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BOLIVIA PRODUCTIVITY AND COMPETITIVENESS PROJECT (BPC PROJECT)

**Annual Report 2010
October 2009 – September 2010**

October 2010

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BOLIVIA PRODUCTIVITY AND COMPETITIVENESS PROJECT (BPC PROJECT)

Annual Report 2010 October 2009 – September 2010

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Sustainable Economic Development and Environment (SEGE)
Denise Fernández, COTR
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ACRONYMS

ARCo	Rural Competitiveness Activity
BCA	Bolivia Communications Activity
BTBC	(Bolivian Trade and Business Competitiveness. USAID Project, 2003-2005 phase one, 2005-2009 phase two)
BLA	Bolivia Lowlands Activity
CAF	Andean Development Corporation
CEDES	Consejo Empresarial para el Desarrollo Sostenible/Business Council for Sustainable Development
CEDETEX	Centro de Desarrollo de Productos Textiles/ Textile Development Center
CEPB	Confederación de Empresarios Privados de Bolivia/Private Entrepreneurs Confederation of Bolivia
CPTS	Centro de Promoción de Tecnologías Sostenibles/Center for the Promotion of Sustainable Technologies
COTR	Contract Officer´s Technical Representative
CP- OSH	Cleaner Production Occupational Safety and Health
DANIDA	Danish International Development Agency
ePC/UCB	Escuela de la Producción y la Competitividad -Universidad Católica Boliviana/Production and Competitiveness School-Catholic University of Bolivia
FAUTAPO	Fundación de Apoyo a Universidades de Tarija y Potosí/Foundation to Support the Universities of Tarija and Potosí
FAN	Fundación Amigos de la Naturaleza/Friends of Nature Foundation
FST	Fondo de Servicios Técnicos/Technical Services Fund
FUNDAPRO	Fundación para la Producción/Foundation for Production
FUNDEMPRESA	Fundación para el Desarrollo Empresarial/Business Development Foundation
GDA	Global Development Alliance
GDP	Gross Domestic Product
IBCE	Instituto Boliviano de Comercio Exterior/Bolivian Institute of Foreign Trade
IBNORCA	Instituto Boliviano de Normalización y Calidad/Bolivian Institute of Standards and Quality
ICAP	Instituto de Capacitación/Vocational Training Institute
IDB-FOMIN	Inter-American Development Bank-Multilateral Investment Fund

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IDEPRO	Instituto para el Desarrollo de la Pequeña Unidad Productiva/Institute for the Development of the Small Productive Unit
IFS	Integral Food Security
INE	Instituto Nacional de Estadística/National Bureau of Statistics
JICA	Japan International Cooperation Agency
MAPA	Market Access and Poverty Alleviation Project (USAID)
MSME	Micro, small and medium enterprise
M&E	Monitoring and evaluation
MOU	Memorandum of Understanding
PAI	Programa Amazónico Integrado (BLA)/Integrated Amazon Program
BPC	Bolivia Productivity and Competitiveness project
PMP	Performance Monitoring Plan
PND	Plan Nacional de Desarrollo/National Development Plan
SDF	Service Delivery Fund
SENASAG	Servicio Nacional de Sanidad Agropecuaria e Inocuidad Alimentaria/National Service for Agricultural and Animal Health and Food Safety
TA	Technical Assistance
USAID	United States Agency for International Development

GLOSSARY

COMPETITIVENESS	The capacity to generate greater consumer satisfaction at a lower price, in other words with the lowest possible production costs. It is especially associated with product quality and innovation; with the prices upon which productivity is contingent; and with inflation differentials between countries (WB, 2008).
CHAIN (VALUE)	The value chain is the productive linkage between two or more companies in a territory—one being a raw materials or services provider and the other a processor or marketer of the final product—that have agreed to take joint advantage of market opportunities (BPC).
PRODUCTIVE COMPLEX	A productive complex is commonly understood as a sector-specific and/or geographic concentration of businesses engaged in the same or closely related activities with significant, cumulative external economies, which are agglomerated and specialized (due to the presence of specialized producers, suppliers, and labor, and sector-specific auxiliary services) and are in a position to work together in pursuit of collective efficiency.
GROWTH (ECONOMIC)	An economic growth concept that refers to the percentage increase in the gross domestic product of an economy in a specific time period.
STRENGTHENING (INSTITUTIONAL)	A process through which an institution's capacity for action is developed and enhanced.
BIOTRADE	Activities associated with collecting, producing, processing, and marketing goods and services derived from native biodiversity, based on practices that ensure conservation and sustainable use.
BIOPRODUCTS	Bioproducts result from the application of biotechnology in the industrial sphere (white or industrial biotechnology) in which, through biological, biochemical, physical, thermic, fermentation, esterification, transesterification, digestion, or hydrolysis processes, and the addition of enzymes, microorganisms, bacteria, etc., biomass (nonfood crops, forest mass, vegetable residues, etc.) is converted into bioproducts such as bioplastics, biopaints, biolubricants, and bioconstruction materials.
CLUSTER	A group of inter-connected companies and associations, which are in close geographical proximity, work in a comparable industry, and are united by a set of common and complementary characteristics.
COSMECEUTICALS	Products resulting from a combination of cosmetics and pharmaceuticals, which are at once beauty enhancers and skin care products. The project will work on this line with products created from biodiversity.
COMPARATIVE ADVANTAGES	In economics, a country will have a comparative advantage over others in the production of a good if it can produce it at the lowest possible cost. This means that it is able to produce a particular good with less labor and resources investment.
COMPETITIVE ADVANTAGES	The set of attributes of a company (and its products) that distinguish it from its competitors and are recognizable by its customers. Differences that afford the company an advantage to compete better, gain on, and edge out the competition. Competitive advantages are usually classified as those relating to price, quality, and opportunity.
COST LEADERSHIP	A market strategy based on low sales prices in the market for a particular product or service. This is achieved through systems such as economies of scale, learning curves, minimizing research and development costs, etc.
DIFFERENTIATION LEADERSHIP	This market strategy seeks to differentiate or distinguish a business unit's product by creating something that its customers perceive as different, exclusive or superior

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to the rest of the competition. In cases where the difference is perceived by the customer, it is possible to set premium prices for the final product.

LOCAL CAPACITY-BUILDING	A tool for strengthening and furthering decentralization as the most effective means of restoring authority and resources to local government and for creating mechanisms for civil society participation and oversight.
LOCAL DEVELOPMENT SERVICES PLATFORM	Economic development is the transformation of the local economy and society to surmount existing barriers and challenges and improve the population's living conditions through concerted joint action by local public and private socioeconomic stakeholders and to use existing resources more efficiently and sustainably by building the capacity of local business ventures and creating an innovative environment in the territory.
REGIONAL DEVELOPMENT	It can be construed as a holistic process in which different regional stakeholders participate in defining, deciding on, and implementing the most suitable type of social and economic development without detriment to the capacity for economic and social investment or to the environmental assets of future generations.
TERRITORY / REGION	A defined area (including land and water) frequently considered to be the possession of a person, institution, organization, or subdivided country or State.
TRAINING	A set of organized processes to extend and supplement initial education through knowledge generation, skills development, and attitudinal change in order to boost individual and collective capacity to contribute to the fulfillment of the institutional mission, improve service-provision to the community, and contribute to effective performance and integrated personal development.
TECHNICAL ASSISTANCE	Transfer of knowledge, information or services to solve specific technical problems or contribute elements conducive to their resolution.
CLEANER PRODUCTION	Ongoing application of an integrated, preventive environmental strategy to reduce relevant hazards to people and the environment.
ENERGY EFFICIENCY	The ratio between the amount of energy consumed and the final products or services obtained. It can be optimized through the implementation of different measures and investments in the areas of technology, management, and community cultural practices.
ECONOMIC MULTIPLIER	The influence that one variable has on another on an amplified scale, in other words, when the effect is greater than the cause that produced it.
PRODUCTIVITY	The capacity to produce more goods or services with fewer resources. Productivity depends largely on the technology applied (physical capital) and the quality of vocational training provided to workers (human capital). Greater productivity entails producing more at the same cost, or producing the same product at a lower cost.
EFFICIENCY	The capacity to carry out a task or produce a particular result or effect, while minimizing the use of resources, or the relationship between the result obtained and the resources used.
SECTOR COORDINATION	Planning mechanism or tool to coordinate priority-driven decision-making among different sectors. Through <i>concertación</i> each responsible sector makes a commitment to the established objectives. This helps them avoid taking different tangents and ensure more rapid and effective progress, evaluation of results, and adaptation to changing circumstances.
CLIMATE CHANGE	Long-term fluctuations in temperature, precipitation, winds, and all of the other components of the Earth's climate.
FOOD SECURITY	Availability at all times of a sufficient world supply of basic foodstuffs to support ongoing expansion of food consumption and to counteract production and price fluctuations.

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INNOVATION

The application of new ideas, concepts, products, services, and practices, which are potentially useful for boosting productivity. Innovation must include successful commercial application.

PROCESSING

Conversion of a raw material into a finished product.

ENTERPRISE

Assuming the risk and responsibility for designing and putting into practice a business strategy or a new business.

ENTREPRENEUR

An entrepreneur is someone who identifies an opportunity and organizes the resources necessary to put it into practice. This term is frequently used to describe someone who “creates a business” or identifies a business opportunity, or starts a project at his or her own initiative.

EXECUTIVE SUMMARY

The Bolivia Productivity and Competitiveness Project (BPC Project), an initiative of the United States Agency for International Development (USAID/Bolivia), aims to increase productivity and competitiveness of MSMEs in order to create jobs and boost incomes in urban and peri-urban areas of Bolivia's main cities.

During the reporting period (October 2009 – September 2010) the BPC Project has carried out specific interventions to strengthen competitive advantages in the textiles and apparel, wood manufacturing, processed foods, and biotrade value chains. In each of these chains, composed of MSMEs, it has implemented technical assistance, training, and promotional activities in order to boost the sales and revenues of the companies assisted. Some of these activities have also benefited the crafts sector through pilot initiatives. .

The first year of this four-year undertaking has been a time to gain experience working with productive chains using local organizations as service operators in a challenging institutional environment.

Based on a general evaluation, most of the objectives established for this period have been met and, most importantly, the project has identified collaborating institutions and developed work plans with them that will tangibly increase efficiency in project implementation, along with the benefits for the MSMEs assisted.

The table below shows the progress made in the Operational Plan (OP, USAID Annual Operational Plan indicator) and SEGE indicators this year:

OP INDICATORS	Results	2010 Targets	% achieved
Companies assisted in management, administration, and productive processes	17	60	28%
Sales generated (USD.)	\$ 1,046,126	\$ 810,000	129%
SEGE INDICATORS	Results	2010 Targets	% achieved
Number of people benefited by USAID assistance USAID	13,020	8,150	160%
Number of people trained	1,426	1,024	139%

The next table shows the progress made in all project indicators, which derive from the activities undertaken throughout the year:

CONTRACTUAL INDICATORS	Results	2010 Targets	% achieved
Number of people trained	1,426	1,000	143%
Number of students trained who enter the productive workforce	37	90	41%
Number of MSMEs assisted	17	60	28%
Number of MSMEs created	1	6	17%
Number of direct and direct jobs	824	303	272%
Value of sales (USD)	\$ 1,046,126	\$ 810,000	129%
Economic impact in the selected value chains (USD)	\$ 2,615,316	\$ 2,000,000	131%

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Number of institutions strengthened	1	2	50%
Number of people trained in strengthened institutions	0	24	0%
Number of events to promote dialogue and business partnerships	18	13	138%
Value of purchase intentions (USD)	\$ 6,621,011	\$ 7,200,000	92%
Institutions that received support for events and courses	17	6	283%
Number of GDA and GDA-like operations	1	2	50%
Value of matching funds in GDA and similar operations (USD)	\$ 141,193	\$ 140,000	101%

As shown, the project made significant progress this period in terms of the number of individual beneficiaries. This was mainly due to the assistance provided to enable MSMEs to participate in trade fairs and business roundtables. The project also generated employment through job placement in companies that received technical assistance, job placement of trained youth in the textiles sector, and post-fair sales in the wood sector. An intensive training schedule resulted in a significant number of people trained in different sectors. Most of the sales occurred at trade fairs in the wood sector and other sale values materialized afterwards based on the businesses contacts established at the trade promotion events.

