

Integrated Community Development Fund

Quarterly Report to USAID/Bolivia Integrated Alternative Development Office

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This Quarterly Progress Report is made possible by the generous support of the American people through the United States Agency for International Development (USAID). The contents are the responsibility of ACDI/VOCA and do not necessarily reflect the views of USAID or the United States Government.

EXECUTIVE SUMMARY AND KEY ICDF DEVELOPMENTS

Through Cooperative Agreement (CA) No. 511-A-00-05-00153-00, dated August 1, 2005, ACDI/VOCA was awarded the sum of U.S. \$42 million by USAID/Bolivia to implement the Integrated Community Development Fund (ICDF) for a period of five years. On September 15, 2006, the total estimated amount of the agreement was increased to \$44 million per the new terms and expanded program description outlined in Modification 4. Later in November 2007, after subsequent reductions in the overall Integrated Alternative Development (IAD) budget, the ICDF was again adjusted per the terms of Modification 7, reducing its total ceiling to \$32,194,000.

The main goal of the ICDF is to support the joint efforts of the United States Government (USG) and the Government of Bolivia (GOB) to establish a sustainable licit economy in Bolivia's coca-producing regions. The overall objective is to meet basic human needs and alleviate poverty by improving social and economic conditions to discourage the expansion of excess coca production within and beyond these regions.

The ICDF methodology is driven by a strategic focus on targeted areas in the Yungas of La Paz (Yungas) and the Tropics of Cochabamba (TC) that support diversification of the local economy, thus reducing dependence on coca cultivation. The integrated nature of the ICDF activity enables the GOB and USAID/Bolivia to use the ICDF as a tool to respond to diverse social and productive demands that will transition communities to a sustainable future. The ICDF addresses needs by community, *central*, federation, district and/or region as required. ACDI/VOCA employs flexible and rapid mechanisms designed to provide an efficient response to any changes in the implementing environment as well as to GOB and USAID/Bolivia policies.

Until recently, ACDI/VOCA implemented the ICDF through a four-component approach: community development, economic development, support to coca rationalization and emergency response. However, per the terms of Modification 7 approved by USAID/Bolivia in November 2007, ACDI/VOCA eliminated this four-component structure and directed all sub-award activities towards two programmatic areas, economic and community development, respectively, to ensure that all activities support the policies and strategy of the GOB's Vice Ministry for Coca and Integrated Development (VCDI in Spanish).

This report covers the first quarter of fiscal year 2009, encompassing activities carried out between October 1 and December 31, 2008. At the close of the quarter, the total number of small-grant development projects under the ICDF was 496. These projects are comprised of 254 community development projects and 242 economic development projects. By the end of the quarter, 14 projects were in the design phase, 14 projects were in procurement or in bid process, 206 were in implementation and 31 had been canceled due to the departure of USAID from the TC. Forty-one (41) ICDF projects were concluded during this reporting period. Of these, 27 were community development projects and 14 were from the economic development portfolio. To date, 231 sub-grant projects have been completed.

During the reporting period, ACDI/VOCA accomplished multiple key activities contributing to overall ICDF objectives. Highlights include:

- On October 31, 2008, the acting USAID/Bolivia mission director, the IAD office director and other USAID/Bolivia personnel participated in the inauguration of three high-profile ICDF social infrastructure projects benefiting the town of Chicaloma in the municipality of Irupana: 1) a sanitary sewer system; 2) expansion and improvements to the Chicaloma primary school; and 3) construction of a new central plaza. These three projects were prioritized by the community of Chicaloma under a coca no-expansion agreement signed with the VCDI. The approximately \$500,000 invested in these projects by USAID will bring improved health, educational and recreational opportunities to over 250 families in Chicaloma and surrounding communities. The event was jointly organized by the ICDF and local authorities. Inauguration activities included remarks from local leaders and the acting USAID/Bolivia mission director, a ribbon-cutting ceremony, site visits to all three projects, music and dance numbers (including the *Saya*) and a luncheon for all the participants.
- On November 22, 2008, Mr. Cris Urs, the chargé d'affaires of the U.S. Embassy in Bolivia, paid a visit to the town of Inicua in the Alto Beni region of the Yungas to participate in the inauguration of three high-impact ICDF sub-grants: the Pauca-Inicua potable water system; 20 new teacher housing units for Inicua teachers and new public bathrooms. He was accompanied by other Embassy and USAID/Bolivia personnel including the IAD office director. Other participants included the mayor of Palos Blancos (Inicua is part of the Palos Blancos municipality), the deputy mayor of Inicua, member of the Palos Blancos town council, elected leaders of the Alto Beni Agrarian Federation, Project OSCAR director and other local leaders. These three projects represent a USAID investment in the region of over US\$575,000. Together with the Chicaloma event (see previous bullet), Embassy and USAID/Bolivia representatives inaugurated over US\$1,075,000 in ICDF social infrastructure projects during the current reporting period. The Pauca-Inicua water system distributes clean water to six rural communities plus the town of Inicua and will benefit over 1,150 people. The new teacher housing replaces previous sub-standard living quarters and will improve teacher performance and reduce turnover, as teachers will no longer need to request transfers to other schools due to poor living conditions.
- On November 23, 2008, the IAD director and other USAID/Bolivia personnel participated in the inauguration of the new San Miguel de Huachi high school, a project implemented by the ICDF in District VI of the municipality of the Palos Blancos. The event was a follow-up activity to the previous day's inaugurations in Inicua (see previous bullet) and represents a USAID investment in education of over US\$209,000. Other participants included the mayor of Palos Blancos, the District VI deputy mayor, Palos Blancos town council president, the high school principal, school board officials, and other local leaders as well as teachers and students. The new two-story high school provides eight spacious classrooms and school furniture, student bathrooms and a computer laboratory for the attending student population. The new classrooms will alleviate overcrowding and provide increased capacity, allowing local students to attend classes close to home instead of having to commute to more distant schools. The high school is the second phase of a complete educational complex in San Miguel de Huachi implemented under the Yungas Community Alternative Development Fund (YCADF) and ICDF that provides facilities for grades K-12. Activities included remarks from local leaders and the IAD director, a ribbon-cutting ceremony, a luncheon and student

demonstrations of several traditional dances.

The event was organized jointly by ICDF, ARCo and local authorities. Activities included remarks by the chargé d'affaires, a ribbon-cutting and plaque-unveiling ceremony, project site visits, a luncheon and a small producer's fair to showcase IAD support to local micro-enterprises.

- USAID/Bolivia held a meeting with IAD implementers on December 10, 2008 to discuss strategies for an orderly departure and closeout of IAD activities in the TC. Participants included the ICDF, VCDI, the Rural Competitiveness Activity (ARCo in Spanish) and Caminos Vecinales. It was established that implementers should concentrate efforts on concluding selected social infrastructure projects that have not been completed, as well as taking steps to ensure sustainability of productive projects. Based on these recommendations, it was established that the ICDF will reactivate and complete six infrastructure projects (see following bullet), and initiate implementation of two new productive projects aimed at transferring capacity to local entities so that they may continue providing much-needed technical assistance after the departure of USAID from the region.
- An ICDF technical committee meeting was convened on December 17, 2008 in ACDI/VOCA's La Paz office. The technical committee (CT in Spanish) is comprised of representatives from the ICDF, USAID/Bolivia and the VCDI. As part of the meeting agenda, ICDF representatives presented for committee approval six new productive projects to be implemented in La Asunta. These projects are the result of an ongoing collaboration with the Rural Competitiveness Activity (ARCo in Spanish) to identify and promote viable alternative crops and agricultural micro-enterprise activities in the La Asunta region. The new ICDF productive projects are in production of plantains, coffee, stevia, poultry and beekeeping. For the Yungas region, seven social infrastructure projects were presented and approved for implementation and four social infrastructure projects, including the Coroico sanitary landfill, were pre-approved to proceed with engineering designs. For the TC region, the committee approved the conclusion of six infrastructure projects that had been previously suspended after USAID's departure from the TC in June 2008 (see previous bullet). The conclusion of these projects was approved to avoid leaving partially-completed and unusable infrastructure, and to protect the financial investment already made to date. The implementation of two new productive projects in the TC was also discussed.

SUMMARY OF CURRENT ICDF PROJECT STATUS

Twelve new projects were added to the ICDF project portfolio during the current quarter. These projects were presented and approved for inclusion in the latest CT meeting in December 2008. Of the 12 new projects, six are in the economic development portfolio and six in the community development portfolio.

Number of projects by implementation status and by portfolio

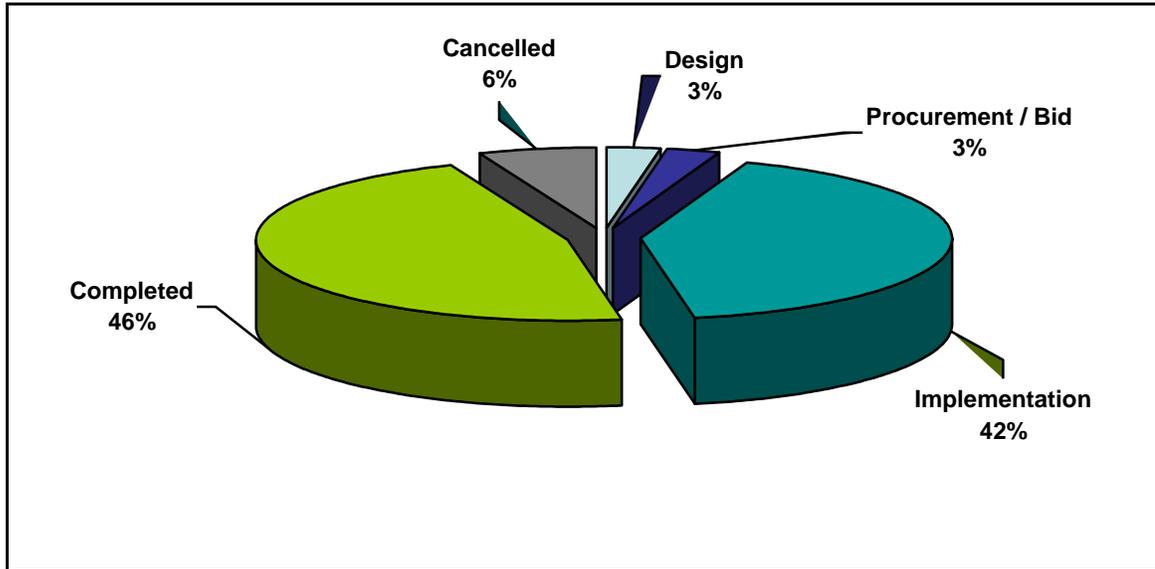
Project Status	Community Development	Economic Development	Total
Final Design	7	7	14
Procurement / Bid	14		14
Implementation	40	166	206
Completed	174	57	231
Cancelled	19	12	31
Total	254	242	496

Number of projects by implementation status and by region

Project Status	TC	Yungas	Total
Final Design		14	14
Procurement / Bid		14	14
Implementation	36	170	206
Completed	70	161	231
Cancelled	31*		31
Total	137	359	496

*In the TC, 20 previously-cancelled projects were reactivated and either completed or placed back in implementation status.

