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MEMORANUM FOR THE FILE

FROM: PDC/PVC, Ronald Ullrich

SUBJ: Field Trip Report, March 23-April 17, 1981 - Guatemala, Ecuador and Bolivia.

The field trip report is divided into an initial section containing general recommendations and separate sections on the PVOs visited in each country.

I. General Recommendations

A. Improving Mission-AID/W Communication

The need for keeping the missions better informed of what we are doing has been repeated often enough that it can be taken as a given. Nevertheless, one especially telling example will serve to focus attention on the extent of the problem.

The AID Mission Director in Ecuador, known for being a particular meticulous and thorough individual, presented me at our first meeting with a document several pages in length. He stated that it contained a listing, together with amounts and other pertinent information, of all AID/W centrally-funded grants operating in Ecuador. Of the five PVC grants active there (seven if PACT and CODEL-funded projects are counted) one appeared on the list. This fact was received by him with something less than magnanimity.

The real issue, then, is not whether an information gap exists but how to fill it. The answer to the latter evolves around a brief examination of how AID/W funded activities fit into the Mission scheme of things and what this, in turn, suggests for the type of information they want and the manner in which we should give it to them.

From the view of the Missions, centrally-funded activities place a poor third behind their regular government-to-government bilateral programs and their own OPG-funded programs with PVOs. Far too little field monitoring is carried out for these priority areas. Virtually nothing is accomplished for grants emanating from Washington. While a heavy work schedule is the most frequently cited reason for not getting out into the field, I believe, at least in the case of AID/W grants, they are generally just not interested. Unless the activities under an AID/W grant are seen as enhancing in a rather direct fashion their own programs, Missions are not inclined to invest more than cursory attention to them. As an aside, this conclusion, if correct, offers a rather compelling argument for placing monitoring responsibility with the AID/W office from which the grant originates.

On the basis of the above, why then the constant Mission clamoring about the need for more information on AID/W grants. I believe their fundamental motivation is one of not wanting to be caught in the position of having someone outside the Mission refer to an AID-funded activity in-country of which no one in the Mission is aware of. When this lack of knowledge concerns an action of political consequence to the Embassy, such as the recent excess property fishing boat sent to Ecuador, the embarrassment to the Mission Director (not to mention his standing with the Ambassador) is acute.

The above analysis suggests some ideas as to what a Mission (i.e., Mission Director) wants to know about AID/W-funded grants in their

countries and how they want it packaged. Beyond the definition and terms of a grant (i.e., PVO, amount, time-frame, brief summary description, etc), each Mission wants specific information about the program in their country; e.g., name of the country director, counterpart agency (if any) and principal officer, amount of A.I.D. funding, site location, and most importantly, a summary of the program status including significant events, issues, and problems. The latter would have to be updated on a periodic basis to remain meaningful.

Of almost equal importance to what information the Missions want is how they want to receive it. Each Mission would much prefer to receive a report, with a Fox to Mission Director covering letter, limited only to the centrally-funded PVOs' activities in his/her country. Given the type of information they want, I cannot see how it could be done otherwise.

While providing the type of information the Missions want and in the way they want it would represent an increase of the PVC workload, I do not believe it would be as bad as it might seem at first blush. Assuming an average of six grants per Development Officer and five countries per grant, the preparation of thirty country summaries on a quarterly or semi-annual basis should not be a problem if the D.O. is on-top of his accounts and has the cooperation of the PVO. In many, perhaps most cases, the changes worth mentioning from one status report to the next should be nothing or few.

The Missions, of course, are interested in the full gamut of AID/W-funded activities operating in their countries, not just PVC grants. I think it would be a proper function of our office to take the coordinating role at least as far as grants are concerned, if not beyond.

I understand from Rita that, with the soon to expire WID grants of PPC, the AID/W grant activity will be limited to ourselves and DSB.

#### B. Project Site Visits

As described in sections III and IV below, I was not permitted to visit the project sites of the groups funded by Lutheran World Relief (LWR) through our MG. For that matter, the progress reports of these groups were also denied to me.

While there may be an implicit (or explicit for that matter) right of A.I.D. to inspect field projects which I am not aware of, I was quite surprised to find that the standard provisions attached to PVC's grant agreements (including, of course, LWR) do not contain such a clause. It is my recommendation, therefore, that PVC meet with CM and GC to see what, if any, impediments might exist to adding such a provision. In the interlude, I suggest we spell out this right for each grant within the Project Description Annex.

#### C. Use of Consultants to carry out Evaluation of PVC Grants

Building on comments later in this report on PAI and several other experiences (e.g. MFM/FFH) and near-experiences (e.g., IED), I feel PVC should be much more selective in its use of consultants. It is my opinion that we are too often employing consultants when fully qualified and available PVC (or PMS) staff could be doing the job. This produces at least two negative results: first, the cost of the evaluation is three or more times what it otherwise would be; second, a valuable opportunity for field orientation of PVC staff and hence, improved project monitoring is missed.

This is not, of course, the first time this position has been advanced. The rejoinder is that (1) travel funds are limited and (2) PD and S funds, which finance the consultants, cannot be used for A.I.D. employee travel.

Regarding the first, since the actual level of travel funds will not increase much if at all, the best hope is that the significant improvements in planning travel which have been realized will be sustained and further improved upon.

For the second, I suggest that, together with other interested A.I.D./W offices (all of them I assume), we look into the possibilities of getting some legislative relief from this bind. Unless an effort has recently been contemplated or made and found unacceptable, perhaps a fresh attempt with OMB might get somewhere.

One approach, maybe the only one, would be to demonstrate the large potential cost-savings from allowing some flexibility in the use of funds for either A.I.D. staff travel or hiring of consultants. Any number of sweeteners, such as combined ceilings for the two based on actual expenditure levels over the last five years, could be devised to make such a proposal as palatable as possible. The twin stimuli of reductions in overall costs, plus a widespread desire to reduce the use of consultants (at least commensurate with reducing staff travel) might yield some results.