SECTION I

INTRODUCTION

A. Country conditions and context

Bolivia's macroeconomic accounts have stabilized thanks to increases in the international price of natural resources and acceptable fiscal management improvements. This has resulted in moderate economic growth and low inflation, and reserves are at a historic high.

From the standpoint of foreign trade, Bolivia, like other Latin American countries, has recaptured its former status as an exporter of nonrenewable raw materials and therefore has prioritized its mining and gas industries.

In the political realm, the adoption of the new constitution and the laws that will shape the Plurinational State of Bolivia have created a state of constant flux as the government moves towards greater decentralization and public sector involvement in the productive apparatus. These shifts have also created uncertainty in relation to the private sector's role in the economy. In several sectors, the debate focuses on the independence of the three branches of government and the consolidation and nature of the autonomous entities envisaged in the new constitution.

The other context where project activities have taken place pertains to the situation in general of the bilateral relationship between Bolivia and the USA. This situation has limited the leveraging of resources and the identification of work synergies with other public, private and international cooperation agents.

In this context, —macroeconomic stability, institutional changes, and the debate surrounding USAID's work in Bolivia—is where it is based on BPC Project's activities in the 2009-2010 fiscal year reporting period. Despite this complex working environment, however, the project has successfully coordinated training, technical assistance, and trade promotion with producer associations, chambers of commerce, academic institutions, and groups of MSMEs.

Given the prevailing institutional and political climate, we have focused mainly on the short-term in planning project interventions with several of our partners. In all probability, we will continue to work under these conditions as we move forward.

For this reason, and with the objective of effectively implementing the contract, we will keep up the pace of the activities planned and will increase it in many cases due to the presence of more operating organizations.

B. Project Objectives and Structure

The Bolivia Productivity and Competitiveness Project (BPC), is a four-year initiative of the United States Agency for International Development (USAID/Bolivia) that began in October 2009. Its main objective is to increase the sales and productivity of MSMEs in order to create jobs and boost income in urban and peri-urban areas.

The BPC Project's underlying mission or role has been defined as follows:

Contribute to the ability of MSMEs to take advantage of market opportunities by strengthening their productivity and competitiveness.

And its vision or challenge for the next four years is:

The country has an efficient and consolidated business services platform in place that provides a timely response to the demands from MSMEs.

The BPC Project is designed to integrate rural and urban productive activities. It is therefore building on several other USAID projects in Bolivia, including BTBC 1, BTBC 2, MAPA, BOLFOR, ARCo, food security activities, and others.

In this way, the BPC Project supports initiatives that have the potential to be economically and environmentally sustainable, cooperates in setting up productive businesses connected to value chains, contributes to strengthening human capital in the workforce and at the management level, and strengthens the supply and demand national market of technical services based on national organizations.

C. Description of project targets

Certain adjustments were made to the project targets during the strategic planning process and in discussions with the COTR, based on the level of implementation of the activities, especially those carried out jointly with partner institutions.

Several indicators requested by USAID's SEGE office and Programs Office were added to the ones that had been established at the beginning of the project.

There are three groups of indicators: the first are annual project indicators whose progress is documented in quarterly reports. The second are OP and SEGE indicators, which are culled from the project indicators and are assigned a quarterly indicative target that is included in the quarterly progress report for the SEGE office. The following targets were established for the OP/SEGE indicators for fiscal year 2010.

2010 Targets		
	PO and SEGE Indicators	Target 2010
PO / SEGE Indicators		
1.	Businesses assisted in management, administration, and productive processes	60
2.	Number of people benefited by USAID assistance	8,150
3.	Sales generated (in millions of USD)	0.8
4.	Number of people trained	1,024
Additional SEGE indicators		
5.	Direct and indirect employment	303
6.	Matching funds leveraged (in millions of USD)	0.14

The targets for the year covered by this report were as follows:

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2010 Targets		
Contractual indicators		Target 2010
Objective 1: Improve the competitiveness and productivity of the selected value chains		
1.	Number of people trained	1,000
2.	Students trained who obtain employment	90
3.	Businesses assisted in management, administration and productive processes	60
4.	Businesses created	6
5.	Direct and indirect employment	303
6.	Sales generated (in millions of USD)	0.8
7.	Overall increase in productivity	+ 5%
8.	Economic impact on value chains (in millions of USD)	2.0
Objective 2: Strengthen local institutions that provide services to MSMEs		
9.	Institutions strengthened	2
10.	Staff trained in the strengthened institutions	24
Objective 3: Promote dialogue among stakeholders along the chain to improve the business environment and competitiveness of MSMEs		
11.	Events (workshops, fairs, business roundtables, forums)	13
12.	Purchase intentions (in millions of USD)	7.2
13.	Institutions that received assistance for events and courses	6
Objective 4: Leverage resources through GDAs and similar operations		
14.	GDA implemented	2
15.	Matching funds leveraged (in millions of USD)	0.14

Working with our COTR, the project made adjustments to certain definitions and the annual targets for certain indicators in light of the nature and scope of the planned activities. All of the indicators listed above and the annual life-of-project targets are included in the PMP. We were unable to measure “Overall increase in productivity” indicators this period, since technical assistance in the productive sector had not been completed.

D. Fulfillment of Contractual Obligations

The contract between Chemonics and USAID for implementation of the BPC Project includes a requirement to submit periodic documentation and reports, or contractual deliverables, which are listed below by delivery date and status.

Item	Contractual Deliverable	Contractual Due Date	Date Delivered and the reason for any change in delivery date	Status of Deliverable and Date of Action
1.	Image Strategy and Branding Plan	November 2009	October 28, 2009	Approved/February 9, 2010
2.	Service Delivery Fund and Grants Manual	November 2009	November 30, 2009. Chemonics requested an extension of the deliverable, as it is working on a proposal for its use in all USAID contracts worldwide.	Approved/February 26, 2010
3.	Assessment of Intervention Plans in Productive Chains	December 2009	March 31, 2010. The technical proposal was delayed in order to produce a more in-depth assessment to justify the selection of the textile and wood manufactures chains and to include the two new chains, food and bioproducts, based on studies and evaluations conducted in conjunction with USAID's Integrated Food Security (IFS) and Integrated Bolivian Amazon (IBA) projects...	Approved/May 7, 2010
4.	Institutional Strengthening Plan	- Contract: 12/2009 - Extension: 03/12/2010	March 12, 2010. The extension was requested due to a change in the way this was to be carried out. The plan was ultimately prepared by short-term consultants with expertise in the relevant subject matter.	Approved/May 7, 2010
5.	Global Development	- Contract: 12/2009 - Extension: 26/02/2010	February 26, 2010. The extension was requested in order to tailor the guide's content and purpose to the project's organizational process and the evaluation of the instruments to be	Awaiting approval as of 09/30/2010

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	Alliance (GDA)/Public-Private Alliances (PPAs) Activities Manual		signed by the local sub-implementing organizations. Additionally, the project, together with USAID, is studying a conceptual modification of the guide in order to submit a new version	
6.	Performance and Monitoring Plan	November 2009	November 27, 2010	Pending approval as of 09/30/2010
7.	Four-year Strategic Plan	March 2010	March 31, 2010	Approved/ May 7, 2010
8.	Public-Private Partnership Activity Reports (GDA)	On a quarterly basis beginning December 2009	Delivery of the report up to June 2010; August 10, 2010	Report pending submission as of September 30, 2010
9.	Annual Environmental Reviews	September 2010	The methodology and work plan was developed with the Centro de Promoción de Tecnologías Sostenibles (CPTS). The plan will be implemented beginning November 2010.	Review pending submission as of September 30, 2010
10.	Outreach Plan	- Contract: 02/2010 -Extension: 03/31/2010	March 31, 2010. Using the “staff-sharing” model, the BPC Outreach specialist was assigned to work first on P-AI’s Outreach Plan.	Approved/ 07/20/2010

As of the submission of this report, two contractual deliverables are pending approval: “Global Development Alliance (GDA)/Public-Private Alliances (PPAs) Activities Manual” and the “Performance and Monitoring Plan.” We anticipate that these documents will be approved next quarter (October-December 2010).

E. Coordination and activities with other USAID/ Bolivia projects

At the initiative of USAID’s Office of Sustainable Economic Growth and Environment (SEGE) and based on a holistic vision of the businesses that we support (chains), the BPC Project has established coordination mechanisms and carried out activities jointly with other SEGE projects. SEGE has promoted quarterly meetings beginning in March 2010 to support this inter-project coordination. Since that time, each of the five USAID projects in the productive sector has organized one of these meetings, which cover topics such as the following:

- Contacts with public entities. While the project has not worked with government entities, it has been proactive in identifying areas to target its assistance that would have demonstration effects. It has also prioritized the areas set out in the Government of Bolivia’s National Development Plan.
- Special reports on microenterprise. The project is currently identifying the best channels for generating statistical data to assess the impact of USAID assistance on this socially and economically relevant segment.
- Effective coordination. At the coordination meetings, the project has stressed that “coordination” should result in joint interventions with specific measurable results.

The coordination meetings have set in motion the following activities:

- A signed agreement between the BPC Project, IBA Project and the Forestry Chamber of Bolivia to provide assistance the Expoforest 2010 business roundtable.
- Coordination of approaches with the IBA Project for the biotrade chain, mainly *cusi* palm and Brazil nut (castaña). The project has also studied the potential of the wood manufactures chain in San Ignacio de Velasco province in Santa Cruz department with a view to proposing a comprehensive joint intervention.
- Preparation of an agreement with the El Lago Project for implementing an Organic Humus Support and Expansion Plan focused on the collection, packing, and distribution stages. A description has been

prepared for a technical assistance intervention in Good Dairy Manufacturing Practices and it will be included in the agreement.

- Preparation of an agreement with the IFS Project in order to coordinate activities in the industrialization phases in the foods sector chain.

These synergies will make it possible to act on all links of the chain, while leveraging resources to increase the impact on the MSMEs assisted.

F. Qualitative evaluation of the first year of the project

Despite the experience the team had acquired working with MSMEs on the projects that preceded BPC, this was a year of learning about how to operate through local organizations. Based on these lessons, the project has reviewed its processes and adopted new practices for the new contractual mandate.

The project's performance this first year was premised on continuously adapting to its environment. It has implemented operational mechanisms after careful evaluation of the capabilities of its potential institutional partners. Based on this assessment, it opted to create local platforms for local chains, rather than pursue its initial tack of supporting national business services networks.

The project chose the local/regional option after verifying that many of the service organizations that had been identified previously operate more effectively and ultimately more cost-efficient, at the local level. We realized that the local focus would be critical in enabling organizations to submit reasonable, competitive budgets when bidding for technical assistance to MSMEs. In view of the dearth of support services available to MSMEs from public and private entities, the project's efforts to develop local networks would make a tangible difference by the end of the contract.

Specific, timely interventions have been useful not only in meeting the BPC Project's targets but also in establishing a joint work methodology with its subcontractors. In other words, the experiences of this first year have enabled the project to develop longer-term plans with our subcontractors.

In the team's view, the adaptation process this first year has been a source of tremendous learning as far as what can and cannot be done, and the how, when and who to do it. This will go far to enhance the project's performance in FY 2011. It will also demonstrate the technical and institutional potential of integrated systems to support the productive and competitive development of the Bolivian MSMEs that the project intends to strengthen with USAID assistance.

SECTION II

ACTIVITIES AND RESULTS BY OBJECTIVES AND MAIN TASKS OF THE BPC PROJECT

A. Objective I: Improve the Productivity and Competitiveness of the Selected Productive Complexes

The common denominator for the activities of the BPC Project in 2009-2010 has been learning. This learning has occurred at three levels in the course of its activities and has shed light on the path to follow in the next four years. The project has improved its efficiency in relation to this first objective at the following levels:

- (i) Identification and characterization of the beneficiaries, namely the productive chains and the MSMEs that form them. This has been accomplished in conjunction with the implementing institutions and in consultation with economic stakeholders.
- (ii) Joint development of work plans with local entities in order to decide on methodologies, scope, and ways of measuring results in keeping with contractual aims.
- (iii) The team has been submersed in an ongoing learning process about the public context in which USAID in general, and the BPC Project in particular, are both operating. This has led it to engage in a priority-setting exercise for activities, based on a four-year vision that will lead to the establishment of local service platforms for business development.