Chart 1 - Distribution of ICDF projects by implementation status



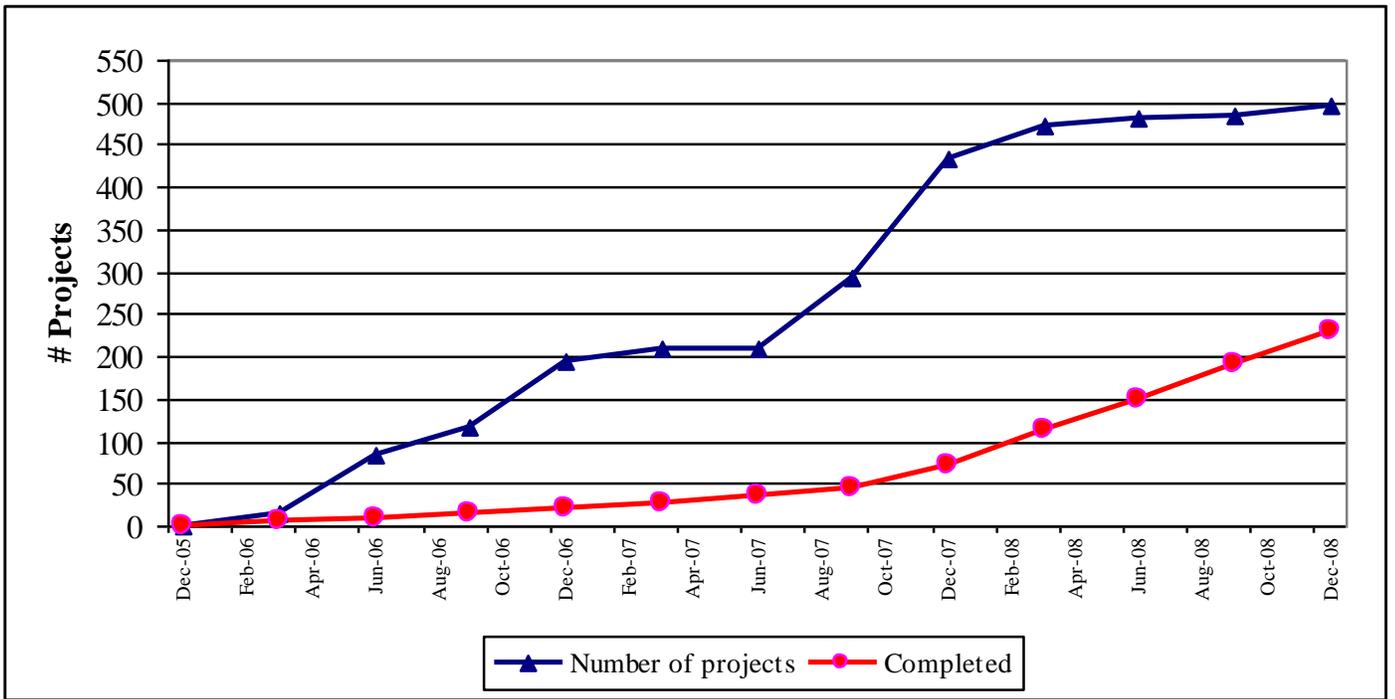
Projects before and after the signing of IL-43 by portfolio

IL-43	Community Development	Economic Development	Total
Post- IL	89	200	289
Pre- IL	164	43	207
Total	254	242	496

Projects before and after the signing of IL-43 by region

IL-43	TC	Yungas	Total
Post- IL	91	198	289
Pre- IL	46	161	207
Total	137	359	496

Chart 2 - Cumulative number of ICDF sub-grant projects



Distribution of projects by region, municipality and portfolio

Region	Municipality	Community Development	Economic Development	Total
Yungas	Alto Beni (Caranavi)	25	19	44
	Chulumani	23	13	36
	Coripata	24	14	38
	Coroico	18	1	19
	Irupana	5		5
	La Asunta	27	30	57
	Palos Blancos	27	65	92
	Yanacachi	14	31	45
	Varios YUN	16	7	23
	Subtotal	179	180	359
TC	Chimore	8	6	14
	Entre Ríos	9	5	14
	Puerto Villarroel	21	19	40
	Shinahota	12	8	20
	Villa Tunari	15	18	33
	Varios TC	4	6	10
	Omereque	5		5
	Yapacani	1		1
		Subtotal	74	63
	Total General	254	242	496

Chart 3 - Distribution of projects by municipality – Yungas

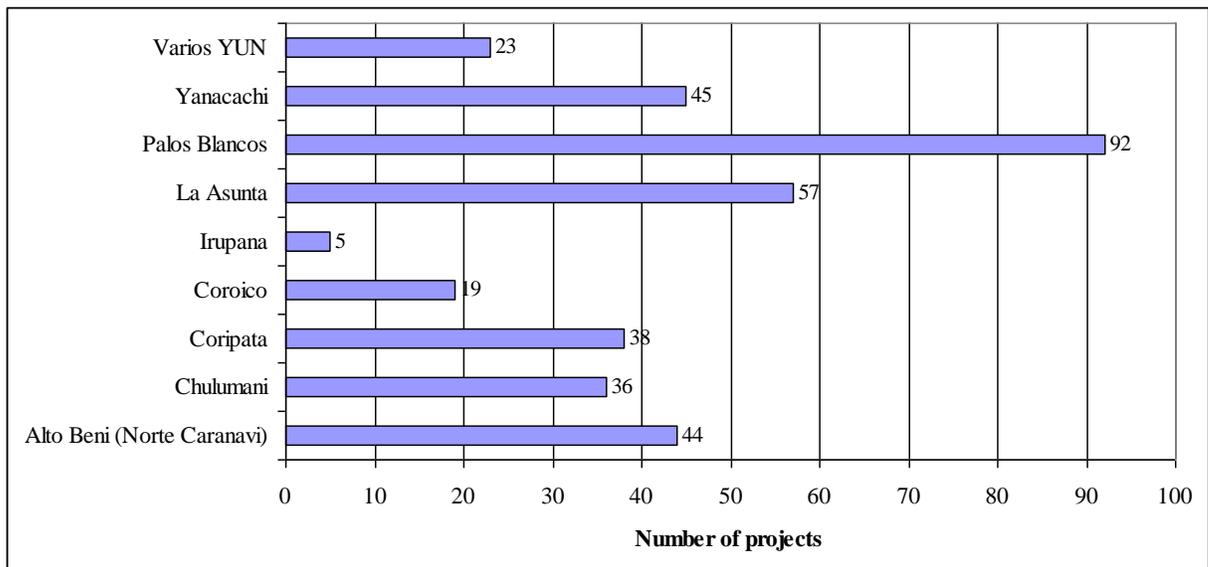
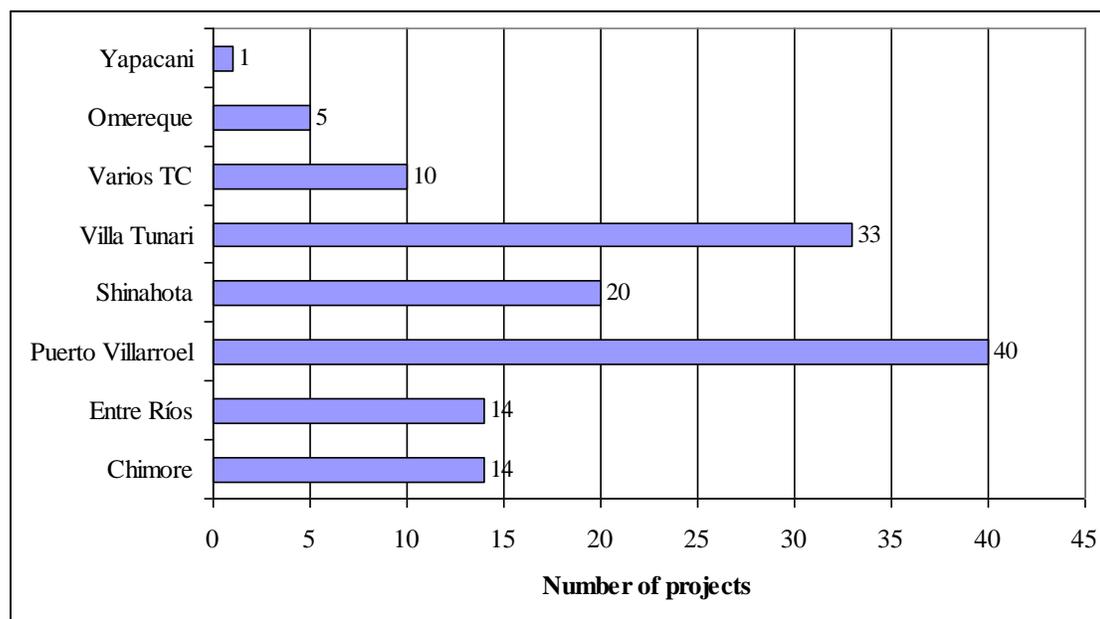


Chart 4 - Distribution of projects by municipality – Tropics of Cochabamba



Distribution of projects by portfolio, sub-portfolio and region

Portfolio	Sub-portfolio	Yungas	TC	Total
Community Development	Potable water	25	3	28
	Community training	27	3	30
	Education	47	26	73
	Institutional strengthening	10	6	16
	Community infrastructure	36	33	69
	Environment	2		2
	Health	11	3	14
	Sanitation	17		17
	Other	4	1	5
Total Community Development		179	75	254
Economic Development	Agriculture	27	11	38
	Productive training	6	6	12
	Productive infrastructure	3	14	17
	Transportation infrastructure	1	10	11
	Animal husbandry	64	8	72
	Services	13		13
	Processing	53	4	57
	Tourism	5	4	9
	Other	8	5	13
Total Economic Development		180	62	242
Total		359	137	496

Chart 5 - Distribution of community development projects by sector sub-portfolio

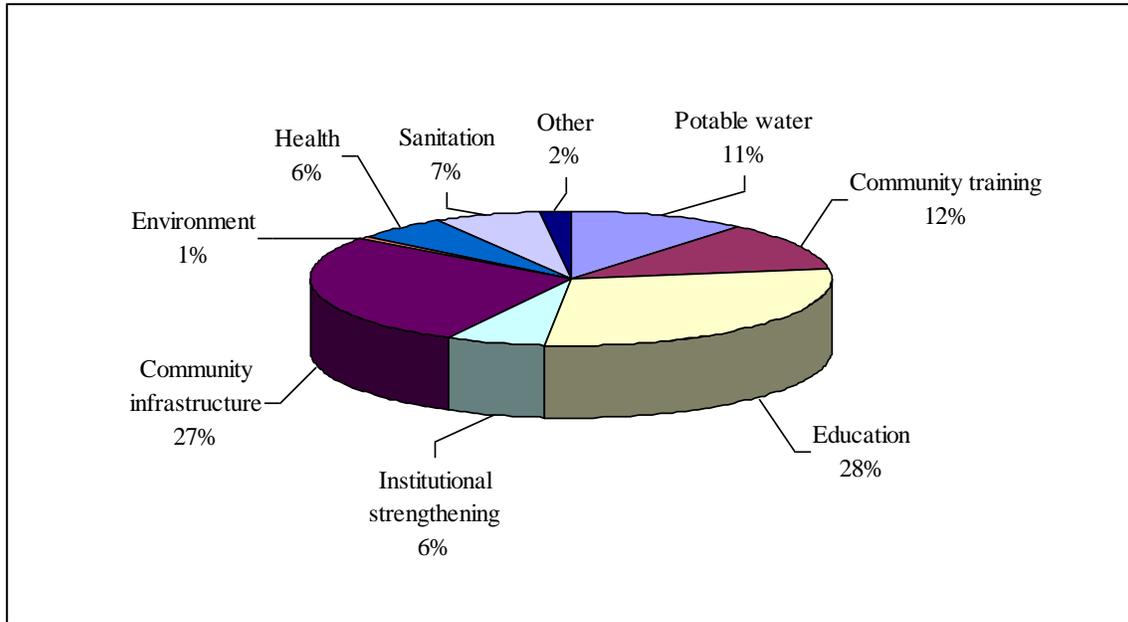
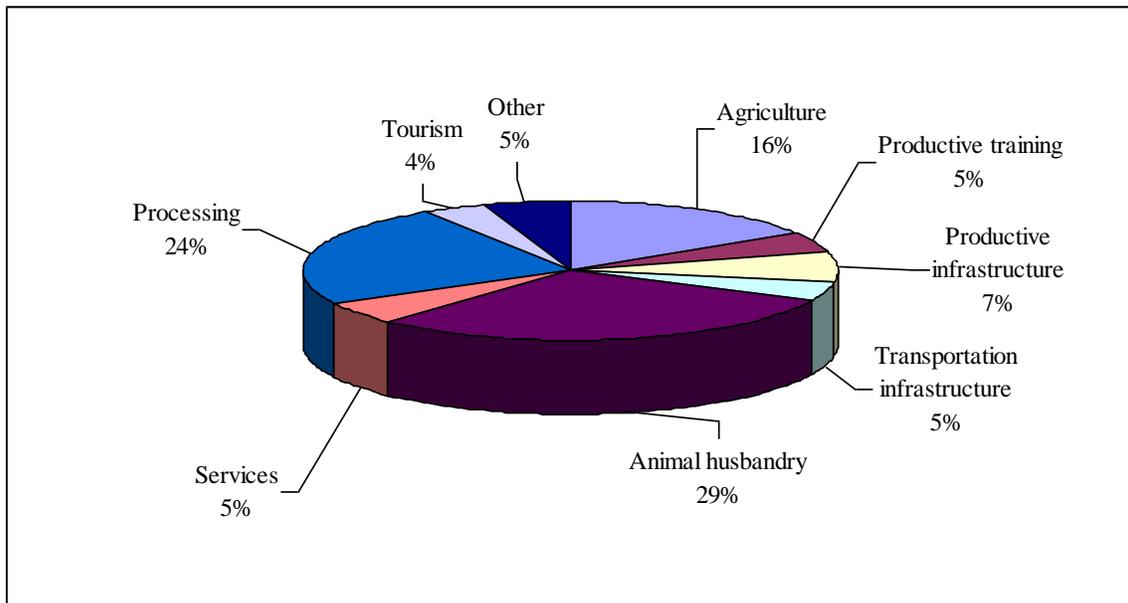


