

PROGRESS REPORT

APRIL 1 - APRIL 30 , 1955

CONTRACT N° 511-0513-C-00-4217

AGRICULTURAL COOPERATIVE DEVELOPMENT INTERNATIONAL

" A.C.D.I. "

STEPHEN D. WILES

CREDIT ADVISOR/
COOPERATIVE ORGANIZATION ADVISOR

JULY, 1955

Best Available Document



**Agricultural
Cooperative Development
International**

1012 Fourteenth Street, N.W. • Suite 600 • Washington, D.C. 20005

Telephone: (202) 331-1200
Cable: ACDI/DIA
Telex: 106623

ACDI/B. 53.
Cochabamba,
July 10, 1985

Mr. John Fasullo,
Project Manager, Chapare Integrated
Rural Development Project
USAID/Bolivia
La Paz

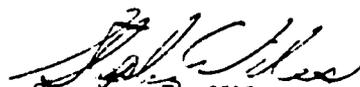
Dear Mr. Fasullo:

Attached you will find the Progress Report for the period of
April 1 to June 30, 1985.

This report covers the activities performed during the period
indicated above.

Any comments or clarifications you may have concerning this
report are appreciated.

Sincerely,



Stephen D. Wiles

SDW/mvm

c.c.: Regional Contracting Office, USAID/Perú
Office of Development Information and Utilization, AID/W.
Contracting Officer, USAID/B. Mr. Timothy Bertotti
Mr. Luis Montero, Office of the Controller USAID/B.
Mr. Robert Flick, Contracting Officer, ACDI/W.

11

TABLE OF CONTENTS

	<u>Page</u>
1. CHAPARE INTEGRATED RURAL DEVELOPMENT PROJECT AGROINDUSTRIAL PROJECTS	2.
I. WORK TARGET	
II. ACCOMPLISHMENTS/PROGRESS	
III. PROBLEMS/DELAYS	
IV. RECOMMENDATIONS	
2. BANCO DE COCHABAMBA	3.
3. BEE PROJECT	5.
4. AGRICULTURE CREDIT PROJECT FOR COOPERATIVA AGROPE- CUARIA MULTIACTIVA "NUEVA CANAAN" LTDA.	6.

1. CHAPARE INTEGRATED RURAL DEVELOPMENT PROJECT

AGROINDUSTRIAL PROJECTS

I. WORK TARGET

II. ACCOMPLISHMENTS/PROGRESS

III. PROBLEMS AND DELAYS

Two of the four major agroindustrial projects Industria Maderera de Prensaje y Afines, IMPA and Agropecuaria Copacabana (Hog Fattening Project) have been delayed due to disbursement problems in the Banco Central de Bolivia. For this reason USAID/Bolivia will continue its efforts to have the Banco Central disburse the monies for the IMPA Project, as nothing else remains to be done except disbursement.

In the case of Agropecuaria Copacabana, Hog Fattening Project, USAID/B. will attempt to transfer this project for financing thru CORDECO.

Dillman is once again contemplating participating in the Chapare Project and will submit necessary data to the Secretaria. Their project will involve purchasing citrus from Chapare farmers and industrializing and commercializing these farm products.

The Secretaria is accepting applications from public and private institutions for additional development projects.

These projects are in various stages of development.

IV. RECOMMENDATIONS FOR CORRECTIVE ACTIONS IN RELATION TO PROJECT OBJECTIVES TO BE IMPLEMENTED DURING UPCOMING THREE MONTHS

USAID/Bolivia and Secretariat for the Development of the Bolivian Tropics, SDTB continue their efforts to have the Banco Central de Bolivia and CORDECO disburse funds for IMPA and Agropecuaria Copacabana respectively; if this is not possible PL 480 - USAID/B. may have to fund these projects directly.

//..

SDTB should continue developing projects for large and medium scale industries for the Chapare.

It would be helpful if Chapare farm leaders were brought into the process of identifying needed industries and determining what role the farmers themselves can play in developing, financing, and administering these industries. In involving the Chapare farm leaders it will give them a stake in the project's success, if not they will look at each industrial project as a threat to their way of life and coca production and may take action to destroy these industries in their formative stage.

2. BANCO DE COCHABAMBA

I. WORK TARGET

To have the Banco de Cochabamba receive funds from P.L. 480 and initiate small farmer credit projects in the Chapare.

II. ACCOMPLISHMENTS/PROGRESS

On June 11, 1985 Banco de Cochabamba received \$b.9.700.000.000.-, which is equivalent to \$us.129,333.- at the official rate of \$b.75.000.- to 1 US\$, which is also equivalent to \$us.28,529.- at the parallel rate of \$b.340.000.- to 1 US\$.

By virtue of the fact that the Bank has not loaned these funds as of June 30, 1985 the funds are now worth \$us.17.017.- given a parallel rate of \$b.570.000.- to 1 US\$. For this reason it is imperative that the Bank loan these funds as soon as possible to avoid the constant erosion of the value of these monies.

//..

III. PROBLEMS/DELAYS

As of June 30, 1985 Banco de Cochabamba has not hired an employee to head up their lending program in the Chapare. Until this is done they will not be in a position to start loaning monies.

The agreement between the Banco de Cochabamba, Secretariat for the Development of the Bolivian Tropics, SDTB, IBTA/Chapare and Agricultural Cooperative Development International, ACDI has not been signed and is still being reviewed by Bank officials in La Paz.