## II. Guatemala (March 23-March 29, 1981)

### . A. Introduction

While certainly not obliterated, the charm and allurements of Guatemala

was greatly diminished by a pervasive climate of violence and fear. Gangland-style slayings and kidnappings in the streets of Guatemala cities are a commonplace, almost daily, occurrence. The Indian highland areas are wracked with guerilla activity and government-directed terror. GOG military operations along the border with El Salvador, while not publicly acknowledged, are widely assumed to be quite extensive. (One field visit took me quite close to the border and, on my return to the capital, I saw a military vehicle under repair which contained several wounded or injured men in uniform.)

The above conditions have devastated one of Guatemala's principal industries--tourism. On the plane from Miami to Guatemala, I counted twenty people. An individual who spent eight years promoting tourism estimated the business is 90% below normal.

I don't wish to leave what would be the mistaken impression that the entire country is in turmoil. As described below, several of the PVOs with PVC financing are working in areas free of violence and are carrying out good programs.

#### B. Project Concern International (PCI)

PCI is working in the village of Santiago de Atitalan, an Indian community located beside a pristine volcanic lake at 9,000 feet above sea level. Unfortunately, there is a good deal of fighting between government forces and guerillas in this area with the Indians, innocent bystanders though they are, being the most frequent victims. As a result of the brutalization and terror inflicted upon them, PCI's program is virtually paralyzed. The training and placement of community health

workers, the heart of their approach to PHC, simply cannot get off the ground in this climate (meetings of more than five people are prohibited and being a community activist, even in the area of health, could be tantamount to signing one's death warrant.)

Attendance at the other PCI programs, which include a health center, two centers for recuperating malnourished children and a small hospital are far below what they previously were.

In the face of these adverse conditions, the personal dedication of a number of individuals is admirable. Suzie Emrick, whose husband was PCI's country director through October, 1980 and who departed last December with their children (he is trying to raise additional funds for Santiago de Atitlan in California), is still there and expects to return after a short vacation with her family in the United States. An American retired in Guatemala is taking over from Andy Kreffft, who succeeded Emrick as director and was pulled out after five months (he was leaving the week I was there) because of the threat to his family. The new director plans to move to Santiago de Atitlan despite considerable risk.

An Indian female doctor employed by PCI is the only one of four native doctors serving the entire area who is still alive and practicing. Of the other three, two were murdered last year and the other is in hiding.

Despite my admiration for these people and the work they are trying to do, I believe PCI should terminate or at least indefinitely suspend their program in Santiago de Atitlan. Very little can be accomplished

in the present environment and the situation does not seem likely to change for a long time. With a presidential election scheduled for July 1982, it might even get worse. While their commitment to these very poor people is understandable, I can only believe they would accomplish more elsewhere (in or outside of Guatemala) with the \$200,000 they are spending there yearly.

C. Heifer Projects International (HPI)

Under their proposed MG, HPI intends to include Guatemala for funding during the first year of the grant. Brian Steelman is the young HPI Country Representative there (it's a one person office) and appears to be doing a good job.

Steelman's intention upon initially assuming his position there 1½ years ago was to increasingly turn over his responsibilities to ACAPEC (Spanish acronym for the Committee for Coordinated Help in Animal Assistance), comprised of several influential people in the public and private sectors of the cattle industry. This undoubtedly reflected some naivete on his part since people of this caliber are generally very busy and cannot be expected to take on significant additional operational burdens. Moreover, the money was not there to hire a full-time administrator with an office.

While Steelman has continued to call on the individual members of ACAPEC for "opening doors" and providing help as needed, he is now working through some five regional committees. Of these, he can not do very much with two because of their locations in areas with high levels of violence and a third is just getting started.

One day was spent visiting HPI-assisted projects in the Peten which absorbs approximately  $\frac{1}{2}$  of Steelman's \$80,000 budget. This virgin jungle area was virtually uninhabited until fifteen years ago when the government initiated a major colonization push in part to forestall a large area from being submerged through construction of a huge hydro-electric dam then being contemplated by the Mexicans along their common border with Guatemala. The Peten is still relatively inaccessible with an easy one hour trip by private plane translated into a rough fourteen hour trip by road, a good six hours of which must be with a four wheel drive vehicle.

Our arrival at the small river town of Sayaxche was followed by a 45 minute boat ride in a small craft powered by a 50 HP outboard. The destination of our party, which included members of the Peten Coordinating Council and their Ministry of Agriculture advisor, was Manos Unidos (United Hands) Cooperative, located in an indigenous jungle community on the bank of the river and one of 15 such cooperatives being assisted by HPI in the Peten. Once there, we walked one hour through the jungle to see some 120 cattle (about forty of which were provided by Heifer) in a 15 acre fenced site. Time did not permit visiting a second site an additional  $1\frac{1}{2}$  hours trek further into the jungle.

HPI, through the Coordinating Committee, has provided each of the 15 communitites the initial stock of bulls and cows with the understanding that they will gradually be paid back with their offspring. The latter in turn are distributed to additional cooperatives. Between 1981 - 1984, 176 heifers will be returned to the Regional Committee from seven cooperatives.

If the other cooperatives are doing anywhere nearly as well as Manos Unidos, then HPI is making a real impact in Guatemala, at least in the Peten. Steelman is planning on expanding his efforts to other smaller animals and bees.

I provided Steelman with the name and phone number of the president of the Guatemala Rural Reconstruction Movement (GRRM-an affiliate of IIRR) which is working in Jalapa Province. This should prove to be a useful contact since the GRRM is working in an area free of insurgency and Jalapa could be substituted for those provinces where the situation is making it impossible for HPI to work.