Chart 6 - Distribution of economic development projects by sector sub-portfolio.



I. BACKGROUND AND CONTEXT

Since early 2001, ACDI/VOCA has been a key USAID/Bolivia and GOB IAD partner in working with local residents and governments to implement community-driven social and economic development projects. Managing the Yungas Community Alternative Development Fund (YCADF) and its successor – the ICDF – within an ever-changing local and national context has demonstrated ACDI/VOCA’s capacity to implement projects that yield broad and sustainable impact, enabling the ICDF to be a flexible, responsive tool that supports the GOB and USG’s priorities of fostering a licit economy and reducing excess coca cultivation.

The general objective of the ICDF is to improve social and economic conditions and provide access to basic services in the Yungas and the TC. Specifically, the ICDF aims to strengthen community development through the implementation and/or improvement of social infrastructure and community participation, and strengthen economic development by providing new economic opportunities that create employment and generate income.

The evolving IAD implementation context continues to reinforce the need for the ICDF to demonstrate innovation in a time of transition. Toward this end, ACDI/VOCA is continually making methodological and geographical adjustments that permit the ICDF to be an effective mechanism for the support of sustainable economies and for building social capital.

The Yungas: ACDI/VOCA has previously concentrated ICDF efforts on two primary areas of influence in the Yungas: the non-expansion of coca cultivation in the Alto Beni region and voluntary coca rationalization and/or reduction in the traditional zone. Current efforts and resources to support the VCDI are now more focused on the La Asunta area. To date, 359 ICDF projects are included in the Yungas regional portfolio. Of these, 161 have been completed, 170 are in implementation and 28 projects are either in design or under procurement. All projects support communities committed to engaging in licit social and economic activities.

The Tropics of Cochabamba – The 137 ICDF projects in the TC respond directly to the GOB’s policies of rationalization and control of coca cultivation. In the TC, the implementation of these policies is carried out by UDESTRO, the organization with which the ICDF has coordinated to identify all of the projects implemented under IL 43. Currently the portfolio of projects in the TC includes 70 that are concluded and 36 in implementation. Thirty-one (31) have been canceled as a result of USAID’s recent departure from the TC.

II. PERFORMANCE INDICATOR RESULTS

The ICDF activities are divided into two portfolios: economic and community development. These two programmatic areas support the GOB's policy of rationalization of coca cultivation and provide the VCDI the necessary tools to negotiate rationalization agreements. The following table summarizes the ICDF's performance indicator targets per programmatic pillar:

Indicator	Unit	Targets (Annual Incremental)					Total LOP	
		05 -06	07	08	09	10		
Overall indicators								
SO 1.1	Percentage of population below poverty line as measured by the Unsatisfied Basic Needs Index	Percent YLP	70%*		65%		60%	
		Percent TC	75%*		70%		65%	
SO 1.2	Total number of families (and their communities) with increased access to public goods, services and jobs.	Families	3,499	5,000	6,000	5,000	1,250	20,749
	* Percentages for '05 and '06 are baseline reference numbers							
Community development								
IR 1.1	Number of social infrastructure and related works completed	Infrastruc- ture	13	120	150	130	30	443
IR 1.2	Hectares under coca cultivation agreements	Hectares – Rationalization Hectares – No Expansion	1,024 143,890	3,000 15,000	3,500 15,000	3,500 10,000	1,500 5,000	12,524 188,890
Economic development								
IR 2.1	Incremental sales from economic initiatives supported by ICDF	\$us. (Thousands)	0	0	650	1,800	4,500	6,950
IR 2.2	Number of new, licit equivalent jobs directly attributable to <u>all</u> ICDF-supported initiatives	Equivalent jobs	219	1,000	1,500	1,500	500	4,719
IR 2.3	Number of hectares of agricultural licit crops that have been developed or expanded with ICDF support.	Hectares	0	250	1,000	1,500	1,000	3,750
Cross-cutting indicators								
CC 1.1	Number of other trainees completing by any other type of training	Trainees	2,582	6,000	5,000	3,500	500	17,582
CC 1.2	Percent of counterpart by component	%	CD 10%	10%	10%	10%	10%	10%
			ED 30%	30%	30%	30%	30%	30%
CC 1.3	Percent of relevant sub-grant initiatives that are still "functioning well" one year after completion	Sub - grants	n/a	95%	95%	95%	95%	95%

The main objective of the ICDF is to support the joint USG-GOB efforts to establish a sustainable economy in Bolivia's coca-producing and associated areas by addressing basic human needs, alleviating poverty and improving social and economic conditions through the implementation of sub-grants for projects identified through participatory methodologies. This objective primarily responds to USAID/Bolivia's Intermediate Result (IR) 5.3:

To improve basic public services and social conditions in the Tropics of Cochabamba and in the Yungas region of La Paz, Bolivia.

This IR is monitored by two indicators: 1) the index of unsatisfied basic needs, and 2) the number of beneficiary families. The first indicator will be monitored twice during the life of project (LOP): once during the first and second quarters of year four and a second time at the end of project. The number of families indicator is monitored on a quarterly basis.

II.1. SO 1.2 Indicator: Number of families

Title of the performance indicator: Total number of families (and their communities) with increased access to public goods, services or jobs.

Measurement unit: Number of families benefited by ICDF supported activities

Targets and results of the number of families indicator (October - December 2008)

Milestones	Total 2006	Total 2007	2008					Total 2009	Total 2010	Total LOP
			Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Total -08			
Targets	3,499	5,000	1,500	1,500	1,500	1,500	6,000	5,000	1,250	20,749
Results TC	2,543	5,924	1,087	272	-	552	1,911			10,378
Results YLP	956	9,280	1,551	1,485	1,212	1,070	5,318			15,554
Total	3,499	15,204	2,638	1,757	1,212	1,622	7,229	-	-	25,932

Number of beneficiary families by portfolio and by region (October – December 2008)

Portfolio / Region	Yungas	TC	Total
Economic Development	4	59	63
Community Development	1,066	493	1,559
Total	1,070	552	1,622

- The total number of families benefited during the current quarter exceeded the target of 1,500 by 122 families. The ICDF exceeded the target of 6000 families for calendar year 2008 by approximately 20%. The strong showing in the Yungas in the current quarter was due in large part to the completion of 420 household latrines in 17 communities within the municipality of Palos Blancos. This vital infrastructure has increased coverage and access to simple, but effective, basic sanitation. As an integral complement to the basic infrastructure construction, the ICDF has provided sanitation education and training to beneficiary families in the proper use, care and maintenance of the latrines in order to foster improved hygiene habits and help ensure project sustainability. These efforts will help prevent water-borne illness and the severe diarrhea that it can cause, especially in the vulnerable infant population.
- The results for the TC were due in large part to the conclusion of several projects providing new school furniture to schools in several municipalities, as well as vehicular bridges to help small producers in the banana, palm heart and pineapple value chains bring their crops to market.

See Annex IV for Success Story: New Health Center Improves Quality of Care for Five Communities in the Yungas.

Intermediate Result 1

The ICDF's intermediate result 1 (IR 1):

Community development in the Yungas and in the TC is strengthened; social and productive infrastructure is constructed, expanded and/or equipped.

II.2. IR 1.1 Indicator: Complementary infrastructure and related projects

Name of the performance indicator: infrastructures and related projects completed.

Measurement Unit: Number of complementary infrastructures and other projects concluded by the ICDF.

**Targets and results of the complementary infrastructure and related projects indicator
(October – December 2008)**

Milestones	Total 2006	Total 2007	2008					Total 2009	Total 2010	Total LOP
			Jan - Mar	Apr – Jun	Jul - Sep	Oct - Dec	Total -08			
Target	13	120	20	30	50	50	150	130	30	443
Results TC	11	4	2	6	2	15	25	-	-	40
Results YLP	3	19	30	20	22	104	176	-	-	198
Total	14	23	32^a	26^b	24	119	201	-	-	238

^aThe previously reported result of 33 completed infrastructure projects reported for the period January-March 2008 has been corrected in the current report and reduced to 32. The scope of the project “Entre Rios Hospital” in the TC was the preparation of a complete engineering design and not the actual construction of the facility. However, the project was erroneously reported as completed infrastructure.

^bThe previously reported result of 35 completed infrastructure projects reported for the period April-June 2008 has been corrected in the current report and reduced to 26. The correction was due to five projects in the TC whose scope was the preparation of a complete engineering design, but that were erroneously reported as completed infrastructure. In addition, in the Yungas 4 solar cacao drier projects were erroneously reported as completed when they were still in implementation.

Number of completed infrastructure projects by project type (October – December 2008)

Portfolio	Sub Portfolio	Yungas	Tropics of Cochabamba	General Total
Community Development	Potable water	1		1
	Education	2	5	7
	Community infrastructure	1	4	5
	Sanitation	17		17
Total Community Development		21	9	30
Economic Development	Productive infrastructure	83	2	85
	Transportation infrastructure		4	4
Total Economic Development		83	6	89
General Total		104	15	119

- The number of infrastructure projects completed during the current quarter was approximately double the target number due primarily to the conclusion of household latrines (sanitation) in the municipality of Palos Blancos (Yungas) and the completion of 83 individual cacao driers under the economic development portfolio.
- A total of 420 latrines were constructed in 17 communities. Per the counting methodology established in the PMP, all latrines implemented within the same community were considered as a single project.
- Projects contributing to results in the TC included the provision of furniture and equipment for schools in several municipalities; and vehicular bridges (transportation infrastructure) to

help small-scale producers in the banana, palm heart and pineapple value chains bring their crops to market.

II.3. IR 1.2 Indicator: Hectares under coca cultivation agreements

Title of the performance indicator: Hectares under coca cultivation agreements supported by the ICDF.

