

**EVALUATION OF PL 480
TITLE I AND TITLE III AGREEMENTS
AND
DEVELOPMENT OF WHEAT MARKETING
STRATEGY FOR BOLIVIA**



Prepared for USAID / Bolivia

Contract No. LAC-0000-C-00-6032

**NEW MEXICO STATE UNIVERSITY
LAS CRUCES, NEW MEXICO 88003-3169**

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EVALUATION TEAM

I. New Mexico State University

- Dr. Wilmer M. Harper - Team Leader, Agricultural Economics
Dr. William C. Capener - Agricultural Finance/Credit
Dr. Tom Clevenger - Agricultural Marketing (NMSU & BIFAD Funded)
Dr. Gene Ott - Agricultural Marketing
Dr. Frederick Smith - Agricultural Economics/Management
Dr. Gene Wilken - Natural Resources

II. Bolivian Interview Team:

- Sra. Margarita Isabel Blacutt - Interview Team Leader (Cochabamba and Chuquisaca)
- Sr. Delfin Nogales - Interviewer
- Sr. Raul Rojas - Interviewer
- Sr. Jaime Rojas - Interviewer
- Sr. Gerardo Polo - Interview Team Leader (La Paz and Potosi)
- Sr. Sabastian Alavi - Interviewer
- Sr. Teofila Tambo - Interviewer
- Sr. Carmelo Machaca - Interviewer
- Sr. Edgar Zapata Suarez - Interview Team Leader (Santa Cruz and Tarija)
- Sr. Mario Fernandez - Interviewer
- Sr. Abel Pena - Interviewer
- Sr. Lucio Rojas - Interviewer

EXECUTIVE SUMMARY

An important portion of the United States assistance programs to Bolivia is the PL 480 Title I and Title III shipments of wheat to Bolivia. This program has been in operation since 1978. Shipment of wheat under these programs has supplied a significant portion of Bolivia's demand for wheat and provided local currency for the U.S. Food for Development Programs. The PL 480 program currently generates approximately \$20 million (US) per year. These funds are administered with the advice and consent of USAID/Bolivia by the PL 480 Executive Secretariat. The PL 480 Executive Secretariat is an autonomous Bolivian public sector agency.

The evaluation period covered in this report is April 1987 through June 1988. The evaluation consisted of two components: (1) an evaluation of the general functioning of the PL 480 Executive Secretariat (ES) and its programs and (2) analysis of the wheat marketing system for PL 480 and the development of a strategy for a new wheat marketing mechanism for PL 480 wheat.

I. Wheat Marketing

The wheat marketing system as currently structured in Bolivia is functioning without significant problems. The wheat market is divided by geography and infrastructure into two markets. The market area containing the major commercial national production of wheat receives little PL 480 wheat. As a consequence, the PL 480 wheat has had little or no detrimental impacts on national production or the prices of national wheat.

There is widespread support for the creation of a Wheat Marketing Council to replace the current system. With proper planning and implementation the Council could result in improved importation and marketing of PL 480 wheat. However, the current system should not be abandoned until the new system is fully designed and all parties involved understand and accept their role in the new structure.

In the area of wheat marketing, the following recommendations are made:

1. A Bolivian National Wheat Council should be established.
2. The Executive Secretariat should be represented in an ex-officio capacity on the Wheat Council.
3. Efforts should be made to shorten the process and time used in securing PL 480 imports.
4. The imposition of sanctions on entities not fulfilling their payment responsibilities should be considered in future agreements and the concept of assessing interest on late payments by the Millers' Association should be considered as a measure for dealing with late payments.
5. Technical assistance should be provided to the Wheat Council.

6. A data base must be established which will allow the evaluation of the Wheat Council's performance.

7. Technical assistance should be provided to the producers in the improvement of their marketing alternatives.

8. The credit program for flour millers purchasing national wheat as proposed in the Kansas State University study should be reconsidered.

II. The PL 480 Executive Secretariat and its Programs

The professionalism of the staff of the ES is to be commended. They have made much progress since the last evaluation. The ES has complied fully with 17 of the recommendations of the last evaluation, made partial progress on 5, and has failed to make progress on 8 of the recommendations. The areas of no progress were in areas which involved national policy and national policy is not in the role of the ES.

The ES continues to function as an organization which reacts to requests rather than providing overall program guidance. The ES currently functions as an implementing rather than a planning and programming organization. This results in the duplication of work which is carried out by the intermediate credit institutions (ICI's) which manage credit programs and institutions which receive donations.

Beneficiaries of the funds dispersed by the ES are satisfied with the program. The ICI's and cooperatives feel they could disperse more funds if they were available. As part of their program benefits, many of the farmers feel that they would like to receive technical assistance in addition to credit. The major criticism noted by participants in the PL 480 programs was the late arrival of funds. This is an administrative problem which is currently beyond the control of the ES.

The credit programs for small farmers and small and medium-sized agroindustries are functioning well. The impact of the programs appears to be positive and credit is being supplied to individuals who might otherwise not have access to credit or who would have to pay substantially higher interest rates if the PL 480 funds were not available. The procedures for dealing with borrowers are those used by the commercial banking system in Bolivia. The major criticism voiced by credit recipients was that the banks required to high a level of loan guarantee. This was particularly prevalent in the grain commercialization programs.

The PL 480 Program has made good progress in achieving the goals established in the original agreement and subsequent amendments. Its efforts would be enhanced by national environmental and resource laws and policies, by focussing its efforts on certain aspects of environmental defense and rehabilitation, and exploitation of natural resources, and by developing data and procedures for evaluating and monitoring project activities. Small-, rather than large-scale infrastructure projects are most appropriate for the Program. Projects that use local materials and labor, and are of direct, perceptible value to local beneficiaries are most

effective. Many Alternative Development activities are beyond the scope and control of the PL 480 Program. It is recommended that the PL 480 Program restrict its efforts to positive activities such as alternative crops and infrastructure development.

The Government of Bolivia (GOB) has made good progress relative to the policy commitments contained in the Title I/III Agreements of 1985 and 1986 (as amended). However, at this time the GOB is behind in the deposits which would allow the closing out of the Title III, 1978 and Title I, 1985 programs.

With respect to the ES and the function of the PL 480 programs the following global recommendations are made.

General

1. The Joint Commission for Rural Development should take a more active role in setting policy and goals for guidance of the ES in the use of PL 480 funds.
2. The ES should take a more active role in planning and the establishment of national rural development programs.
3. The ES should use criteria and procedures for reviewing and approving projects to assure that the projects meet policies and goals set by the Joint Commission for Rural Development and the programs developed by the Secretariat.
4. The ES should initiate procedures to assure that impacts and benefits of programs which it supports can be quantifiably measured.
5. The ES should institute a system of professional staff evaluation which will include job descriptions, written performance criteria, and regularly scheduled evaluation interviews.
6. The UCCP could be replaced by an annually contracted private auditing firm which would produce an audit under the direction of the Joint Commission for Rural Development.
7. There should be continuity in the external evaluation process for the ES and the PL 480 programs.
8. Future donation projects should include projections and plans for self financing.
9. Future infrastructure projects should include projections and plans for capital structure maintenance.

Credit Programs

1. All existing lines of financing within the PL 480 program should be grouped into a small number of aggregate lines.

2. Evaluation of loans should be delegated to ICI's with the ES undertaking regular evaluations of the ICI's performance.
3. The ICI's should continue to provide a greater percentage of credit in the form of inputs.
4. A portion of the funds allocated for credit programs should be used for increasing technical assistance for:
 - a. lenders - analysis, monitoring, and servicing of loans, and
 - b. borrowers - how to apply for loans, efficient use of credit.

Environmental and Natural Resources

1. Support policy formulation and interpretation of environmental and natural resource laws.
2. Narrow the focus of PL 480 program activities.
3. Expand geographic area of environmental and resource management activities.
4. Monitor all program activities for environmental and resource management elements.
5. Support CUMAT's survey and analytical capabilities.
6. Establish data standards and procedures for analysis of benefits and costs of projects.

Infrastructure

1. Establish directions and priorities for infrastructure projects.
2. Emphasize projects that are locally focussed and use simple technology.
3. Reduce PL 480 involvement in major road projects.
4. Develop local and regional development plans to integrate infrastructure activities.

Alternative Development

1. Limit PL 480 participation to long-term rural development activities.
2. Continue search for alternative crops.
3. Develop an integrated rural development plan for the Chapare district.

WHEAT MARKETING

The evaluation objectives for the Wheat Marketing Team as outlined in the scope of work were as follows:

1. Analyze Bolivia's wheat marketing system for PL 480 grain so as to gain an understanding of the system;
2. Meet with the Sub-Secretary of MICT, the Millers' Association, the Executive Secretariat, USAID/Bolivia and other entities important in Bolivia's wheat programs, to determine the role of each in the importation process (From each of them, determine their concerns, and recommendations regarding the establishment of an improved marketing mechanism for PL 480 wheat);
3. Coordinate with the three Bolivian entities the development of a mechanism for importing and marketing PL 480 Title III wheat that will minimize the role of MICT in the process and increase the role of the private sector;
4. Develop mechanisms which will create a workable system in which ES can be assured that proceeds accruing to the Title III development program will be deposited in the Special account in a timely fashion;
5. Identify the key group or organization most appropriate for managing the importation of PL 480 wheat. In addition recommend the mechanism for that entity to coordinate these imports with the GOB and/or ADIM; and
6. Provide in the report, recommendations of the best alternatives perceived for improving the marketing and distribution of PL 480 wheat in Bolivia.

The Bolivian Wheat Situation

Bolivia is a deficit wheat producer, meeting only a small percent of its demand from local sources. National production for 1988 is estimated at about 17.7% of national demand. Imports through the PL 480 program are expected to be 38.1% of national demand in 1988. These PL 480 imports are by far the largest import category (Appendix A).

National production of wheat has remained relatively stable at around 60,000 metric tons per year. Less than 20% of this production is utilized by the flour milling industry, and an additional 12-13% is used by small rural mills. The rest, around 67% is used in the home or farm, for seed or chicha production. Millers rate Bolivian wheat as lower in quality compared to imported stocks (Appendix B).

There is no indication that the PL 480 wheat has had an adverse effect on national wheat production or prices. In fact, local production meets only a small percentage of national demand. At present Bolivia is effectively divided into two separate wheat marketing areas, caused by the

divided railroad and highway systems. In the past no PL 480 wheat has moved to the Santa Cruz area because of a lack of an interconnecting rail system. All of the Santa Cruz wheat imports are from Argentina. Because of this PL 480 wheat is not in competition with production in the area.

Only the Santa Cruz area is important in the commercial production of wheat. Their production may be expected to increase in coming years. Wheat production naturally fits into a soybean-wheat rotation that shows much promise for expansion. Soybeans, presently quite profitable, are produced in the summer. Winter wheat follows on the same fields, providing good weed control.

An opportunity to increase national wheat production for the flour industry lies in Santa Cruz. The traditional areas can not be ignored. Cochabamba is presently a large producer of wheat under traditional production methods. Most of this traditional production is utilized in the home, for chicha or by the small local mills. The Cochabamba mill using the largest amount of locally produced wheat, buys less than 10% of its needs from the area.

Both traditional and non-traditional wheat producers have voiced a need and desire for more technical assistance. New varieties and cultural practices could do much to raise Bolivia's low per hectare wheat yields up to a level equal to neighboring countries.

It is possible that wheat production in the Santa Cruz area could provide a significant portion of national demand. With proper incentives it may be possible within ten years to provide up to 50% of national needs. This possible production increase will create distribution problems if transportation facilities are not improved.

Truck transport of wheat from Santa Cruz to Cochabamba will be easier and cheaper once the new highway is completed. Plans have also been made to connect Santa Cruz and Cochabamba by rail. Once completed, the two areas will be effectively linked into a more common national market. This will provide the Santa Cruz region a real opportunity for expansion of wheat production.

Imports of PL 480 wheat arrive through two ports in Chile, Antofagasta and Arica. Antofagasta has a larger capacity, but has a longer and more costly route than Arica. In 1986 rail costs from Arica to La Paz were estimated at US\$ 45.02 per metric ton, while costs from Antofagasta to La Paz were US\$ 77.11 per metric ton.

The late signing of past PL 480 agreements by the U.S. and Bolivia has caused wheat shipments to arrive in port during a relatively narrow time frame. This has caused problems of transport and storage. Perhaps more important, it has lessened the flexibility of the system in its use of PL 480 grain.

Commercial imports of Argentine wheat and flour are shipped by rail F.O.B. from Rosario, Argentina. Argentina is the major source of imported wheat to Santa Cruz in the eastern portion of Bolivia. Legal wheat shipments are assessed a 20% import tax. In addition, rail costs are about \$US 35 to 40 per metric ton for wheat shipped from Rosario to Santa Cruz. Further, there are also unreported illegal shipments of wheat, flour and wheat products from Argentina. These illegal shipments, which could approach 20% of national demand are putting a stress on the country's legitimate wheat flour and wheat product markets.

Some Argentine wheat is shipped into Western Bolivia to supplement the limited PL 480 supply. The prices of Argentine wheat available to the millers are often lower than PL 480 prices. Even at a higher price, PL 480 wheat can be attractive to millers because it can be paid for in Bolivian currency instead of hard currency. Furthermore, the 20 % import tax is not imposed on PL 480 wheat. Also, the long term credit arrangements for PL 480 wheat have been more desirable than Argentina's FOB policy.

The domestic wheat flour and wheat products market is relatively free. However, the price of "pan de batalla" sold by street vendors is under price pressure through federal and municipal edicts. Bread and bread prices are an important political consideration in Bolivia. The price of PL 480 wheat is based upon the F.O.B. price U.S. ports plus additional costs associated with delivery to Bolivia.

There are 18 commercial flour mills scattered throughout Bolivia. They have organized themselves into a most effective millers association (Asociacion de Industriales Molineros, ADIM). This group has features of a typical cartel. They have been able to represent well themselves in Bolivia's somewhat fragmented wheat marketing, distribution and processing system. The ADIM members mill all of the PL 480 wheat. At present the millers are basically performing a milling service. They have little responsibility for the importation and distribution of PL 480 wheat. The price of their product, flour, is set by the Bolivian government. It is presently set at a Country average of US\$ 291.20 per metric ton (without the IVA tax). Their permitted cost of milling is a uniform US\$ 35.32 per metric ton (See Appendix B). Competition between mills is based on quality and service since all flour prices are the same.

This well organized flour miller group is a key player in Bolivia's wheat and flour program. Others associated with the importation of PL 480 wheat have suggested that ADIM could better contribute to solving wheat problems through a greater responsibility for wheat marketing and distribution. The millers have shown reluctance to assume a greater participatory role in the wheat distribution system.