#### D. Guatemala Rural Reconstruction Movement (GRRM)

As mentioned above, the GRRM is working in Jalapa Province, only 24 miles from the El Salvadoran border and a 3½ hour drive from the capital. The day I spent there left me with a positive impression of their work. I was pleasantly surprised with the degree to which they have incorporated the philosophy, spirit, and modus operandi of their Philippine parent, IIRR. There is a modified four-fold program (Livelihood, education, health, and community organization), a modest training center which can sleep from 30 - 40 people, volunteer community promoters who are selected for training by the community, and six paid monitors who spend most of their time in the field visiting the twenty-four villages where the GRRM is active.

In the company of Juan Cordova, the Executive Director, Federico Rodriguez, the director of fund-raising and public relations, and Raul Sandóval, director of field operations, including the Training Center,

I spent a day visiting project sites in the bone-dry mountains surrounding Jalapa. Our stops included the following: (1) a coffee and peach tree nursery owned by a GRRM-assisted association of campesinos; (2) an open-air sewing class for girls and women conducted in-between classes at the local primary school; (3) a training session for community volunteers on the need for substituting organic for chemical fertilizers, an explanation of humus piles, etc.

I was impressed both by the quality of the activities I observed and by the obvious determination to get to the people. Each monitor is equipped with a Yamaha motorcycle (OPG-financed), an absolute must in the absence of a four wheel drive vehicle.

While I am quite skeptical generally about the desirability of using both MG and OPG funds in the same program, the logic appears more readily understood and the monitoring more easily achieved when the division of activities financed by each is on a vertical rather than horizontal scale. This is the case for the GRRM with the \$260,000 OPG helping to fund the actual program (including infrastructure and equipment costs) while MG-assistance through IIRR will be directed principally at the training of GRRM personnel and T.A. to the movement.

I mentioned to Juan Cordova that Brian Steelman of HPI would be in touch with him. Mr. Cordova seemed interested in making the contact since GRRM would like to expand their relatively small effort in livestock.

#### E. Planning Assistance Inc. (PAI)

On the basis of a Saturday morning conversation with Mr. Homero Méndez Angel, the director of PAI's Guatemala office, I cannot make

any judgments about the value of the assistance they are providing to specific groups. However, I do want to share several thoughts about PVC's grant with this organization.

The first year evaluation of the grant, prepared in August, 1979, was unmistakably clear in its overriding finding; namely, many mistakes had been made and very little had been achieved as of the report's writing.

Among the lengthy list of recommendations are included the need for PAI to gather more adequate baseline data and prepare more detailed planning and management assistance plans for Costa Rica, Guatemala, and Honduras. A September 1979 letter to PVC transmitted the revised plans for Latin America for the second year with the specific notation that detailed country strategy papers, plans, and baseline data would be forthcoming at a later date. I do not know what additional material, if any, was submitted.

From my conversation with Mr. Mendez, I am left with the impression that the Guatemala program is still on the "somewhat ad hoc" basis described in the 1979 evaluation. With one assistant and a secretary, Mr. Mendez is providing managerial assistance in planning, organizing, communication, etc. to seven widely disparate institutions. From what I understand, these groups are not "collaborating to meet stated, common goals" nor are PAI's efforts aimed at "the establishment of a self-sustaining national coordinating council", two of the stated goals in the grant agreement.

Included in the seven organizations receiving assistance is the GRRM. The latter indicated they had received useful, if limited, assistance from

PAI. In one case, PAI is actually working directly with a community. Following the violence-induced withdrawal of MAP, with whom PAI had been collaborating, from the Indian village of Cobulco, PAI has continued MAP's assistance to community programs in agriculture, bee-raising, education, and potable water. While PAI's motives are admirable, this activity seems a pointed indicator of their overall lack of direction and misplaced priorities.

PAI's program in Honduras, as described by Mr. Mendez, appears limited and narrow in focus. The director of their Honduras office, hired in January 1980, did not work out and left the organization in June after only six months. Since that time the Guatemalan office has assumed responsibility for continuing the Honduran program, which consists of working with one organization, an evangelical group called CEDEN. One-third of the time of Mendez and his assistant is devoted to CEDEN--hardly the broad-based, integrated undertaking envisioned for PAI in the grant.

The shortcomings in the Guatemalan and Honduran programs probably reflect, more than anything else, the questionable approach and unrealistic expectations of the grant itself. To expect a one or two member staff, hired fresh and not trained, to establish the necessary rapport with the PVO community and mount the type of program and achieve the objectives called for in the grant without a clearly delineated strategy and plan is wishful thinking.

On a separate issue, I wonder about the need for investing \$9,300 in the independent evaluation, <sup>now</sup> underway, of this program. As noted in section I-C of this report, I feel that, funds available, every effort should be made to utilize PVC staff for these reviews. For PAI, certainly Ed, as one of the authors of the 1979 evaluation, could

have done the review of the Costa Rica, Guatemala, and Honduran programs at a fraction of what we are paying Loren Finnell. Based on what I heard, the findings in those countries probably would have been sufficient to forego the expensive addition of Kenya.

It is unfortunate that circumstances apparently made it necessary to move ahead with the purchase order for Finnell before I got back. We might have been able to get just as good a product while saving some money and getting a development officer out in the field.

F. Agricultural Missions Foundation (AMF) and  
the Institute of Cultural Affairs (ICA)

(1) AMF - The breakout of AMF projects which Wil provided me listed Conacaste as their project locale. It turned out that Conacaste is the site for ICA's endeavor in Guatemala to which AMF has made an \$1800 contribution to their agricultural program there. This is hardly surprising in light of the recent audit report detailing and questioning the extent of the AMF-ICA relationship.

It is my understanding that the \$1800 (\$600-\$1200 from A.I.D. funds) provided to Conacaste falls under the rubric of AMF's paratechnician program. From my conversations with ICA personnel on site, I was clearly left with the impression, perhaps mistakenly, that these funds were applied toward general costs of the agricultural project. No one suggested that they were utilized to hire a Guatemalan paratechnician as intended in the grant. AMF should be questioned about this.