The sections below describe the BPC Project's activities in the context of this ongoing learning process, with a view to coming up with sound forecasts for interventions and laying the groundwork for improved efficiency of its activities in the coming years.

a. Task I. Selection of the Value Chains

The project initially explored three representative value chains in the Bolivian productive apparatus (as described in the 2010 Work Plan): (i) textiles and apparel, (ii) wood manufactures, and (iii) processed foods. Based on this, it identified an initial group of beneficiaries and operations in Bolivia's three metropolitan cities: La Paz, Cochabamba, and Santa Cruz.

However, during the planning and implementation process, the project examined the potential to expand its spheres of interventions, especially to other value chains. In this sense, the processed foods value chain was seen as one of the most significant. Likewise, and relying on basic information on the potential of bio-products, it was decided to incorporate this value chain as separate of the processed foods chain taking into consideration that bio-products comprise more than one type of products, not only edible goods but also cosmetic items. Both of these value chains are, on the other hand, part of the work of the USAID's IFS and IBA projects. In the case of the processed foods value chain, the fact is that a substantial part of the Bolivian supply of food comes from social sectors that USAID consider a priority and certainly are also a priority for the Bolivian government. Hence, supporting rural-urban integration and contributing to the modernization of processed foods production is a critical and significant task for the BPC project.

With respect to the bio-products value chain, we consider that because bio-commerce includes the participation of forest indigenous communities and that activities in this chain are implemented under principles of sustainable management of natural resources, BPC activities will be making a relevant contribution to developing the potential of this sector.

Besides including the biotrade chain, we received requests for assistance from the handicrafts value chain. The project had initially limited its activities in this sector to assisting groups interested in marketing crafts made from textiles and wood. To this end, the project assisted the Red OEPAIC—a national social and economic organization made up of eleven crafters associations from around the country—in organizing an Expo fair of their seasonal supply. As a result of this pilot activity in the crafts sector, we received requests for assistance from other subsectors in the network, including potters and metal, glass and leatherworkers. A critical factor in future assistance to the crafts value chain is the predominance of women in all productive links. There is a significant difference between artisanal and industrial production, since the artisan relies on art and handiwork and does not divide the productive process into several discreet parts. Manufacturing, in contrast, is largely machine dependent, does not necessarily involve cultural values, and is constantly striving to improve efficiency through the specialization of tasks within the productive process.

The main lesson learned in the process to select the value chains lies precisely in the changes made: we began with three chains and ended up evaluating and/or implementing activities in a total of five. One of the project's next steps will be to formalize its assistance to the handicrafts value chain. Having assimilated this lesson and validated our actions with the implementing entities and the beneficiaries, the following are some of salient characteristics of the value chains that the project has assisted, and will assist in the future:

- **Textiles and apparel chain**

This chain represents on average 11% of Bolivian industrial GDP over the past ten years (1999-2009). While the sector showed signs of recovery in 2008, 2009, and 2010, according to the most recent figures, expansion in this chain will hit an export ceiling due to the termination of United States tariff preferences for Bolivia, which will negatively impact its potential to penetrate new markets. This chain is still worth supporting, however, given its domestic and regional projections (Venezuela, Brazil, and Mexico), particularly in light of its capacity for urban and peri-urban job creation.

- **Wood manufactures chain**

This chain represent on average 8% of Bolivian industrial GDP from 1999-2009 and, although production and sales are seasonal—with sales increasing significantly in the periods from October to December—it has shown consistent growth in the domestic and international market. Similar to other natural resources such as gold, oil, copper, and gas, average prices for wood products have reached historic highs. In this context, the prospects for the wood manufactures value chain are good, especially when it comes to products with value added.

- **Processed foods chain**

This chain represents on average 35% of Bolivian industrial GDP in the last ten years (1999-2009), and includes categories such as: meats, dairy products and by-products, preserves, fruit juices, soft drinks, flavored waters, and grains and cereals together with their processed products like flours and crackers, natural oil by-products, etc. Given the relevant number of MSMEs involved, it is safe to say that Bolivia

has an industrial identity in the foods sector and besides being the most representative chain in the manufacturing industry; it has also had the highest annual growth rate (6% in the past ten years). From the standpoint of the BPC Project, this is the chain that lends itself most to coordination with other SEGE project, especially the Integrated Food Security Project, and the Fundación Valles.

- **Biotrade chain**

This chain accounts for nearly 5% of industrial GDP, nearly 80% of which comes from castaña and its by-products. In the past ten years, other non-timber forest products such as cusi and cupuaçú flour, wild cacao butter, and oils from other endemic palms are increasingly being developed. Based on this growth, a National Biodiversity Program was launched to position processed products with high value added such as cosmeceuticals, soaps, and shampoos in domestic and international market niches. For fiscal year 2010-2011, the project plans to consolidate existing companies and increase production and sales in complexes that we will support through the implementing agency, Friends of Nature Foundation, which has the most experience in the country providing technical assistance services to economic stakeholders in the biotrade chain. The project may also coordinate its interventions in this value chain with the IBA Project.

- **Handcrafts Value Chain**

No reliable statistics are available on the significance of the handcrafts value chain in Bolivia. Traditionally included under manufacturing, this chain has not been evaluated as a separate category for statistical purposes. At the same time, the handcrafts sector has often encompassed trade associations of hairdressers and barbers, food and flower vendors and in some cases, retailers. Nonetheless, the handcrafts value chain has a promising future since regional and international trade place a premium on handcrafted products produced in environmentally sustainable, socially inclusive ways, and marketed through equitable mechanisms like fair trade. The BPC Project's decision to work in this was based on these factors, which argue in favor of its potential.

As we can see, based on the population of these five productive chains, the BPC Project will be able to act selectively on sectors that together account for over 60% of the manufacturing apparatus and it can anticipate having a positive impact given that these sectors are made up of thousands of micro- and small producers with potential for growth.

b. Task 2. Activities to enhance the competitive advantages of the selected value chains

The BPC Project works in two main areas to enhance the comparative advantages of the five value chains described above which, while complementary, differ in terms of their scope and methodology: (i) training and (ii) technical assistance. The project complements these interventions with promotional activities such as trade fairs and commercial missions. The trainings help to boost labor productivity by influencing the efficiency of the tasks carried out by workers and managers, in other words, human resources, which are the most important variable in the production levels of a given MSME. Technical assistance, in contrast, has a positive impact on the technical productivity of the MSME by improving efficiency in productive processes, especially the use of machinery and equipment. Yet this differentiation alone, while simple and consistent with the main factors of production of an MSME (manpower and machinery) does not fully explain the complexity of the requirements coming from the productive chains. It is important to understand that there is always a person on the receiving end of a technical assistance or training intervention. This first year of

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work confirms that a certain percentage of the trainings provided have not only covered design or cutting techniques, but have also imparted machine operating skills. In other words they have combined aspects of training and of technical assistance. Because of these variations in the scope of each intervention, it is important to present trainings and technical assistance separately since their results in terms of impact on sales and job creation also vary. It should also be stressed that all of the interventions of the BPC Project have been organized for MSME chains, rather than for individual businesses and the project has verified the achievements described in this report through follow-up and monitoring of the activities.

Training in the textiles and apparel chain



Machine operator training course in IDEPRO, El Alto

In response to the project's RFP, CEDETEX became the main training service provider and conducted nine of the eleven training events held. Training needs have ranged from the operation of machinery (2) to cutting and stamping (2), styles and designs (2), and cost management and marketing (2).

All of the trainings were held in La Paz and El Alto, mainly for two reasons: most apparel producers are concentrated in those two cities and CEDETEX is based and operates mainly in El Alto. Based on these initial experiences, it is clear that CEDETEX's main sphere of operations is confined to these two cities.

Textiles and Apparel Chain				
Date	Activity / Course	Location	Counterpart	Description / Result
04/05/10 to 04/30/10	"Sewing machine operator training"	El Alto	IDEPRO	The project trained 23 young people most of whom passed the tests in the MSMEs and obtained employment.
05/05/10 to 04/30/10	"Conventional patterns for sports apparel"	El Alto	IDEPRO	Seventeen young people were trained.
04/15/10 to 04/17/10	"Preparation for trade mission to Brazil"	La Paz	CAMEX	The project trained APPECAL associates and other sectors (40 total) in the requirements for export to Brazil in terms of export costs, logistics, and negotiation.
05/05/10 to 06/02/10	"Fashion design and style trends"	El Alto	IDEPRO	The project trained 25 MSMEs in the apparel sector in fashion design and style trends.
05/10/10 to 05/27/10	"Industrial stamping"	El Alto	IDEPRO	The project trained 20 MSMEs in the apparel sector in industrial stamping.
05/10/10 to 06/05/10	"Sewing machine operator training 2"	El Alto	IDEPRO	The project trained 25 young people most of whom passed the tests in the MSMEs and obtained employment.
05/17/10 to 05/28/10	"Calculating costs for the textile industry"	La Paz	IDEPRO	The project trained 23 MSMEs in the apparel sector in calculating costs.
05/24/10 to 05/26/10	"Fashion cycle"	La Paz	CAMEX	The project offered 39 people from 30 companies an overview of style trends in the European Union and the requirements for market access.
07/01/10 – 07/30/10	"Skirt-making"	El Alto	IDEPRO	The project trained 22 women in skirt-making techniques.
07/01/10 – 07/16/10	"Computerized patterns"	El Alto	IDEPRO	Eighteen young people were trained in computerized pattern design.
08/03/10	"Accessing crafts markets workshop"	Sucre	IDEPRO	The project trained 17 members of Red OEPAIC, prior to the Integrare Fair in Sucre.
09/30/10	"Fashion cycle"	La Paz	CAMEX	The project began training to equip 21 selected companies with practical information on the fashion cycle in the European Union and 2010/2011 trends.

Training in the wood manufactures sector

This year’s training activities in the wood sector have also afforded us relevant information about content and scope. The five training events held in this value chain focused on market access and penetration. While it would be premature to say that this is the main requirement of these MSMEs, it is a priority since the price of wood has gone up relative to the averages five years ago and there are as yet unexplored trade opportunities in the domestic and foreign markets. Chambers of industry and export have played an important role, partnering with the project to organize and contact MSMEs, ascertain their specific training requirements, and encourage them to participate in the trainings. While wood manufacturing tends to revolve around the supply from Santa Cruz de la Sierra, demands for training have come from all of the country’s main cities, including El Alto.



Cost management training for FIMA Muebles

Wood manufactures chain

Date	Activity / Course	Location	Counterpart	Description / Result
04/15/10 to 04/16/10	“Training MSMEs in the wood sector to participate in fairs”	La Paz	CNI - to INVEST	The project trained 16 people from MSMEs in the sector, most of which are part of the CNI wood cluster. The project also provided assistance for these companies to attend the fairs.
05/03/10 to 05/04/10	“Training MSMEs in the wood sector to participate in fairs”	Santa Cruz	CADEX	The project trained 11 employees in MSMEs to support their companies’ participation in specialized fairs in the sector. The project also provided assistance for these companies to attend the fairs.
06/15/10 to 06/16/10	“Opportunities for the forestry sector”	Santa Cruz	CADEX	A workshop was held to inform 29 entrepreneurs about the requirements for accessing the European market in order to bring them up to date in this area.
06/22/10 to 06/23/10	“Penetrating European markets with forest products”	Cochabamba	CADEXCO	The project sponsored a workshop to update 18 entrepreneurs on international requirements, market trends, and market niches for wood manufactures for export.
06/29/10	“Training MSMEs in the wood sector to participate in fairs”	Cochabamba	IMB	The project trained 28 employees from MSMEs to support their companies’ participation in specialized fairs in the sector. The project also provided assistance for these companies to attend the fairs.

Training in the processed foods chain



BPC’s technical manager awards a certificate at the conclusion of the Good Manufacturing Processes in the foods industry course.

The project’s very first training event was for businesses in the processed foods value chain and a over the year, two additional training activities were held on different aspects of food industrialization. As in the woods value chain, business chambers played a significant role in contacting companies in the processed foods sector and identifying their training needs. These connections were facilitated by the fact that several of these chambers are implementers of the European Union-funded AI Invest IV Program and had already organized MSMEs into “productive nucleus” for that initiative.