IV. RECOMMENDATIONS FOR CORRECTIVE ACTIONS IN RELATION TO PROJECT OBJECTIVES TO BE IMPLEMENTED DURING UPCOMING THREE MONTHS

Banco de Cochabamba should hire a Chapare Coordinator and begin making loans as soon as possible; in the meantime, they should take preventative majors to avoid the decapitalization of the funds received on June 11, 1985. These monies should be placed in an interest bearing account or converted to US Dollars and at a future date be reconverted into pesos bolivianos on an as needed basis.

Any interest earned should be added to the principal amount and be made available for farmer loans.

Based on P.L.480 regulations the Bank has 90 days from June 11, 1985 to loan these funds, or until September 9, 1985. P.L.480 should remind the Banco de Cochabamba of this regulation.

//..

3. BEE PROJECT

I. WORK TARGET

- Develop appropriate technology wax melting equipment
- Bring electricity into honey processing plant in Sacaba
- Continue offering Technical Assistance to farmers that request assistance

II. ACCOMPLISHMENTS/PROGRESS

- The cooperative purchased 110 meters of aluminum cable ASC#2 and have one 8 ft. treated eucaliptus post, negotiations are still been conducted between the Cooperative and Luz y Fuerza to install electricity to the honey processing plant.
- Wax processing equipment has been developed and is presently been tested.
- Beekeeping information has been given to Ronald Burkard, CARE/Bolivia so that CARE can carry out a beekeeping project in Chuquisaca, Bolivia.
- Beekeeping information has also been given to:
 - * Organización Internacional del Trabajo, OIT
 - * Sr. Montaña, Tiraque, Cochabamba
 - * Sra. Argandoña, lider of women's club, Ivirgazama, Chapare
 - * Sr. Pablo Regalsqui, Centro Portales

The responsibility for managing the beekeeping project has been turned over to the Cooperativa Agropecuaria Multiactiva "Nueva Canaan" Ltda.

//..

III. PROBLEMS/DELAYS

The Cooperativa Agropecuaria Multiactiva "Nueva Canaan" Ltda. must purchase one additional 8 meter treated eucaliptus post. The Cooperative also has to make a payment to Luz y Fuerza so that they install electricity to the honey plant.

IV. RECOMMENDATIONS FOR CORRECTIVE ACTIONS IN RELATION TO PROJECT OBJECTIVES TO BE IMPLEMENTED DURING UPCOMING THREE MONTHS

The Cooperative should continue testing the wax melting equipment. The cooperative should take necessary steps to insure that honey processing plant is electrified.

4. AGRICULTURE CREDIT PROJECT FOR COOPERATIVA AGROPECUARIA MULTIACTIVA "NUEVA CANAAN" LTDA.

The Cooperativa Agropecuaria Multiactiva "Nueva Canaan" Ltda. on May 13, 1985 has solicited \$62,500,000.000. for short and medium term credit needs. This credit requirements will be channel to Banco de Cochabamba and possibly Federación Nacional de Cooperativas de Ahorro y Crédito de Bolivia, FENACRE. (See attached).

The Cooperative has ordered five motor cultivators. These have arrived in Santa Cruz and were financed thru the Banco Central de Bolivia. During the next three months these should arrive in Sacaba for shipment to the Chapare, 2 motor cultivators will be used in Senda-B, Nueva Canaan, Chimore and three will be utilized in Valle Ivirza by cooperative members.

//..

Cochabamba, 13 de mayo de 1985

Señor
Ing. Fadrique Muñoz Reyes
SECRETARIO EJECUTIVO P.L. 480
La Faz

Señor ingeniero:

Ref.: Solicitud Préstamo para Pequeños Agricultores, socios de la Cooperativa Agropecuaria Multiactiva "Nueva Canaan" Ltda.

Mediante la presente solicitamos a usted nos otorguen préstamos para cubrir nuestras necesidades crediticias del 1. de junio al 31 de septiembre de 1985.

Los préstamos requeridos son:

Préstamos de corto plazo

Promedio préstamo \$b.225.000.000.-

Número de préstamos: 100

Monto total \$b.22.500.000.000.-

El dinero requerido será utilizado en la siembra de: Sandía, pepino, arroz, yuca, tomate, walusa.

Con un plazo de vencimiento hasta el mes de diciembre de 1985.

Préstamos de mediano plazo

Promedio préstamo \$b.800.000.000.-

Número de préstamos: 50

Monto total \$b.40.000.000.000.-

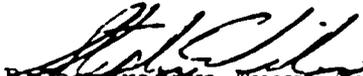
El dinero requerido será utilizado en:

- Alambrado de terreno para ganado
- Compra de ganado
- Compra de lechones
- Compra de motosierras
- Siembra de cítricos, banano
- Compra motocultivadoras
- Compra tractores pequeños

Préstamos obtenidos anteriormente de: Banco Agrícola
Banco Boliviano Americano

Al presente gestionando a través del Banco Central préstamos de:
\$us.13.000.- para 5 motocultivadoras y \$us.42.000.- para machetes y asadones.

Atentamente,


P. Cooperativa Nueva Canaan Ltda.
Esteban Wiles, ACDI*

* El señor Stephen Wiles , ACDI tiene poder para hacer esta solicitud preliminar.

During the next three months, ACDI/E. will target the following items:

- Help the Cooperativa Agropecuaria Multiactiva "Nueva Canaan" Ltda. in obtaining and utilizing the 5 motor cultivators that are presently located in Customs in Santa Cruz.
- Reinitiate talks with Federacion Nacional de Cooperativas de Ahorro y Credito de Bolivia, FENACRE on their participation in the Chapare Integrated Rural Development
- Continue testing wax melting equipment
- Continue advising Banco de Cochabamba on their lending program in the Chapare.