(2) ICA - I was favorably impressed with ICA's activities in Conacaste. There can be little doubt of the significant gains their involvement has reaped for the poor people of this village. The more tangible immediate benefits derive from such technical activities as agriculture (unheard of yields in new and traditional crops using drip irrigation), health (resident doctor, new health clinic), public services (community water and television, home electricity), education (day care center, adult literacy program), industry and commerce (new bread factory, revitalized ratan furniture production). Equally, if not more, important to Conacaste in the longer run (i.e., post-ICA) are the positive changes in individual and community awareness, motivation, and involvement. These attributes are promoted in a deliberate fashion by ICA staff through the organization of community-led committees, development of community symbols, etc.

An ICA project (Sol de Septiembre) was carried out in Chile during my tour there. While I never viewed it personally, the Mission Project Officer for the OPG which ICA received rated their program as successful.

Despite the trauma which our office apparently still feels from the January 1980 audit of ICA, I suggest that we consider a more active, positive approach towards this organization. They are continuing to receive Mission OPG support and if the results mirror those I saw at Conacaste (without an OPG), it could well be worth renewing our assistance to them.

### G. Mission Contacts

USAID/Guatemala conversations were limited to Rich McLaughlin, the Program Officer, and Ricardo Perdomo, his Guatemala assistant who monitors OPGs and is the principal liaison with the PVO community. They echoed the usual complaint about not being kept adequately informed of AID/W grants and, at their request, I asked each of the PVOs I visited to get in touch with them.

I also attended a reception at the Ambassador's residence for the departing military attaché and his replacement. Aside from seeing some old acquaintances, it was not an inspiring evening. The previous Ambassador departed late last Fall and has not yet been replaced. The empty bookshelves and large nail holes on the walls were ready reminders of the generally "unlived in" appearance of the residence. The Guatemala security forces probably equalled the number of guests and created an unbelievably cacophony in warding off motorists from the street in front of the residence.

### III. Ecuador (March 30 - April 5)

#### A. Introduction

Having never been in Ecuador, I have now adopted Quito as my favorite capital city in Latin America. While at 9,000 feet the city does require some adjusting to it, the air is clean and the temperature delightfully cool (Ecuador was just leaving its rainy season which can be cold). Quito is charming, particularly the old colonial section which has been remarkably preserved. On a more micro level, the taxi drivers are incomparably cheaper, more pleasant and safer than their counterparts in Guatemala City.

Politically, the country returned to civilian government 1½ years ago although the military stills plays a strong role and the possibility of a coup is not inconceivable. With the political opening, there are some fifteen active parties competing for power. Walls whitewashed with "Yankee go home" are not an uncommon sight although the climate is anything but hostile to Americans.

B. Lutheran World Relief (LWR)

Han Hoyer, LWR's Regional Coordinator for South America, came up from his home base in Lima, Peru, to introduce me to the organization in Ecuador which they help fund through the MG. As described below, he did the same in Bolivia.

Over breakfast, and prior to our meeting with the Fundaciones Brethren y Unida (FBU - United and Brethren Foundations), Mr. Hoyer and I discussed the restriction which had been imposed on any meeting with FBU; namely, that I would not be able to visit their field projects. FYI. As it later turned out, the progress reports submitted by FBU were also off limits to me.

Mr. Hoyer's explanation was that, as an institution founded by the combined efforts of Catholic and Protestant churches and with, therefore, a fundamentally Christian orientation, FBU was sensitive to any involvement with public institutions, Ecuadorian or otherwise. From that viewpoint, FBU considered it a concession to speak to me with all but that visiting their projects in the field was simply out of the question.

For my part, I explained that, while PVC was understanding of

such sensitivities, we also recognized our right and responsibility to ensure the proper use of public funds which included, in our minds, visits to the project sites of grantees and sub-grantees. At lunch following the meeting with FBU, Mr. Hoyer made the statement that, if forced to choose between foregoing A.I.D. funding for the LWR projects in Ecuador (and Bolivia as well) or allowing site visits, he would opt for the former. While not explicitly stated, he seemed to imply that LWR could come up with other funding. Of the \$70,000 contribution LWR makes to FBU, most is A.I.D. funds.

The meeting with FBU included their president and four of his top staffers and lasted four hours. They operate in three provinces in the northwest section of Ecuador and their rural development activities cover leadership training, agriculture, health, education, and WID among Indian, mestizo (mixed Indian and Spanish), and black communities. I provided an explanation of A.I.D.'s relationship with LWR and answered several questions on A.I.D.'s relationship to the Department of State, foreign assistance priorities under the new Administration, etc.

At the close of the meeting, I broached the subject of a field visit. Their reply was that it would require three or four days to make and was something to think about for the future.

In my final meeting with John Sanbraillo, the A.I.D. Mission Director, I advised him that I had not visited FBU in the field and why. Coming on top of the excess property boat incident and his lack of awareness of several PVC grants (page 1), he was more than a little annoyed. Aside from

the possibility of LWR violating the terms of their grant with PVC (as reported on page 4, it appears that they did not), we agreed that PVC could obviously not fulfill their monitoring mandate with the imposition of such restrictions. Even more, PVC would be in a particularly vulnerable position if a serious problem arose in an area where, explicitly or implicitly, we had acquiesced in being denied access.

In addition to the broader recommendation (p. 4) that we open discussions with CM and GC to ensure that our grant agreements provide for the right of grantee and sub-grantees site visits by A.I.D., I recommend that we hold discussions in the near future with LWR. If they agree to amend the present grant explicitly providing for the right to make such visits, so much the better. If, as seems probable, they will not so agree, then I suggest that the third year of their MG be conditioned on the inclusion of a clause incorporating this right for any projects funded under the MG. A similar clause governing access to the reports of their sub-grantees should also be part of the third year agreement.