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Foods and Biotrade chains

Date	Activity / Course	Location	Counterpart	Description / Result
03/08/10 to 03/12/10	"Good Manufacturing Practices in the Food Industry"	La Paz	CNI-AI Invest	The project provided basic information to 24 MSMEs on good manufacturing practices requirements for food companies in order to contribute to food safety by improving quality throughout the production process and to ensure that foods available to the public are prepared in compliance with the regulations in force.
04/12/10 to 04/17/10	"Good Manufacturing Practices in the Food Industry"	La Paz	CNI-AI Invest	The project provided basic information to 15 MSMEs on good manufacturing practices requirements for food companies in order to contribute to food safety by improving quality throughout the production process and to ensure that foods available to the public are prepared in compliance with the regulations in force.
05/30/10	"Training for environmentally-friendly organic producers"	Cochabamba	CADEXCO	The project strengthened the knowledge of 93 participants from food producers associations and MSMEs and later supported their participation in the Foods Show Room.
06/26/10	"Trends and requirements for exporting foods to the EU"	Cochabamba	CADEXCO	The project strengthened the knowledge of 77 entrepreneurs on international requirements, market trends, and organic and/or ecological market niches for the export foods sector.

Training in different chains

Several of the chambers mentioned earlier have effectively coordinated training requirements not only among their traditional associates (large and medium-sized enterprises), but increasingly by identifying the needs of micro and small enterprises. The chambers have surveyed training and technical assistance needs and have also supported the identification and organization of trade promotion initiatives to promote and enhance sales of MSMEs.

One highlight of the project's support for training MSMEs in different productive sectors has been its joint work with New Economy (Nueva Economía) to train entrepreneurs from La Paz, Cochabamba, and Santa Cruz.

Specifically, this training program is linked to the incentives offered to participants in the National Entrepreneurial Ideas Contest. It has involved six months of training divided into different modules and has benefited nearly 1,900 people who are competing for ten prizes. Several prominent national organizations have adopted this model of financial support for new ventures.



Participants in the Entrepreneurial Ideas Course in Cochabamba during a learning activity.

Different chains

Date	Activity / Course	Location	Counterpart	Description / Result
06/11/10	"International seminar on corporate social responsibility for MSMEs"	Cochabamba	CADEXCO	Thirty-eight professionals and business people were trained in the necessary practical skills and competencies to implement the CSR philosophy in MSMEs in the wood, textiles, and foods sectors.
04/12/10 to 06/19/10	"Business Ideas" workshop	La Paz (3) El Ato (2) Cochabamba (3) Santa Cruz(3)	Nueva Economía	A total of 426 participants from the Entrepreneurial Ideas contest were trained in the presentation and development of a business idea aimed at solving a bottleneck in one of the project's priority sectors. Once the ideas are chosen, the selected participants go on to a second module and will be trained in business plans, four of which will be selected for the prize.
06/24/10 to 06/25/10	"Participating effectively in fairs"	Cochabamba	CADEXCO	The project trained 17 entrepreneurs from MSMEs in the textiles, foods, and wood sectors to equip them with the tools and skills they need to prepare, participate in, and follow-up on international fairs.
06/28/10	"Effective participation in	La Paz	CAMEX	The project trained 22 entrepreneurs in the knowledge and tools they

to 06/29/10	trade fairs”			need to maximize their investment when participating in trade fairs.
06/30/10 to 07/01/10	“Effective participation in trade fairs”	Santa Cruz	CADEX	The project trained 24 entrepreneurs in the knowledge and tools they need to maximize their investment when participating in trade fairs.
08/03/10	“Penetrating crafts markets”	Sucre	RED OEPAIC	The project trained 20 crafters participating in the Integrarte Fair

In addition, with the support of CADEXCO and the United States Embassy in Bolivia, the project conducted a workshop on “Exporting to the United States under the Generalized System of Preferences (from 27 to 29 July 2010). It was attended by 125 entrepreneurs. The workshop included a presentation on the Marketing Intelligence Tools available from the U.S. government for conducting commercial information searches and covered information on the requirements that participants must fulfill to export to the U.S.

Technical assistance in the textiles and apparel chain

It is necessary to point out on some aspects of the first set of technical assistance interventions carried out in the textiles and apparel chain:

- The technical assistances were implemented through CEDETEX/IDEPRO.
- The technical assistances were carried out in El Alto and La Paz.
- The technical assistances covered a wide range of topics.
- CEDETEX/IDEPRO has satisfied the project’s requirements, particularly in the area of training. It should be noted, however, that it has been more difficult to identify technical assistance needs and even more, to tie them to the requirements of productive chains.
- Most of CEDETEX/IDEPRO’s experience is in providing technical assistance for the manufacture of cotton and synthetic fibers.
- CEDETEX/IDEPRO has demonstrated a clear vocation and capacity to operate at the local level, based on the number of trainings and technical assistance interventions implemented in El Alto/La Paz.
- Since MSME’s have a wide range of training and technical assistance needs, it is important to bear in mind that business development services platforms must have the capacity to adapt to market demands

While technical assistance interventions have a greater impact on incremental sales and job creation, they also require a more substantial time investment than organizing and carrying out training activities. In any event, in light of the experience this first year, technical service interventions can be expected to increase next year.

Textiles and apparel chain				
Date	Activity / Course	Location	Counterpart	Description / Result
08/11/10 to 09/04/10	“Technical assistance for Achacachi Production Centers”	Achacachi	IDEPRO	The project assisted three production centers in Achacachi by training 56 people in natural dyeing techniques to improve production and offer an enhanced product with value added. It also assisted these crafters to display their products at the Pedro Domingo Murillo venue in October.
08/02/10 to 10/30/10	“Technical assistance in quality control systems”	El Alto	IDEPRO	The project is implementing technical assistance plans for four Ametex exports subcontractors on process quality control. It is training the most experienced operators as quality assurance inspectors, with an emphasis on final quality audits. Twenty-seven people were given on-site training, which has boosted sales and improved production efficiency, reducing production time by 10%.
07/27/10 to 08/23/10	“Technical assistance in semi-industrial stamping for Líder Sport”	El Alto	IDEPRO	The Líder company subcontracts with four apparel shops in the city of El Alto for the production of bermudas for export to Brazil and Argentina. It cuts out the articles and subcontracts stamping and assembly. The company was having difficulties meeting deadlines due to the stamping process. The project provided assistance to this area by training

				employees in methods from the design to completion of the stamping process. The next assistance plan includes improving production and logistics system with the subcontractors that assemble the articles.
09/16/10 to 09/25/10	“Technical assistance in product design and development for the Tiahuanaco company”	El Alto	IDEPRO	The project trained representatives of five rectilinear knitting shops in La Paz in new production lines for a European market, including product development and new designs.
09/16/10 to 12/15/10	“Technical assistance in hand embroidery for export products”	El Alto	IDEPRO	The project is providing training to four companies, one of them recently created with its assistance, in hand embroidering articles for export. The project contracted 16 trainers and four production supervisors and they are working in the four companies. 204 people were placed in jobs.

c. Task 3. Activities to Strengthen the Workforce to Boost Productivity in the Value Chains

The project’s initial priority was to complement the activities of Fundación FAUTAPO. All the activities that were jointly designed and approved were postponed, however, at the latter’s request. Despite this, and building on the progress already made with FAUTAPO, the project carried out the following activities:

- The project met with some of the training Institutes (Institutos de Capacitación – ICAPs) that won FAUTAPO’s call for bids and has ascertained their academic and institutional strengthening needs.
- In Santa Cruz and La Paz, working breakfasts were set up to match MSME needs to the supply available through the ICAPs. The purpose of these meetings was to give the ICAPs the opportunity to tailor their academic offerings to the training demands coming from MSMEs in the manufacturing sector.
- The project also held a coordination meeting with the National Association of ICAPs in order to explore the different ways in which it might assist with its technical and institutional strengthening.



FAUTAPO workshop in La Paz

In this context, during the next reporting period, the project will issue a public request for proposals for the implementation of a training course with job placement in the textiles and apparel, wood manufactures, and processed foods sectors. Two types of bidding processes are planned: i) the BPC Project will identify the requirements of the businesses it is already assisting in order to design custom-made training packages tailored to the needs of MSMEs; and ii) job training service providers will identify needs based on specific demands and will submit their own proposals to the project for implementation. While these approaches will result in less resources leveraged and number of people trained and placed in jobs than if the collaboration with FAUTAPO had continued, the project expects that the ICAPs it contracts will successfully adapt their workforce training processes to make them shorter and more practical and will generate job placement opportunities.

B. Objective 2: Strengthen Local Service-Providers for the Development of MSMEs

While indicators on jobs, sales, and companies assisted are at the core of the BPC Project, promoting development also entails strengthening local capacity that ultimately will sustain project objectives and make

sure that they are carried out to the benefit of MSMEs. In other words, development also entails consolidating a platform of local entities capable of providing the business development services required by MSMEs organized in productive chains in the manufacturing sector.

a. Task 4. Strengthen local institutions that provide services to MSMEs

During the 2009-2010 period, Institutional Strengthening Plans were developed for four entities identified as potential providers of support services for value chains and other activities that support MSMEs. This process began with a short-term consultancy to assess the four institutions. After discussing the findings of these assessments with executives from all four entities, the project worked with them to address the areas in which each institution would be strengthened. The four institutions assessed were:

- IDEPRO, through CEDETEX, as an MSME service provider in the textiles and apparel value chain.
- CADEFOR as a local organization that supports MSMEs in the wood manufactures value chain.
- CPTS to support project activities in the area of cleaner production and to improve environmental management by project partners and the MSMEs assisted.
- ePC, to provide support in areas such as productivity and competitiveness, promote entrepreneurship, manage academic education and training initiatives for MSME entrepreneurs and, initially, bolster its own capacity to support the Public University of El Alto.

The previously USAID approved summaries of the strengthening plans, contemplate to work on one or more of the following areas of institutional competency:

- a. Corporate governance (e.g. governing board, mission/targets/organization, leadership, legal status);
- b. Management (e.g. organizational structure, information management, administrative procedures, staff, planning, implementation, reporting);
- c. Human resources (e.g. HR development, staff roles, work organization, supervisory practices, salaries and benefits);
- d. Financial resources (e.g. bookkeeping, budget, financial controls and inventory, financial reporting);
- e. Quality of services (e.g. sector-specific experience, impact evaluation);
- f. External relations (e.g. relations with its environment, collaboration, public relations, local resources, press).

As far as the thematic areas to be strengthened, during BPC's first year, the team's technical staff transmitted the work methodology to these four entities through frequent meetings, workshops, presentations, and discussions that culminated in contracts for specific tasks. In the process, the project was able to identify other organizations and has identified strengthening activities for them. One example is the Bolivian Furniture Institute (Instituto del Mueble Boliviano – IMB) which, with project assistance has helped to position this organization as a guidepost for MSMEs in the wood manufacturing sector. These aforementioned institutions are the first group to receive project assistance in the area of institutional strengthening. What follows is a preliminary description of the situation and prospects of the entities in this first group:

- **Bolivian Furniture Institute - IMB**

This year the project assisted the Bolivian Furniture Institute – IMB in three of the six areas of institutional strengthening: i) corporate governance (e.g. governing board, mission/targets/organization, leadership, legal

status); ii) quality of services (e.g. sector-specific experience, environment, impact evaluation); and iii) external relations (e.g., relations with its environment, collaboration, public relations, local resources, press). This result was achieved by providing assistance for three sector fairs (FIMA in La Paz, FIMATEC in Santa Cruz, and TECNOMADERA in Cochabamba). These activities reinforced IMB's leadership role in the eyes of the MSMEs in the sector and improved its services in the area of putting on fairs in the sector. The project also assisted IMB in organizing a Furniture Convention, which strengthened its identity as an institution with convening power in the sector. Finally, the project assisted IMB with the launch of EXPOMUEBLE in September of this year. Thirty-two MSMEs in the wood sector participated in the exposition and 17 of them have already secured sales valued at USD 17,800. It is hoped that this event can be consolidated by early 2011 and become a hub for furniture sales. The project's work with the Bolivian Furniture Institute this year strengthened it as a leader in organizing regional fairs for MSMEs and as a unifying force in the furniture chain. Next year the project anticipates strengthening IMB's human resources in order to consolidate the achievements made to date.