Unit of Measure: Hectares

The ICDF is proposing the elimination of this indicator. This is based on the fact that the ICDF has little control over the agreements that the GOB reaches with communities, which means that achievements within this indicator cannot be directly attributed to the ICDF. Also, USAID receives a report of the figures related to this indicator directly from the GOB, which is the same source used by the ICDF for this information. No new agreements were reached during the reporting period. For this reason the figures relating to this indicator have not changed from the previous quarterly report.

During the July-Sept 2008 reporting period, the ICDF presented a reformulated PMP to USAID/Bolivia that proposes the elimination of this indicator. The reformulated PMP is currently awaiting final review and approval by USAID/Bolivia.

Intermediate Result 2

The ICDF's intermediate result 2 (IR.2):

Economic initiatives are promoted in the Yungas region of La Paz and in the Tropics of Cochabamba by the creation of job opportunities in these regions.

II.4. IR 2.1 Indicator: Incremental sales

Title of the performance indicator: Increases in sales generated by economic initiatives supported by the ICDF.

Unit of Measure: U.S. Dollars x 1,000

Targets and results of the Incremental Sales indicator (October – December 2008)

Milestones	Total 2006	Total 2007	2008					Total 2009	Total 2010	Total
			Ene - Mar	Apr – Jun	Jul – Sep	Oct - Dec	Total 2008			
<i>Target</i>	-	-	<i>100</i>	<i>100</i>	<i>200</i>	<i>250</i>	<i>650</i>	<i>1000</i>	<i>4500</i>	<i>6150</i>
Results TC	-	-	-	-	155	-	155	-	-	155
Results YLP	-	-	-	455	-	292	747	-	-	747
Total	-	-	-	455	155	292	902	-	-	902

The target for this indicator for the current quarter was exceeded by approximately 20%. The ICDF was able to exceed the annual 2008 target by approximately 38%. The results presented for the current quarter were from sales generated by ICDF-supported microenterprises in the Yungas.

See Annex IV for Success Story: Bakery Provides a Livelihood for Widowed Mother of Four

II.5. IR 2.2 Indicator: Equivalent Employment

Title of the performance indicator: Equivalent employment directly attributed to initiatives supported by the ICDF.

Unit of Measure: Equivalent employment

Targets and results of the Equivalent Employment Indicator (October – December 2008)

Milestones	Total 2006	Total 2007	2008					Total 2009	Total 2010	Total
			Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Total -08			
<i>Target</i>	219	1	375	375	375	375	1,500	1,500	500	4,719
Results TC	25	12	17	28	0	39	84			121
Results YLP	15	82	332	255	152	727	1,466			1,563
Total	40	94	349	283	152	766	1,550	0	0	1,684

During the current quarter (October – December 2008), the ICDF surpassed the target of 375 for the equivalent employment indicator by over 100%. These strong numbers for the last quarter of the calendar year enabled the ICDF to surpass the established annual target for 2008. Ninety percent (90%) of the equivalent employment in the current quarter can be attributed to jobs generated from infrastructure projects in the community development portfolio (potable water systems, schools, school furniture, and others). Per the PMP, equivalent employment for infrastructure projects is calculated as a function of total construction costs. The remaining equivalent employment was generated primarily from micro-enterprise initiatives in the Yungas.

See Annex IV for Success Story: A Successful Micro-enterprise Benefits the Whole Community.

Note: Based on the RIG audit recommendation, the equivalent employment indicator has been meticulously re-evaluated. The figures presented in the above chart reflect this reevaluation.

II.6. IR 2.3 Indicator: Number of hectares of agricultural licit crops

Title of the performance indicator: Hectares of alternative crops or hectares under forest management plans targeted by IAD programs.

Unit of Measure: Hectares

Targets and results of the indicator: hectares of licit crops

Milestones	Total	Total	2008			Total	Total	Total
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	2006	2007	Ene - Mar	Apr – Jun	Jul - Sep	Oct - Dec	Total -08	2009	2010	
<i>Target</i>	0	250					1,000	1,500	1,000	3,750
Results TC					175		175			175
Results YLP										
Total					175		175			175

The target number for hectares of licit crops for 2008 is based solely on the palm heart sub-grant project currently in implementation in the TC. No new hectares were reported during the current reporting period, as all are still in implementation phase. It is anticipated that the ICDF will be able to report a significant number of hectares of licit crops in the following quarter.

Cross-cutting Indicators

The ICDF implements projects whose results contribute to both IRs. These results are reported by way of three cross-cutting indicators: 1) number of trainees; 2) counterpart contribution; and, 3) projects that are “working well” after one year.

II.7. CC 1.1 Indicator: Trainees

Title of the performance indicator: People who received training within the framework of ICDF activity.

Unit of Measure: Number of trainees

Target and results of the trainees indicator (October – December 2008)

Milestones	Total 2006	Total 2007	2008					Total 2009	Total 2010	Total
			Ene - Mar	Apr – Jun	Jul – Sep	Oct – Dec	Total - 08			
<i>Target</i>	2.582	6.000	1.500	1.000	1.500	1.000	5.000	3.500	500	17.582
Total	2.582	21.514	5.232	965	2.160	892	9.249			33.345

- All ICDF projects include a training component in which beneficiaries learn to maintain, administer and operate infrastructure and/or equipment that they have acquired under the program. The different types of training offered include operation and maintenance, health and hygiene practices, basic accounting as well as administrative skills. Under the same principles, training is offered within the economic development projects in the areas of production and business management. In addition, the ICDF project portfolio also includes a number of sub-grants where training and/or institutional strengthening activities are not just a complementary component, but the focus of the project.

- Training results in the current quarter were primarily from basic sanitation training conducted for potable water and sewer systems; and youth leadership training conducted in various schools in the La Asunta region.
- The total number of beneficiaries who received training during 2008 was nearly double the anticipated target of 5000.

See Annex IV for Success Story: Young Entrepreneurs from the UAC Carmen Pampa Seek to Contribute to Rural Development

II.8. CC 1.2 Percent of counterpart by component

The counterpart results for the current reporting period have not yet been booked and will be reported the following quarter.

II.9. CC 1.3 Percent of relevant sub-grant initiatives still functioning well one year after completion

Results for this indicator are still being compiled and will be reported the following quarter.

III. SUMMARY OF ACTIVITIES

III.1. Community Development

During the current quarter, a total of 27 projects in the community development portfolio were concluded; 15 in the Yungas and 12 in TC. Concluded projects by region are presented in the following tables:

Community development projects concluded during the reporting period October to December 2008 - Yungas Region

#	Project Code	Municipality	Community	Project Title
1	YR0076	Palos Blancos	San Miguel de Huachi	Educational Complex – Phase II
2	YR0063	Alto Beni (Norte Caranavi)	Sararia - Area Urbana	Educational Complex
3	YR0016	Alto Beni (Norte Caranavi)	Varias	Potable Water System Megaproject – Alto Beni Areas I and III
4	YC0478	La Asunta	Santa Rosa	Youth Leadership Training
5	YC0477	La Asunta	La Calzada	Youth Leadership Training
6	YC0476	La Asunta	Charia	Youth Leadership Training
7	YC0475	La Asunta	La Asunta	Youth Leadership Training
8	YC0474	La Asunta	La Asunta	Youth Leadership Training
9	YC0473	La Asunta	Cotapata	Youth Leadership Training
10	YC0459	La Asunta	Chamaca	Youth Leadership Training (Chamaca Agrarian Federation)
11	YC0458	La Asunta	La Asunta	Youth Leadership Training (La Asunta Agrarian Federation)
12	YC0457	La Asunta	Yanamayu	Youth Leadership Training
13	YC0331	La Asunta	San Gabriel	Design for Construction of Health Post
14	YC0426	Coripata	Auquisamana	Completion of Auquisamaña Church
15	YC0008B	Palos Blancos	Various	Household Latrines for 17 Communities

**Community development projects concluded during the reporting period
October to December 2008 - TC Region**

#	Project Code	Municipality	Community	Project Title
1	TC0440	Puerto Villarroel	Puerto Villarroel	Purchase of Furniture, Equipment, and Kitchen Utensils; Training for Women Educators
2	TC0431	Puerto Villarroel	Various	Donation of Food Supplies for the Central Puerto Villarroel
3	TC0430	Puerto Villarroel	Various	Donation of Food and Kitchen Utensils for Indigenous Communities
4	TC0419	Shinaota	Villa Barrientos	School Furniture – Mariscal Sucre School
5	TC0417	Shinaota	Poblado Shinahota	School Furniture – George Bush A. School
6	TC0415	Shinaota	Lauca Ñ	School Furniture – Demetrio Canelas School
7	TC0294	Chimore	Estaño Palmito	School Furniture - Estaño Palmito School
8	TC0218	Puerto Villarroel	Puerto Villarroel	Construction of Offices and Stage - Central Puerto Villarroel Post
9	TC0209	Puerto Villarroel	Israel	School Furniture for Six Classrooms – Israel School
10	TC0205	Chimore	Chimore	Furniture and Equipment for the Centrales Unidas Agrarian Federation
11	TC0203	Puerto Villarroel	Ivirza	Furniture for the Central Valle Ivirza
12	TC0202	Puerto Villarroel	Ivirgarzama	Furniture and Equipment for the Association of Ivigarzama Communities

Illustrative Activity Area: Scholarship Programs and Institutional Strengthening

1. Yungas: *Unidad Académica Campesina* (UAC-CP)

The *Unidad Académica Campesina de Carmen Pampa* (UAC-CP) is a non-profit university located 111 km. northeast of La Paz, in the North Yungas Province of the department of La Paz. The university is located in the community of Carmen Pampa, which is 13 km from Coroico, the capital of the province. It offers higher education to the rural regions of tropical northern Bolivia and to the youth from the marginalized areas of the city of La Paz. It was created by an inter-institutional agreement between the Catholic University of Bolivia, the Dioceses of Coroico, the Franciscan Missionary Sisters and Villa Nilo Sub Central, the local governing body of the indigenous people, on October 4, 1993. The UAC-CP offers bachelor degrees to a student body of approximately 700 students in agronomy, nursing, veterinary medicine, animal husbandry and primary education. It also offers an associate degree in tourism. Each program includes both academic coursework and opportunities for hands-on practice in the field.

The UAC-CP became a sub-recipient of ACDI/VOCA under the YCADF in August of 2004. This sub-grant agreement provided funding for a total of 50 full scholarships per year for a two-year period to UAC-CP students from the Yungas as well as support in institutional strengthening and other areas. Under the ICDF, ACDI/VOCA is continuing USAID's assistance to the UAC-CP.

Under the original ICDF sub-award agreement with the UAC-CP, funds had been allocated for the provision of 100 full scholarships per year, the development of thesis and research work, and a limited purchase of necessary equipment. The sub-award also took into consideration the provision of technical assistance in the areas of administration, finance and information systems to increase the institution's overall capacity to manage and develop its own resources, contributing to its long-term sustainability. Despite the significant budget reductions incurred in Modification 7, ACDI/VOCA is continuing to allocate ICDF resources to support scholarships through 2009, with funding being gradually reduced over the ICDF LOP. A total of 325 scholarships, the preparation of 120 thesis projects, training for students and university professors, technical exchange opportunities, and improved Internet access will be provided under the modified award.

