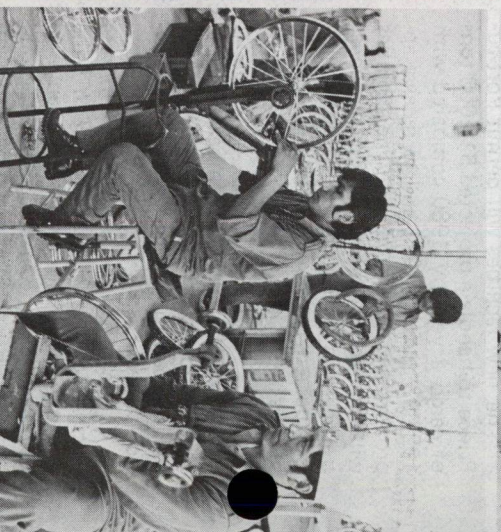
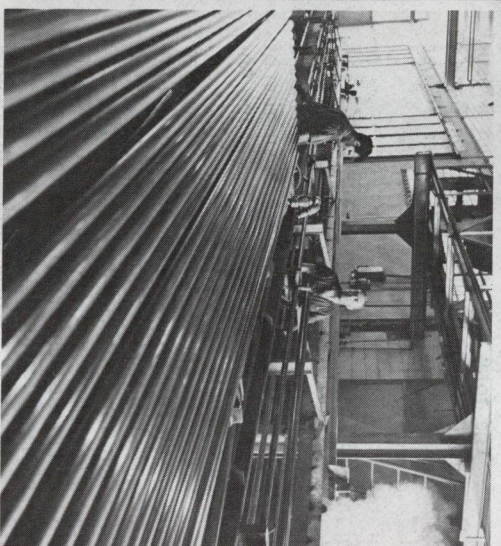
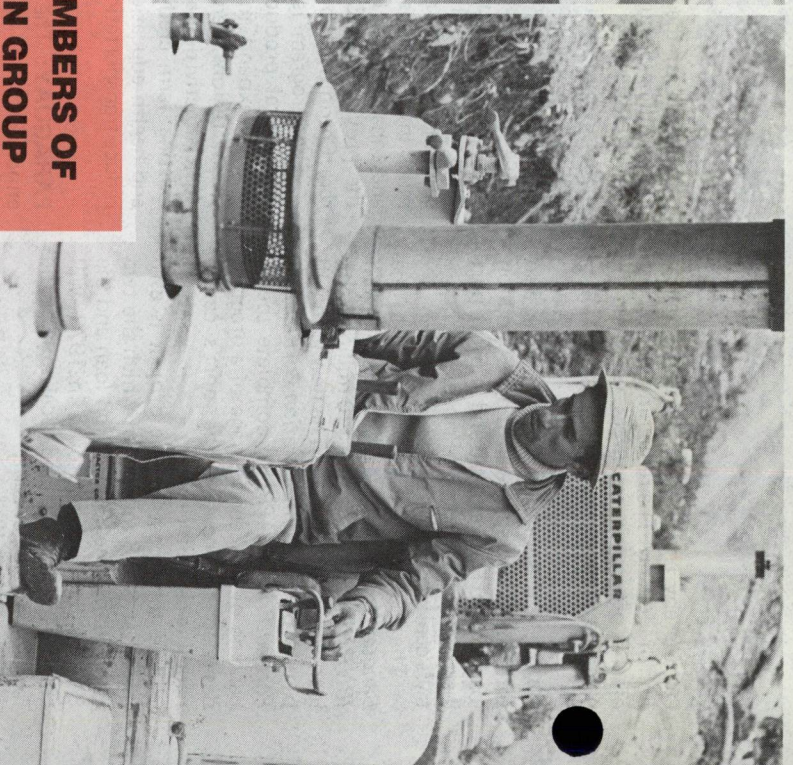
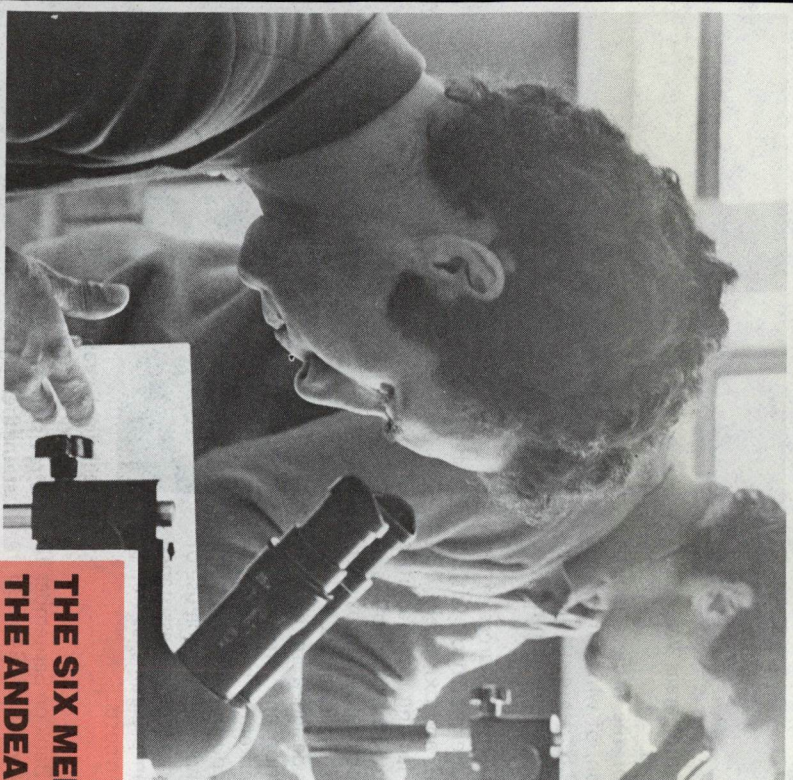
Entries must consist of hitherto unpublished works, although university dissertations not commercially published are eligible. All entries must have been written after 1972. Six copies of each entry, typed on letter-size paper, should be submitted. Each entry must be at least 30,000 words in length.