- **Textile Development Center - CEDETEX**

The strengthening plan included a strategy to “consolidate CEDETEX and plan the expansion of its services.” The project will begin its institutional strengthening interventions in the next period with the provision of equipment to bring down the costs of the Center's services, while improving and consolidating an integrated supply that benefits MSMEs in the textiles and apparel chain. CEDETEX will have equipment and software for patterns and design that it can use to aid MSMEs in improving their delivery times and reducing their costs. CEDETEX's services will also be restructured to enhance its capacity to respond to the requirements of the textiles and apparel chain. Beginning in the next quarter, the institutional strengthening plan will include technical activities to consolidate CEDETEX as a specialized services center for apparel manufacturers, mainly in El Alto and La Paz. Lastly, the project will conduct a needs evaluation of the Cochabamba and Santa Cruz markets to assess the possibility of expanding CEDETEX to those cities in the next three years. One aspect of strengthening local capacity has to do with strengthening the organizations' ability to administer the subcontracts awarded by the project for service provision to MSMEs. In this case, the project reviews IDEPRO's disbursements on a monthly basis and is assisting it with the submission of documentation and disbursements and in the preparation and submission of technical assistance plans and budgets. These processes will strengthen the institution's ability to bid for and manage USAID funds in the future.

- **Amazon Forest Development Center - CADEFOR**

The strategy designed in conjunction with CADEFOR executives is summarized as follows: “systematize business services for MSMEs and improve its internal procedures.” Based on this focus, the project and CADEFOR executives jointly decided on the scope of the institutional training plan to be implemented from December 2010 to March 2011, which would adapt, correct, and complement existing methodologies to assist MSMEs and consolidate the supply of relevant services for this business sector. Towards the end of the present reporting period, the project discussed the terms of a subcontract with CADEFOR for the implementation of a significant number of technical assistance plans. The subcontract will be signed next December in order to proceed immediately with the implementation of specific technical assistance interventions for MSMEs in Santa Cruz de la Sierra.

- **Production and Competitiveness School - ePC**

The strategy for the Production and Competitiveness School of the Bolivian Catholic University was summed up as follows: “Consolidate and coordinate its services with the Public University of El Alto, and between the latter and MSMEs in selected chains in El Alto.” The project supported, and will continue to support, ePC’s agreement with the Public University of El Alto (UPEA)—including its master’s degree with a specialty in MSME management—through fellowships awarded to ten UPEA professors. Once these professors have completed their studies, they will be tasked with designing and establishing a business services center in that city, with ePC support. A centerpiece of the business services center will be the launch of a business accelerator. This is a new institutional concept understood as a series of specialized and technical assistance activities to boost the product quality and sales of MSMEs in the manufacturing sector. At the same time, the project has been assisting ePC in administering USAID grants since it was awarded a standard grant requiring the submission of monthly expenditure states. Project staff visits ePC facilities every month to coordinate submission of the required documentation. The project has also promised to assist with the GEM Bolivia 2010 Study, which will compile information on the characteristics, sizes, and potential of entrepreneurs in order to replicate successful experiences in certain regions and tailor productive development policies to regional vocations. It is worth noting that ePC has obtained support from other international cooperation entities for the GEM Bolivia 2010 study.

- **Center for the Promotion of Sustainable Technologies – CPTS**

During this reporting period, technical staff from the BPC Project met on several occasions with CPTS executives and technical staff in order to identify structures and mechanisms for a “cross-cutting approach to cleaner production.” In the course of these discussions, two priorities were identified for strengthening CPTS: i) activities to consolidate the Center’s operational and administrative management capacity with a view to boosting the efficiency of its services to MSMEs in relation to Cleaner Production (CP); and, ii) activities to strengthen research and development on appropriate technologies suited to the economy of small producers. Specifically, the project will provide assistance for the technical validation of wood drying kilns designed jointly by CPTS and a private operator, the size, cost, and operational characteristics of which will be consulted and confirmed directly with entrepreneurs in the wood chain. Once it has a technological prototype of a wood drying kiln with an automatic control system tailored to the needs of MSMEs, CPTS and the project will be able to standardize drying technology, thereby solving one of the main bottlenecks in the chain. From the standpoint of the BPC Project, CPTS offers a cross-cutting service for all of its implementing entities. We will therefore continue to support the dissemination of Cleaner Production practices as an integral part of the content of our technical assistance interventions.

C. Objective 3: Promote dialogue to improve the business environment for the selected productive complexes and MSMEs

a. Task 5. Catalyze changes in the business environment

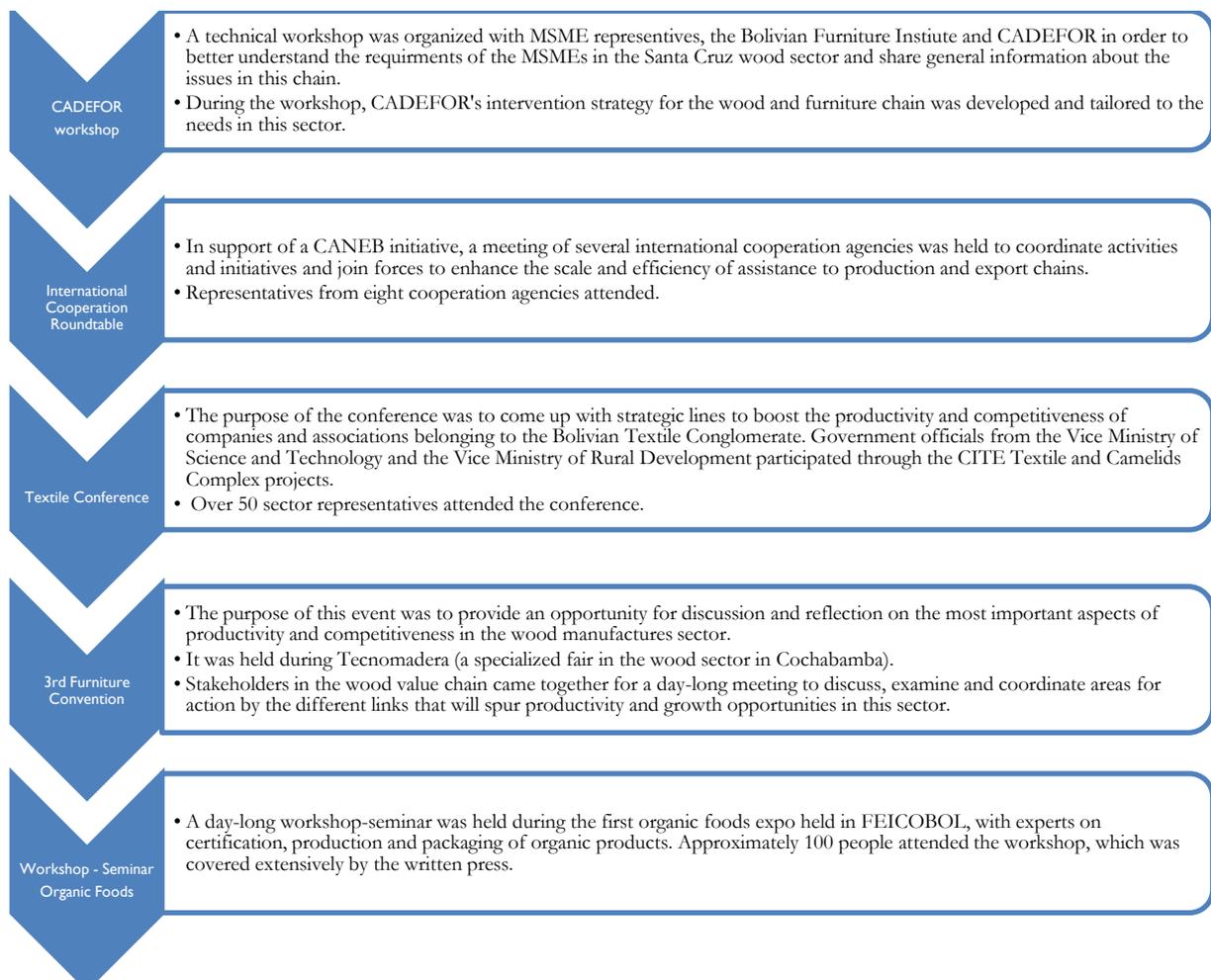
During this reporting period, the BPC Project carried out several specific events related to improving the business environment for MSMEs in the selected chains, which yielded some useful conclusions for improving productivity and competitiveness.

- The two meetings held in the wood chain helped clarify that the lack of drying kilns appropriately sized and priced for MSMEs really is the main bottleneck. The project also verified that the shortage

of high quality raw materials and inputs (wood and venesta plywood) influences the quality of the final product since, according to the participants, the best plywood and woods are exported to the United States, Europe and China.

- In the textiles chain, the takeaway from the meeting with COTEXBO was that the sector as a whole is experiencing a new export boom (to Venezuela and Brazil) following the dismantling of the trade preferences system, ATPDEA. Despite this rebound, however, several challenges lay ahead, perhaps the most important being to boost production volumes, especially for items made from camelid fibers, since current orders from existing markets exceed the available supply. The BPC Project will also undertake the institutional strengthening of COTEXBO in 2011.
- Several conclusions can be drawn about the business environment for the foods value chain, which is the largest of the project's target sectors. Despite being the most highly regulated industrial sector, its main assistance needs are in the area of Good Manufacturing Practices, since consumers pay attention to quality, packaging, and food safety.
- Finally, the project also met with other international and bilateral cooperation agencies in order to coordinate activities. Without question, the challenge in this regard lies in coordinating joint programs that will reduce intervention costs while maximizing the impact for the beneficiaries.

The diagram below describes the events held to improve the business environment during this first reporting period.



b. Task 6. Activities to promote business partnerships

The project's efforts to promote business partnerships the first year focused on creating synergies between two or more companies that would work together to open new markets or to meet the demands of existing ones. In this sense, the project has approached business partnerships as a way of sharing risks and strengths. Based on the experiences thus far, an effective business partnership is based on an agreement that leads to more efficient management, operations, and marketing, which is reflected in cost optimization and facilitates successful completion of purchase orders and/or opens up new markets.

Up to now, the project activities that have been most successful in generating sales and establishing business contacts for MSMEs have been the specialized sector specific fairs and participation in business roundtables. During the first year, the project used different mechanisms to assist each of the sectors. It promoted sales in the textiles and apparel sector in the following ways:

Textiles and Apparel Chain			
Activity/ Mechanism	Beneficiaries	Results	Images from the Event
Trade Mission to Brazil APECAL	APPECAL Association	<ul style="list-style-type: none"> • Training for microentrepreneurs on market access and international contracts • Visits to two cities: San Pablo and Campo Grande • Over 20 business appointments • Contact with Bolivia's commercial attaches in Brazil • USD 173,000 in purchase intentions • Request for samples 	
CREATIVE BOLIVIA Fair	Creative Bolivia Association	<ul style="list-style-type: none"> • Introduction of new collections • Negotiation of sales in local markets and for export; The most successful products were: wrought iron and wood patio furniture, bamboo lamps, wood and bamboo shelving, and wooden vases, among others • USD 7,450 in purchase intentions and USD 18,992 in actual transactions 	
International Textiles Fair FITEX 2010	COTEXBO	<ul style="list-style-type: none"> • 23 MSMEs from the sector displayed their products • 1,500 visitors • USD 380,000 in purchase intentions • Business roundtable with international buyers • Textiles conference to discuss relevant aspects of the sector's development • Three fashion shows 	

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<p>ABOMODA Fair</p>	<p>ABOMODA Association</p>	<ul style="list-style-type: none"> • 12 MSMEs presented exclusive designs from their new collections • 25 fair days provided an opportunity to display their products • USD 1,449 in sales and purchase intentions 	
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<p>INTEGRARTE Fair</p>	<p>Red OEPAIC</p>	<ul style="list-style-type: none"> • Eight artisans associations totaling approximately 4,000 crafters nationally participated • A one-day training on topics related to competitiveness for exhibitors • USD 12,775 in sales and USD 3,533 in purchase intentions 	
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Similarly, the project promoted sales and business contacts in the wood manufactures sector through the following activities:

Wood Chain			
Activity/ Mechanism	Beneficiaries	Result	Images from the Event
<p>EXOFOREST</p>	<p>MSMEs from the wood cluster of the National Chamber of Industry and TACUABOL Association</p>	<ul style="list-style-type: none"> • 12 MSMEs had a stand at Expoforest • Microentrepreneurs sold 70% of the products displayed • USD 65,800 in purchase intentions and USD 15,424 in sales • Extensive press coverage about the participation of the MSMEs assisted 	
<p>EXPOFOREST Business Roundtable</p>	<p>Bolivia Forestry Chamber</p>	<ul style="list-style-type: none"> • Collaboration with the PAI Project in support of this initiative • 164 businesses from 15 countries participated in the Business Roundtable, 99 of which were Bolivian MSMEs assisted by the project. • 1,185 business appointments made, with the participation of several MSMEs • USD 3.4 million in purchase intentions secured by the project's beneficiary MSMEs. • This Business Roundtable focused on the negotiation of finished products, which fosters the development of the manufacturing sector. 	