#### B. International Voluntary Services (IVS)

IVS presently has volunteers placed in three programs in Ecuador and might assist a fourth in the near future. I visited their Rural Infrastructure Project in Riobamba (Chimborazo Province), a 3<sup>1/2</sup> hour bus ride from Quito. On arrival, I met and lunched with the following: Jim Cawley, IVS Latin American Coordinator, Henry Beder, IVS Ecuadorian Field Director, Dr. Roberta Salter, a member of the IVS Board of Directors, Carlos Castello, PACT's new Latin American Coordinator and

Fred Schlegle, IVS civil engineer volunteer working in the Rural Infrastructure Project. Following lunch, I reviewed different project activities in the company of Schlegle, Antonio Jovero, another IVS (Philippine) civil engineer volunteer assigned to the same project, and their supervisor, the head of the Rural Development Department of the Ministry of Agriculture who is responsible for the project.

Generally speaking, it would seem preferable for IVS to put a lower priority on placing volunteers with government ministries as opposed to private groups. Where IVS does assist a governmental unit, I would think it judicious on their part to avoid simply substituting a volunteer for a needed but unfilled or unauthorized government position. In the case of the Rural Development Project, the two IVS volunteers make up  $\frac{1}{2}$  of the engineering/administrative staff implementing the project.

Ecuador's reputation for having an undermanned, underqualified bureaucracy is widely known. What the particular conditions were justifying IVS's decision in this particular case are unknown to me.

The projects themselves left a favorable impression with me. I looked at a water supply system serving six communities as it wound down a mountain, small bridges and roads, and a community structure encompassing a school, health clinic, and a one room workshop/storage area--all simply designed, low cost, built with community labor, and much appreciated by those being benefitted.

The last stop of the day provided one of the more memorable events of my entire trip. At the close of the visit to the indigenous village of

Lupaxi Grande, located high in the Andes, the girls and young women expressed the appreciation of the entire community for the help given them with a selection of songs sung in their native Kuichua. The hauntingly eerie sound of the music against the backdrop of a darkening sky and strong wind was overpowering.

C. Meals for Millions/Freedom from Hunger Foundation (MFM/FFH)

I spent a night and day on the Santa Elena Peninsula in the company of Louis Ziskind, MFM/FFH's Regional Director for Latin America and the Caribbean and Lautaro Andrade, their Ecuadorian director. The principal ocean side towns are about a two hour drive from Guayaquil.

The entire peninsula, where it has not rained in four years, ranks as one of the driest areas in my memory. I have rarely seen people live on so little water. Incredibly enough, twenty-five story condominiums selling for \$50,000 and up a unit, have been constructed along the ocean without any provision for water. I was told that ground water does exist but for some reason the wells were never dug. To the short-term visitor like myself, the impression is that one-half or more of the work force is employed running water tanks back and forth to those areas further inland on the peninsula where there are some wells.

For the poor communities without wells which I visited, the situation is desperate-stream beds dried up, fields parched, crops dead. To speak, as does MFM/FFH does, of an Applied Nutrition Program in this kind of situation, is mere semantics. There is evidence of some migration out of the peninsula. It can only increase. For many of these small poor communities, feasible alternatives do not seem to exist except perhaps moving to the larger resort towns where, as described below, improvements

are apparently being planned. I am discounting here the possibility of waiting out the dry period. Some feeling exists, apparently without any hard empirical evidence, that dry and wet periods alternate every seven years.

Mr. Ziskind talks of bringing in some used drilling rigs from Honduras and has already made some inquiries. I wonder if the point has not been reached where MFM/FFH should consider working elsewhere in Ecuador where the potential for making headway is not so bleak.

The A.I.D. Mission does not consider Santa Elena Peninsula a good choice to put its funds. Aside from the problems discussed above, they understand that large infrastructure investments are being planned by the public and private sectors to make the Peninsula the first class beach resort for which it clearly possesses the potential. Water, roads, airports, electric power, additional condominiums, etc. are all on the drawing board. When ready, there won't be a scarcity of people to make use of these services--driving back to Quayaquil on a Friday there was bumper-to-bumper traffic headed the other way for the entire two hour trip.

#### D. Medical Assistance Plan (MAP)

I met for an afternoon with Dick Crespo, the South American Coordinator for MAP stationed in Quito. Other than Ecuador, his only program at present is in Bolivia. (FYI: For Central America/Caribbean, their program is limited to Haiti, having been forced out of Guatemala because of political violence). The level of activity in South America will probably be expanded in the future, with Mr. Crespo himself being the principal reason.

Mr. Crespo enjoys a good reputation, both within the A.I.D. Mission and the Peace Corps. I was favorably impressed with him. Prior to our meeting, I had an opportunity to review the just completed draft evaluation of MAP's \$278,000 Rural Community Health OPG which was carried out by an independent public health consultant. The report was positive as to what had been accomplished.

From conversing with Mr. Crespo, he has increasingly weaned the local implementing agency for the OPG, Vozandes Hospital, away from relying on him for an oversight/coordinating role. This has been important not only to develop their self-reliance but also to free up more of his time to build on the OPG activities by expanding from a health to a broader community development focus--in Mr. Crespo's words, to create a cluster of projects. In accomplishing the latter, he has utilized the Small Projects Fund provided under the matching grant to fund some ten projects in Ecuador with a total MAP contribution of \$25,509. The dollar breakdown and activities funded are contained in MAP's May 1981 report and include barley production, technical assistance to indigenous S and L institutions and a course on written communication for leaders of an Indian association. It appears Mr. Crespo has effectively integrated OPG and MG funds to significantly enhance his overall program.

I got the distinct impression from Mr. Crespo that the future direction of MAP's health programs away from the provision of equipment and supplies to hospitals and into community-based health care delivery systems still needs a lot of encouragement. He defined the key policy issue facing MAP as what to do with all of the warehouse space at MAP's Wheaton, Illinois headquarters. If MAP does not act more quickly in getting qualified people like Dick Crespo out into the field and developing

projects, the temptation to fill it backup with medical equipment and supplies might become irresistible. While the May 1981 report states that overseas staffing "is no longer a critical problem", the fact is that there is at present only Crespo and one other resident representative (in Haiti) in the field.