Throughout this quarter the ICDF continued to fund the scholarship program and provide support for the preparation of thesis projects. However, the UAC-CP needs to cast an eye to the future beyond 2010 when USAID funding for scholarships is no longer guaranteed. In the previous quarter (Jul.-Sept. 2008), the ICDF assigned an institutional strengthening specialist to work with UAC-CP personnel to identify alternative sources of funding and develop a plan to target those sources through promotional activities. During the current quarter, the institutional strengthening specialist:

- Continued providing assistance and direction to the UAC-CP in the preparation of promotional and marketing materials. During the current quarter, UAC-CP completed the final draft of an informational brochure, a documentary and other promotional materials
- Continued close coordination and communication with UAC-CP leaders

- Assisted with planning and initial preparations for a promotional event entitled “Achievements and Perspectives of the UAC-CP” to be held at Catholic University in La Paz in February 2009. Prospective private, government and non-government donor organizations will be invited to participate

Further progress was also made in the preparation and development of the UAC-CP website. An initial version of the website (www.uac-cp.edu.bo) was brought online during the current quarter. The website will be a key part of the UAC-CP promotional and marketing strategy.

See Annex IV for Success Story: Scholarships for Rural University Students are an Investment in Bolivia’s Development (Activity Area: Scholarships and Institutional Strengthening)

2. Tropics of Cochabamba: *Tecnológico Agropecuario Canadá* (TAC)

Building on its successful experience with the UAC-CP scholarship program, under the ICDF ACDI/VOCA initiated the financing and supervision of a similar program for the Technical Agricultural Institute – Canada (*Tecnológico Agropecuario Canadá*, TAC in Spanish). This alliance directly contributes to the overall objectives of the ICDF since the principle objective of TAC is to provide technical education to the rural and under-resourced residents of the TC, with an emphasis on personal, professional and community development. At the onset of the ICDF, TAC had 306 registered students participating in its primary academic programs in agriculture, veterinary medicine, tourism and hotel management, business administration, and auto mechanics.

The original TAC scholarship program was designed to provide financial support for 30 full scholarships per year, allowing students to become technical graduates in one of its main areas of study. More specifically, it was designed to make high-quality education accessible to outstanding students with minimal financial resources with the overall objective of transforming individuals from marginalized populations into high-level professionals. Scholarships provide modest funding to students to cover tuition, lodging, food, registration, transportation, medical insurance, and other incidental expenses. By assisting these students through the scholarship program, the ICDF directly contributes to the building of social capital in the TC, much as it is doing in the Yungas with the UAC-CP.

Due to ICDF budgetary cuts the TAC sub-grant activity had to be significantly curtailed. TAC officials have expressed disappointment in the cessation of this key human-capital development initiative in a region where prospective young leaders too often opt to engage in illicit activities when professional opportunities are unattainable.

As a result of the departure of USAID-funded project offices from the TC in late June 2008, coordination with TAC to make scholarship payments and for other administrative tasks continues to be difficult. During the current quarter, scholarship payments were made directly to the 10 TAC students previously selected and approved to receive financial support from the ICDF.

In order to strengthen the overall sustainability of the TAC program, the ICDF is also building a new student dormitory for the TAC campus. The current dormitory has suffered significant physical deterioration and is of limited capacity, making it unsuitable for housing students. Many prospective students must be turned away for lack of space, and, since they lack sufficient resources to rent living space in the immediate area, they are unable to pursue a course of study at TAC. The ICDF social infrastructure sub-grant consists in the construction of a new dormitory with basic furnishings, and a complete remodeling and improvements to the existing dormitory.

III.2. Economic Development

During the current quarter, a total of 14 projects in the economic development portfolio were concluded; 4 in the Yungas and 10 in TC. Concluded projects by region are presented in the following tables:

**Economic development projects concluded during the reporting period
October to December 2008 - Yungas Region**

#	Project Code	Municipality	Community	Project Title
1	YE0252	Palos Blancos	Sapecho	Cacao and Citrus Hybrid Seed (Microenterprise support)
2	YE0249	Palos Blancos	San Antonio	Metalworking Shop (Microenterprise support)
3	YE0236	Palos Blancos	Palos Blancos	Processing and Commercialization of Natural Medicinal Products (Microenterprise support)
4	YE0231	Palos Blancos	Bella Vista	Beekeeping assistance to the "Alto Beni Association of Beekeepers" (Microenterprise support)

**Economic development projects concluded during the reporting period
October to December 2008 - TC Region**

#	Project Code	Municipality	Community	Project Title
1	TE0453	Puerto Villarroel	1° de Mayo	Construction of Vehicular Bridge "Argentino"*
2	TE0452	Puerto Villarroel	1° de Mayo	Construction of Vehicular Bridge "Bridge 6"*
3	TE0414	Tiraque (Shinahota)	Villa Victoria	Construction of Vehicular Bridge "Villa Victoria"*
4	TE0413	Shinaota	Dorado Chico	Construction of Vehicular Bridge "Dorado Chico"*
5	TE0412	Tiraque (Shinahota)	Bolivar	Construction of Vehicular Bridge "Bolivar 7"*
6	TE0322	Villa Tunari	Santibáñez	Road Maintenance - 5 Esquinas – Santibáñez*
7	TE0321	Shinaota	Dorado Chico	Road Improvement - Dorado Chico – Florida*
8	TE0224	Puerto Villarroel	Santa Fe	Construction of Vehicular Bridge over the Chua Mayu River (San Isidro)
9	TE0222	Chimore	Nueva Esperanza	Flower Depot and Technical Assistance for Women
10	TE0214	Puerto Villarroel	Carrasco Tropical	Purchase of Sewing Machines and Furniture; and Training Course – Valle Ivirza Women's Group

* The primary objective and justification for these road and bridge infrastructure projects is to improve farm-to-market access for local producers of plantain, banana, pineapple, palm heart and citrus. For this reason, they are included in the economic development portfolio rather than in community development.

Cross-Cutting Activities

III.3. Volunteer Consultant Technical Assistance

ACDI/VOCA's volunteer consultant technical assistance program supports the ICDF's main goal of helping establish sustainable economies in Bolivia's coca-producing regions. With the world-renowned expertise of its international consultants, the program provides an important channel through which the ICDF can provide its beneficiaries with cost-effective, specialized technical assistance not available locally.

ACDI/VOCA's volunteer consultants provide ICDF beneficiaries with demand-driven assistance in a variety of areas. In agriculture this includes production, post-harvest handling, value-added processing and marketing assistance. Providing assistance of this sort has an important and immediate impact on producers, marketers and exporters. In addition to providing technical support in agriculture, ACDI/VOCA's volunteer consultants provide important assistance in institutional strengthening as well as in developing sectors of Bolivia's economy that have shown high potential for growth.

Volunteer consultant assignments completed to date

#	Title	Beneficiaries	Community	Municipality	Host Organization	Consultant Name	End Date
1.	Organizational strengthening for organic and fair trade certification	1,300 cocoa and banana producers	Sapecho	Palos Blancos	BANABENI SRL, <i>Central Integral Agroecologica del Alto Beni</i> (CIAAB)	Fernando Soleibe	2/07
2.	Production and processing of organic sugarcane	N/A	Sapecho	Palos Blancos	El Ceibo Ltda.	Dr. Robert Osgood	4/07
3.	Ethno-ecotourism project assessment	16 men and women (directors of the OPIM), and 419 families	Palos Blancos	Palos Blancos	Organization of the Moseten Indigenous People (OPIM in Spanish)	Alan Robinson	5/07
4.	Dried fruit processing	1,200 banana, mango and pineapple producers	Irupana, Palos Blancos	Irupana and Palos Blancos	Irupana S.A.	Edward Valentine	6/07
5.	Strategies to promote democracy in Bolivia's coca producing regions	N/A	Coroico, Palos Blancos, Ivirgarzama, Puerto Villarroel and Entre Ríos	Coroico, Palos Blancos, Ivirgarzama, Puerto Villarroel and Entre Ríos	Integrated Community Development Fund (ICDF)	Dr. Derek Singer	6/07
6.	Rural tourism program strengthening	50 students	Carmen Pampa	Coroico	Unidad Académica Campesina-Carmen Pampa (UAC-CP)	Dr. Zachary Pratt	6/07

#	Title	Beneficiaries	Community	Municipality	Host Organization	Consultant Name	End Date
7.	Management and promotion of community tourism facilities	112 families	Tocaña, Huarinilla, Vagante, San Jacinto	Coroico	Social Pastoral Caritas- Coroico	Fred Grote	7/07
8.	Ostrich farm management	Five farm employees	Munaypata	Coroico	Marita Ostrich Farm	Dr. Roselina Angel	8/07
9.	Pest control in organic black bean production	142 black bean producers	Ynacachi, Palos Blancos, Coroico	Ynacachi, Palos Blancos, Coroico	BOLIVIA NATURAL	Dr. James Tjepkema	8/07
10.	Disease prevention and treatment in livestock production	50 livestock farm technicians	Puerto Villarroel and Entre Ríos	Puerto Villarroel and Entre Ríos	Municipalities of Puerto Villarroel and Entre Ríos	Dr. Daniel Miller	9/07
11.	Promoting tourism development in Puerto Villarroel	Municipality of Puerto Villarroel	Puerto Villarroel	Puerto Villarroel	Alliance for Progress of the Municipality of Puerto Villarroel (<i>Alianza para el Progreso de Puerto Villarroel</i>)	Fred Grote	12/07
12.	Feasibility Study for the Production of Stevia in La Asunta	75 producers	Various	La Asunta	Group of Producers	Javier Casaccia	04/08

The ICDF is currently developing scopes of work for four potential volunteer technical assistance assignments:

- 1) Phytosanitary protection of citrus plants. This technical assistance will benefit more than 20 citrus producers in the Alto Beni region and is intended to increase the productivity of citrus plants, principally oranges. This assistance will expand on the recent ICDF investments in three citrus processing centers.
- 2) Production and propagation of plantains. Plantains were identified by the ICDF as one of the products with market and production potential in La Asunta.
- 3) Poultry feeding and production. The ICDF has promoted poultry production in the Yungas region, and this assignment seeks to strengthen the poultry-production chain.
- 4) Prevention and treatment of illnesses in cattle. This assistance will complement the implementation of two important ICDF projects in the Alto Beni region – improvement of milk production from dairy cows and the hoof-and-mouth disease vaccination project.

III.4. Project Administration

During this reporting period the ICDF team maintained a high level of activity. This is primarily the result of the fact that more than 94% percent of the 496 small-grant projects currently committed are either in the implementation or close-out stages.

As is standard procedure, the primary administrative activities undertaken during the quarter involved processing grant-related payments, preparing bidding documents, implementing the bidding process as well as awarding and administering contracts and processing procurements. In addition, the accounting department was even busier than usual as the last quarter of the calendar year involves preparing thirteenth month payments for all staff and preparing payments for all work done to-date for all sub-contractors who are also trying to comply with this labor requirement.

III.5. Environment and Occupational Health and Safety

III.5.1 Status of Environmental Licenses

To comply with Bolivian environmental law (*Ley 1333*) and applicable environmental regulations, ICDF environmental staff prepare and present initial environmental evaluation forms (*Fichas Ambientales* in Spanish) and environmental management plans to the Department of Natural Resources and Environment (*DRNMA* in Spanish) in the departments of La Paz and Cochabamba in order to obtain the corresponding environmental licenses needed for the implementation of ICDF projects in the community development portfolio. The licensing procedure requires submittal of the *Ficha Ambiental*, which is used to assign an environmental classification, or category. Based on the assigned category an environmental management plan, or other documentation, is prepared and submitted as required. Once approved, the *DRNMA* issues an environmental license for the individual project, or groups of projects, if they have similar characteristics.

ICDF environmental staff has obtained all of the required environmental licenses for projects in implementation in the Yungas. ICDF environmental supervisors continued with environmental follow-up and control of projects in implementation. Final environmental close-out reports have been prepared for 67 of the social infrastructure projects that are currently in implementation or concluded to date in the Yungas (total of 10 prepared during the current reporting period).

