



## FINAL REPORT

This final report is presented in compliance with the requirement stated in my contract dated September 30, 1985. I was hired as a Private Sector Project Advisor and as such I should have carried out the tasks mentioned in Attachment A. I only did part of this, because the Private Sector and Rural Development Divisions were fused into one and I was assigned to be the Assistant to the Project Manager of the Departmental Development Corporations/Rural Development Planning (DDC/RDP) Projects. Thus, my work statement was expanded to include additional responsibilities (see Attachment B). Six months later, when the Project Manager quit, I assumed that function up to November 30, 1986. Beginning December 1, 1986, I am the Project Coordinator of the Market Town Capital Formation (MTCF) Project.

### Achievements

#### Departmental Development Corporations/Rural Development Planning (DDC/RDP) Projects

Coordinated the implementing activities of the Project Coordination Unit (PCU), including approval of budgets, personnel contracts, rent and/or purchase of office equipment, carry out performance reports, review reports of activities and others.

Helped in the organization of the Financial Credit Units (UCFs).

The targeted 8 UCFs were established with the financing assistance of the PL-480 Secretariat.

Processed the approval of agroindustrial and artisanry subprojects. Loan funds were committed for 106 subprojects, for a total foreign exchange of US\$ 9.8 million, exceeding the targeted number of 60.

Helped in the implementation of the system of Bank Letters of Credit, in addition to Direct Letters of Commitment, to speed up the disbursement process. This system was later changed to Bank Letters of Commitment.

Advised on banking matters to the PCU.

Helped in the organization of, and actively participated in, a series of seminars carried out by the PCU concerning Project matters.

Helped in the design and implementation of a plan of corrective actions to solve problems faced by subprojects in the implementation process.

#### Market Town Capital Formation (MTCF) Project

Participated in the design of the Market Town Capital Formation (MTCF) Project.

Participated in the selection of the PCU personnel.

## Others

Served as a liason with FENACRE to discuss its requirements and review some financial activities (i.e. Savings mobilization program). Advised the PRD Division Project Managers on financial matters. Participated in the Project Implementation Course (PIC) given in Guatemala. This course has allowed me to improve my capabilities to implement and coordinate projects.

## Observations

The DDC/RDP Projects faced the following problems:

- Lack of liquidity in PL-480 to finance the peso component of the financing, causing delays in the implementation of subprojects.
- Withdrawal of bank endorsement for some subprojects, causing the cancellation of the financing already approved.
- Lack of uniform and coherent criteria to evaluate subprojects, causing delays in the approval of financing.
- A cumbersome and lengthy sub loan approval and procurement process, causing delays in the implementation of sub loans.
- Lack of institutional capability at the level of the ICIs, UCFs, PL-480 and PCU to carry out efficient economic, financial, and technical analysis of projects.
- Lack of close supervision in the implementation of the subprojects.

## Recommendations

- Simplify and improve the sub loan approval process and procurement under the MTCF Project.
- Standarize the evaluation criteria of the institutions involved in the approval process.
- Set up a mechanism to assure that counterpart funds will be available to finance subprojects.
- Offer technical assistance with emphases in the areas of marketing, introduction of new technologies and managerial skills.
- Carry out more frequent periodic site visits to make sure that subprojects do not have major problems.

## Conclusions

My first year in USAID/B has been rich in experience in many aspects. The design, implementation, and most importantly, monitoring of projects are the areas in which I have learned the most. The system of implementing and coordinating projects in the Mission is unique. Having known the rules and regulations beforehand, my performance would have been improved. In any event, the lessons learned in the PIC will help me perform better in the MTCF Project.

Attachment A

Work Statement

- A. As Private Sector Project Advisor, the Contractor will:
  1. Promote Mission supported Central Bank lines of credit. This task will include:
    - a) loan development, i.e. the Contractor will help develop loan proposals from the identification stage through feasibility studies, and will participate in the presentation of the proposals to the Central Bank, and
    - b) The analysis of implementation problems and promotion of Mission supported lines of credit with Central Bank regional offices, Intermediate Credit Institutions (ICs), producer's organizations and coops.
  2. Work with the Rural Development Division on P.L. 480 financial policies, and monitor banking/credit activities of the P.L. 480 Program, specifically, the evaluation of loans made to agribusinesses and private sector entities.
  3. Assist with the design and development of a second story bank should the Mission proceed in this area.
  4. Assist with the development of a divestiture program. Identify target enterprises for divestiture, and help negotiate the divestiture project, if it proceeds, with the Corporación Boliviana de Fomento.
  5. Advise and assist the Agricultural Development Officer who also directs Private Sector programs with the division's small loan program, work with the small loan guarantee program, and advise the Division Chief regarding Mission private sector assistance and export promotion.

ATTACHMENT B

WORK STATEMENT

A. Additional Responsibilities

1. Review and analyze agricultural, agro-industrial and rural development projects prepared or submitted by the Departmental Development Corporations (DDCs) for financing under the Departmental Development Corporations (DDCs) for financing under the Departmental Development Corporations and/or PL 480 initiatives. Review evaluations of the loan or grant projects from the standpoint of financial soundness, economic viability and development impact. Review validity of project designs and strategies for implementation.
2. Advise all Private Enterprise and Rural Development Project Managers and the DDC Coordination Office on economic, monetary and financial policies that affect the Private Enterprise & Rural Development (PRD) Division credit projects.
3. Serve as a liaison between the DDC/RDP Project and the Bolivian banking system in order to facilitate project implementation. Inform both sides of policy directives and project activities.