Citizens of the Latin American countries are eligible to participate in the contest, either individually or in groups. Each contestant or group of contestants must enter the contest under a pseudonym and enclose his or her name, nationality and address in a separate, sealed envelope bearing

his or her pseudonym and the title of the entry. The contest closes April 1, 1976; results will be announced during the second half of 1976.

The \$3,000 prize to be awarded by ALIDE and publication of the winning entry will be provided by the *Corporación Venezolana de Fomento*. By entering the contest, the winner of the "Venezuelan Development Corporation Prize" surrenders all rights to ALIDE, which shall be entitled to issue whatever publication run it deems adequate, supplying the author with 100 copies, free of charge. The jury may award as many honorable mentions as it considers appropriate.

Entries, which will not be returned, should be sent to the following address: Secretary-General, Asociación Latinoamericana de Instituciones Financieras de Desarrollo, Apartado 1230, Lima, Peru.



THE SIX MEMBERS OF THE ANDEAN GROUP FORGE AHEAD

The countries of the Andean Group, a sub-regional market comprising 5.5 million square kilometers and a population of more than 70 million, have received \$2,283 million in loans from the IDB for key social and economic development projects. These pictures show various aspects of the technical and financial cooperation the Bank has provided to these six countries. From left to right, above: science students work in a lab at the National University of Colombia, which expanded its facilities with the help of a Bank loan, and the expressway between La Paz and El Alto, Bolivia. Center: a steel tube plant in Venezuela and a bicycle factory in Peru. Below: construction work for the new sewage system in Guayaquil, Ecuador, and cattle being inoculated against foot-and-mouth disease in Chile. IDB financing for these programs was channeled through 303 loans.