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<p>FIMA Muebles</p>	<p>MSMEs from CADEX and CNI</p>	<ul style="list-style-type: none"> • A project grant facilitated the participation of 28 MSMEs • Each company had a banner to identify its stand and was included in a business catalog • Over 7,000 visitors • 71 exhibitors including inputs-, service-, and carpentry-providers, furniture manufacturers, and wood crafters • USD 445,450 in intents to purchase and USD 309,229 in sales, including post-fair sales 	
<p>FIMATEC</p>	<p>MSMEs from CADEX and the IMB</p>	<ul style="list-style-type: none"> • A Project grant facilitated the participation of 25 MSMEs • The main purpose of the fair was to position what would later become the EXPOMUEBLE permanent furniture fair • Each company had a banner to identify its stand and was included in the business catalog • Approximately 50 exhibitors • 2,800 visitors • USD 285,500 in purchase intentions and USD 204,025 in sales, including post-fair sales 	
<p>TECNOMADERA A</p>	<p>MSMEs from CADEX and ASPEM</p>	<ul style="list-style-type: none"> • A Project grant facilitated the participation of 45 MSMEs • Each company had a banner to identify its stand and was included in the business catalog • Over 200 exhibitors • 13,000 visitors • USD 406,223 in purchase intentions and USD 434,845 in sales, including post-fair sales 	
<p>Trade mission to Chile</p>	<p>8 productive consortiums MSMEs</p>	<ul style="list-style-type: none"> • The project benefited over 49 MSMEs organized in eight (8) consortiums which were selected for a grant to participate in the trade mission to two Chilean cities. • Pre-mission training on penetrating the Chilean market • Approximately 50 business appointments • USD 205,000 in purchase intentions 	

And of course, we helped boost sales of processed foods and biotrade products, by sponsoring MSMEs to participate in the following activities.

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Food and Biotrade Chain			
Activity	Beneficiaries	Result	Photos
Exhibition of the exportable supply of organic foods FEICOBOL	MSMEs from the Cochabamba Chamber of Exporters – CADEXCO and the Small Industry Chamber - CADEPIA	<ul style="list-style-type: none"> • 42 MSMEs producing organic foods exhibited their products in FEICOBOL • A workshop on topics relevant for the sector attended by nearly 100 people • Each company was provided with a banner • The microentrepreneurs sold 70% of their displayed wares (USD 6,045) • 1,250 visitors • Extensive press coverage on the participation of the MSMEs assisted 	
Bionativa Stand at EXPOCRUZ	10 microenterprises from the Chamber of Biotrade - BIONATIVA	<ul style="list-style-type: none"> • A project grant to the Friends of Nature Foundation benefited 10 Bionativa companies, which set up a stand at the EXPOCRUZ 2010 • Bionativa won the prize for best decorated stand in the exporters' exhibits hall • USD 81,600 in purchase and USD 24,985 in sales at the event. 	

Other activities to support trade

- **Support for the launch of Expomueble**

The Bolivian Furniture Institute identified the need to establish a permanent exhibition and marketing venue for MSMEs in this sector in Santa Cruz, which led to the opening of what is now known as “Expomueble.” After locating a venue, it was clear that the infrastructure could also be used for organizing training and technical assistance events. Expomueble is located in the building that formerly housed the “Barrio Lindo” fair. Because of its location, the hope is that it will attract middle class sectors interested in purchasing high-quality, well-designed furniture at competitive prices. IMB negotiated a reasonable lease with the owners that will enable MSMEs to access the exhibit stands. “Expomueble” opened its doors to the local public in September, with a grant from the project and IMB guidance to carry out an intensive advertising campaign. Thirty-two MSMEs participated in the fair during the first 20 days and 17 made sales equivalent to USD 17,800. The project anticipates consolidating “Expomueble” in 2011 as a permanent furniture exhibit and market.

- **Expocruz Business Roundtable**

The project joined forces with CAINCO and CAMEX to sponsor 20 MSMEs at the largest and most important business roundtable in the country. The assistance provided included a pre-roundtable training for microentrepreneurs on such topics such as advantages of participating in a business roundtable, how to create agendas, and how to follow up. The main outcomes of this event were as follows:

Beneficiaries: 21 microenterprises—17 in textiles & apparel, 3 in foods sector, and 1 in wood manufactures (El Alto, La Paz and Potosí)	Appointments: 97% of the total of appointments scheduled	Average meetings per company: 7 meetings per microentrepreneur	Purchase intentions: USD 1,167,475 (the project will be follow-up on actual sales over the next six months)
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D. Objective 4: Leverage resources with private sector funds, other donors and public institutions through the GDA Fund

a. Task 7. Leverage GDA funds

While the BPC Project's GDA operations manual has not yet been approved, it has been working on two specific activities that conceptually follow the public-private partnership model:

- **Strengthening Educational Capacity of the UPEA.** This refers to strengthening academic capacity by offering ten faculty members of the El Alto Public University a scholarship to pursue a Master's degree at Universidad Católica Boliviana's Masters for Development Program (MpD). This will lead to the future establishment of a business development services platform for MSMEs in El Alto under the purview of these two institutions. The results of this first GDA will, in effect, be the human resources for this platform.
- **Entrepreneurial Ideas National Contest.** Through a public-private alliance scheme, BPC will enable the winners of the "Entrepreneurial Idea in Value Chain" prize (four companies, one in each of the project's selected value chains, except for crafts) to invest in the technological solutions described in their business plans.

During this reporting period, the project also identified potential GDA operations with other organizations such as Fundación Valles, public universities, and other foundations.

E. Cross-cutting issues: Activities for implementation of CP in the value chains

The project and CPTS have agreed to the content and implementation of training courses on cleaner production, which will cover the use of environmental compliance forms and guidance for the design of mitigation plans. Four groups of institutions will be responsible for imparting the courses:

- Institutions working with the BPC Project as implementers of technical assistance plans: CADEFOR, IDEPRO, FAN. The course objectives will be two-fold: filling out the forms according to USAID regulations and the transfer of knowledge.
- Institutions working with the BPC Project in identifying demand: sector chambers and associations.
- Institutions working with BPC from the services demand side. Associations of MSMEs interested in cleaner production. The course content for MSMEs should focus on prevention plans and environmental mitigation.
- Institutions recently subcontracted by the BPC Project. The course will cover two areas: filling out the forms according to USAID regulations and information on cleaner production practices. The entities, by chain, are: subcontractors in the processed foods chain: INTERCON, APIMEC, CAPRA, CADEXCO, CREAR; subcontractors for the textiles and apparel chain: CADEXCO, APOSTROFE; subcontractors for the wood manufactures chain: APIMEC, CNI.

The project will continue to support CPTS to systematize technical assistance and training services tailored to MSMEs and the institutions that support them. This "systematization" is understood as establishing the administrative and process-oriented instruments necessary to enhance the efficiency of the services requested.

SECTION III

BEST PRACTICES AND LESSONS LEARNED

The BPC Project identified the following lessons and best practices in the course of its work over the past months, which are described in previous reports (Q1, Q2 and Q3):

a) Best practices

Best practices are based on concepts, methodologies and instruments that must be tested, readjusted, and then put into practice. Internal best practices have to do with correcting the project's internal methodologies, while external ones refer to relations with Project beneficiaries and other stakeholders.

Implementation of an internal technical information system. After identifying the need for coordination between the different areas of the project in order to improve the efficiency of implementation and ensure adequate information flows to the client, we drew up a synthesis of the activities involved in each intervention.

As a result of this learning process, a summary sheet was created for each activity, including technical, budgetary, administrative, and monitoring information, which will be integrated into the project's internal IT system in 2011.

Promotion of local competitiveness platforms. Economies of scale are created through the exchange of knowledge and a confluence of forces among MSMEs located in the same geographic area. This also results in the optimal use of the resources available to assist them. Similarly, efforts to strengthen entities specialized in business development should be tailored to local chains and the productive characteristics and vocation of the region.

In other words, the BPC Project's original plan to establish national services platforms has been replaced with a strategy of creating local services platforms in the interest of boosting efficiency and reducing costs.

b) Lessons learned

Lessons can be extracted from processes that did not produce the desired results. The best way to avoid a repetition of these situations is to learn from them and correct the identified mistakes.

On coordination costs. Travel costs are a critical factor in forming value chains of MSMEs and sustainable business services platforms conducive to development. At first we believed that entities located in one region could efficiently provide services to MSMEs located in others. We discarded this notion, however, due to the excessive costs associated with travel (per diems, fares, transportation, and support logistics). This lesson, coupled with the legitimate local demand for strengthened organizations, led us to make the decision to support the formation of local rather than national institutional networks.

On the environment. In a complex institutional environment as a result of the status of the bilateral relationship between Bolivia and the USA, the BPC Project has operated through timely interventions aimed at having the greatest impact possible in the shortest time frame.

SECTION IV

PROJECT SERVICES

A. Outreach

The BPC Project’s main outreach endeavor during the year was to support its programmatic activities in meeting contractual objectives. Since the Outreach Plan was approved, the project has identified mechanisms to ensure that all of its activities are appropriately disseminated in time to guide its internal activities, including its graphic image and outreach tools.

a)BPC Project graphic identity

With support from USAID’s Bolivian Communications Activity (BCA), a number of outreach materials were designed for the project, including banners, file folders, and information sheets. Thanks to Trigo Consultores’ initiatives, brochures, separators, and small notepads were also produced. These materials, which feature relevant information about the project’s main objectives and activities, are used during the interventions set out in the contract as a demonstration of the efforts and support that comes from the people of the United States through USAID.



BPC ProjectBanner



Institutional Folder



BPC Project Information One-Pager

b)Outreach Plan

The Outreach Plan was developed to disseminate information and communicate with different audiences about the activities that USAID is carrying out to support the Bolivian people through the BPC Project. The plan will guide activities to fulfill Objective 3 on promoting dialogue between key institutions and improving the business environment for the value chain. At the same time, it seeks to guide and direct actions to report and disseminate the project’s efforts to boost the productivity and competitiveness of its target productive stakeholders. The plan includes three work areas: i) internal communications; ii) outreach; and iii) the outreach strategy by objective.

- **Internal communications.** These activities help build a solid, integrated team capable of working together efficiently.

Team-Building. This year, one of the BPC Project's main efforts in this category was a staff team-building activity aimed at developing harmonious working relationships, recognizing that each team member has an important contribution to make to the project's overall work. The workshop was held in the Flor de Liz facility. Juan Carlos Vacaflor, a well-known trainer in motivational and leadership issues, facilitated the workshop and also provided individual leadership coaching to project officers.



Shared Calendar. Sent to USAID and shared with other USAID projects by the COTR, was a useful tool for sharing what the project was doing each month, monitor its activities, and ensure the support and participation of the team and/or USAID.

- **Outreach activities.** These are the connections made with the project's main partners, its beneficiaries, with USAID, with other USAID projects. Permanent communication channels are established to report on project activities and results and receive feedback and other information relevant to the fulfillment of the contractual objectives. Outreach activities are useful in enabling staff from other USAID projects to participate in our activities—should they deem it useful from the technical standpoint—and they help strengthen the ties between work teams.

Encyclopedia of MSMEs. The project collaborated with Nueva Empresa to develop the MSME Encyclopedia, a compilation of installments on practical business issues relevant to micro, small, and medium-sized entrepreneurs seeking useful information and advice for administering and directing their businesses. It is a means for the project to establish a useful and effective presence in a wide universe of productive units, since the Nueva Empresa magazine has 5,000 subscribers nationally and an additional 20,000 on-line subscribers.