For the TC region, environmental staff has obtained all of the required environmental licenses for projects currently in implementation with the exception of the following project:

Project	Community	<i>Ficha Ambiental</i>	Category	Env. Management Plan	Environmental License
Flood and Drainage Control	Puerto Villarroel	Pending	Pending	Pending	Pending

It is anticipated that the corresponding environmental license for this project will be issued in the following quarter.

With the security situation in the TC improved from the previous quarter, environmental staff was able to resume environmental monitoring and continue with preparation of environmental close-out reports. A total of 13 close-out reports were prepared during the current reporting period.

Projects in the economic development portfolio are being implemented in accordance with the *Reglamento Ambiental del Sector Industrial Manufacturero (RASIM)* [Environmental Regulations for the Industrial Manufacturing Sector]. To comply with these regulations, the ICDF environmental team is completing an environmental industrial registry (*RAI* in Spanish), in both the Yungas and TC, for all approved ICDF economic development projects for which the regulations apply. For the Yungas, a total of four *RAI* were prepared during the current quarter and submitted to the DRNMA in the La Paz department for the issuance of the corresponding environmental licenses. One license was issued and three are still pending. No *RAI* are currently pending for the TC. Project *RAI* activity for the Yungas for the current reporting period is summarized in the following table:

Yungas – RAI prepared during 1st Quarter 2009 (Oct. – Dec. 2008)

PROJECT	RAI	ENVIRONMENTAL LICENSE
Fruit Processing Plant “ASAIP”	X	X
Improvement of Dairy Production – “Ingavi-Cobija”	X	
Fruit Processing MOCEFRU	X	
Asociación Agroecologica Nuevo Mundo CEIPRO	X	

III.5.2 Waste Management Training for Yungas Health Centers

Between the YCADF and ICDF, ACIDI/VOCA has built and equipped a total of seven health centers in rural communities in the Yungas. The environmental mitigation measures for these centers included the construction of small incinerators for the disposal of medical waste. In order to ensure the implementation of adequate waste-management practices for these centers, ICDF environmental personnel, in collaboration with the Bolivian government’s *Instituto Nacional de Laboratorios de Salud* (National Health Laboratories Institute), organized and held a training workshop on biohazards and medical waste management. The workshop was held in December 2008 in Palos Blancos with 26 participants representing the seven USAID-financed facilities as well as several other health clinics in the region.

III.5.3 Watershed Protection Project

The objective of this project is the protection of the small watersheds that provide water sources for ICDF potable water and sanitary sewer systems. In order to do this, ICDF environmental technicians perform an initial evaluation of the watershed, delineate it using a GPS unit, and then assist in the development of written watershed protection agreements between community members and property owners. The technicians then develop maps showing protected areas, lead reforestation efforts and conduct training in conservation methods.

Environmental technicians are also assigned with reforestation and landscaping of plazas, schools, health posts, sports complexes and community centers. To achieve this, they conduct an

initial evaluation, prepare and implement a landscaping design, and provide training to community members who have been assigned the responsibility for landscaping maintenance.

During the current quarter, the watershed protection team:

- conducted reforestation activities for the Machacamarca potable water system (municipality of Coripata);
- completed landscaping and subsequent training for the San Miguel de Huachi high school and El Colpar central plaza projects; and,
- held training and educational events in watershed protection for 49 participants from the communities of San Jose de Peri, San Agustin, Machacamarca (Coripata) and El Colpar.

The ICDF contracted an environmental consultant during the current reporting period to conduct several activities designed to complement and strengthen the watershed protection project. The principal activities under the consultant's scope of work are to:

- perform a limited biological survey in the immediate areas surrounding the drinking water sources;
- take steps to advance the process of having selected tracts of land legally recognized as reserves or conservation areas where beneficiary communities elect to do so in order to better protect their local watershed;
- evaluate and document project results; and,
- complete a watershed protection training manual.

The consultant has initiated activities and is scheduled to conclude the consultancy during the following quarter.

III.5.4 Study of the Natural Attenuation in Soil and Groundwater of Sanitary Wastewater from Household Bathrooms in the Community of Sararia

The ICDF is currently implementing a large sub-grant for the construction of approximately 1,000 household bathrooms with toilet, shower and washbasin in select municipalities and communities with potable water systems built under previous IAD funding.

In the community of Sararia and the surrounding area, the ICDF has implemented 201 household bathrooms, 91 of which are within a relatively concentrated semi-urban area in the town of Sararia. The bathrooms have flush toilets and individual seepage pits for the disposal of sanitary wastewater. This study seeks to determine the level of contamination in groundwater and surface water caused by the effluent from the seepage pits and determine the capacity of surrounding soils to naturally attenuate the contamination before it reaches potential human receptors.

In the previous quarter, a consulting team drilled monitoring wells and collected soil and groundwater samples for laboratory analysis. Based on these sampling results, the consultant, during the current reporting period, used modeling software to determine the natural attenuation of the sanitary wastewater in soil, and to determine effluent concentrations reaching down-gradient surface water. Modeling results indicate a drastic reduction in contaminant levels of fecal coliforms and biological oxygen demand (BOD) as the sanitary wastewater migrates through the soil of the unsaturated zone and reaches the uppermost groundwater aquifer at a depth of approximately 12 vertical meters. Results indicate that these relatively low residual

concentrations may then eventually reach the nearby Alto Beni River. However, these biological contaminant concentrations are significantly lower than the existing baseline concentrations measured in the river and, therefore, after mixing and dilution, do not create a significant environmental impact.

The final results of the study will be used to determine optimum spacing and distance of seepage pits for future construction of household bathrooms in order to minimize risk from potential exposure to contaminants from wastewater.

III.6. Performance Monitoring and Evaluation

During the previous reporting period (July–September 2008), the ICDF monitoring and evaluation (M&E) team reviewed and updated the ICDF PMP. The updated PMP was sent to USAID/Bolivia for review and approval.

The M&E team completed the competitive selection and contracting of a consulting team to conduct the Unsatisfied Basic Needs (*NBI* in Spanish) study within eight municipalities in the Yungas. The NBI is a structural poverty index that is calculated based on individual access to housing, basic sanitation, electricity, education and health. The NBI study is a requirement within the PMP and is necessary for completing the ICDF mid-term evaluation process. Specifically, measuring the NBI will be used to monitor Intermediate Result 5.3, “To improve basic public services and social conditions in the TC and in the Yungas region of La Paz, Bolivia.”

The consulting team began work immediately after signing their contract and made the following progress through December 2008:

- completed the selection of communities and number of families to include in the survey
- developed draft survey data forms and conducted field trials to determine necessary improvements and refinements for final version; forms were submitted to ICDF M&E staff for review and approval
- the consulting team presented the scope and associated activities proposed for the study to municipal authorities, emphasizing its importance and potential benefits (the NBI index is used to prepare municipal Annual Operating Plans and Municipal Development Plans, for instance)

IV. LOOKING FORWARD: FUTURE ICDF ACTIVITY

In the coming quarter, the ICDF will:

- Continue to participate in regular meetings with USAID and ARCo to ensure that the implementation of the productive projects in La Asunta is well coordinated and done in the most efficient manner possible.

- Complete six infrastructure projects that had been previously suspended after USAID's departure from the TC in June 2008
- Finalize PMP after receiving and incorporating final comments from USAID
- Assist UAC-CP personnel with the finalization of PR materials which will then be utilized to obtain alternative funding sources for the scholarship program
- Work with TAC personnel to improve the administration of the scholarship program
- Complete seven designs currently in the project pipeline
- Coordinate closely with the VCDI, USAID, Municipality of Palos Blancos and other GOB entities to ensure a rapid response to the Dengue Fever outbreak in the Alto Beni
- Complete scopes of work and continue recruiting process for four volunteer technical assistance assignments
- Participate in and provide input as requested to a USAID-funded evaluation of IAD programs and activities. The evaluation will be used to measure the effectiveness and impact of past and current IAD programs in Bolivia and to help formulate future U.S.-Bolivia bilateral aid
- Complete field survey and present preliminary data from the NBI study
- Inaugurate the new potable water system constructed for the indigenous Mosen community of Covendo
- Provide assistance to the community of Tocana in organizing an exposition of Afro-bolivian culture to be held in La Paz. It is anticipated that both U.S. Embassy and USAID/Bolivia personnel will attend. The exposition will also serve as a fundraiser to help purchase equipment and furnishings for Tocana's new cultural center.

V. FINANCIAL INFORMATION

During the reporting period, ACDI/VOCA expended approximately \$2,290,977. Of this amount, a total of \$1,499,558 of sub-grant disbursements was made, bringing the total sub-grant disbursements to \$12,233,922 through December 31, 2008. A budget pipeline report showing project expenditures for the reporting period is provided in Appendix 1 along with a copy of Standard Form 269A.

At present, a total of \$16,612,326 has been designated to the 496 projects in the current sub-awards pipeline. Taking into consideration this amount, in addition to the funds assigned to the UAC-CP, TAC, *Mancomunidad de los Yungas* and GIS/Data Collection/Studies sub-grant activities, a total of approximately \$17,358,067 (95.63%) of the total \$18,151,147 sub-award fund has been committed to date, of which \$16,612,326 corresponds to the projects portfolio and \$745,740 to the four above-mentioned sub-grant activities.

Financial Distribution by Status: Total Portfolio

Status	Allotted Amount		
	Community Development	Economic Development	Total
Design	455,471	651,952	1,107,423
Procurement	472,768		472,768
Implementation	3,550,397	2,847,145	6,397,542
Completed	7,234,405	941,667	8,176,072
Canceled	289,141	169,380	458,521
Total	12,002,182	4,610,144	16,612,326

ANNEX I

ANNEX II

ANNEX III

ANNEX IV

1. New Health Center Improves Quality of Care for Five Communities in the Yungas (S.O. 1.2)

New Health Center Improves Quality of Care for Five Communities in the Yungas



Rosa Vergara Huanca, the nurse auxiliary in charge of the new health center in the community of San Juan in the Yungas region of Bolivia, knows that the golden rule of health care is that prevention is better than cure. “A lot of my work involves educating people and raising their awareness of how to prevent diseases,” Rosa explains. “I always say to them that they shouldn’t wait until they’re really ill before coming to the health center, and that they should come for regular check-ups. And now that we have

these new facilities, women can come and have their babies here, which is much safer and more hygienic than a home delivery.”

Rosa’s husband Félix, who is a community leader, describes how the five communities served by the health center decided to ask for support from the ICDF to build and equip the new facility. “We had a health post run by the nuns from the local parish, but it didn’t have the space, infrastructure or equipment to provide good quality health care. So we decided that the five communities needed to have their own health center, in order to improve the quality of care.”

“ACDI/VOCA covered 70% of the cost of the new health center plus basic equipment and supplies,” Félix goes on. “The community put in 10% and the municipal government 20%. So it’s thanks to the effort made by all three that the center was built. The community’s contribution was in cash and in labor. Everyone in the community participated at every stage of the project – we worked really hard to help with the building work. We also trusted the institution helping us.”

The health center is light and airy. It has a consulting room, a delivery room and an in-patient room with two beds, complete with private bathroom and shower. The center was outfitted with basic medical equipment, tools, furniture and initial supplies. There are living quarters for health staff on the second floor. A small pharmacy is equipped with essential medicines and an oxygen tank, and there is also a small refrigerator for vaccines, complete with sterilization equipment.

The nearest hospital to San Juan is in the town of Coripata, 24 kilometers away. This may not sound like much, but in these high Andean valleys the journey can take three hours along the narrow, winding mountain road, or more in the rainy season when there are frequent landslides. Transport is also a problem, because, although there are buses that come through the community a couple of times a day, they are often full and unable to pick up passengers in San Juan.

This is why it is so important for the community to be able to count on the primary health care, first aid, prenatal care, in-patient and child delivery services provided by Rosa Vergara in the new health center.