Activities Conducted

The wheat component of the PL 480 evaluation team attempted to contact a broad range of people and organizations involved with all aspects of wheat marketing, distribution, production and processing in Bolivia. This

included field trips to Santa Cruz and Cochabamba and their surrounding areas. Specific contacts made are combined with the other team contacts and listed in Appendix D. Organizations contacted include:

Ministry of Campesino Affairs and Agriculture
Ministry of Industry Commerce and Tourism
Millers Association
Bolivian Railroad Company
Andino Flour Mill, La Paz
Bolivian Customs Service
Rio Grande Flour Mill, Santa Cruz
National Association of Oilseed Producers, Sta. Cruz
Seed Council, Santa Cruz
San Luis Flour Mill, Cochabamba
Samalco Flour Mill, Cochabamba
El Valle Flour Mill, Cochabamba
CIAPROT, Cochabamba
Wheat Producers Association, Cochabamba
PL 480
USAID/Bolivia

Recommendations for U.S. Agencies

The following recommendations are made for the U.S. agencies participating in the PL 480 Title I and Title III programs in Bolivia.

1. Efforts should be made to shorten the process and time used in securing PL 480 imports.

In the past, nearly 9 months have elapsed between the opening of PL 480 negotiations, and the shipment of grain from the United States. When ocean transit, port time and rail transit from Chilean Ports to Bolivian flour mills is added in, the elapsed time from the start of PL 480 negotiations to bread in a Bolivian bakery can exceed one year.

The total annual donation of PL 480 wheat often arrives at Chilean ports within a relatively narrow time span, putting pressures on port facilities, rail transport and miller's storage. This has made PL 480 wheat less competitive with other Bolivian grain imports, and has limited the flexibility of Bolivian millers in their operations.

While not all of the responsibility for the long negotiating time is on the shoulders of U.S. entities, they should make every effort to shorten the time of negotiation and facilitate the more orderly distribution of PL 480 grain.

2. Implement action to establish a National Wheat Council

In the past others have proposed the concept of a "National Wheat Council"¹. The PL 480 evaluation team has found widespread support for this concept from Bolivian Ministries, as well as from processing and producer groups. It appears to be the right time to implement this idea.

This proposed council could have responsibility for pulling together in one overall Coordinating Group, many of the now piece-meal policies and activities that exist in the Bolivian national wheat production and marketing programs. A recommendation for the formation, structure and function of this group is found elsewhere in this report.

Consideration should be given by USAID on how they could best interact and support the goals and activities of this council. The PL 480 program, as the largest supplier of imported wheat to the country, should have a major interest in the formation and success of the organization. The Council's success could further the interest of USAID, the PL 480 program and Bolivia. USAID could best provide this support with technical and financial support in the following areas.

a. Policy and Planning support: Provide technical assistance to the National Wheat Council in its efforts to organize itself. Help determine council objectives, responsibilities and roles of member groups, council functions, methods of operation and the planning of a national direction for the Bolivian wheat program.

b. Data gathering and analysis assistance: Provide technical assistance in the development of a system of data gathering and analysis. This will further guide the Council, USAID and the Government of Bolivia in future policy decisions. It will also assist in program implementation and future program evaluations. Example areas of data needs are:

(1) Transportation Costs. This would include rail costs by the Empresa Nacional de Ferrocarriles, as well as truck transportation of both imported wheat and national production.

(2) Milling Costs. Both individual and industry wide cost and return studies should be conducted. These studies should divide fixed and variable costs of operation to better show the effects of unused mill capacity.

1. Policy Alternatives for the Production and Marketing of Wheat in Bolivia," Report No. 110, December 1986. Food and Feed Grain Institute, Kansas State University, Manhattan, Kansas.

(3) Wheat Production costs and returns. Information by production area, cultural practices and level of technology should be gathered and analyzed. This could show the competitive advantage of regions, as well as the expected competitiveness of national wheat with imports. This information could also identify ways in which production costs could be reduced and/or net returns increased

(4) Bakery costs and returns including shifts in consumer demand. Both large and small operations should be studied to determine profitability, efficiency, and competitiveness of the system. Additionally, monitoring consumer demands could assist in determining future needs and the expected effects of consumer pricing policies.

3. Programs should be initiated to provide for the transfer of appropriate technology to the wheat producers.

This activity could include the assistance in development of technology packages for wheat production areas targeted for increased production. In addition, this activity could assist in the improvement of farm marketing alternatives.

(1) A program of technology transfer could have as its objective both increased producer profits and the expansion of national wheat production. This activity would be expected to be integrated with existing groups and agencies now having responsibility for wheat technology programs. Wheat-producer groups would be a major target audience for this effort.

(2) Assistance could be given producers in the improvement of their marketing alternatives. Through cooperatives or associations, farmers could be assisted in the assembly and transport of their wheat. These organizations could provide a mechanism for price negotiations within the market system.

Recommendations for Bolivian Agencies:

The PL 480 wheat marketing and distribution system has functioned reasonably well. The wheat has moved through existing channels without major problems. There is interest by the Ministry of Industry, Commerce, and Tourism in reducing their responsibility and role in the importation and distribution of PL 480 wheat. In the short run, this is not recommended. The Ministry has functioned well in the past, and no other structure or group seems able to do the job as well. However, once the recommended National Wheat Council is organized, consideration should be given to development of a better system. One which will share responsibilities more broadly among wheat interest groups.

The PL 480 importation system could be criticized for its lack of promptness in remittance of funds within the agreed upon time period. The imposition of sanctions on entities not fulfilling their payment responsibilities should be considered in future agreements. In the Kansas

State Study of December 1986 a miller credit program is proposed which should be reconsidered for implementation. Perhaps their proposed time periods may need adjustment. In any event, the concept of assessing interest on overdue credit is a policy decision meriting consideration. The possible problem of late payments by a governmental entity is a different problem, demanding a different policy solution or the enforcement of existing policies.

An evaluation of Bolivia's existing programs and policies regarding wheat indicates a lack of coordination among Bolivian governmental groups, the private sector, the PL 480 program and other donor programs. This lack of coordination and direction is hampering the development of an efficient, responsive wheat marketing and distribution system. In addition, non-PL 480 wheat importation activities may be retarding efforts to increase Bolivia's self-sufficiency in wheat production. The organization of a group to plan, coordinate and implement a national wheat program is needed. It is recommended that a National Wheat Council be organized to perform this task. Our recommendations for such an organization follow.

The National Wheat Council

The scope of the National Wheat Council should be broad enough to cover all issues and functions involved in the importation, production, transportation, marketing and processing of wheat in Bolivia. Wheat is a unique commodity in Bolivia, meriting the special consideration of such a council. It is a major import item, with implications for the country's balance of payments. It is a basic in the Bolivian diet. In addition, Bolivia produces only a small percentage of its needs. Bolivia also has the potential for a large expansion of production, particularly in the Santa Cruz area. It would also appear that the PL 480 wheat program and its impact on National wheat policies would be of prime concern to the Council. This recommended overall Council consideration should lead to a more effective national policy on wheat production and marketing.

Representation on the Wheat Council should include the Ministry of Industry, Commerce and Tourism, the Ministry of Campesino Affairs and Agriculture, the Ministry of Finance, the Ministry of Planning and Coordination, the Miller's Association and the Wheat Producers Association. In addition, several other organizations could be represented in an advisory capacity, such as the PL 480 Executive Secretariat. The working members of the Council should be appointed by their respective ministers, organization president or executive officer. Council members should have the authority to represent their organization in the development of policy recommendations, planning and program coordination.

It is not envisioned that this group would set policy or implement action on its own. Instead it would be expected to serve in a role which would facilitate action by each organization in those areas for which they have responsibility. When agreed upon action is not forthcoming, members should also be in a position to exert pressure upon fellow representatives and their organizations.

Once organized the council should establish national goals and objectives for the Bolivian wheat program. Existing resources should be evaluated and possible alternatives explored before recommendations or courses of action are determined. A USAID supported technical advisor could be valuable in helping assemble data needed for sound decisions and in consulting on alternative courses of action. This recommended assistance is more fully discussed in the section on recommendations to U.S. entities.

Examples of areas which are recommended for Council study and policy recommendations as well as development of implementation plans are as follows.

- A. Determination of the best future role for each wheat related group or organization in the PL 480 marketing and distribution program.
 1. Investigate possible new marketing mechanisms in the PL 480 program.
 2. Recommend how future PL 480 negotiations can be speeded up.
 3. Determine ways in which payments to the PL 480 Secretariat can be made within the allotted time.
- B. Prepare projections of anticipated Bolivian wheat production.
 1. Investigate incentives to expand production
 2. Evaluate existing competition to national production resulting from wheat imports, both PL 480, Argentine, other world markets and contraband. Following this, recommend ways of minimizing possible adverse effects.
 3. Recommend ways in which wheat production technology could be adopted and used to help meet Bolivia's national production goals.
 4. Investigate ways in which the farmer to miller market structure and system can be improved.
- C. Evaluate ways in which the milling and baking industry can better contribute to Bolivia's wheat program goals.
 1. Evaluate and recommend direction on national flour and bread price policy.
 2. Investigate ways in which processing and distribution efficiency can be improved.

- D. Investigate ways in which transportation systems for wheat could be improved and/or costs reduced.
1. Evaluate the advantages and disadvantages of utilizing the ports of Antofagasta and Arica. Explore ways in which future performance at these ports could be improved.
 2. Determine the actual losses in shipping wheat, where they occur and how they can be minimized. Propose courses of action for lowering these losses.
 3. Evaluate possible ways in which Bolivia's extremely high wheat transportation costs could be reduced or minimized. If possible, recommend courses of action for the lowering of costs.

Certainly, other areas of study and action will be identified by the proposed wheat council. As with many of the above recommended policy or program issues, the solution may call for action by more than one of the groups represented. Leadership must develop which will promote progress by policy or action groups represented on the Council and their prompt and fair consideration of Council recommendations.

Time Frame for Implementation

The time for implementing the National Wheat Council and its attendant activities is now. The need is great, and all segments of the industry are agreed that such an approach is needed. A major obstacle to start up of the activity may well be the technical assistance component. An advisor will be needed to serve as catalyst for change and to assist in merging the diverse individual Council representatives into a cohesive unit. The time table for implementing such assistance can best be set by USAID and the PL 480 Program. Certainly commitments may be made sooner by Bolivian Components and organization started. Hopefully, this group could begin functioning within the year.

Future Evaluation Needs

Present evaluation is hampered by a lack of baseline data. An even greater deficiency exists in current cost and return information for all segments of the wheat marketing, production, distribution and processing industry. Much of this deficiency could be corrected with the implementation of the data generating function recommended under the auspices of the National Wheat Council. While this information will be of great value in evaluation, its greater value will be in policy determination and program development. Early implementation of this data gathering activity should receive a high priority. Work could be initiated on gathering needed data even prior to the formation of the National Wheat Council.

Objective Statement for Future Bolivian Wheat Programs

To develop a wheat production, marketing and distribution system which will meet, at a fair and reasonable cost, wheat and wheat product demands of the Bolivian people. Through greater efficiency throughout the system, fair and reasonable profits should accrue to all segments of the industry, considering their inputs, capital investment and risks. This objective system should maximize national production as a protection of Bolivia's foreign exchange balance, assurance of dependable supply for national needs, and to provide economic returns to domestic wheat producers.

PL 480 FUNDING ACTIVITIES AND THE EXECUTIVE SECRETARIAT

Scope of Work

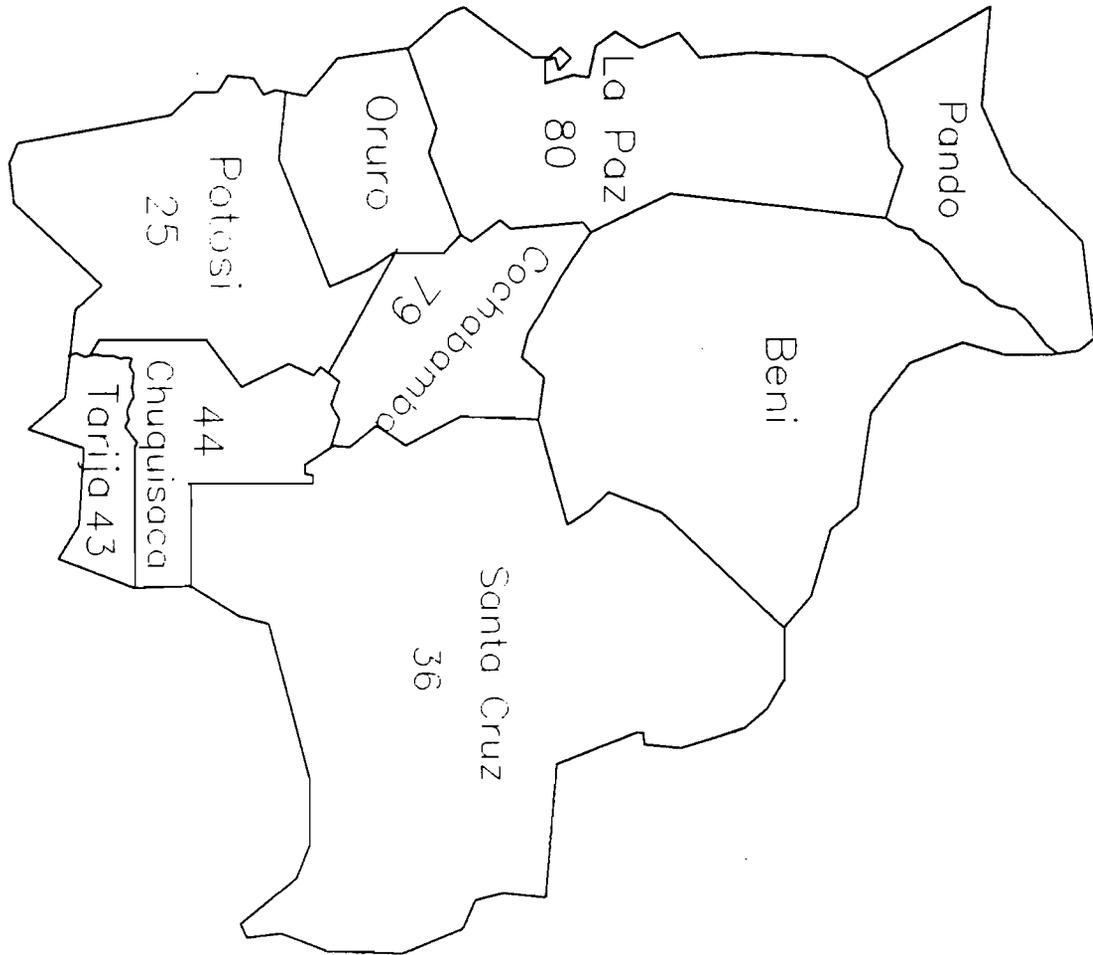
The overall scope of work for the evaluation of PL 480 Title I/III programs was:

1. to determine local beneficiaries' opinions concerning project benefits, problems, and suggestions for project improvement;
2. to evaluate the progress of the Executive Secretariat and USAID/Bolivia in implementing recommendations made in the last evaluation;
3. to assess the impact and procedural effectiveness of credit programs for small farmers and small and medium-sized agro-industries;
4. to evaluate natural resource management and protection activities and rural infrastructure projects funded under Title I/III;
5. to examine the progress made relative to the policy commitments and benchmarks described in the Title I/III Agreements of 1985 and 1986 (as amended); and
6. to develop a plan to consolidate the lines of financing of the Executive Secretariat to facilitate the management of the program.