Quarterly Bulletin. The project published and distributed the first number of this institutional bulletin, which highlighted the activities carried out through July. This tool is intended to keep the project's beneficiaries and other stakeholders abreast of its activities. It was designed in collaboration with the BCA Project using the same graphic identity as the project's other materials.

Website. While the BPC Project has not yet launched its official website, it has selected the content to be uploaded. It already has enough materials on hand to activate this tool, which will facilitate interaction among its various audiences.

- **Communications strategy by objective.** This is a cross-cutting component for the design and implementation of communications tools tailored to the specific activities outlined above. For

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example, this component supports a trade mission by printing brochures describing the participating companies' products, or promotes a sales fair with radio spots and billboards.

c) Promotional materials for programmatic activities

An important task of the outreach area was to coordinate the design and development of promotional materials as well as a media effort to promote and increase the visibility of several programmatic activities. Some of these materials are shown below by activity:

Description	Materials
<p>Activity: FIMA Muebles</p> <p>Counterpart: IMB</p> <p>Materials created: posters, brochures, banners</p>	
<p>Activity: FIMATEC</p> <p>Counterpart: IMB</p> <p>Materials created: posters, brochures, banners, identification badges, street banners</p>	
<p>Activity: TECNOMADERA</p> <p>Counterpart: IMB</p> <p>Materials created: Posters, brochures, banners, identification badges, street banners, invitations</p>	

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Activity: TECNOMADERA

Counterpart: APIMEC

Materials created: Brochures, file folders, flyers for AMIPEC partners



Activity: Expoforest

Counterpart: Forestry Chamber

Materials created: identification badges, brochures, flyers



Activity: Expoforest

Counterpart: TACUABOL

Materials created: t-shirts, hats



Activity: Fitex

Counterpart: COTEXBO

Materials created: Banners, invitations, posters, audiovisual record



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Activity: “Gracias Madre Tierra” Exposition

Counterpart: BOLIVIA CREATIVA

Materials created: Invitations, posters, brochures, corporate image: letterhead, personal cards, envelopes)



Activity: Abomoda Expo

Counterpart: ABOMODA

Materials created: Invitations, banners



Activity: Integrarte

Counterpart: RED OEPAIC

Materials created: posters, banners, file folders, brochures



Activity: Chile commercial Mission

Counterparts: AMAPYME, AMPROFOR, ASPEM, AAIDM, ASOFAM, COMADCO, SOMAIN, TECNO MADERAS

Materials created: product catalogs for each association



B. Monitoring and Evaluation

The main task for the first quarter was to prepare the project's PMP, in coordination with the USAID COTR, with proposed alternative scenarios for annual targets and totals for each indicator. At USAID's request, nine additional indicators were created to measure other project results, which the SEGE office could add to the indicators for similar projects. Due to the delay in implementing on-site trainings for beneficiary MSMEs, the targets were adjusted for the 2010 fiscal year. Towards the end of the year, the project proposed a new scenario for the next three years that takes these adjustments into account.

This year, the project monitored training events and the trade fairs and missions, in accordance with the activities carried out. The project conducted follow-up surveys of events, supplemented by follow-up visits to the companies to verify that purchase intentions (the main indicator for trade fairs and missions) had resulted in actual sales. Based on this follow-up, the project validated and adjusted the figures reported during the preceding quarters and consolidated them into an annual figure. Similarly, the annual figure included in this report will be validated and adjusted during the first quarter of the next fiscal year.

This area assisted the work team with the review of MOUs, RFPs, RFAs, and subcontracts, as well as the regular review of monitoring indicators by providing analytical criteria on the reasonableness of the proposals and the relevance of particular operations.

It is also developing individualized monitoring & evaluation handbooks for each subcontractor. This activity will be supplemented with training. A computerized monitoring & evaluation system is being developed and will be available to project staff and implementing partners online.

The system includes the following modules: 1) General information about the businesses, 2) Technical assistance information, 3) Training information, 4) Information on other types of support available to productive units, 5) Discussion forums, 6) Information on consultants, 7) Targets and parameters, 8) Monitoring of project activities and indicators, and 9) Reporting on the results obtained. System programming was suspended for six months due to delays in initiating activities on the part of the implementing agencies. Programming resumed in September and should be finalized early in the next fiscal year.

ANNEXES

ANNEX I: RESULTS OBTAINED OVER THE YEAR

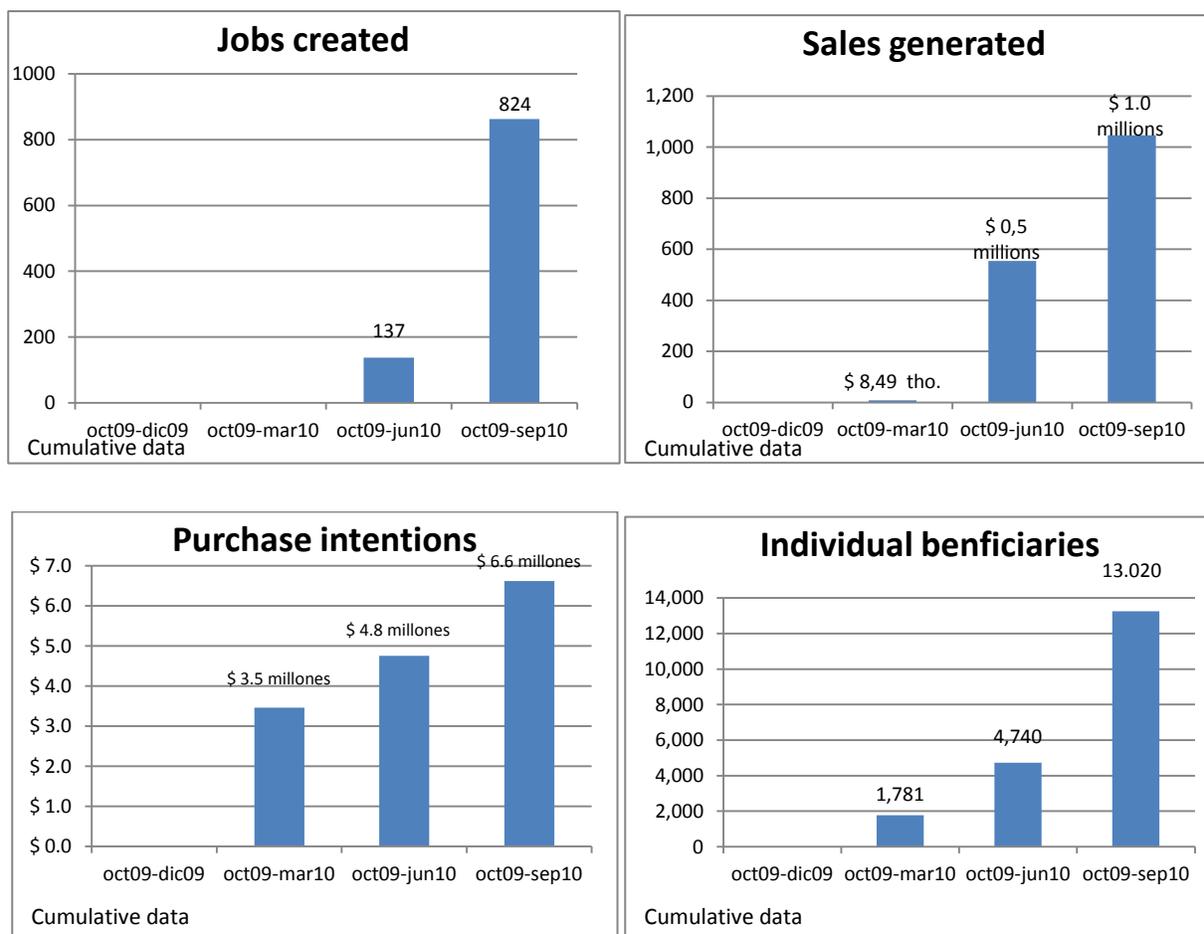
I. RESULTS BY QUARTER

PO INDICATORS	Oct09- Dec09	Jan10- Mar10	Apr10- Jun10	Jul10- Sep10	TOTAL	2010 TARGET	2010 % achieved	2010-2013 TARGET	2010-2013 % progress
Companies assisted in the areas of management, administration and productive processes	0	0	0	17	17	60	28%	380	4%
Sales generated (in USD)	0	8,493	545,779	491,854	1,046,126	810,000	129%	17,000,000	6%

SEGE INDICATORS	Oct09- Dec09	Jan10- Mar10	Apr10- Jun10	Jul10- Sep10	TOTAL	2010 TARGET	2010 % achieved	2010-2013 TARGET	2010-2013 % progress
Number of individual beneficiaries of USAID assistance	0	1,781	2,959	8,742	13,020	8,150	160%	89.760	15%
Number of people trained	0	24	817	585	1,426	1,024	139%	10.450	14%

CONTRACTUAL INDICATORS	Oct09- Dec09	Jan 10- Mar10	Apr10- Jun10	Jul10- Sep10	TOTAL	2010 TARGET	2010 % achieved	2010-2013 TARGET	2010-2013 % progress
Number of people trained	0	24	817	585	1.426	1,000	143%	10,300	14%
Number of students trained who obtain employment	0	0	37	0	37	90	41%	1,200	3%
Number of MSMEs assisted	0	0	0	17	17	60	28%	380	4%
Number of MSMEs created	0	0	0	1	1	6	17%	38	3%
Number of direct and indirect jobs	0	0	137	687	824	303	272%	7,500	11%
Value of sales (USD)	0	8,493	545,779	491,854	1.046,126	810,000	129%	17,000,000	6%
Economic impact on the selected value chains (USD)	0	21,233	1,364,448	1,229,636	2,615,316	2,000,000	131%	42,500,000	6%
Number of institutions strengthened	0	0	0	1	1	2	50%	15	7%
Number of people trained in strengthened institutions	0	0	0	0	0	24	0%	150	0%
Number of events to promote dialogue and business partnerships	0	3	7	8	18	13	138%	76	24%
Value of the purchase intentions (USD)	0	3,65,800	1,291,400	1,863,811	6,621,011	7,200,000	92%	28,800,000	23%
Institutions receiving assistance for events and courses	0	3	10	11	17	6	283%	24	71%
Number of GDA and GDA-like operations	0	1	0	0	1	2	50%	13	8%
Value of matching funds in GDA and GDA-like operations (USD)	0	141,193	0	0	141,193	140,000	101%	1,000,000	14%

2. MAIN CUMULATIVE RESULTS BY QUARTER



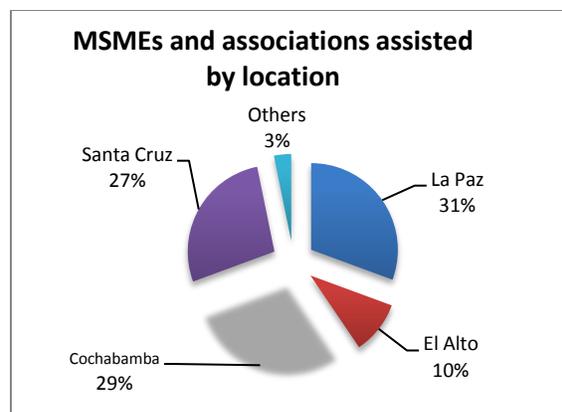
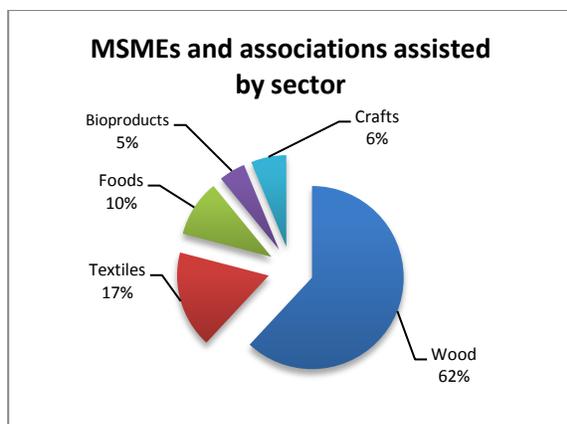
3. MSMES AND PRODUCERS ASSOCIATIONS ASSISTED

MSMES AND ASSOCIATIONS ASSISTED BY QUARTER

TYPE OF PRODUCTIVE UNIT	Oct09- Dec09	Jan10- Mar10	Abr10- Jun10	Jul10- Sep10	TOTAL (*)	%
Microenterprise	0	32	84	96	203	54%
Small enterprises	0	43	32	32	98	26%
Medium-sized enterprises	0	30	2	12	41	11%
Producers associations (rural –urban)	0	5	11	19	32	9%
TOTAL (*)	0	110	128	159	374	100%

Note (*). Since some productive units received assistance for more than one event this year, each productive unit is only counted once to obtain the total.