The shift away from a predominantly health orientation to one also encompassing related non-health projects (e.g. food production) or even non-related, non-health activities (e.g. assistance to S and L associations) within an integrated context will require time and as much support as possible. While existence of the Small Projects Fund under the MG and Mr. Crespo's use of it for Ecuador and Bolivia (two projects) are positive indicators, it will take considerably more time and attention before community focused assistance is clearly established as an integral part of MAP's program. PVC should lend its voice in support of this transition. FYI: As noted in the May 1981 report, the use of the Small Project Fund has been limited exclusively to Mr. Crespo.

The May report notes that consideration is being given to raising the \$5,000 ceiling for activities funded through the Small Projects Fund. Since it takes as much time, in any donor organization, to prepare and receive approval for a \$5,000 project as it does a \$50,000 one, a substantial increase in the ceiling would encourage the use of the Fund. The latter would, in turn, promote the institutionalization within MAP of the type of projects the Fund supports. The upcoming annual review offers an opportunity for us to make our opinion known.

In discussing his small Bolivian program, Mr. Crespo stated that he was working with an organization called FEPADE in Cochabamba. He noted that LWR was also assisting the group. While I did not know for certain at the time whether this was the group I was to meet with LWR, I suspected that it was. In response to my inquiry, Mr. Crespo indicated a willingness to call FEPADE's president, Mr. Wilfran Hinojosa, and arrange for me to visit their project site near Cochabamba. He felt certain such a visit would be acceptable to Mr. Hinojosa which, as described in Section IV, it was not.

#### E. Heifer Projects International (HPI)

In HPI's matching grant application, mention was made of the field studies conducted in four major country programs, one of which was Ecuador. Since Ecuador was not shown as either a first or second priority country for funding the first year of the MG, I was interested in the reasons for this decision.

In a morning conversation with Eduardo Sotomayor, who has been associated with HPI since 1962 but only on an occasional short-term basis over the last several years, I was given an answer which, if correct, probably needs further clarification. Mr. Sotomayor was of the opinion that a longtime board member, whom he did not name, felt HPI had been in Ecuador a long time and that they should bring their program there to an end. In and of itself, this does not seem to be an adequate reason.

In explaining why he had been receiving an honorarium for his occasional services the past several years, Mr. Sotomayor stated that, Terry Ford, HPI's Executive Director (whom he mistakenly understood had resigned recently) preferred to work in countries without a salaried full-time representative.

Peru, Honduras, and Bolivia were cited as examples in addition to Ecuador. Should there be any foundation to this assertion, we would want to make very sure, prior to making the MG, that HPI can adequately administer and monitor programs in countries where such a situation pertains.

While I had no reason to doubt the honest intention of Mr. Sotomayor remarks on both accounts cited above, I wonder if the less than enthusiastic comments made to me about his work with HPI might not have been a contributing factor for them as regards Ecuador.

Regarding HPI's program in Ecuador, they operated a cattle ranch, named Rancho Ronald, from 1968-1976. Weeklong training courses for campesinos were held regularly, at the conclusion of which they could purchase a cow for a price far below market value. With the exception of the training costs, funded by Heifer and the Ministry of Agriculture, the ranch was self-financing. Peace Corps participation was extensive, both at the ranch and in the follow-up extension activities with the campesino FYI: While identified with HPI, Sotomayor was apparently under contract until 1977 with the Peace Corps.

Between 1976 and 1978, the ranch was gradually turned over to the Ecuadorian equivalent of the 4-H Club. The AID Mission has provided the 4-H Club with small grants and intends to continue doing so. Peace Corps participation has also continued.

#### F. USAID and Peace Corps Contacts

My contacts with the Mission were considerable. As noted earlier, I met on several occasions with the AID Mission Director and at his request,

provided the Program Officer with a written and oral summary of PVC-funded activities in Ecuador. I also had extensive conversations with the Capital Development Officer, an old friend. Many of the other officers of the Mission were also introduced to me.

On the Peace Corps side, I lunched with the Deputy Director, a friend from Chile, and his boss who had also served in Chile when I was there. It was quite a surprise to learn that there are over 300 volunteers in Ecuador. I did not realize there were still such large contingencies in Latin America.

#### IV. Bolivia: April 6 - April 16

##### A. Introduction

This visit was my first trip to Bolivia, and, like so many others, I found it to be one of the most fascinating, if often difficult, countries in Latin America. Over 60% of the Bolivian population are indigenous, the highest proportion of native Americans in the hemisphere. Besides dominating the country side, the presence is everywhere in the capital of La Paz, which is also peculiar to Bolivia.

The airport serving La Paz is 14,000 feet above sea level with the city itself at 13,000 feet, making it the highest capital in the world. Adjusting to the altitude is arduous with the task made all the more difficult by the steeply inclined cobblestone streets. It was a full nine days before I felt anything approaching normality.

The altiplano or high plain of Bolivia deserves special mention. This vast, flat plateau, lined by distant snow-covered mountains, stretches endlessly. The vista, combined with the cool thin air and herds

of apaca and llama, is striking. It is here and in the mountains that most of the Indians scratch out a meager existence against inhospitable elements.

B. Project Concern International (PCI)

(1) Oruro Department: A three hour bus ride across the altiplano brought me to the city of Oruro, the capital of the Department with the same name. It is here that PCI has shifted its community health worker oriented program following their inability to mount such an activity in the jungle terrain of the Pando Department (see below).

I was favorably impressed by Greg Rake, PCI's country director for Bolivia. He is a frank, well-spoken individual who, from what I observed, has established a good working relationship with his immediate counterpart, the Ministry of Health's medical doctor in charge of Oruro. Mr. Rake has now been joined by a health educator.