The scope of work for the evaluation team did not include health activities nor an audit of the disbursement and recovery of PL 480 funds administered by the Executive Secretariat. The USAID/Bolivia has scheduled an audit of program funds for later this year.

In order to achieve the objectives in evaluating PL 480 funding activities the evaluation team and the Bolivian para-technicians and interviewers conducted a number of interrelated activities. Using a modified form of the interview schedule from previous evaluations, the Bolivian para-technicians and their interview teams interviewed 307 project beneficiaries (Appendix E) in 6 Departments (See Figure 1). These interviews form the basis for the completion of point one in the evaluation of the PL 480 Title I/III programs. To achieve points two and five, the evaluation team reviewed the previous evaluation and the Title I/III agreements of 1985 and 1986 (as amended). The actions of the relevant administrative unit were then reviewed to determine complete, partial, or noncompliance with the recommendation. To achieve points three, four, and six, the evaluation team interviewed individuals in the Executive Secretariat, the relevant Government of Bolivia Ministries, and various participating organizations (See Appendix C).

Figure 1. Map of Bolivia



Numbers in the respective Departments indicate number of surveys collected in each Department by the 1988 field survey team.

Project Beneficiaries

The field interview team contracted by the Executive Secretariat interviewed 307 project beneficiaries in 6 Departments. The evaluation team interviewed 30 organizations and three of the ministries represented on the Joint Commission for Rural Development.

The beneficiaries (See Appendix E) were positive in their comments of the PL 480 Programs. The credit and donations had helped them accomplish objectives which would have otherwise been impossible. In all cases they responded positively to the question would they recommend to an individual or organization that they consider participation in the programs. They were critical, however, of the delays which were many times associated with the actual arrival of funds. This problem is discussed elsewhere in this report and at this time is beyond the control of the Secretariat. The beneficiaries also raised the issue of technical assistance. Some farmers indicated that they could use technical assistance more than additional funds beyond the level which they were currently receiving from the programs.

The ministries which were interview expressed a concern for their lack of participation in the actual programming of PL 480 Program activities. It was not entirely clear if this is a real or perceived issue. Concern was also expressed concerning the dilution of effort and funds by the duplication of effort represented in the support of numerous organizations with the same type of programs and objectives.

The issues raised by the program beneficiaries and the ministries were issues for improvement. None of the individuals interviewed felt that the program should be discontinued. The PL 480 Program was viewed as a positive program which did and could continue to have a positive impact upon individuals and the country as a whole.

Progress Since The Last Evaluation

An evaluation of PL 480 Title I and Title III Agreements was completed by Tropical Research and Development Incorporated (TRDI) in July 1987. The current evaluation divided TRDI's recommendations into three categories: those requiring action by the Executive Secretariat, those requiring action by USAID/Bolivia, and those requiring joint action between the Executive Secretariat and USAID/Bolivia. Thirty recommendations were identified for the Executive Secretariat, one for USAID/Bolivia, and nine recommendations were made which involved joint action by the Executive Secretariat and USAID/Bolivia.

Executive Secretariat Recommendations

Table 1 contains a summary of the action taken and progress made by the executive Secretariat for the implementation of the recommendations made in the TRDI evaluation. The Executive Secretariat has fully implemented action to comply with 17 of the recommendations; has made partial progress on 5 of the recommendations, and has made no progress on 8 of the recommendations.

Table 1. Status of Executive Secretariat Recommendations from the TRDI Evaluation.

Recommendation	Level of Compliance			Comments
	Full	Partial	No Progress	
1. Consolidate responsibilities within the Financial Department	X			A reorganization which appears to have improved coordination has been completed. The Price Waterhouse assistance should further improve financial and administrative efficiency.
2. Periodic analysis of reports should be undertaken to assist in the monitoring of program direction	X			A system has been developed by the Executive Secretariat for this monitoring. An analysis of the effectiveness of the system was beyond the scope of this evaluation.
3. Increased funding for intermediate credit institutions and private voluntary organizations. Technical assistance should be incorporated in standard credit packages.		X		An attempt to include technical assistance was made, but the limited size of the line of credit has limited the amount of technical assistance which could be extended. Assistance in the evaluation of projects for funding is a form of technical assistance which is currently available.
4. Establish higher standards of program cost evaluation for collaborating institutions in order to manage an effective program.	X			A system has been developed by the Executive Secretariat for this evaluation. An analysis of the effectiveness of the system was beyond the scope of this evaluation. The Price Waterhouse assistance should further improve this evaluation capability.
5. Use of external evaluators should be more frequent. Funding should be earmarked to develop a national expertise in program design and evaluation.		X		The Executive Secretariat has started to use more external evaluation. Discussions continue between the Secretariat and USAID/Bolivia as to the level of external evaluation required
6. Increased funding for research and development related to beneficiary income and productivity (improved seeds, etc.) should be encouraged.	X			This has been undertaken. The funding for AMENDA is an example.
7. Quality of Life (potable water, etc.) and capital investment projects should be supported at increased levels.	X			Funding for health and infrastructure comply with this recommendation. The variability of size and quantity of projects submitted for funding makes a determination of increased funding a moot point so long as adequate consideration is given to all projects submitted in this area
8. The Secretariat should identify maximum funding levels in relationship to the institution's total annual budget. ⁴			X	The Executive Secretariat has not attempted to establish these limits. The administrative personnel feel that this would work against those institutions which are more efficient in the preparation and submission of projects.
9. Credit lines should be consolidated in fewer categories maintaining intact the priority for small and medium-sized farmers and businessmen.			X	A strategy has been developed, but no action has been taken at this time.
10. The continued use of ICIs in refinancing institutions with PL 480 funds needs to be examined and compared with previous credit distribution mechanisms.	X			Evaluation team advised that evaluations are made and if necessary institutions are dropped from receiving PL 480 funds.

Table 1 (continued). Status of Executive Secretariat Recommendations from the TRDI Evaluation.

Recommendation	Level of Compliance			Comments
	Full	Parital	No Progress	
11. PL 480 Executive Secretariat should collaborate with GOB monetary authorities to establish a more appropriate interest rate structure.			X	The Executive Secretariat does not feel that its role should be interpreted to include participation on the monetary policy of Bolivia.
12. Increased support of seed improvement, credit, and infrastructure for wheat producers is recommended.	X			Financial assistance to CIAT, ANAPO, etc. have supported work in this area.
13. The advantages and disadvantages of three basic financing modes should be explored in detail, taking into account the effect of each on the efficiency and effectiveness of the total Bolivian financial system and the country's need for development financing.			X	The Executive Secretariat does not feel that it is the role of the Executive Secretariat to enter into national monetary policy. The Secretariat wished to remain free from political pressures.
14. Increased support of grants for rural development initiatives.	X			The Executive Secretariat has adopted the policy that rural development should receive priority emphasis. The variability of size and quantity of projects submitted for funding makes a determination of increased funding a moot point so long as adequate consideration is given to all projects submitted in this area.
15. Continued support for small and medium-sized farmers at present or increased levels. Within this parameter, greater funding support should be earmarked to: a. credit for capital investment b. income-diversification c. cash and export crops d. quality of life projects e. rural infrastructure f. land use g. appropriate technology	X			All areas have been supported. The support for land use has been limited. The variability of size and quantity of projects submitted for funding makes a determination of increased funding a moot point so long as adequate consideration is given to all projects submitted in this area.
16. There is an urgent need for a strong Executive Secretary responsible for all management and operational decisions in the Executive Secretariat, eliminating the need for an actual or de facto Sub-Secretary.	X			A new Secretary is in place. However, the heads of the Financial and Technical divisions of the Executive Secretariat continue to play an important role in the daily activities of the Secretariat.
17. Financial management within the Executive Secretariat should be strengthened.		X		Management systems have been changed and implemented. The Price Waterhouse assistance to the Executive Secretariat should further strengthen the Secretariat in this area.
18. Evaluation of each credit loan or grant should be more thorough.		X		A format has been developed for better internal control. Approximately 80% of the projects are reported to have been converted to the new system.

Table 1 (continued). Status of Executive Secretariat Recommendations from the TRDI Evaluation.

Recommendation	Level of Compliance			Comments
	Full	Parital	No Progress	
19. PL 480 funds should be provided to strengthen the capacity of specific organizations which have excelled in training and technical assistance and/or are capable of developing a large clientele.	X			Organizations such as TENACRE, LIDEMA, CIAT, PRODEM, etc. continue to receive funding. The variability of size and quantity of projects submitted for funding makes a determination of increased funding a moot point so long as adequate consideration is given to all projects submitted in this area.
20. The Secretariat should develop a detailed funding disbursement schedule and strategy.	X			A schedule is developed on a tri-semester basis. However, the lack of control over the timing of deposits by GOB makes the utilization of the schedule difficult at best.
21. Institutions which focus upon research and development should receive grant and loan support at increased levels.	X			The Executive Secretariat reports that funding for this type of agency continues.
22. Infrastructure projects like the construction of a road from Santa Cruz to the Brazilian bordertown of Corumba to open the soybean market and the Food for the Hungry "modular" projects which include housing and water systems should be supported.	X			Support for this type of project continues.
23. Consideration should be given to delivering credit directly to farmers bypassing bank intermediaries.			X	This cannot be done under existing rules. The credit must go through an organization recognized by the Central Bank.
24. In the case of crop failure, farmers should be given an extended time to repay loans.	X			Cases are reviewed by the Executive Secretariat and the lending institution.
25. Consideration should be given to the development of production cost records to improve the effectiveness of credit programs			X	This has not been possible to achieve. There is no organization to help in the collection of the data.
26. Technical assistance and training should be included in all credit programs.			X	This is not possible at this time. The Executive Secretariat and the credit institutions which it serves are not in the position to extend this service at this time.
27. It is recommended that concurrently with credit assistance, crop diversification and small business formation be supported.		X		All credit programs are for improved infrastructure, capital improvements, or production. Therefore, the Executive Secretariat feels that these programs contribute to integrated rural development.
28. The Executive Secretariat should establish host agency credit guidelines.			X	The uncertainty of the deposits into PL 480 accounts by the GOB makes this a nonproductive exercise from the point of view of the Executive Secretariat.
29. In the agricultural credit sector, income-producing projects should be supported.	X			A large proportion of the agricultural credit loans are for production.
30. Support to small businesses through host agencies should follow the PRODEM model.	X			The new FEDOPE (Bolivian Federation of Small Industrial Businessmen and Artisans) has been started under this model.

USAID/Bolivia Recommendations

The TRDI evaluation made only one recommendation for separate implementation by USAID/Bolivia. The recommendation was for a full-time Food for Peace officer. This has been accomplished. An individual has been placed on the USAID/Bolivia staff. The work of this individual appears to have improved the level of interaction between the Executive Secretariat and USAID/Bolivia.

Joint Executive Secretariat and USAID/Bolivia Recommendations

Table 2 contains a summary of the action taken and progress made by the Executive Secretariat and USAID/Bolivia in the joint implementation of the recommendations made in the TRDI evaluation. There has been full compliance with 2 of the recommendations, partial compliance with 6 of the recommendations, and no progress has been made on 1 of the recommendations.

Credit Programs and Projects

There were 35 PL 480 funded credit projects as of June 1988. A wide variety of individuals and organizations received credit under these projects. For example, they included farmers and ranchers, small urban business persons such as street vendors and artisans, farmer cooperatives and other businesses. In most cases, loans were not made directly to individuals, but were made to organizations that acted as intermediate credit institutions (ICIs). Just over \$27 million of the PL 480 funds were devoted to credit projects. Excluding health project funding for the 1987-1988 evaluation period, this amounted to about 84% of the total PL 480 budget.

To evaluate the benefits and impact of these credit programs, 13 institutions and organizations that provide PL 480 credit to borrowers were interviewed by the evaluation team and 307 borrowers were interviewed by the Bolivian interview teams (See Appendix E).

The methods employed by the credit institutions to assure the best use of credit and for minimizing defaults and delinquencies were quite good and appeared to be effective. However, there was great variation in accounting procedures and it was unclear to the evaluation team what funds were available for various purposes, the sources of these funds, the actual level of defaults and the delinquency rates. Interest rates on these loans are lower than the commercial rates. In general the financing institutions felt that without the lines of credit provided through PL 480, most producers would not borrow from regular commercial institutions. Without credit they would not use the required levels of inputs and would not purchase improved inputs such as certified seed. Some of the lenders indicated that agricultural production increases were not realized last year because of the adverse weather conditions. They suggested that in a normal year production increases would probably be realized from the increased availability and favorable terms of credit.

Table 2. Status of Joint Executive Secretariat and USAID/Bolivia Recommendations from the TRDI Evaluation.