“Although I still go out and visit the communities, now that we have the health center people are coming here instead,” Rosa explains. “In terms of check-ups for children under five, for example, I’ve seen a big increase in the number of children coming here with their parents – and of course I can provide them with a much better service here than by visiting them at home. People are coming to the health center because it is welcoming and comfortable, and they know they will get good quality care.

“As far as childbirth is concerned,” Rosa goes on, “people in this area have always been more accustomed to having their babies at home. But now that we have these facilities in the health center, I’ve been able to explain to them that they will be much more comfortable here, with all the cleanliness and hygiene that you need for safe childbirth, and now we’re starting to attend deliveries here.

“The health center serves the 2,992 people who live in the five communities,” says Rosa. “But health doesn’t have borders,” adds Félix, pointing across the deep valley. “Over there it’s Sud Yungas, which is a different province municipality. But for people in those communities this health center is much closer than going to the nearest town. So they come here too. And of course they are welcome, and they get the same quality service.

“On behalf of our five communities here, I would like to thank USAID, and people in the community there in the United States, who have shown such solidarity with us,” says Félix.

“We are really grateful to ACDI/VOCA and USAID for these wonderful facilities they have given us for our health care,” adds Rosa. “People really needed it, in this isolated place.”

2. Bakery Provides a Livelihood for Widowed Mother of Four (IR 2.1)

Bakery Provides a Livelihood for Widowed Mother of Four



When ACDI/VOCA put out a call for micro-enterprise development proposals to be financed through ICDF, Umalinda Avendaño and her husband presented a business idea for a bakery, which they planned to operate together. Tragically, soon after they submitted their proposal, Umalinda's husband died in a road accident while he was traveling as a passenger on a bus.

With tears rolling down her cheeks, Umalinda describes how she was initially reluctant to carry forward the bakery business on her own, and then, with the support and encouragement of her family and ACDI/VOCA staff, decided to take up the challenge and make a go of it, with the result that she now has a thriving micro-enterprise that enables her to support her four children.

“This bakery was never intended to be run by a woman on her own, a single mother like me with four children. My husband died eight months ago. When ACDI/VOCA told me that our project had been selected for the ICDF funding, I told them that it wasn't right, that this project should go to a woman with a husband, a couple with grown-up children who'd be able to help out with the work.

“But now I'm thankful to have my bakery, grateful that the project came to me. I'm grateful to the ACDI/VOCA staff who gave me so much support, to USAID for the funding, to my family who helped me to find the money to pay my counterpart contribution, and to my children who help me every day to bake the bread. I would like to thank them all.

“Now I have my bakery business, and it's thanks to the income from this bakery that I can feed my children, support them so that they can go to school and get ahead in life, and also make a living for myself.”

“I'd never had any kind of business before,” Umalinda goes on. “I used to make my living by working as a day laborer in other people's fields. I didn't know anything about making bread, either. But I was given training as part of the project, ACDI/VOCA brought a teacher along to show me, and now I know how to make all sorts of different types of bread, pastries, biscuits and cakes.”

The investment of US\$2,300 in the bakery project, which was covered jointly by the ICDF and Umalinda herself, was used to buy all the equipment: an oven and six gas bottles, a mixer, a kneading machine, weighing scales, baking trays, large metal bowls and all the utensils needed in a bakery, as well as accessories such as aprons. Umalinda and her family built the two rooms

next to her home where the bakery equipment is installed.

“ACDI/VOCA put in 65% of the investment for this project, and I put in 35%,” explains Umalinda. “My family helped me out with some of it, but I’m still paying my share, little by little. Every week I set aside some of the money I earn from the bakery and I go to the bank in town and deposit it in an account. After paying for all the ingredients to keep the bakery going, and the four gas bottles I buy every Saturday for the oven, and then depositing something towards my counterpart contribution, I still end up with a profit of about Bs 200 a week [approx. US\$28], which is enough to buy food for me and the children and cover our other day-to-day expenses.”

The bakery business is not all plain sailing, however. There are often shortages of flour in Bolivia and the transport of gas bottles to small towns in rural areas is plagued by logistical problems, especially in the forested region of the Andes where Umalinda lives, where landslides on the narrow, winding mountain road can prevent the truck getting through. The shortages mean that sometimes Umalinda has to pay double the usual price for flour and gas.

Nevertheless, such is the demand for fresh bread in rural communities – in the absence of a local bakery people have to buy bread once a week in the nearest town, and it quickly goes stale – and thanks to Umalinda’s skill at managing the finances, her business is thriving.

“I always manage to sell all the bread I bake,” she says. “I sell it in two communities – here in Colpar and in Naranjani up the road. I don’t have a shop. A friend takes it to Naranjani and sells it for me.”

Umalinda goes on to describe her working day in the bakery, where she is helped by her children. “I bake bread every day from Tuesday to Friday. I get up at three in the morning to prepare the dough. When it’s ready I wake the children up and they come and help. My eldest daughter, who’s 16, is in charge of the oven, I do the mixing and shape the dough into rolls, my second daughter operates the kneading machine, and my two youngest children help to cut the dough and put the rolls on the tray. So we all work together as a team. It’s really hard work. I feel guilty about exploiting my children and making them work in the morning before they go to school, but I just couldn’t manage it all on my own. Sometimes my relatives come and help but they can’t come every day.

“I also take orders for special occasions. If somebody’s going to have a birthday party, they might ask me to bake them a cake. I always accept people’s orders, the bakery is always open, and I never turn people away. I also bake bread for the whole community at harvest time, and cakes for community festivals. When it’s for the community I don’t sell it, I give it for free as my contribution to the community.”

The Umalinda bakery is just one of over 120 micro-enterprise initiatives supported by the ICDF in the Yungas. While the number of jobs and income that these projects each generate is on a micro scale, collectively, they make a big contribution in increasing employment and incomes in the region. Ms. Avendaño’s business generates employment for her and her family with sales of approximately 1000 Bs (US\$142) per week.

Umalinda plans to organize a celebration on the first anniversary of the day she opened her

bakery. “My bakery’s been going for six months now. On May 27 it will be a year old, and I’m going to have a little party to celebrate.”

“I’ve made up my mind to carry on with this business,” Umalinda concludes firmly. “As a single mother, I’m determined to help my children get ahead in life, and if I succeed it will be thanks to this bakery.”

3. A Successful Micro-enterprise Benefits the Whole Community (IR2.2)

A Successful Micro-enterprise Benefits the Whole Community

When the ICDF put out a call for micro-enterprise development proposals to be financed by USAID, Dino Martínez identified a business opportunity that would benefit both his family and others in his local community. He stated that everyone in the village of Sapecho grew rice, but there was no rice milling machine in the village.

“People had to take their rice all the way to the town of Palos Blancos,” Mr. Martínez explains. “It used to take all day, waiting for transport to get there, then waiting in line for the milling machine, sometimes until late at night. They had to pay for a truck to take the rice there and back, as well as the cost of the milling.

“That’s why I put in a proposal for this micro-enterprise initiative. I asked for support from the ICDF to buy only a small machine, because people here mostly grow rice for their own consumption. My machine can process any amount of rice, no matter how small”.



Mr. Martínez paid 35% of the cost of the milling machine in cash as his counterpart contribution to the micro-enterprise start-up funding provided by the ICDF. As well as being a farmer himself, Mr. Martínez used to earn a small amount of income from building work. Although he still works in his fields, growing crops to feed his family, the milling machine has now become his main source of income.

“I charge my customers for the weight of the milled rice: 15 bolivianos (about US\$2) per 100 lbs. That’s the standard price locally. There’s such a demand for the machine that I have to be here most of the time to operate it. I can’t go off and leave my customers waiting.”

In the micro-enterprise proposal Mr. Martínez presented, he specified that he wanted a machine that runs off electricity, “because it doesn’t pollute the air like diesel does.” ACIDI/VOCA installed the three-phase electric power connection needed to run the machine in Mr. Martínez’s yard.

“Before, people didn’t tend to grow much rice because of the lack of a milling machine here,” Mr. Martínez goes on to explain. “Now we have one, I think lots of people will be planting more rice this year. The price of rice has also increased, which is another reason for people to plant more. Rice is the staple food here in our village, and it has almost doubled in price this year. That

was because of the floods that ruined a lot of the harvest in the lowlands, but also due to the rise in global food prices. Anyone who doesn't grow their own rice has to buy it, so the price increase is encouraging them to plant it now for next year. People are also planning to grow more rice for sale, as well as for their own consumption."

Thanks to his rice milling machine, Mr. Martínez is also able to keep chickens, which eat the tiny specks of rice that are left behind in the chaff.

Mr. Martínez' rice hulling business is just one of over 120 micro-enterprise initiatives supported by the ICDF in the Yungas. While the number of jobs and income that these projects each generate is on a micro scale, collectively, they make a big contribution in increasing employment and incomes in the region. In the case of Mr. Martinez, his business generates employment for him and his family plus facilitates profitable rice production for local farmers from Sapecho and surrounding communities. Mr. Martinez has also seen his revenue and income increase dramatically. During the rice harvest, he typically mills 1,500 pounds of rice a day which translates to around US\$28.

"Although this has turned out to be a profitable business for me and my family, what gratifies me most is that everyone in the community benefits. I am providing a much-needed service, not just to this village but also to people in other nearby communities who come here with their rice," says Mr. Martínez.

Reflecting on the support provided by the ICDF, Mr Martínez concludes that it made all the difference: "We might have a brilliant idea for a business, but we can't afford to make it happen on our own. It was the support I and many other entrepreneurs have received from ACDI/VOCA that really made the difference and enabled us to set up our business. Of course, we put in our counterpart contribution. It's better to take the risk than sit back and dream."

4. Young Entrepreneurs from the UAC Carmen Pampa Seek to Contribute to Rural Development (CC 1.1)

Young Entrepreneurs from the UAC Carmen Pampa Seek to Contribute to Rural Development

Mauricio Subieta, a student at the Carmen Pampa University in Bolivia, has a great idea for a business. “I’m working on a business plan for an initiative to support the production of organic vegetables,” explains Mauricio, an agronomy student. “The idea is to work with all the local communities around here. The business would involve buying organic vegetables from local farmers, and then we would deal with the sales and marketing side, negotiating a good price and finding a market for their produce.”

Fellow student Javier Cruz also wants to promote organic farming, but his business idea focuses on producing organic meat – a market niche that has not yet been much explored in Bolivia. “The business initiative I’m working on seeks to promote local economic development by supporting farmers to produce organic pork,” says Javier, a student of veterinary medicine. “We would train farmers interested in organic livestock production, give them the piglets to start them off, then buy the meat from them and sell it. I’ve done the market research, and



consumers would definitely like to be able to buy organic meat – it’s seen as a much healthier option.”

Agronomy student Fernando Salazar’s unusual business idea has clearly involved some blue-sky thinking. “My initiative is aimed at biodiversity conservation, and it involves restoring the population of exotic species of butterflies that are native to this region of Bolivia but are currently at risk of extinction,” Fernando explains. “Working with local people, the idea is to release a certain percentage of the butterflies back into the environment and sell the rest – that would be the business side. We would aim to sell them to butterfly gardens in the United States and Europe. They can be sold for anything from 20 cents to US\$340, depending on how rare the species is, so the business would certainly be profitable.”

In order to graduate, students at Bolivian universities usually have to write a thesis based on original research. But the Carmen Pampa University, with the support of the ICDF, has started to

offer students the innovative alternative of drawing up a business plan. Fernando explains the rationale: “We chose the option of developing a business plan rather than writing a thesis because the thesis just sets out information. The business plan, in contrast, can be put in practice, and it will benefit not just the person who had the idea for the initiative but everyone who’s involved in the successful business.” [Tie in to training indicator here]

This is in line with the Carmen Pampa philosophy of enabling the sons and daughters of local small-scale farmers to study for a university degree, but in subjects that are of practical use to rural communities: agronomy, veterinary medicine, nursing, primary education and rural tourism. Most of the university’s graduates go back to their communities and use their knowledge and training to contribute to local economic and social development.