The program itself is just getting underway with a letter of intention signed by both parties on March 20 of this year. A detailed implementation plan is now being developed. Basically, the intention is for PCI to assist the Ministry of Health in training and equipping nurse auxiliaries and rural health promoters. As presented to me by the Regional Medical Director, they are part of a model six tier decentralized rural health delivery system which the Director hopes to develop for Oruro. The conceptual scheme was taken directly from a proposed nationwide system to be financed with major AID assistance, which was aborted following last June's military golpe de estado.

Working directly with the Government of Bolivia as PCI is doing

carries with it serious risks. Another military takeover (i.e., from the existing military government), an ever present threat in Bolivia, can indefinitely suspend a program. FYI: It took nine months from the last coup before PCI got the agreement signed in March.

Another problem is the frequent inability of a GOB Ministry to deliver on its commitments despite the best of intentions. The Ministry hopes to provide the nurse auxiliaries with bicycles to make its supervisory visits to the health promoters. Given the distances involved, this method of transportation is not adequate; however, even it is far from certain at the present time.

Once the detailed implementation plan is ready, including the contributions expected from each party, we should scrutinize it with some care.

(2) Pando Department: The details of PCI's frustrated efforts in the Pando are sufficiently well-known not to repeat them here in any detail. It is sufficient to note that the de facto system of land peonage and the relative absence of stable communities there made it impossible to implement a primary health care program centered on CHWs.

Although PCI pulled out its resident staff a year ago, they have continued providing financial assistance to the rural nurse auxiliary program which they initiated. In their second year program submitted last September I questioned the advisability for continuing this expense and I continue to question it. Mr. Rake and I discussed the Pando during my visit. His information on the status of the Pando program was current, since he had just completed a week's supervisory visit there. I have a copy of his report.

The most obvious objection to continuing in the Pando is that

the money could be better used elsewhere. Since PCI has explicitly stated they are not able to expand to an additional country under the existing MG budget, I cannot see spending money in an area of secondary priority. While I still feel this way, a mitigating factor has been the lower than budgeted rate of expenditures in the Pando. Over the last several months, disbursements have averaged \$1000 per month as compared to the \$2500 anticipated.

Another issue is whether the visits by Mr. Rake, planned for every three months, would be sufficient to ensure the program is progressing satisfactorily and the monies spent appropriately. In fact, he was not able to make the visit scheduled for January.

While Mr. Rake was generally positive on the Pando, his April report raised serious reservations in my mind. Of the 30 rural nurse auxiliaries (RNAs) trained by PCI in 1978-1980, only 17.5 or 58% are still working in the rural areas. This problem is compounded by the apparent likelihood, for reasons explained in the report, that no additional RNAs will be trained to take the place of those who have left.

On the financial side, the report states that "in general, there have been no major problems in the handling of the funds provided by Project Concern." As explained to me by Mr. Rake, this positive (if qualified) assertion is owing to the secretary/bookkeeper of the Pando Sanitary Unit, the implementing GOB agency, whose salary is topped off by PCI. I met her at the Rake's home, in her first ever trip out of the Pando.

The report also indicated problems in the distribution of drugs by the RNAs. The inability of many recipients to pay for the medicine may be covered by PCI inputs at the present, but it does not arbor well for the future when their support is terminated.

At our upcoming meeting with PCI, I recommend a firm, but flexible position on the Pando. If the next two supervisory visits (June and September) indicate a continuing decline in the number of RNAs and no improvement in the likelihood for the continuation of the program following the termination of PCI's support, then they should stop their assistance in October of this year rather than June 1982 as planned.

C. Lutheran World Relief (LWR)

On my first morning in La Paz, I phoned Cochabamba and spoke with Mr. Wilfran Hinojosa, the Executive Director of FEPADE (the Spanish acronym for Ecumenical Development Foundation) which is receiving support from both LWR and MAP. After identifying myself, I asked Mr. Hinojosa if Dick Crespo of MAP had phoned from Quito as he promised me he would. The answer was affirmative followed by a negative reply concerning the possibility of my visiting the project receiving assistance from MAP.

Mr. Hinojosa then advised me that he had spoken with Hans Hoyer in Lima not thirty minutes before. He reconfirmed Mr. Hoyer's position that I would also not be able to visit LWR-funded projects. His explanation for denying both visits was that "it would not be convenient, if you know what I mean." I expressed my misgivings at this decision. A date was set (later changed after a phone call from me to Mr. Hoyer in Lima) for a meeting to be held in the La Paz hotel where I was staying--apparently even Cochabamba was off limits since I futilely suggested it several times. What relationship, if any, existed between Mr. Hoyer's speaking with Mr. Hinojosa before me and the denial of my request to visit MAP's project site is and, unfortunately, probably will remain in the realm of conjecture.

The conversation in the hotel lobby was pleasant enough and included Mr. Hoyer, Mr. Hinojosa, and Mr. Rodrigo Aramayo, the Administrator of FEPADE. They explained that FEPADE was formed directly by concerned Christians (Protestant and Catholic) and that initially there had been considerable friction, since overcome, with the more conservative churches. A lengthy description followed of their agriculture, health, and human development projects in several villages approximately 40 miles from Cochabamba. Mr. Hinojosa commented several times on what he alleged were repeated government failures to honor commitments to the people FEPADE was now trying to help.

One particularly challenging (and courageous) project deserves special mention. According to Mr. Hinojosa, the land reform program was being exploited by "capitalists" who lend money, otherwise unavailable, to campesinos for purchasing fertilizer, one application of which is, if I understood correctly, good for three years. On this specious basis, the "capitalists" have been demanding and getting part of the campesinos' crop over a three year period. Economic analyses by FEPADE showed that the moneylenders were on the average getting a return eight times what they lent. In order to break this system, FEPADE has helped establish a cooperative of fifteen campesinos who are taking a considerable financial and, perhaps, personal risk in joining.

At the conclusion of the discussion, I again stated my regret at not being able to visit their projects and asked specifically why. The answer was that AID, through its support to the GOB, was tainted with the "bad image" which the latter enjoyed in the rural areas. The campesinos were, therefore, not made aware that any of FEPADE's assistance was financed indirectly through AID.