Recommendation	Level of Compliance			Comments
	Full	Parital	No Progress	
1. Bring Title III/1978 to an end		X		Repayment of outstanding funds initiated by GOB. Awaiting Washington approval to forgive currency value lost in the recent hyperinflation.
2. Establish regular meetings between the Executive Secretary and the Director of USAID/Bolivia		X		Regular meetings evolved into protocol meetings. Addition of the Food for Peace Officer in the USAID/Bolivia mission has greatly improved communications.
3. Develop management controls to establish reserves and assure continuity of cash inputs to the program		X		USAID/Bolivia placed on person in charge of all credit programs. Executive Secretariat placed in charge of collecting information. The Price Waterhouse technical assistance to the Executive Secretariat should greatly improve this situation.
4. Study and establish the proper role of PL 480 within the Bolivian financial system		X		USAID/Bolivia lawyer has initiated meetings with the Bolivian Superintendent of Banks to define the legal role of the PL 480 Executive Secretariat.
5. Monitor and evaluate adverse impacts of the importation and local sale of wheat may have on Bolivia's long-term goal of increased national production and reduced imports	X			USAID/Bolivia continues to do an annual analysis of wheat imports, production, and marketing in Bolivia.
6. Establish mutually agreed upon guidelines in areas of management overlap		X		Meetings have been initiated to roles and establish lines of responsibility.
7. Establish regular meetings between the Executive Secretary and the Director of USAID/Bolivia		X		Regular meetings evolved into protocol meetings. Addition of the Food for Peace Officer in the USAID/Bolivia mission has greatly improved communications.
8. Improve financial management and control through the use of mutually agreed upon procedures, forms, and management systems			X	This will be corrected by the Price Waterhouse assistance to the Executive Secretariate which is scheduled to begin in September 1988.
9. Conduct an external audit	X			An external audit and a USAID/Bolivia audit have been completed.

Benefits

The evaluation team found that it was not possible to quantitatively measure the impact or benefits of the credit programs for several reasons. First, information had not been collected on the status of the borrowers prior to their obtaining the loan (no baseline data). Second, quantifiable data were not collected by the lenders or by the PL 480 secretariat regarding changes in the borrowers' business or financial conditions that resulted from the credit. Those interviewed gave only opinions expressed in generalities about the changes resulting from the credit projects. Hence, it was not possible for the evaluation team to determine if the income of beneficiaries had improved as a result of participation in the credit programs. Programs such as PRODEM do appear to be making positive impacts on participant income and economic well being.

Problems

As they are currently managed by the Executive Secretariat and the credit institutions, the PL 480 credit projects do not exhibit critical problems which prevent funds from reaching beneficiaries. Improvements could be made by reducing the amount of Executive Secretariat paperwork associated with the approval and monitoring of loans. The ability to evaluate the impact of loans could be significantly enhanced by the collection and maintenance of baseline and performance data.

Nearly all credit institutions interviewed indicated a 2 to 3% percent loan default rate. The records of all the credit institutions were not inspected by the evaluation team. It was not the role of this evaluation team to conduct an audit. This will be done by another team in the near future. Some of the institutions did voluntarily show the team members current computer printouts which indicated low loan delinquency rates. Some of the institutions could not immediately tell from their records the current status of all their loans. An evaluation of the Emergency Agricultural Credit Program for Bolivia which was underway at the same time as this evaluation. That evaluation reported a very high percentage of loans not repaid on schedule.

Interviews with credit institutions and program beneficiaries indicated that current conditions in agriculture and the Bolivian economy were having an adverse affect on agricultural profitability. These included adverse weather conditions, low prices for farm products, inadequate and poor roads, and lack of market news and information.

Inadequate technical assistance available to borrowers and lenders related to the extending and use of credit and the use of inputs was a frequently mentioned problem. Difficulties arise when a borrower does not know how to use credit. These may include: denial of future credit, inappropriate use of the loan, and failure to repay the loan on time.

The Executive Secretariat may have the opportunity to increase the efficiency of its credit programs by focusing upon institutions which have acquired experience in the evaluation, approval, and management of loans.

This would reduce the proliferation of institutions with which the Executive Secretariat interacts. It takes time and is costly for a lending institution to gain experience and expertise in extending credit for each particular type of borrower. This is particularly true for a high risk industry like agriculture.

Opportunities for Improvement

Credit institutions that provided the majority of their credit in the form of inputs reported much better success in loan repayment. It is recommended that credit institutions be encouraged to provide greater percentages of credit in the form of inputs, at least until borrowers have a much better understanding of credit and its role in agricultural production. The cooperative ARADO has developed a very effective input procurement system. Members were allowed to buy their inputs at any commercial firm. The bill was then sent to ARADO who promptly paid it and the farmer was debited for a loan from ARADO for the amount of the invoice. The loan would be repaid when the crops were sold. Loan repayment was also improved in those instances when the lending institution participates in the marketing of the product.

Credit institutions that provided technical assistance and monitored borrowers activity reported better repayment. An opportunity exists to assist poor credit experience by using technical expertise from projects with good experience to assist those with poor experience. Direct PL 480 support might be used to cover the expenses of this technical assistance. Successful technical assistance programs include ARADO and PRODEM. Technical assistance could be provided in several areas.

1. For Lenders:

- a. How to analyze loan applications and tailor loan terms to individual borrowers.
- b. How to effectively monitor loans and detect loan repayment problems.
- c. How to assist borrowers in repaying problem loans.
- d. How to determine the risks that are associated with the proposed investment and alternatives to reduce or prepare for them.
- e. How to develop realistic costs and returns budgets for different enterprises for the area where loans are made.

2. For Borrowers:

- a. How and where to apply for loans, procedures to follow and documents needed.
- b. How to use short and long term credit profitably.
- c. How to plan the use of credit including simple cash flow budgeting.
- d. How to select and use the inputs more effectively.
- e. How to market effectively.
- f. How to improve harvesting methods.

g. How to determine the risks that are associated with the proposed investment and alternatives to reduce or prepare for them.

Perhaps the most important thing that can be done by the secretariat to improve the credit program is to make sure that quantitative benefit or impact information is collected, summarized, analyzed and made available to all those involved in the credit program. This will serve many useful purposes including:

1. Enabling potential borrowers to make better decisions about the use of credit. They will have much of the information needed to determine if their proposed use of credit has the potential of being economically feasible.

2. Enabling lenders to better analyze loan applications and help them in deciding on the types of loans to make, they will have a better basis to determine if the borrowers projections are realistic, if the borrower will be able to repay the loan as scheduled and to help in tailoring the loan terms including the loan amount to individual borrowers.

3. Assisting the secretariat to:
a. evaluate credit projects to determine if each is achieving its objectives;
b. determine if a change is needed in a credit project that would improve the performance;
c. channel credit to the most beneficial borrowers, areas and lending institutions; and
d. provide information useful in designing and selecting future credit projects.

4. Assisting USAID/Bolivia in justifying to the US government and people that these funds are being used in the best and most beneficial way.

5. Providing information of value to future PL 480 evaluation teams.

As the quality of information improves and the Secretariat is able to measure the benefits of specific credit programs more quantitatively, they may wish to channel the PL 480 credit into: a) enterprises that are the most profitable, b) areas of the country where credit can be used most profitably and c) credit institutions that show the best performance in providing credit to the targeted borrower.

Natural Resources

Introduction

The physical geography of Bolivia offers mixed blessings. The country enjoys a remarkable range of environments, from high, relatively dry mountains and altiplanos to low rainforests. One recent publication (Brockman 1986) identifies twelve major ecological zones: moist mountain selvas, flooded savannas, semi-humid and semi-arid forests, sand dunes, semi-arid valleys and mountains, semi-humid and semi-arid punas, salt pans, and semi-humid and semi-arid high Andes. Although a lack of extensive areas with good soils is a major limiting factor (Pattie et al. 1988:12-14), favorable conditions exist for most major and many minor crops.

The country is geomorphically divided by the north-south trending Andean ranges, and within the western and eastern zones local regions are further isolated by difficult terrain and poor transportation infrastructure. Although these conditions are not unusual for Latin America, the Bolivian case seems particularly acute. The densely populated departments of La Paz and Cochabamba, and northern Potosi and Chuquisaca constitute a central core for the country. The peripheral departments, such as Beni, Santa Cruz, Tarija, are more closely linked to commercial centers in Argentina, Chile, and Brazil by roads, rivers, and rails (James and Minkle, pp. 371-74).

Over much of the country steep slopes, easily eroded soils, weak nutrient storage in tropical soils, and saline waters create environmentally risky conditions. Superimposed on these fragile environments are demographic and social pressures, such as a rapidly growing population (growth rate = 2.6 percent in 1988), spontaneous and planned colonizations that carry migrants into unfamiliar ecozones, and pioneer agricultural programs that require roads and forest clearing. Although there is great potential for agricultural development, there is also great potential for environmental disaster.

Within this context of poor economic and political integration and fragile landscapes, management of environmental and natural resources is understandably problematic. Physiographic and financial obstacles to development of adequate infrastructure, especially of communication routes, seem almost overwhelming. Despite obstacles, and to the credit of the Bolivians and the various donors, much has been achieved, including the establishment of a basis for rational resource development and environmental conservation. In this area the PL 480 Program has taken an innovative leadership role, and explored new areas in support of environmental and resource management. In this way it has accomplished more than simply the sum of the activities it has supported.

Although only relatively modest financial resources are available for environmental and infrastructural concerns, the PL 480 program has two important strengths: great flexibility, and responsiveness to expression of local needs. The PL 480 program should continue its present role as innovator, investigator, even experimenter. This role carries certain risks

since not all activities it supports will live up to expectations. The record so far is good, and the PL 480 program should continue its leadership role.

This evaluation of the environmental and natural resource components of the PL 480 Program includes specific evaluation of the various natural resource management and protection activities as well as rural infrastructure projects funded under the Title I/III Rural Development, Community Conservation, Small Irrigation Systems, and the Program for Alternative Development. The examination of representative activities permitted the evaluation of:

1. the impact of those activities on the target environment and/or beneficiaries,
2. the actual or potential complementarity that such projects do or could have with other USAID or other donor projects,
3. viable alternatives for improving the focus, programming, and impact of existing and future Title I/III funded natural resource activities, and
4. progress made relative to the policy commitments and benchmarks described in the Title I/III Agreements of 1985 and 1986 (as amended).

The charge to the PL 480 Program specific to natural resources planning and management is to fund activities addressed to rational use of natural resources. Specifically Program activities and projects must contribute to:

1. preparation of a uniform land use capability system for use by Bolivian development agencies,
2. improved legal and policy base for use of natural resources,
3. improved of public awareness and education with respect to environmental protection and management issues,
4. improved natural resource management in relation to river basins, soil erosion and recuperation, water, soil, and air contamination, flora and fauna preservation, and use of alternative energy sources, and
5. establishment and improved use of national parks, biological reserves, and wilderness areas.

To achieve these general and specific objectives, the PL 480 Program will finance activities of central government, decentralized and regional public entities, PVO's (private volunteer organizations), private environmental groups, or rural communities which address data collection and/or analysis, planning, coordination, public awareness, legal, legislative, field implementation, supervision, or evaluation activities related to improvement of renewable natural resource policies and practices. Thus, the PL 480 Program actually has two major objectives: improved environmental and natural resource planning and management, and support of local public and private agencies engaged in these activities.

The PL 480 Program has made considerable progress in achieving its objectives in natural resources. At the national level it has supported CUMAT (Centro de Investigacion y Estudio de la Capacidad de Uso Mayor de la Tierra), a technical organization, and LIDEMA (Liga de Defensa del Medio

Ambiente) which coordinates environmental defense efforts. The Program also supports two regional organizations, DESEC (Centro para el Desarrollo Social y Economico) which operates a reforestation and training program in the department of Cochabamba, and PERTT (Programa Ejecutivo de Rehabilitacion de Tierras de Tarija) which, as its name suggests, is involved in erosion control and rehabilitation in the Camacho and Guadalquivir river basins in the department of Tarija.

The PL 480 Program supports other organizations directly or indirectly involved in environmental or natural resource use or conservation. For example, PAHS (Programa de Asentamientos Humanos) initiates and coordinates migrations from the Potosi region to the eastern versant. Introducing settlers into an ecozone with which they are unfamiliar often has detrimental effects on the environment and resource base. Most of the agencies that offer credit to farmers (e.g., ARADO; FENACRE) do so for the purchase of fertilizers, pesticides, and other inputs, or in some cases, even supply the inputs themselves. Although less dramatic than erosion or deforestation, improper use of chemicals can impact drastically on the local environment base. Monitoring environmental impacts of such projects by the Executive Secretariat is less evident, and should be specifically identified.

Although PL 480 provided valuable assistance in developing the Environmental Law, more effort is needed. Few policies exist and/or agencies working in this are not aware of the existence of the policies. Resource management activities are concentrated in only a few departments, especially Cochabamba and Tarija.

Suggestions for improving environmental and natural resource management fall into two categories:

1. Intensifying and amplifying present efforts;
2. Expanding into areas identified in the charge but which have not received adequate attention.

Recommendations

The recommendations with respect to natural resources are:

1. The PL 480 program continue to assist development of environmental law in Bolivia. It should support formulation of national environmental law, policy formulation, and interpretation of environmental/natural resource laws.

The PL 480 program should assist in every way possible in the development of national environmental law, and national and departmental policy formulation which would serve as a basis for rational management plans, and for guidance and consistency at the activity level. For example, policies should be established with respect to forest uses, particularly in the eastern portion of the country. In some cases protection should be paramount.

2. Expand geographic area of environmental and resource management activities.

Resource management activities are concentrated in two departments: Cochabamba and Tarija. The remaining seven departments have little in the way of PL 480 resource management activities. The PL 480 Program should investigate possibilities for supporting activities beyond the present, rather narrow geographic range.

3. Monitor all PL 480 Program activities for environmental and resource management elements.

Many PL 480 activities have environmental impacts. These should be scrutinized carefully for possible impacts on the environment. Environmental and resource issues require special expertise and perhaps more importantly, sensitivity to potential hazards to fragile lands and possibilities for improved resource management. Someone within the Executive Secretariat could be designated to review proposals and monitor projects for environmentally hazardous elements or resource management opportunities.

4. Continue to support CUMAT's operations and development.

CUMAT's capabilities should be supported and strengthened whenever feasible. In addition to specific project work, this institution could also conduct general and baseline surveys for use by the Bolivian government and other donors.

5. Narrow the focus of PL 480 program natural resource activities.

The PL 480 charge with respect to environmental and natural resource management is so broad that it cannot serve as a guide for establishing direction and priorities. Program support would be more effective if it were focused on a few aspects of environmental and resource management during any one period.

6. Establish standards and procedures which will permit consistent analysis of the benefits and costs for conservation and rehabilitation projects.

Environmental defense and resource conservation carry positive connotations and often are undertaken without rigorous economic analysis. It is recommended that the Program enhance its data base, and strengthen its capabilities for economic analysis on resource management and environmental defense and rehabilitation projects.

Infrastructure

Introduction

In the initial agreement, PL 480 infrastructure projects are charged to finance infrastructure projects which improve the productivity, health, and general social welfare of poor communities and create employment opportunities for the unemployed. Priority is to be given to the construction of access roads, micro-irrigation systems, drainage canals, reforestation and soil conservation, family and community gardens, sanitation, water systems, and other small projects.