Through the ICDF, ACDI/VOCA has been supporting the Carmen Pampa University in various ways since 2004, including funding scholarships for the most promising students and providing strategic technical assistance to meet the university’s institutional development needs. The thesis support is also a small example of the multiple ways in which the ICDF provides opportunities for beneficiaries to receive training and gain practical experience either as an integral component within a sub grant or as a project in and of itself.

The support the ICDF has provided to enable budding entrepreneurs at the university to develop their business ideas – to the point where they have a viable plan ready to be implemented – is a new initiative. “ACDI/VOCA contracted a consultant from the firm Nueva Economía who has been helping us, giving us training and pointing us in the right direction to develop our ideas and put together a proper business plan,” explains Mauricio.

The ICDF also covered the travel and accommodation costs to enable a group of students from Carmen Pampa to attend the Global Entrepreneurship Week conference and training workshops held in the city of La Paz in November 2008, organized by the Bolivian Entrepreneurs Network. “The aim of Global Entrepreneurship Week was to awaken the entrepreneurial spirit in everyone who participated,” says Javier, “and to foster the enterprising culture in young people.”

“Starting with a different way of thinking,” adds Fernando. “We learned how to take up an idea and run with it, we gained an insight into the entrepreneurial way of working, and we made lots of invaluable contacts.

“Attending Global Entrepreneurship Week was really useful and very stimulating for us,” says Mauricio. “We saw how a simple idea can develop into a major enterprise. We realized that we too can set up our own business, and we learned how important it is to have the right contacts.”

The students have clearly thought about the strategic benefits that their business ideas can bring to local communities in Bolivia. Their businesses would not just be money-making ventures, but would contribute to local economic and social development. Mauricio, for example, is convinced that his organic vegetables business will help to address the problem of food security caused by monocropping: “The business has a social side, because we would be providing training in organic farming, and some of the vegetables the farmers grow would be for their own consumption. I think it’s a good solution to the problem of food security in these communities – it’s a way of helping them to improve their nutrition as well as earning an income.”

Javier explains that all the students who have opted to develop a business plan are motivated by the desire to create employment: “We can’t all be public employees – and many of us wouldn’t want to be, anyway! Looking at the problem of unemployment in this country, we want to try to set up our own businesses so we can create jobs for people in rural communities, in the farming sector, and offer them an alternative opportunity to earn an income. That’s what all of us want to do.”



Inspired by what they learned during Global Entrepreneurship Week and from the experience of developing a business plan, the students want to pass on their knowledge to others at Carmen Pampa University. “What we want to do is set up a support center here in the university for students who have enterprising ideas,” explains Fernando.

Mauricio likens the support provided by the ICDF to a seed that has been planted in this first group of young entrepreneurs, who can then transmit their knowledge and training to other students and make it a sustainable part of the university

education Carmen Pampa provides to young people from low-income families.

Javier speaks for them all as he sums up what they have achieved with ACDI/VOCA’s support and their plans for the future: “It really was very inspiring for us to participate in Global Entrepreneurship Week, because it introduced us to a new culture – the enterprising culture that so many people aren’t aware of. It enabled us to put the final touches to our business plans. We also made contacts with organizations that help people to start up their own business. They are willing to give us further training, so that we can provide support to other students here at the university, give them guidance on their business ideas, so that they can develop their own business plans and set up a micro-enterprise in the future.

“We know that this region has a lot of potential to develop,” Javier concludes. “We want to help our fellow students, for the good of their communities.”

5. Scholarships for Rural University Students are an Investment in Bolivia's Development (Activity Area: Scholarships and Institutional Strengthening)

Scholarships for Rural University Students are an Investment in Bolivia's Development

For students at the *Unidad Académica Campesina* in Carmen Pampa, a university education is not seen as a passport to personal wealth or individual career success but rather as a means to contribute to development in their communities.



Agronomy student Jhonny Ramírez speaks for many as he outlines his plans for after he

graduates: “What I plan to do after I finish my agronomy degree is go back to my region, to my community. I’m from Yucumo. Most people there are farmers – they grow rice, maize and yuca, and some are involved in cattle farming. The most important thing is to produce food for the community, but I’ve seen a lot of farmers in the area lose their crops for one reason or another – poor soil, adverse weather conditions or pests that attack the crop. So my aim is to use what I’ve learned in my degree to help solve these problems and support farmers in my community.

“I also want to take forward initiatives to generate employment, to create jobs in farming for people in the community,” Jhonny adds, “because people who are unemployed often turn to illegal logging and deforestation.”

Tourism student Juan Mamani also wants to contribute to job creation and income generation in his community by promoting tourism: “What mainly motivated me to study tourism is that people in my community really need to earn an income and the area definitely has potential for rural or ecotourism. Back in 2005 we made a first attempt, bringing two groups of European tourists to the community, but although the tourists seemed happy enough, we were not, because we realized how little we knew about giving the tourist a good quality service – and tourists are nothing if not demanding. I’m now coming to the end of my degree and I’m preparing a business plan for a community ecotourism initiative.”

Veterinary medicine student Silvia Quispe wants to improve livestock farming in her community, thus contributing to food security. “When I finish my degree, my plan is to go back

and work with my community,” Silvia says. “Lots of people in my community have livestock, mainly pigs and chickens, but they don’t really know how to look after them. I’d like to improve and expand livestock farming in my community, because most people bring their food from La Paz and they spend a fortune on transport.”

Primary education student Marian Cuqui is convinced that what she is learning at university will enable her to suggest improvements to local schools. “What I aim to do when I graduate,” says Marian, “is go back to my community and work with the schools there. The education degree isn’t just about teaching in the classroom. More importantly, we are looking at how to improve teaching and learning processes in primary schools. By observing what goes on in the classroom, and analyzing the difficulties a particular school has, we can see what the most common problems are in the school and find ways to solve them.”

Jhonny, Juan, Silvia and Marian are just four of the 68 students at Carmen Pampa who received scholarships from the ICDF in the second semester of 2008 to help cover the cost of their university studies. “This university was set up for young people from rural communities,” explains Jhonny. “Our families are the poorest in the country as far as cash income is concerned. That’s why our parents can’t afford to send us to the city to study.”

Carmen Pampa Director, Father Freddy del Villar, sums up the economics of getting a university education in Bolivia: “A farming family’s monthly income must be about 300 bolivianos (US\$40) – at most. And many families in rural areas of Bolivia might have eight children. So as you can see, it’s practically impossible for a farmer to say to his son or daughter who’s just finished secondary school, ‘fine, I’m going to cover the cost of your university education in the city of La Paz’.”

Nursing student Nora Mamani did try an urban university before coming to Carmen Pampa: “I tried to study in the city, but I had to give up because I just couldn’t afford to live there. I’ve got several younger brothers and sisters, and my parents just couldn’t find the money. So I came here to Carmen Pampa because I heard that it helped students from low-income families to get a degree and achieve our objectives in life.”

“It costs the university US\$2,000 per student per year,” Father Freddy goes on. “We ask the student to cover a quarter of that cost. The university has its own sources of income: we have the coffee processing plant, the pig farm, the chicken farm, the meat processing plant and the organic vegetables we grow – all tied in with our degree courses. All the catering on campus is run by a university cooperative. Not only do we grow much of our own food ourselves, we also sell some of what we produce.”

Even though Carmen Pampa University subsidizes their education, and students live on campus during term time, many still find it a struggle to scrape together enough money to cover all their expenses. In an effort to help improve student retention rates, the ICDF and its predecessor, the YCADF, have been funding scholarships for the most promising students at Carmen Pampa University since 2004. The scholarships cover the cost to the student of registration and fees, dormitory accommodation on campus, access to computer facilities and the internet, and medical insurance. The scholarship also goes a long way towards covering the cost of food and books.

“I simply wouldn’t be able to carry on studying if I didn’t have this scholarship,” says Silvia

Quispe. “I have a nine-month-old daughter so I have extra expenses. The scholarship helps me a great deal because my parents are not in good health. My mother is too ill to work, and my father has to support the whole family.”

“I have ten brothers and sisters,” says Juan Mamani, “and five of us are at university. My parents have made a lot of sacrifices to enable the five of us to study, so I’m really grateful to USAID for having provided me with this scholarship.”

Marian Cuqui’s parents have also struggled to cover the cost of their children’s education: “In my family, there are four children and three of us are currently at university. My parents are quite elderly and it’s really difficult for them to support us. They do everything they can to send me a little money, but this scholarship really helps because I don’t have to ask them for as much as before.”

Jhonny Ramírez’s parents are more disadvantaged than most small-scale farmers in Bolivia: “My parents don’t have their own plot of land where they could grow food,” says Jhonny. “When I was at school I used to help my father with whatever jobs he could find. My father was always looking for work as a day laborer, or some temporary job, and I used to help him. I’m very grateful for this USAID scholarship, because otherwise it would be really difficult for me to complete my university education.”

ACDI/VOCA has also provided financial support for students to complete their graduation thesis, which usually involves undertaking a piece of original research. In 2008 these scholarships, worth US\$520, were awarded to 28 students who otherwise would not have been able to complete their thesis and thus receive their full university degree certificate. “In the case of 80% or 90% of students,” says Father Freddy, “the main reason why they don’t complete their thesis is that they run out of money.”

As well as taking into account the parents’ level of income, the scholarships are awarded on the basis of merit. “The USAID scholarships are a reward for excellence – academic excellence and excellence in behavior,” Father Freddy explains. “We have a scholarship committee that selects the students with the best grades, the most dedication to their studies and the best behavior at university.

“Because we all live here on campus,” Father Freddy goes on, “students have to do 80 hours of community service. What does that mean? That they have to help maintain the infrastructure, mend anything that’s broken in the buildings, keep the gardens tidy, and clean the dormitories, classrooms and bathrooms. And students who get a scholarship are expected to do an extra 120 hours of community service. Why? Because we want students to leave here with the idea that they haven’t got anything for free, that it’s thanks to their own hard work and self-sacrifice that they’ve been able to graduate from this university.”

Before she received her scholarship, nursing student Nora Mamani stayed to work at the university during the holidays: “The first semester I was here, I was really short of money and I couldn’t afford to pay for everything. So I stayed here during the holidays to work for the university. Because I’d made an effort, the next semester I was awarded the USAID scholarship. Thankfully, I still have it. I’m working really hard to do well in my studies, and thanks to USAID I’m managing to do that.”

With a view to the sustainability of the scholarships program in the future, Father Freddy is looking at ways to increase the university's own income: "We want to increase our sales of the livestock and organic vegetables we produce, put more emphasis on the commercial side and set up solid university businesses. Then we can use the profits to fund a certain number of scholarships."

But the focus on sustainability at Carmen Pampa University goes beyond its own funding to encompass sustainable farming and sustainable development in Bolivia as a whole. "The agronomy degree at this university is based on organic farming," says Jhonny Ramírez. "We learn about balanced pest control using natural methods rather than agrochemicals, herbicides, pesticides – all those chemicals that pollute our environment."

"I would like to thank ACDI/VOCA, because they are investing in young people, in us, through the USAID scholarships," Jhonny goes on. "At the moment we're studying, we're learning. At the moment we're not producing anything, we're not bearing fruit. But you will see the results in five or six years' time, in the country's development. The country will have improved, and there you will see the returns on your investment – the real outcome of USAID's assistance."

Sustainability, investment, reciprocity – Nora Mamani sums up the idea perfectly: "Today we need your help. Tomorrow we will be the ones helping other people."