I explained, to what I think was an interested audience, how AID assistance to PVOs evolved and the rationale behind it--i.e., greater grass roots orientation. In that context, I stated that it was more than a little ironic and disappointing that I could not visit the project sites. The meeting ended on this note.

My recommendations concerning LWR were made on page 19. There is no need to repeat them here, except to note that in my debriefings with Malcolm Butler, the Acting Mission Director and Howard Handler, the Program Officer, they expressed the same umbrage as John Sanbraillo in Ecuador concerning this affair.

#### C. International Voluntary Services (IVS)

The Q'antati Artisans Project, one of three activities presently supported by IVS in Bolivia, probably represents the single most exemplary PVO program, from several perspectives, that I observed on my trip. Starting in 1974, IVS volunteer Barbara Roose, who enjoys an excellent reputation in the A.I.D. Mission, has played a significant role in strengthening what was a weak, almost non-existent, group into a strong, viable, largely indigenous organization. Building on their initial and still principal raison d'etre, i.e., the organized, cooperative marketing of artisan products overseas (primarily Europe), they have expanded into health and education activities for their members.

Q'antati's modus operandi is one of maximum involvement of the membership in the management and operation of the organization. The thirteen participating community groups (eleven in La Paz, two rural) each elect two or three persons to serve on the management directorate from which the president of Q'antati is chosen. The present incumbent is herself

an artisan. In addition, some of the same individuals and others from the thirteen groups are trained as health and education promoters for their communities.

The line of authority and responsibility between the management directorate and Q'antati's central office staff appears to be clearly understood and respected. While the staff handles the export contacts and provides assistance to the communities in bookkeeping and organizing their health and education programs, they report to the management directorate and are accountable to them for their performance.

Ms. Roose has apparently worked intentionally and successfully over the last two years to reduce the organization's dependence on her. She now plays only an advisory role. While her office is still located in Q'antati's La Paz office, she intends to look for another office as a further indication of their growing self-reliance. Her recent appointment as the country director for IVS is another reason for her desire to move.

I visited Q'antati's central office twice to watch the training of promoters who receive instructions twice a week. The first class covered the need for and how to of environmental sanitation in the home (use of latrines, clean baby bottles, boiling water, etc ) while the second covered practical first aid. Class participation was emphasized--in the second class, each promoter mastered the deployment of an arm sling and splint. If these promoters are taking the same enthusiasm they demonstrated in the classroom back into their communities, then they are undoubtedly having a significant impact.

In the company of Q'antati's general manager (the son of an artisan) and the group's medical professional, I visited the mountain village of Walata Grande, 100 miles from La Paz and high up in the Andes (approximately 17,000 feet). The artisan association in this village is one of the two rural groups which are members of Q'antati. Using reeds, they make six different types of musical instruments which produce the mysterious, compelling sounds of the type heard in "The Condor Passes." FYI: Throughout the time I was in Walata Grande, there was always to be heard the sound of these flutes in the surrounding areas. Try as I did, I never saw the people who were doing the playing.

Besides receiving a personal demonstration of each of these instruments, I had the opportunity to speak with several of the men and observe them in an informal rump session. FYI: Nothing had been scheduled for a two week period because of the harvesting of crops. I was impressed with their enthusiasm and willingness to speak up.

Besides Q'antati, IVS volunteers are assisting a llama and alpaca association in a remote mountain area on the border of Bolivia and Chile and an association of agricultural cooperatives in Santa Cruz. The llama and alpaca association, touted by IVS as the most notable of the newer projects in which they have played an instrumental role in project development/design was, in Ms. Roose's opinion, not very successful. She felt far too much effort had been expended on planning elaborate and unnecessary storage facilities to the detriment of critically-needed institution building within the association itself. The contract of

the chief of the two man party was not being renewed and Ms. Roose was hopeful that the replacement she has located, if money is found to contract him, will change the direction of the project. She has promised to send me a copy of an independent evaluation of this project which was being carried out while I was there.

Money, particularly the uncertainty of how much she can depend on having at any one time, was cited by Ms. Roose as her biggest problem. I am confused as to why this is so and will bring it up at the informal debriefing which Jim Cawley of IVS and I have arranged.

Ms. Roose mentioned a problem, novel for me, with the Social Progress Trust Fund (SPTF) of the Inter-American Development Bank (IDB). With limited knowledge on her part and certainly without her involvement or agreement, a representative of the SPTF had carried on serious discussions with the management of the llama and alapaca association about a \$500,000 loan to them. Ms. Roose feels the association is ill-equipped at this time to effectively manage such an infusion of capital and she has made her views known to the SPTF. Should the loan go through, it is her intention to disassociate IVS from the Association.

The USAID Mission recently had a similar problem with the SPTF. Despite promises of coordination, the SPTF representative negotiated a \$500,000 loan with an OPG recipient without the USAID Mission even knowing he was in the country on his last and critical visit.

Aside from these problems, I am intrigued about the flexibility and rapid response time that the SPTF apparently enjoys. It would be interesting to meet with them and see what, if any, facilitating role we might play between them and our own client PVOs.

#### D. Mission Contacts

I had numerous occasions, inside and outside of the Mission, to speak with the Program Officer, an old acquaintance. My first full day in Bolivia, Dean Millslagle (EIL consultant) and I had a long and useful exchange with the entire Program Office on the role and effectiveness of PVOs in Bolivia. I had several meetings with Tom Geiger, the Regional Legal Advisor and I met the Rural Development Officer. My briefing of the A.I.D. Mission Director took place at his home. His wife, who is the Assistant Program Officer and someone I had not met before, turned out to be the younger sister of a grade school friend whom I have not seen in twenty years--it really is a small world.

If the next two supervisory visits (June and September) indicate a continuing decline in the number of RNAs and no improvement in the likelihood for the continuation of the program following the termination of PCI's support, then they should consider stopping their assistance in October of this year rather than June 1982 as planned.