Many of the infrastructure projects operate in conjunction with PVO's such as OFASA/ADRA, and CRS/CARITAS, and, in part, in cooperation with the Title II, Food for Work Program. They consist of road projects, small irrigation works, potable water systems, and community gardens. Other activities listed by the Program represent the Bolivian government's counterpart contribution to other projects.

Except for roads, some of which exceed 100 km. in length, most infrastructure projects are small-scale, and involve only single or a few villages. For example, the community garden program consists of modules that include plastic-covered green houses, small trial plots, and animals. The modules serve as testing and demonstration units.

The infrastructure emphasis is on simple technology, that in some cases builds on existing indigenous methods. The goal is to develop small integrated agricultural systems that will make incremental improvements to the diet and income of small-scale, poor farmers. This approach has some distinct advantages over projects that introduce foreign technology and in which inputs are "given" by the project, instead of using local materials and labor. Although some of the garden and micro-irrigation projects have not worked out, generally they have enjoyed some level of success. Their operation and maintenance are within local capabilities, and their advantages are readily perceived by the beneficiaries.

Several road projects are different. There is a heavy input of local labor, usually paid for with food. The road itself does not pertain to a particular village, and the design, construction, and maintenance are beyond local capabilities. The PL 480 Program personnel are currently discussing arrangements for continuing maintenance with the Bolivian Servicio de Caminos.

Recommendations

The PL 480 Program has engaged in a wide variety of infrastructure projects ranging from small gardens to roads of considerable length. Although any given project has demonstrable merits, when viewed together it is difficult to determine a consistent direction or pattern of priorities. Changing priorities on the part of participating PVO's have slowed activity in some project lines. Infrastructure activities do not appear to be fully integrated in overall regional development.

The recommendations with respect to infrastructure are:

1. Establish directions and priorities for infrastructure projects.

It is recommended that the PL 480 Program conduct a review of past projects, determine which have had the greatest success and positive impact on target groups, and establish priorities to focus efforts. Identification of funding priorities will help the various PVO's decide whether to participate.

2. Continue to emphasize projects that are locally focused and use simple technology.

Assuming PVO assistance can be attracted, it is recommended that this aspect of the infrastructure program be continued and extended into new regions. It is also recommended that greater emphasis be placed on commercial possibilities, such as the production of vegetables and animal products.

3. Reduce PL 480 involvement in major road projects.

Given the limited resources available from PL 480 major road projects with their long-term commitments should be undertaken with extreme caution. Road maintenance is absolutely necessary, but represents a perpetual commitment that is outside PL 480 capability. Full cooperation and concurrence of Servicio de Caminos should be obtained before any major road projects are undertaken.

4. Develop local/regional development plans to integrate infrastructure activities.

The impact of roads, even short local roads, can be profound. But positive impacts are even greater if local or feeder roads are carefully integrated with trunk routes and with general regional development. The PL 480 Program should develop overall regional development plans in those areas where PVOs have proposed small road projects.

Alternative Development

Introduction

This aspect of the PL 480 Program is distinct in that while it is nominally concerned with small-scale agricultural development, it focuses on restraint of, and substitution for narcotic crops. Some activities, such as the search for alternative crops (e.g., black pepper, cacao, coconuts, coffee, citrus, macadamia nuts), may eventually benefit the Chapare district and even have spill-over benefits for other parts of Bolivia. But the main purpose is control of an undesirable agro-industry rather than rural development *per se*. In addition, much of the operation is conducted outside the PL 480 program, and results of these efforts are difficult to monitor and evaluate, and to relate to the Executive Secretariat.

This activity falls only marginally within the scope of this evaluation and was only cursorily reviewed. It is suggested that the Program carefully review its role in Alternative Development, and focus its efforts on positive development aspects. Among these are developing alternative crops and infrastructure for the Chapare district.

Recommendations

The recommendations with respect to Alternative Development follow:

1. Limit PL 480 participation to long-term rural development activities.

The most pressing concerns in Chapare district relate to coca production. But dependence on a single crop, no matter how profitable, creates a distorted rural economy, in this case exacerbated by the illicit nature of the product. Long-term development in the region will depend on conventional rural development efforts: conservation and rational use of natural resources, marketable crops, appropriate production and processing technology, and market, transportation, and financial facilities. The PL 480 Program should plan for long-term development in the Chapare district and restrict its participation to positive rural development activities.

2. Continue search for alternative crops.

The PL 480 Program could enhance its efforts by close contact with other groups engaged in similar research. Alternative crops, especially for isolated regions or those with limited agricultural resources are a concern for many parts of the world. Several agencies, such as the U.S. Department of Agriculture, international agricultural research organizations (e.g., CIMMYT; ICRASAT) have long experience with alternative species and varieties.

3. Develop an integrated rural development plan for the Chapare district.

Although pressing concerns invite stop-gap measures in the Chapare district, the PL 480 Program efforts would be enhanced by an integrated development plan that would establish priorities and reveal most pressing needs. Such a plan would avoid hit-or-miss construction activities and ensure that long-term needs of the district would be met.

Other PL 480 Project Activities

Introduction

This section includes lines not evaluated above: Agropecuaria, Education, and Institutional assistance. Managers of all projects interviewed were extremely cooperative and the quality of management and projects appeared to be quite high. There is a wide range in the size of projects and they are quite diverse in purpose. All projects in this

section could be grouped into one of two categories: 1) those that arose from locally identified needs and, 2) those that fulfill historical and traditional government responsibilities. Some of the traditional and historical functions of the government are being supported by PL 480 funds because they are critical to other PL 480 funded projects and others are supported because PL 480 funds have been the only source of Bolivian Government counterpart funds for other AID projects.

Benefits

Due to the lack of baseline data, no attempt was made to quantify benefits. Project managers and participants were asked to give their opinions regarding benefits and to provide any evidence to support their opinion. All people interviewed were of the opinion that their project was producing benefits. These results were consistent whether the project was locally identified or was fulfilling a traditional government function. Additional confirmation of the overwhelming positive opinions of beneficiaries is provided in the summary of the interviews by the survey team.

Problems Identified

The major problems identified were insufficient funds and slow response from the Executive Secretariat. These problems were not universal nor were they unexpected. Surprisingly many organizations interviewed suggested that PL 480 was funding too many projects. Apparently they did not consider themselves candidates for being cut if PL 480 were to fund fewer projects.

PL 480 funding of locally identified needs is creating many new social institutions and strengthening older social institutions in various parts of Bolivia. Farmer cooperatives and agricultural chambers of commerce are increasing membership and obtaining considerable local economic power. The growth of these institutions represents the first stage in the development of a local political base. Many of these institutions recognize their potential political as well as economic power, all of which is quite independent from the central and regional governments. This has major implications regarding the national character of Bolivia and the economic independence of these organizations.

The use of PL 480 funds for support of traditional and historic government functions has created quasi-government institutions which have high performance levels. However, these quasi-government institutions appear to be much better supported than the regular line agencies of the government both in operating and services support and in salaries. This significant difference in financial support has the potential for demoralizing regular government line agency employees and further undermining productivity in these agencies. The PL 480 funded quasi-government institutions are removed from direct government control, giving rise to the possibility that they may act in contradiction to

official government policy. The rise of local and regional institutions and the creation of quasi-government institutions have political and economic implications for the government of Bolivia in the future.

Opportunities for Improvement

Suggestions for project improvement from those interviewed generally included increased funding, faster response from the ES, and reduction in the number of projects funded. However, there are other opportunities that can be implemented or encouraged by the ES.

For agricultural production, technical assistance and technical instruction are critical to the success of other programs such as the use of certified seeds, the protection of soil and the use of credit. A stronger technical assistance and education component in all projects may increase the probability of success. Experience and knowledge present in the more successful technical assistance and education projects might be utilized for improving this component in other less successful projects.

There were some projects where the project managers could not predict the possibility of eventual success. It is not sufficient to think it a good idea or to claim that it worked somewhere else. It should be possible in every case to estimate probability of success. This is not to imply that PL 480 funds should be used only where the probability of success is the highest. One of the greatest benefits of PL 480 funding is its flexible application and the opportunity to experiment with projects with low probability of success but high potential payoff.

Direct PL 480 support funds for quasi-government institutions should be carefully examined by the Joint Commission for Rural Development (JCRD). It should be possible to find ways to transfer the services and to accomplish the same high levels of productivity within the government line agencies.

There is an opportunity to free up funds for other high priority areas by requiring project managers to develop a plan and commitment to eventual self-financing. The seed projects and the education projects are candidates for eventual self financing. For example, the seed projects should be able to forecast the eventual demand for certified seed and the price for which it can be sold. With proper promotion and technical assistance in the use of certified seed, self financing should be achieved within a few years.

Progress On Policy Commitments

The Title I/III agreements of 1985-86 established sixteen policy benchmarks. No progress has been made toward meeting two of the benchmarks. Six of the remaining thirteen have been complied with and the remaining eight have been at least partially met.

1. Policy benchmark: The GOB will follow through on its efforts to strengthen and reorganize the Bolivian Agricultural Bank (BAB) to make it more efficient and effective in terms of serving the savings and credit

needs of small and medium size farm operators. Status: A study has been completed on reorganization needs and recommendations. The recommendations of the study have not been implemented. The completed study indicates partial compliance with this benchmark. Continued Relevance: The need for a national savings and credit institution which will meet the needs of small and medium size farms continues to be of importance to the future development of the agricultural sector of Bolivia.

2. Policy benchmark: The GOB will take action as necessary to assure that private banks increase their lines of credit available to rural agricultural producers including small scale farm producers. Status: The reactivation decree of 1987 strongly encouraged the BAB to increase its line of financing to small and medium sized farmers. Commercial banks still appear to be reluctant to extend credit to small sized farms. Interviews by the evaluation team identified a continuing demand for credit by these farmers; however, commercial interest rates and collateral guarantee requirements set by the commercial banks severely limit small and medium farmers access to commercial credit. The continuing unmet credit demands at the producer level indicates a partial compliance with this benchmark. Continued Relevance: The credit needs of small scale farms continues to be a problem for Bolivia. A system is needed which will provide a system to secure loans in cases where farmers have insufficient collateral.

3. Policy benchmark: The GOB will continue its current free market price policy for all agricultural products. Status: The GOB has continued its domestic free market price policy. The GOB policies are in total compliance with this benchmark. Continued Relevance: The GOB should continue to pursue a domestic free market price policy; however, precautions should be taken to protect domestic producers from dumping by other countries.

4. Policy benchmark: The GOB will initiate work on the preparation of a five year agricultural policy for a country-wide development strategy/plan. Status: The plan has been completed; however, movement toward implementation of the plan has not occurred. The completion of the plan constitutes partial compliance with this benchmark. Continued Relevance: A The development strategy should be used by the Executive Secretariat in the preparation of a general guideline for project funding.

5. Policy benchmark: The GOB will establish a national agricultural council to set and coordinate agricultural policy on a country-wide level. Status: Establishment of a national agricultural council requires approval by the Bolivian national Congress. It will be considered at the next congressional session representing partial compliance with this benchmark. Continued Relevance: A national agricultural council continues to be important. It should interact with the Joint Commission for Rural Development.

6. Policy benchmark: The GOB will establish regional agricultural councils to carry out and monitor MACA policies and programs within the nine departments of Bolivia. Status: Establishment of regional agricultural councils requires approval by the Bolivian national Congress. This issue

will be considered at the next congressional session representing partial compliance with this benchmark. Continued Relevance: The regional councils should be seen as a part of the national agricultural council.

7. Policy benchmark: The GOB will reduce the number of decentralized MACA organizations at the regional level from twelve to six entities. Status: Thus far three of the organizations have been abolished. This reduction represents partial compliance with this benchmark. Continued Relevance: The GOB should continue to move toward the reduction of the bureaucracy.

8. Policy benchmark: The MACA will reduce by at least 30% the administrative staff in 1988. Status: To date the staff reduction has been 39% (from 860 to 522). This reduction represents complete compliance with this benchmark. Continued Relevance: Given the fact that MACA appears to have complied with this benchmark, its inclusion in future agreements is not required.

9. Policy benchmark: The MACA will strengthen and expand the services provided by its research and extension division in the area of non-traditional crops which have export potential. Status: This has not been done. Continued Relevance: This is of utmost importance. Many of the farm level beneficiaries who were interviewed indicated that they need technical assistance more than additional funds.

10. Policy benchmark: The GOB will seek ways to facilitate and encourage the export of agricultural products. Status: The GOB has taken steps to comply with this benchmark. Export regulations are being simplified and an institute, National Institute for the Promotion of Exports (INPEX), have been created to study export problems and to provide technical services to exporters. These actions constitute compliance with the policy benchmark. Continued Relevance: Without a clear determination of Bolivia's possible markets and products which could compete in the international market, it is not clear that there exit prospects for large advances in this area.

11. Policy benchmark: The tariff refund certificate will be put into effect. Status: The certificate has not been implemented. Continued Relevance: Programs are functioning despite non-compliance. It is not clear that it is productive to insist on a program which will not be implemented.

12. Policy benchmark: The GOB will continue to support and encourage programs which are designed to increase the production of domestic wheat. Status: A tariff on imported wheat exists. Enforcement of the import restrictions appears problematic. Seed production programs are being supported through PL 480 Executive Secretariat programs. These actions constitute compliance with the policy benchmark. Continued Relevance: If the GOB is to eventually face a situation in which wheat demand must be met by domestic production *or purchases made with hard currency*, then this benchmark continues to be of indisputable importance.

13. Policy benchmark: The GOB will continue to maintain an uncontrolled price on domestic wheat and wheat products. Status: Subsidies for national wheat were abolished in 1986. The price of PL 480 wheat is an administered price which includes the price of the wheat, transportation, insurance, milling costs, and a profit for the millers. The GOB is in compliance with this policy benchmark. Continued Relevance: This benchmark is a subset of benchmark number three.

14. Policy benchmark: The GOB agrees to liquidate the debt accumulated under FY78, FY85, FY86, and FY87 programs in 13 monthly installments. Status: The GOB will pay \$1,282,804 (US) monthly beginning in June 1988 and continuing through December 1988 thereby liquidating a total of \$8,979,628 (US). The balance remaining will be calculated in December 1988 and will be liquidated in 6 monthly installments in 1989. Payments have started in this program; however, the GOB is behind on the schedule of payments. The delays in payments indicate partial compliance with this policy benchmark. Continued Relevance: This is a policy issue between the U.S. and the GOB.