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4. TRADE FAIRS AND EVENTS RESULTS

MSMES AND ASSOCIATIONS ASSISTED BY QUARTER, SECTOR AND EVENT

Event	Value chain	Purchase intentions	Sales at fairs	Post-fair sales
Jan10-Mar10		\$ 3,465,800	\$ 8,493	\$ 6,931
Expoforest 2010 – Stands	Wood	\$ 65,800	\$ 8,493	\$ 6,931
Expoforest 2010 – Business	Wood	\$ 3,400,000	n.a.	\$ 0
Apr10-Jun10		\$ 1,291,400	\$ 311,770	\$ 227,078
Organic products expo	Foods	\$ 0	\$ 6,405	\$ 0
Fima 2010	Wood	\$ 445,450	\$ 200,894	\$ 108,335
Fimatec 2010	Wood	\$ 285,500	\$ 100,400	\$ 103,625
Trade mission to Brazil	Textiles	\$ 173,000	\$ 0	\$ 0
“Thank Mother Earth” Expo	Crafts	\$ 7,450	\$ 3,804	\$ 15,118
Fitex 2010	Textiles	\$ 380,000	\$ 267	\$ 0
Jul10-Sep10		\$ 1,863,811	\$ 211,279	\$ 280,575
Tecnomadera 2010	Wood	\$ 406,203	\$ 154,270	\$ 280,575
Trade mission to Chile	Wood	\$ 205,000	\$ 0	\$ 0
Integrarte Fair	Crafts	\$ 3,533	\$ 12,775	\$ 0
Design and high fashion with identity	Textiles	\$ 0	\$ 1,449	\$ 0
Expocruz 2010 - Stands	Bioproducts	\$ 81,600	\$ 24,985	n.a.
Expocruz 2010 – Business roundtable	Textiles, Wood Foods	\$ 1,167,475	n.a.	n.a.
Expomueble	Wood	n.a.	\$ 17,800	n.a.
TOTAL		\$ 6,621,011	\$ 531,542	\$ 514,584

5. TRAINING RESULTS

TRAINING SUMMARY BY QUARTER

Type of Training	Oct09- Dec09	Jan10- Mar10	Apr10- Jun10	Jul10- Sep10	TOTAL
Skills- and capacity-building courses	0	24	769	286	1.079
Job placement course	0	0	48	0	48
On-site training	0	0	0	299	299
TOTAL	0	24	817	585	1.426

**ANNEX 2: TABLE OF LOCAL ORGANIZATION WORKING WITH
THE PROJECT AS OF SEPTEMBER 2010**

PC-BOLIVIA PROJECT: COORDINATION MATRIX WITH LOCAL INSTITUTIONS			
TYPE OF INTERVENTION AND NAME OF THE SERVICE PROVIDER	AREA OF WORK	OBJECTIVE OF THE RELATIONSHIP WITH BPC	ACTIVITIES
CADEFOR	Wood chain	Consolidation of a services portfolio to serve MSMEs in the chain	Specific activities have been carried out (training) and planning is underway for 2011 activities (TA and Strengthening)
CPTS	Cleaner production and technological innovation	Disseminate environmentally friendly practices and solve technological bottlenecks	Implementation of an institutional strengthening plan began as well as research and technological innovation activities
IDEPRO-CEDETEX	Textiles and apparel chain	Boost the productivity of MSMEs in the textiles and apparel chain	The 2010 work plan is being implemented with satisfactory results
e-PC-UCB	Human resources training for MSMEs	Boost the productivity of human resources in MSMEs in El Alto and La Paz	A training program has begun for professors from the Public University of El Alto that will lead to better training for MSMEs and become the foundations for the creation of a Business Services Center
FAN	Biotrade value chain	Boost the productivity of MSMEs in the Biotrade chain	The biotrade fair is being organized under the Work Plan developed for the first year
Others: INTERCON, CAPRA, CREAR, APIMEC, CNI	Operators to be identified for the Foods, Woods, and Textiles chains	Boost the productivity of MSMEs in the Foods chain	Contracting of local entities specialized in processed foods, wood manufactures, and textiles and apparel has begun
Co-financing partners			
Nueva Economía- Entrepreneurial Ideas National Contest	Creation of new business or expansion of existing ones	Support new enterprises through contests and competitions	The Entrepreneurial Ideas Contest has begun with a prize category established by BPC
Demand Capturers			
Chambers of Industry	Identification of demands from business clusters	Joint organization of training and technical assistance activities	Training and trade promotion activities have been carried out
Chambers of Commerce	Identification of demands from business clusters	Joint organization of training and technical assistance activities	Training activities have been carried out
Chambers of Exporters	Identification of demands from business clusters	Joint organization of training and technical assistance activities	Training and trade promotion activities have been carried out
CADEPIAs (MSEs chambers)	Identification of demands from business clusters	Joint organization of training and technical assistance activities	Training activities have been carried out
COTEXBO	Representation of the textiles and apparel chain	Trade promotion and technical assistance to MSMEs	A fair to promote the supply and a sector conference were held
Entrepreneurial Associations	Identification of the demand from specific groups of businesses	Guarantee the convening of MSMEs to the planned BPC events	Specialized training activities and specialized trade fairs were held
Bolivian Furniture Institute	Organization of fairs in the wood manufactures value chain	Joint organization of events to boost the sales of MSMEs in the wood manufactures value chain	Sector trade fairs and sector conferences have been held. This month, the Furniture Center will be strengthened.
Institutional Partners			
IBA Project	Wood Manufactures chain	Consolidation of a services portfolio for MSMEs in the chain	Joint interventions are being designed under the work plan prepared with FAN for the Biotrade value chain
El Lago Project	Cleaner production and technological innovation	Disseminate environmentally friendly practices and solve bottlenecks	A joint program has been designed to support dairy and organic humus value chains in Cohana Bay
IFS Project	Textiles & Apparel Value chain	Boost the productivity of MSMEs in the Processed foods value chain	A 2011 work plan is under design that will contribute to industrialize basic food production

ANNEX 3: TABLE OF PUBLIC EVENTS

PC-Bolivia Project: Public events			
Date	Activity	Implementing partner	Relevant BPC Objectives
03/03/10 to 03/04/10	Training for RFA business to participate in trade fairs in the wood sector	CADEFOR - National Chamber of Industries, Cochabamba.	Objective 1: Improve the productivity of the selected value chains
03/08/10 to 03/13/10	Course on Best Manufacturing Practices in the Food Industry	National Chamber of Industry / AI-Invest	Objective 1: Improve the productivity of the selected value chains
03/24/10 to 03/28/10	Expoforest	National Chamber of Industry and TACUABOL Association	Objective 3: Promote business partnerships
03/25/10 to 03/26/10	Event: Expoforest Business Roundtable	Bolivian Forestry Chamber– AI/USAID Project	Objective 3: Promote dialogue among key stakeholders and improve the business environment for value chains and MSMEs
04/22/10 to 04/25/10	Event: “Fima Muebles” Event	Bolivian Furniture Institute – IMB	Objective 3: Promote business partnerships
04/26/10 to 04/30/10	Event: “Trade Mission to Brazil”	La Paz Chamber of Exporters – CAMEX	Objective 3: Promote business partnerships
04/30/10 to 05/01/10	Event: “Organic Food Expo Fair”	Cochabamba Chamber of Exporters – CADEXCO	Objective 3: Promote business partnerships
05/26/10 to 05/30/10	Event: “Fimatec Fair”	Bolivian Furniture Institute – IMB	Objective 3: Promote business partnerships
06/04/10 to 06/30/10	Event: “Creative Bolivia” Expo Fair	Creative Bolivia	Objective 3: Promote business partnerships
06/09/10 to 06/13/10	Event: “Fitex”	Bolivian Textile Conglomerate	Objective 3: Promote business partnerships
07/05/10 to 07/25/10	Event: “Abomoda Exhibition Hall”	ABOMODA	Objective 3: Promote business partnerships
07/10/10 to 07/10/10	“Tecnomadera” Fair	IMB	Objective 3: Promote business partnerships
07/26/10 to 07/30/10	Event: “Trade Mission to Chile”	AMAPYME, AMPROFOR, ASPEM, AAIDM, ASOFAM, COMADCO, SOMAIN, TECNO MADERAS	Objective 3: Promote business partnerships
08/02/10 to 08/08/10	“Integrarte” Fair	RED OEPAIC	Objective 3: Promote business partnerships
09/10/10	“Expomueble” Grand Opening	IMB	Objective 3: Promote business partnerships / Objective 1: Improve the productivity of the selected value chains
09/17/10 to 09/29/10	Participation of the National Chamber of Biotrade - BIONATIVA in EXPOCRUZ 2010	Friends of Nature Foundation (FAN)	Objective 3: Promote business partnerships
09/21/10 to 09/23/10	“Expocruz Roundtable”	CAMEX – CAINCO	Objective 3: Promote business partnerships
Total events January to September 2010			17

ANNEX 4: SUCCESS STORIES



USAID | BOLIVIA

FROM THE AMERICAN PEOPLE

SUCCESS STORY

Women from Viacha and Charasani are trained in skirt-making

Through this course, different production groups will associate together in order to better fill orders



A trainee practices what she has learned

“Most of us are women on our own and we have to support our children.”

A group of women ages 30 to 50, all mothers of large families (four to five children each) from the traditional skirt-making communities of Viacha and Sorejaya (Charasani) in La Paz, were trained in techniques for making these articles, which are part of the local cultural tradition.

The course taught skills in operating industrial sewing machines and assembling market-quality skirts, taking into account the demand coming from southern Peru.

Through the training, the women reduced the time it takes to make one skirt from three days to just one by optimizing their production processes. This has had a positive impact on the number of skirts produced and sold, and therefore on their weekly income, given the high demand for this product in La Paz and El Alto and the Peruvian cities of Puno and Juliaca.

Some women in this sector make skirts while others make macramé blankets. The course focused on standardizing their knowledge so that they can all produce skirts and blankets in a uniform way.

With the support of USAID through the BPC Project, the course implementer—IDEPRO—designed the course to improve the skills of these women through techniques that make them more competitive and able to take advantage of market opportunities.

“Thanks to this assistance, we can work from home without leaving our children, and we earn more making skirts,” asserted Gloria Luna, a leader in the group.



USAID | BOLIVIA

FROM THE AMERICAN PEOPLE

SUCCESS STORY

Crafters from the Achacachi community are now experts in dying fibers

After taking the course on natural dying techniques, local crafters will be able to take their products to the markets and fairs that demand the highest quality, thereby boosting their sales and their incomes



Benedicto Chipana, Development Representative of Achacachi, accepts his certificate

"The workshops contribute to our economic success and for that reason we should all consider them. As parents, we need this kind of support"

Achacachi municipality is located to the southeast of Lake Titicaca, 96 km north of La Paz. Its residents, who are Aymara, have preserved their ancestral organizations and traditions. Fifty-six women and men from Achacachi received training in natural dying techniques.

A joint project of USAID through the BPC Project, the AI-Invest Project and the implementing partner, IDEPRO, a training activity took place that taught local crafters in Achacachi to dye llama, sheep, and alpaca wool using organic materials and other everyday ingredients such as lemon and salt.

Benedicto Chipana, Development Representative of Achacachi municipality had this to say about his experience with the course: "It has been very successful since, besides learning how to use ecological dyes, we learned how to eliminate the odor that other dyes left on the clothing. Now tourists will be able to verify that our products cause no physical harm."

Alcira Quispe, a local mother, said, "The course taught us how to create several colors that we could not make using other dyes and this will increase the variety of articles we produce for export or sale."

Based on this training and the resulting improvement in the quality of the handmade articles produced, these crafters will be able to display their wares in the "Pedro Domingo Murillo" Center of the Autonomous Municipal Government of La Paz and at other more demanding fairs and markets. This will give them the opportunity to boost their sales and incomes, and identify new marketing opportunities.