15. Policy benchmark: The GOB agrees to instruct the Millers' Association (ADIM) to make deposits of funds generated from the milling of PL 480 wheat directly into the PL 480 special account on a timely basis. Status: Funds are now deposited directly. Problems with late deposits continue to exist. The problems of late deposits indicate partial compliance with this policy benchmark. Continued Relevance: Deposits must be made in a timely manner if the Executive Secretariat is to comply with its project commitments and the recommendations of this evaluation.

16. Policy benchmark: The GOB agrees that all PL 480 commodity deliveries to public sector institutions, including the armed forces and police organizations, must be paid for within thirty days of receipt. Status: This policy has been implemented. Continued Relevance: The timely payment for all PL 480 wheat is of importance to the optimal functioning of the Executive Secretariat (See comments on benchmark number 15.).

Management Plan For The Executive Secretariat

The management and administration of the Executive Secretariat is critical to the success of the PL 480 program. The ES has had recent changes in staff and office organization. In spite of these continuing changes and a dramatic increase in responsibilities the office functions very well.

The firm of Price Waterhouse has been contracted to do a comprehensive analysis of the organization of the Executive Secretariat. The Price Waterhouse contract indicates that a reorganization is desired to

"strengthen project monitoring control and evaluation; improve accounting systems, financial control and overall management; design and implement procedures for procurement and control of project disbursements, and prepare procurement, financial management and job description manuals, keeping in mind that

resource levels have gone from the original \$9.4 million in 1978 mentioned in the background, to close to \$200 million in 1987, with no appreciable increase in ES and UCCP staff levels."

Because of this impending major study of the ES office, this evaluation will be somewhat more superficial than found in other parts of this report. Nevertheless, information obtained from interviews of staff, members of the JCRD and managers of projects in the field provided valuable information resulting in the identification of specific and important opportunities for improvement.

Present Management

Seven of approximately 20 professional office staff were interviewed over a period of 2 days. These interviews are reported in more detail in the Appendix D. Three members of the JCRD were also interviewed. Performance levels of the office staff were high and there is sincere interest in the work being done. The office has been in the process of change since the last evaluation and the new structure is not yet firmly in place. However, the general philosophy is to maintain close liaison with every project funded and this liaison responsibility is assigned to the 16 professional staff under the direction of the two sub-secretaries.

At the very top of the administrative structure is the JCRD. This commission is comprised of the secretaries of the various ministries: MADA, MICT, Health, Planning and Finance. They act as the board of directors setting policy for the office.

The executive secretary has lateral interaction with the USAID office and with the UCCP which is an auditing board made up of professionals from various ministries. The subsecretary for technical matters and the subsecretary for financial matters report directly to the executive secretary. From a somewhat lower level, the director of administration and the director of computation both also report directly to the executive secretary.

The technical division is divided into four major areas and is staffed by 4 engineers, 2 agronomists, 1 doctor, 1 phitopathologist, 1 economist and in the future 1 sociologist. Each of the four technical areas has a coordinator.

The finance division is divided into three areas and is staffed by 4 economists, 1 auditor and 2 finance auxiliaries. The director of administration is responsible for office accounts and manages the non-professional staff. The director of computation is responsible for all computing and data analysis.

The management structure in the Executive Secretariat seems appropriate since there are fewer than 5 people reporting directly to any one administrator. In spite of a high level of enthusiasm for their work

and a high level of productivity, there are some opportunities for improvement. Most of these were recognized in the scope of work recently issued to Price Waterhouse.

First, there appears to be considerable duplication of paperwork vertically in the organization. When one of the professional staff in technical or financial division receives, reviews and approves a document from one of the projects, it is passed up to the coordinator who repeats the process, and in turn it is passed up to the sub-secretary who repeats the process and eventually to the executive secretary. Downward delegation of authority with regular evaluations of performance would increase paperwork efficiency as well as build morale and capability within the office.

Second, there is very good interpersonal communication within the office, but this is generally not sufficient for accurate and objective evaluation of staff performance. The current system is too much dependent upon interpersonal relations and personalities. A more formalized professional staff evaluation procedure which includes job descriptions, written performance criteria and regularly scheduled evaluation interviews will contribute to office productivity and program loyalty.

Third, the function of the UCCP is not clear. They do not actually perform a professional audit since this group is not made up of professional auditors. The auditing function is important, but is more appropriately the responsibility of the JCRD. The UCCP could be replaced by an annually contracted private auditing firm which would produce and audit under the direction of the JCRD.

Policy Guidance

Until 1988, the JCRD rarely met as a group. Even though meetings have been somewhat more frequent this year, the commission has not yet been able to fulfill its administrative responsibilities to the ES. The members of the JCRD understand the USAID/Government of Bolivia agreements and the overall purposes of PL 480 funds. However, each ministry also views the ES as a source of funds to carry out their own respective high priority activities and they devote considerable time at commission meetings arguing for their priorities. Fortunately, the Government of Bolivia is in its third year of relative stability and members of the JCRD are able to devote more energy and time to the work of the commission. This should result in greater attention to their legal responsibility in administering the ES.

A very large percentage of PL 480 funds are flowing to private organizations (PVOs). These include locally created and administered organizations such as cooperatives, federations, and councils as well as private organizations of other nations working inside Bolivia. Several members of the JCRD feel that this is an inappropriate use of PL 480 funds, especially when the needs of their own ministries are so great.

The USAID/Bolivia makes agreements with various ministries for direct AID funding of projects. These agreements require counterpart funds from the Government of Bolivia. Since the financial resources of the Government of Bolivia have been so scarce, PL 480 funds have been used as counterpart funds by agreement between the specific ministry and AID.

The somewhat autonomous decision making of the ES, the "outside" commitment of PL 480 funds for counterpart funding and the lack of control by the JCRD has resulted in program prioritization and policy by default. The ES clearly needs more policy guidance from the JCRD. The JCRD has the responsibility to provide this policy guidance. This does not imply that the current direction of the ES is incorrect nor does it imply that the commission should become involved in the management of PL 480 programs and projects. However, The JCRD can provide considerable support to the ES in its relationship with the government of Bolivia in general and with outside government agencies, especially the USAID mission. Both of these are required in the original U.S/Bolivia agreement covering the food for development program. That original agreement anticipated a much more active role for the JCRD in setting policy and, the original agreement anticipated much more interaction between the Secretariat and the various ministries of the Government of Bolivia.

The administration of nearly \$US 200 million requires very strong and clear policy guidance. The ES has the choice of administering and granting these funds based upon the skill, knowledge and interests of ES personnel, or administering and granting these funds based upon clear written policies, principles, guidelines and criteria. The latter increases the probability that major purposes of rural development will be accomplished in the long run and will be consistent with general government policy.

More specifically, the JCRD can establish four or five areas of highest priority for PL 480 support. This may include such areas as "increased general agricultural production", "decreased infant mortality in rural areas", "reduced destruction of productive agricultural lands" and "increased efficiency of agricultural product distribution and marketing". These areas of highest priorities can be overlaid with other policies such as: "70% of future support in these areas will be in the form of credit with the establishment of a \$US 100 million capital revolving fund".

Project Funding and Administration

Based on the 1987 evaluation, the ES has developed a detailed set of criteria for evaluating projects. In spite of the existence of these criteria, there appears to be a need to tighten the "screen" for accepting proposals for funding. The policies and priorities established by the JCRD can be used to develop a more specific and enforceable set of criteria for evaluating proposals.

This does not mean that flexibility and innovativeness should be given up. Nor does it mean that projects should be identified by the JCRD, ministries or by the ES itself. It simply means that project selection and funding will be based upon widely agreed upon criteria and not upon the

general impressions of individuals within the ES. The majority of proposals should be received on an unsolicited basis from the various organizations, institutions and individuals throughout Bolivia. The selection for funding of these will be based first upon the general policies and priorities set by the JCRD and secondly upon the criteria used by the ES. Proposals should be screened not only by ES staff, but by staff of the appropriate ministry and selected non-government experts. This will increase communication between the Secretariat and the various ministries, as well as increasing the probability of funding high quality projects.

The ES should announce and publicize these priorities and the criteria to increase the probability of receiving high quality proposals. Additional requirements might include some minimum level of funding that will be considered for any one proposal. This will encourage individual organizations to join together to propose more fully integrated projects. The ES might also require that proposers provide evidence that the ultimate beneficiaries find the proposal potentially useful to them. The proposers should also meet organizational, legal and financial stability requirements, much the same as is currently required.

In addition to using written criteria for approving proposals, consideration should be given to fixed funding for 2, 3 or even 4 years where the project has a fixed termination date or a set date for self-financing. This would allow projects that require longer terms for realizing tangible benefits to obtain those benefits and would reduce the management burden on the ES staff.

The 1987 evaluation of the PL 480 program recommended a consolidation of projects funded by PL 480. It was suggested that management and control could be improved with this consolidation. This recommendation was also frequently made by beneficiaries of the PL 480 program. Since the last evaluation the number of PL 480 projects being managed by the secretariat is still 198 (excluding health) as of July 1988.

For management purposes, it appears that all projects currently funded could be grouped under one of the following categories:

- 1) Agropecuaria;
- 2) Credito;
- 3) Educacion;
- 4) Recursos naturales;
- 5) Infraestructura;
- 6) Apoyo institucional; and
- 7) Salud.

Each of the categories could be subdivided by Department. In order to compartmentalize the funding, there could also be at least 3 other sub-headings. These include (1) projects of a national scope, (2) administration costs of the ES, and (3) a line item for funding new ideas. Table 3 illustrates these groupings and sub-groupings in the form of a matrix. Under this system of grouping projects, the Secretariat would be reorganized into at least 7 sections for project management purposes.

Table 3. PL 480 Consolidated Lines of Funding by Category of Expenditure Covered in the Evaluation and Area
For the Period April 1987 to June 1988.

DEPARTMENT	Agricultural Production	Credit	Education	Natural Resources	Infrastructure	Institutional Support	(a) Health	TOTAL
BENI								
U.S. Dollars	3,535	20,000		26,800	265,471	19,750		335,556
No. of Projects	1	1		1	10	1		14
COCHABAMBA								
U.S. Dollars	25,200	1,211,319		26,310	40,377	267,235		1,570,441
No. of Projects	4	8		1	10	2		25
CHUQUISACA								
U.S. Dollars					17,445	10,433		27,878
No. of Projects					24	1		25
LA PAZ								
U.S. Dollars	50,727	680,755	20,000	22,314	346,739	2,792,925		3,913,460
No. of Projects	8	3	1	1	20	17		50
ORURO								
U.S. Dollars	11,318				119,404			130,722
No. of Projects	4				17			21
PANDO								
U.S. Dollars					11,570			11,570
No. of Projects					1			1
POTOSI								
U.S. Dollars	10,000	130,222			25,455	2,393		168,070
No. of Projects	3	1			15	1		20
SANTA CRUZ								
U.S. Dollars	46,290	3,994,829	87,979	6,978	20,545	8,788		4,165,409
No. of Projects	2	13	1	1	1	1		19
TARIJA								
U.S. Dollars		201,692	30,000	100,967	28,085	6,123		366,867
No. of Projects		2	1	1	6	1		11
NATIONAL								
U.S. Dollars		21,023,415	548,050			40,000		21,611,465
No. of Projects		7	2			3		12
TOTAL								
U.S. Dollars	147,070	27,262,232	686,029	183,369	875,091	3,147,647		32,301,438
No. of Projects	22	35	5	5	104	27		198

Source: PL 480 Executive Secretariat, September 1988.

(a) The evaluation scope of work did not include health related projects.

Employees in the Secretariat, with special expertise needed to manage each of these categories, would be assigned to work in that particular section. For example, experts in credit would work with credit projects could be assigned to work in the credit section.

The employees in the Secretariat currently are fully employed. Institutions that were interviewed that currently have PL 480 projects said that they have good working relations with the PL 480 Secretariat. In general paper work and disbursements are handled in a timely manner. In those cases where responses were delayed, it was not clear whether there was a delay in taking a decision or whether the delay was due to slow paperwork processing. Problems regarding vertical duplication of paperwork were identified earlier in this report.

Employees of the Secretariat spend a substantial amount of their time reviewing, monitoring and approving a myriad of details related to all the currently funded PL 480 projects. It is recommended that the Secretariat phase in a program which delegates more responsibility and authority for the approval of disbursement of funds and monitoring the details of the project to the institutions that receive funds to carry out a PL 480 project. For example, once the Secretariat approves a project to fund a credit institution to make loans to farmers, and all the details of the project have been made known and agreed upon by both parties, then many of the details of managing and monitoring could be delegated to the credit institution.

For example, assume that the Secretariat approves a project to loan \$2 M to a credit institution, who in turn will make loans to agricultural producers. In the agreement the Secretariat would spell out all the details and restrictions of the program (i.e. who is eligible to obtain a loan, terms of the loan, approved loan purposes, etc.). The credit institution would then have authority to make and approve individual loans, monitor all the loans made, be responsible to see that all the loans are collected, work out any problems that develop and stand any losses on defaulted loans. A part of the agreement might require the credit institution to provide certain kinds of technical assistance to the borrowers. The credit institution would also be required to send a written report to the Secretariat once a month or as often as agreed upon or as seems appropriate. The report could include a list of loans made during the reporting period, loans made to date, amounts loaned, names of borrowers, purposes of the loans, current status of all loans and other information that the Secretariat deems appropriate.

The credit institution could also be required to set up a system or procedures to provide the Secretariat with accurate information on the benefits or impact of project (i.e. amount production was increased, amount income of individual borrowers was increased, etc.). Employees in the credit section would review each of these reports as they came in and should have authority to take the necessary action when problems arose. From time to time they could also make unannounced visits to the offices of the credit institution and audit records, talk with a sample of borrowers, etc., to verify that the reports the credit institution was sending them were

accurate. This would place more of the responsibility for compiling, managing and monitoring many of the details with the credit institution, and relieve the Secretariat of these details.

The Secretariat could still have all the information needed to carry out their responsibilities. For example, it would no longer be necessary for someone in the Secretariat to review the details of each loan and approve each loan, as is now the case. The Secretariat would likely want to retain the authority to review and approve loans larger than a certain agreed upon amount, for example anything over \$50,00 or \$100,000.

This same procedure could be used within the Secretariat. Employees who are given the responsibility to manage and monitor specific projects would be given the responsibility to monitor the reports that come in from the organizations that have PL 480 funded projects. The employee would not pass all the reports on to a supervisor, but could prepare summaries. If the supervisor had a question or there was a problem more detail could be provided. But everyone in the chain of command would not receive very detailed reports about every project.

When the upper levels of management are relieved of monitoring all the details of every project they could devote time and effort to other tasks to help make the use of the PL 480 funds of greater benefit to the people and the economy of Bolivia. These new or expanded tasks could include such things as:

1. Reviewing and revising the purposes, goals and objectives (benefits) within the priorities set by the JCRD;
2. Planning the and control of all office functions, and of currently funded projects. This includes input from others involved included ministries of the government, USAID and the private sector;
3. More careful selection and approval of projects according to the criteria previously developed;
4. Monitoring and evaluating project process and results;
5. Redirecting the use of funds where needed based on the past performance of projects, other new information and government policies;
6. Providing input to government planners, policy makers and ministries on both favorable and unfavorable impacts of proposed government policies; and
8. Improve staff knowledge, skills and the general operation of the office.

The ES should implement procedures which will allow for quantitative measurement of project impacts and benefits. For many projects this can be accomplished by acquiring baseline data at the time the project is first funded and obtaining comparison data at intervals throughout the life of the project. For other projects it may be sufficient to conduct sample surveys at intervals. This would not be required for every project every year, but should be extensive enough to allow extrapolation to other similar projects.

Relationship of the Executive Secretariat to Wheat Marketing Council

The Executive Secretariat has a vital concern in the efficient and orderly functioning of Bolivia's PL 480 wheat marketing system. Through this system the Secretariat receives the funds necessary for the operation of its program. When funding does not move through the system in the planned time, programs supported by the Secretariat are endangered.

The Secretariat has not had responsibility for the management or operation of the PL 480 wheat marketing and distribution program. This should not change. Their interest should be in the timely arrival of PL 480 funds for their distribution. They can, and should, have contributions to make to the proposed National Wheat Council.

In the proposed Wheat Council, the Executive Secretariat should be represented in an ex-officio capacity. They have much to contribute in the way of needed expertise affecting future wheat programs. Some of the Secretariat's sponsored programs may also contribute to reaching national wheat production goals. In addition, their participation in the Wheat Council will be a method by which they can exert pressure for prompt remittance of PL 480 generated funds to the Secretariat account.

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APPENDIX A

UNITED STATES GOVERNMENT
memorandum

DATE: 27 de Julio de 1988

REPLY TO
ATTN OF: Hernán Muñoz, ARD

ARD-SH-178/88

SUBJECT: Situación de Suministros de Trigo

TO: Darrell McInlyre, ARD
Raymond Victorine, ARD

A. De acuerdo a los últimos informes del MICT, los requerimientos de trigo para 1988, deberán ser cubiertos tentativamente por las siguientes fuentes.

FUENTE	VOLUMEN/TM	POR CIENTO
- PL 480 Título 11	124.501 (1)	36.8
Prod. Nacional	30.000 (2)	17.7
Compras privadas de Argentina (molinos SCZ)	23.500 (3)	6.9
- Compras Oficiales de Argentina (MICT)	7.000 (4)	2.1
- Donación Argentina	10.000 (5)	3.0
- Donación PL 480 - 11	4.288 (6)	1.3
- Donación Canadá	12.000 (7)	3.5
- Donación Japón	20.000 (8)	6.0
- Otras donaciones, importaciones privadas y contrabando	76.711 (9)	22.7
Demanda Nacional	338.000 (10)	100.00%

- (1) Volumen determinado en función del precio de \$US 160.64/TM de trigo.
- (2) Corresponde a toda la producción nacional de trigo; donde 22.000 TM representa el trigo mejorado y 38.000 TM son consumidos en grano (chicha, mote, tostado, etc.) tomando en cuenta esta diferencia, la demanda nacional para trigo consumido como harina se reduce a 300.000 TM.
- (3) Son compras privadas.
- (4) Al momento el Gobierno solamente compró este volumen; que es posible incrementar en el futuro.
- (5) Esta donación está pendiente y dependerá en el futuro de las compras que concreta el Gobierno.
- (6) Corresponde a la donación de 3.088 TM de harina (equivalente a 4.288 TM de trigo), del Título 11 con destino al Fondo Social de Emergencia de la Presidencia de la República.

OPTIONAL FORM NO. 10
(REV. 1-80)
GSA FPMR (41 CFR) 101-11.6
5010-114

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★ GPO : 1984 O - 421-526 (223)

- (7) Cantidad aproximada por la donación de \$US 3.000.000 (costo y flete). Se espera confirmación.
- (8) Se ha iniciado el trámite, se espera confirmación.
- (9) Este ítem ha sido calculado como dato de ajuste para satisfacer la demanda. Además de las donaciones y compras especificadas en el cuadro, es posible que en el futuro el Gobierno, concrete otras donaciones y se importe harina en forma privada que conjuntamente con la harina de contrabando, satisfaga el 22.7% de este ítem.
- (10) La demanda nacional es calculada por el MICT tomando en cuenta solamente el trigo destinado para harina que es de 300.000 TM anuales (25.000 TM molidas por mes x 12 meses).

Nota importante:

Hasta la fecha, según datos del MICT y USAID/B las importaciones alcanzan a 201.289 TM.

B: De acuerdo a los nuevos precios del trigo, los costos preliminares de internación se establecen en el siguiente cuadro:

D E T A L L E	\$US/TM
1) Precio FOB puerto EE.UU	160.64
2) Flete Marítimo	18.10
3) Comisión Apertura B.C.B.	0.88
4) Comisión Banquero	0.21
5) Seguro de Transporte	0.63
6) Gastos AADAA	8.00
7) Flete FFCC (Sector Chileno)	26.60
8) Descarga y Deseño	2.00
9) Despacho Aduanero	0.50
10) Flete FFCC (Sector Boliviano)	39.80
11) Merma en Tránsito	7.72 (3% sobre Total)
COSTO TM TRIGO MOLINO	265.08
12) Costo de Molienda	36.32
COSTO TM HARINA MOLINO	301.40
13) Precio qq. harina (301.40: factor 15.873 tomando en cuenta 72% grado de extracción)	\$US 18.99/qq
14) Precio harina sin IVA (Se toma tipo de cambio Bs 2.5 x \$1)	Bs 47.47/qq
15) Precio Harina con IVA (10% de impuesto + 1% transacciones)	Bs 53.34/qq

NOTA: Estos datos pueden variar en el futuro, en función de los acuerdos que se concreten con los organismos involucrados.

ARD:RMuñoz/sh.
cc: Ovega, ARD
FUrquidi, ECON/EMB
DKobb, ARD

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PRESUPUESTO PRELIMINAR PARA LA IMPORTACION DE 61.209 T.M
DE TRIGO PL.480/88
(en \$US/TM)

=====

DETALLE	POR ARICA POR ANTOFAGSTA						PRONEDIO
	EL ALTO	LA PAZ	ORURO	COCHABAMB	POTOSI	SUCRE	PONDERADO
1 PRECIO FOB PUERTO E.U.	158.98	158.98	158.98	158.98	158.98	158.98	158.98
2 FLETE MARITIMO	17.71	17.71	17.71	17.71	17.71	17.71	17.71
3 COMISION APERTURA B.C.B.	0.87	0.87	0.87	0.87	0.87	0.87	0.87
4 COMISION BANQUERO	0.21	0.21	0.21	0.21	0.21	0.21	0.21
5 SEGURO TRANSPORTE	0.63	0.63	0.63	0.63	0.63	0.63	0.63
6 GASTOS AADAA	6.50	6.50	7.00	7.00	7.00	7.00	6.88
7 FLETE SECTOR CHILENO	25.38	25.38	27.00	27.00	27.00	27.00	26.60
8 GASTOS DESCARGO Y DESVID	2.00	2.00	2.00	2.00	2.00	2.00	2.00
9 DESPACHO ADUANERO	0.50	0.50	0.50	0.50	0.50	0.50	0.50
10 FLETE ENFE (*)	20.03	21.19	31.57	46.58	33.88	48.89	34.05
11 MERMA EN TRANSITO	6.98	7.02	7.39	7.84	7.46	7.91	7.45
12 COSTO DE MOLIENDA	36.32	36.32	36.32	36.32	36.32	36.32	36.32
13 REBAJA ESPECIAL EN C.M.	(1.00)	(1.00)	(1.00)	(1.00)	(1.00)	(1.00)	(1.00)
T O T A L E S	275.11	276.31	289.18	304.64	291.56	307.02	291.20
PRECIO HARINA (T.C. 2.40)							
\$US/qq	17.33	17.41	18.22	19.19	18.37	19.34	18.35
Bs./qq sin IVA	41.60	41.78	43.72	46.06	44.08	46.42	44.03
Bs./qq con IVA	46.74	46.74	49.13	51.76	49.53	52.16	49.47
PRECIO PROPUESTO (Bs/qq)	48.50	48.50	49.40	50.31	49.40	50.31	49.47
PRECIO NETO	43.17	43.17	43.97	44.78	43.97	44.78	44.03
INGRESO POR TONELADA	285.48	285.48	290.78	296.14	290.78	296.14	291.20
GASTOS IMPOR Y MOLIENDA	99.42	100.32	113.49	128.95	115.87	131.33	115.51
GENERACION FONDOS	186.06	184.66	177.29	167.18	174.91	164.80	175.69
COSTO Y FLETE	176.69	176.69	176.69	176.69	176.69	176.69	176.69
SUPERAVIT	10.37	9.17	1.60	(8.51)	(0.78)	(10.89)	(0.00)

255,88 Trigo
35,32 Molienda
291,20 Harina

NOTA: COSTO DE LOS PRIMEROS DOS EMPARQUES

(*) TIPO DE CAMBIO PARA FLETE ENFE 2.37 - NOTA DE ENFE DEL 29/06/88
10% REBAJA ENFE

SBM/

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APPENDIX B

TABLE 3

Utilization of National Wheat Production

<u>Utilization</u>	<u>1979 (a)</u>	<u>1983 (b)</u>	<u>1986 (c)</u>
Flour Milling Industry	30.0%	21.0%	19.3%
Small Rural Mills	31.0%	10.0%	12.8%
Chicha Production	7.0%	17.0%	
On Farm Consumption	19.0%	40.0%	42.5%
Seed	13.0%	12.0%	10.0%
Other 1.	—	—	<u>15.4%</u>
Total	100.0%	100.0%	100.0%

Sources: (a) (35, page 16)
 (b) (67, page 5)
 (c) (72, page 45)

Notes: 1. Not specified and losses. When added to Chicha production, the 1986 observation conforms with previous observations.

"Policy alternatives for the Production and Marketing of Wheat in Bolivia" Report No. 110, Food and Feed Grain Institute, Kansas State University, Manhattan, Kansas XAnnex for Wheat sport.

APPENDIX C
INSTITUTIONAL SURVEY REPORTS

Name of Institution: ACAF - Association of CAO, ASPAR, and FENCA

Individual Interviewed: Ing. Jorge Serrate Limon - General Manager
Lic. Rosso Cruz Castro - General Manager, National
Association of Cooperatives of Rice Producers

Entered PL 480 Program: 1987

Uses of the money they receive: Purchase rice to hold and resell
Operational funds which are repaid

External Problems: Commercial banks demand too high of a collateral from farmers who
put their rice in the program because value of rice held in
storage in their program will only increase.
Changes in exchange rates in Argentina and Peru

Internal Problems: PL 480 disbursements late due to late deposits by GOB

PL 480 does not give them technical assistance.

They would recommend other institutions to participate in PL 480 programs.

The only suggestion to improve the PL 480 program is to make more funds
available.

Kinds of Loans: loans on value of crop placed in storage

Terms: length: 10-12 months
interest rate: 13%

Loan volume: \$4,000,000 (US) line of credit

Impact: loans have helped farmers receive a higher final price for their
product

Procedures: promotion of credit - none
identification of borrowers - borrowers come to them
selection of borrowers - anyone who wishes to participate
approval of loans - done by commercial bank

Time for loan approval: 7 - 15 days

No technical assistance provided. It is not their function.

Loan status: They would like to have a system where PL 480 would help
assume risk so they can get out from under the commercial banks who only
loan funds at 1/2 the value of the crop. They think that if they could
purchase the silos where they store the rice from the GOB in 5 years they
could capitalize the operation so that operational loans would not be
necessary.

Name of Organization: CEAB - Centro Educativo Adventista Boliviano

Person(s) Interviewed: Crimo Vallejos, Gerente
Juan Medina
Crimo Vallejos

Entered PL 480 Program:

Activities under PL 480: Scholarships for students

Narrative Description: CEAB offers programs at the basic, intermediate, and normal, with emphasis on practical training in such subjects as home economics, nutrition, bread making, electricity, mechanics, floriculture, aviculture, dairying, graphic arts, carpentry, home gardens (both subsistence and commercial), education, secretarial, and accounting (to be introduced next year). CEAB officials estimate that it costs about US\$1200 per resident student/year (includes room and board), of which the student contributes about 30 percent, mostly through work programs. For the 70 or so students under PL 480 support 40 percent comes from PL 480 and the balance from the Adventist church. Current enrollment is about 700 students from all over Bolivia. Religion is not a criterium, nor is ethnic background although most of the students appear to be of indigenous extraction and bilingual (native language plus Spanish). The typical student stays 4-5 years. CEAB has physical capacity (i.e., buildings) for 1400 students or about double present enrollment, although expansion would require additional teachers, administration, and equipment (e.g., sewing machines, typewriters, computers).

Problems External to PL 480: Lack of funds to support more students. CEAB officials feel there is considerable unmet demand for the sort of quality technical training they offer.

Problems Internal to PL 480: None.

Impact(s) of Activity on Target Environment/Beneficiaries: Certainly CEAB is offering valuable training to the to the students, and a valuable service to the Bolivian economy. Students apparently find jobs easily. Except for rational production methods (e.g., aviculture, dairying, home gardens) the courses of instruction are not particularly environmentally oriented. Instead, CEAB should be considered as a contributor to the infrastructure of Bolivia and developer of human, rather than natural resources.

Complementarity with other USAID/other Donor Projects:

Alternatives for Improving Focus/Programming/Impact on Existing/Future Title I/III Natural Resource Activities:

Understandably CEAB would like to increase the number of students enrolled, and indicated the following needs:

- more scholarships
- equipment for training (e.g., sewing machines; typewriters)
- computers for the new course of accounting.

Name of Institution: ANAPO - Association of Oilseed and Wheat Producers

Individual Interviewed: Lic. Guillermo Ribera Cuellar - General Manager
Lic. Augusto Vlloa Pena - Financial Manager
Ing. Carlos Cuellar Laudivar - Technical Manager

Entered PL 480 Program: 1974

Uses of the money they receive: Provide seed to producers on credit
Provide inputs on credit

External Problems: Drought, commercial banks do not understand situation of farmers

Internal Problems: Slowness of PL 480 disbursements

PL 480 does not give them technical assistance.

They would recommend other institutions to participate in PL 480 programs.

The only suggestion to improve the program is more funds for ANAPO to loan.

Kinds of Loans: loans of seed and other production inputs

Terms: length: production period
interest rate: 13%
average size of loan: \$5,000 (US) - wheat
\$7,000 (US) - soya

Loan volume: OCT 87 - \$140,000 soya; MAR 88 \$210,000 wheat;
APR 88 - \$99,000 soya.

Impact: loans have helped maintain the level of production of wheat and soybeans in the area.

Procedures: promotion of credit - members know about the program
identification of borrowers - borrowers come to them
evaluation of borrowers - reviewed by project
approval of loans - done by project

Time for loan approval: 7 - 14 days

Institution provides only limited technical assistance. Producers could use more.

Loan status: soya - 5% default
wheat - 2% default

If the role of PL 480 is to provide credit then it has completed its role. If the role of PL 480 is to increase production then it has not completed its role. The slowness of the GOB in transferring money to PL 480 slows down the programs of ANAPO.

Name of Institution: BBA - Banco Boliviano Americano

Individual Interviewed: Rodolfo Garcia Agreda V., Manager of Development

Entered the PL 480 Program: 2.5 years ago

Uses of the money they receive: loans to agricultural business
loans to artesan groups

External problems: None

Internal problems: Could use more funds

PL 480 gives them technical assistance - loan/project performance review

He would recommend that other agencies participate in the program

How to improve the program: Lift some of the restrictions on the types of
loans which can be made.

Kinds of Loans: Loans to agricultural businesses
Loans to artesans

Terms: length: average 3 years
interest rate: 13%
average size of loans: \$8000 U.S. \$5000 - operating capital
\$8000 - equipment, etc.

Loan Volume: April 87 - June 88: approximately 2,000,000
Number of borrowers during the period: 180

Impact: Has helped businesses expand.

Procedures: promotion of credit - borrowers come to them
identification of borrowers - borrowers come to them
selection of borrowers - review by evaluator
evaluation of borrowers - review by evaluator
approval of loans - he has approval authority up to
\$15000 U.S.

Time for loan approval:

Institution provides technical assistance: no

Loan Status: repaid on time: 97-98%
late: 2-3%
written off: none, bank maintains a fund to cover bad
deliequent loans in this program

Name of Institution: Bank of Santa Cruz

Individual Interviewed: Javier Suarez Ramirez - General Manager
Lic. Luis Hernan Lopez Diez - Assistant Manager
Ronald Gutierrez Lopez - Assistant Manger

Entered the PL 480 Program: 8 years age

Uses of the money they receive: They are the commercial bank which handles the money which is loaned to such organization as ANAPO, ACAF, etc.

Internal Problems: slow disbursement of PL 480 funds

PL 480 does not give them technical assistance.

They would recommend other institutions to participate in PL 480 programs.

Suggestions to improve the program:

1. Need funds for commercialization loans
2. Need funds for agroindustry loans
3. They could use more information about the amount of funds deposited in each line of credit in PL 480.

Kinds of Loans: Loans to the various cooperatives and cooperative members in the region

Terms: length: 1 - 5 years
interest rate: 13%
average size of loan: \$10,000 (US)

Procedures: Identification of borrowers - borrowers have made contact with cooperative or PL 480 prior to coming to bank
selection of borrowers - made by department of bank
evaluation of borrowers - made by department of bank
approval of loans - bank and PL 480 office

Time for loan approval: 7 - 15 days after completion of application

Technical assistance: none

Loan status: less than 2% default

Name of Institution: CACEN - National Savings & Loan Housing Bank

Individual Interviewed: Lic. Ramiro Vera Vega, Manager, Section for
Production Development

Entered PL 480 Program: 6 years ago

Uses of the money they receive: Housing - 50%
Water Systems - 15%
Electrification - 15%
Production Loans - 30%

They are moving more into production loans.

External Problems: None

Internal Problems: None

PL 480 gives them technical assistance: project performance reviews.

They would recommend other institutions to participate because the PL 480 funds allow them flexibility in the selection of projects.

Increase the lines of financing. This would allow the extension of credit to sectors which do not have formal credit available to them at this time.

Kinds of Loans: (1) loans for housing, (2) water systems, (3) electric systems and (4) production loans.

Terms: length - average 5 years
interest rate: 13%
average size of loans: 800-5000 U.S. dollars

Loan volume: April 87 - June 88:

Number of borrowers during the period:

Impact: Has had an impact at: (1) production, (2) marketing, (3) processing, and (4) export levels.

Procedures: promotion of credit - publicize new programs
identification of borrowers - borrowers come to them
selection of borrowers - reviewed by evaluation dept.
evaluation of borrowers - reviewed by evaluation dept.
approval of loans - recommendation of eval. dept.

Time for loan approval: 2-4 weeks

Technical Assistance: helps borrowers prepare project proposals

Loan status: repaid on time: 94-95%
late: 5-6%
written off - none, feels all will eventually repay

Name of Institution: CAISY - San Juan Yapacani Integral Services Cooperative

Individual Interviewed: Atsumi Nishizawa O. - President
Hiroshi Tajima T. - General Manager
Takeshi Adachi E. - Manager

Entered the PL 480 Program: 3 years ago

Uses of the money they receive: The funds go to individual members for inputs, equipment, and labor.

External Problems: No problems during the last year.

Internal Problems:

PL 480 does not give them technical assistance.

They would recommend other institutions to participate in PL 480 programs.

Suggestions to improve the program:

1. Longer terms on the loans so they can undertake projects such as orchards, etc.

Kinds of Loans: Loans have been for inputs, equipment, and labor. Current program is for egg production. Previously PL 480 funds used to purchase the feed plant which the cooperative owns.

Terms: length: 3 years
interest rate: 13%
average size of loan: 52 individuals that average about \$1,800

Loan volume: loans are with individual cooperative members

Impact: Has allowed members to expand their operations

Procedures: promotion of credit - members know about the program
identification of borrowers - member makes application
selection of borrowers - cooperative selects
evaluation of borrowers - bank evaluates
approval of loans - bank approves (Banco de La Union)

Time for loan approval: 3-4 weeks

Technical assistance: The cooperative provides technical assistance to members who receive credit for the egg production project.

Loan status: No defaults, cooperative stands behind the loans

Name of Institution: CAO - Association of Agricultural Cooperatives of the East

Individual Interviewed: Ing. Ruben Suarez Parada
Lic. Walter Nunez Rogriguez

Entered the PL 480 Program: They do not receive funds. They are an umbrella organization for 10 cooperatives of which 4 have received funds.

Uses of the money they receive: The money which their member institutions receive is for commercialization and they participated in the emergency ag loans

External Problems: Commercial banks demand too much collateral.

Internal Problems: PL 480 promised money for loans but now they say there is no money

PL 480 does not give them technical assistance.

They would recommend other institutions to participate in PL 480 programs.

Suggestion to improve the program:

1. Change the credit rules - put the loanable funds with FENACRE, FINDESA, etc.
2. Create special lines of credit for development
3. Some projects need to be undertaken for their social value not just their financial return.

I. Kinds of Loans: Organizations have received loans for commercialization and emergency loans.

Terms: interest rate: 13%

Loan volume: OAP has received \$6,000,000 (US) from PL 480

Name of Institution: CIAT - Center for Tropical Agricultural Research

Individual Interviewed: Ing. Cesar Samur Rivero - Director of Projects

Uses of the money they receive: The money which they have received has been for equipment and to support research and seed development.

External Problems: Weather

Internal Problems: Late arrival of PL 480 funds

PL 480 does not give them technical assistance.

They would recommend other institutions to participate in PL 480 programs.

Suggestion to improve the program:

Kinds of Loans: They received a donation to purchase equipment - a combine to harvest seed.

Impact: The donations have helped them improve the size and quality of their seed production activities.

Name of Organization: DESEC - Center for Social and Economic Development

Person(s) Interviewed: Hugo Bustamante
Edgar Guardia
Jose Luis Rios

Entered PL 480 Program: 1984.

Activities under PL 480: Primarily operating tree nurseries and planting trees for erosion control, village woodlots, and as borders to roads and water courses.

Narrative Description: DESEC is an active organization in reforestation and erosion control, and also an educational institution in environmental and resource management. Its overall objectives are to improve soil management and maintain the ecological equilibrium, and train farmers in forest management. Specific DESEC objectives are to:

1. Improve agricultural conditions by establishing a vegetative cover to protect against erosion,
2. Institute rational resource management and augment the productivity of soils,
3. Control torrents
4. Reforest agriculturally marginal areas, such as river and lake banks and roadsides,
5. Generate sources of rural employment in forest plantations,
6. Consolidate forest activities.

It enters into cooperative agreements with villages for shared work in tree planting, and in recovery of costs at first harvest (although the efficacy of this latter phase has yet to be demonstrated). Currently its two (soon to be three) nurseries produce 21,000 seedlings annually of which about 70 percent are eucalyptus or pine, and the balance mostly native species and fruit trees. Within three years the three nurseries hope to produce sufficient seedlings to reforest 850 hectares.

DESEC also offers farmer training programs, reportedly 25 short courses each year or about one every two weeks, on forest management, erosion control, resource management, and some agricultural techniques.

DESEC also participates in the Comité Inter-Institucional de Forestación (CIIFOR), a coordinating organization in Cochabamba, which includes CORDECO (the state development agency), Corporación Técnica Suiza (CORTESU), Centro de Desarrollo Forestal (CDF, a part of the Ministry of Capesinos y Agricultura), the Escuela Técnica Superior Forestal (Universidad de Cochabamba), Proyecto Agroforestal (PAC that maintains 21 tree nurseries, most of which are small community installations, and the Alcalde of Cochabamba.

Most of DESEC's investments in physical plant and equipment come from PL 480. Perhaps 20 percent of DESEC's expenses come from this source.

Problems External to PL 480: Fluctuation of Boliviano;

Problems Internal to PL 480: Takes too much time to review proposals; payments are slow.

Impact(s) of Activity on Target Environment/Beneficiaries:

DESEC through its program of reforestation and erosion control has a direct, positive impact on the environment, especially in farming areas and near settlements through cooperative agreements with farmers. In addition, farmer education programs raise the level of conservation awareness and provide methods for erosion control.

Complementarity with other USAID/other Donor Projects:

Alternatives for Improving Focus/Programming/Impact on Existing/Future Title I/III Natural Resource Activities:

Name of Organization: LIDEMA - League for Environmental Protection

Person(s) Interviewed: Carlos Enrique Arze Landivar,
Director Ejecutivo

Entered PL 480 Program: 1985

Activities under PL 480: Assist and coordinate the activities of a number of Bolivian organizations concerned with environmental issues including deforestation, soil erosion, and loss of species; promotes protection and conservation of natural resources and conducts educational programs on the environment to increase awareness of environmental issues.

Narrative Description: LIDEMA notes as its objectives:

1. Promotion protection, conservation, improvement, and rational administration of the environment and natural resources of Bolivia,
2. Promote heightened environmental awareness in political, administrative, and educational organizations ,
3. Coordination and technical cooperation with national international institutions,
4. Elevate the scientific and cultural level of environmental education by promoting research, conferences, and seminars,
5. Coordinate the activities of member institutions (of LIDEMA) to optimize their efforts to solve environmental problems.

LIDEMA is the coordinating activity for eleven Bolivian institutions:

- Asociaci 'n Pro Defensa de la Naturaleza (PRODEMA)
- Club Andino Boliviano (CAB)
- Centro de Datos para la Conservaci 'n (CDC)
- Centro de Estudios Ecologicos y de Desarrollo Integral (CEEDI)
- Centro Interdisciplinario de Estudios Comunitarios (CIEC)
- Centro de Investigaci 'n y Estudio de la Capacidad de Uso Mayor de la Tierra (CUMAT)
- Estaci 'n Biologica Beni - Reserva del Biosfera (EBB)
- Instituto de Ecologia (UMSA)
- Museo de Historia Natural (MNHN)
- Sociedad de Arquitectos Paisajistas (SAPBOL)
- Sociedad Boliviana de Ecologia (SOBE)

Among the major thrusts of the member organizations and thus of LIDEMA are preservation of forests, especially rain forests, and protection of endangered plant and animal species. Thus, education and even advocacy are part of LIDEMA's operations. In some cases LIDEMA must assume a critic's role in opposing projects which are potentially harmful to the environment.

LIDEMA (continued)

LIDEMA maintains extensive ties to local and international agencies, and needs to extend its contacts with such international organizations as the Centro Mundial de Informaci3n Ambiental (INFOTERRA) and the Programa Internacional de Educaci3n Ambiental (PIEA).

Problems External to PL 480: General lack of awareness of government agencies and the general population with respect to threats to the environment and need to conserve natural resources; projects that fail to consider possible ecological consequences or that delegate environmental aspects to secondary roles.

Problems Internal to PL 480:

Impact(s) of Activity on Target Environment/Beneficiaries:

This is an environmental study and mapping organization whose activities do not impact directly on the environment. But by coordinating the activities of its members and providing a united front for attracting financial support, its impact in the general fields of conservation, and defense of the environment and natural resources of Bolivia is substantial.

Complementarity with other USAID/other Donor Projects:

LIDEMA appears to be the only organization in Bolivia that is attempting to coordinate environmental and natural resource defense efforts. Thus it also influences the activities of other donor organizations acting through LIDEMA members.

Alternatives for Improving Focus/Programming/Impact on Existing/Future Title I/III Natural Resource Activities:

PL 480 activities that involve environmental modification (e.g., road building; colonization; expansion of agriculture) should be evaluated for possible threat to natural resources, especially biological diversity and species extinction. LIDEMA and its member organizations could assist in this task.

Name of Organization: PAHS (Programa de Asentamientos Humanos)

Person(s) Interviewed: Roberto Melogno L., Director General
Virginia Fernandez, Directora Ejecutiva

Entered PL 480 Program:

Activities under PL 480: Resettlement (colonization) of families from the altiplano of Potosi to the Alto Beni region; support families that have migrated spontaneously. Support consists of transportation, food, health agricultural supplies (e.g., seeds, tools), education, and infrastructure (e.g., chicken coops, pig stys, houses, schools).

Narrative Description: PAHS is primarily involved in direct resettlement, and assistance to migrants from the altiplano to the Beni region. Funding sources include PL 480, federal government, and contributions for specific projects, such as hospitals and houses. PAHS recognizes the potential environmental hazards in introducing non-farmers (ex-miners) and even farmers to new and unfamiliar ecological zones. PAHS has established a multi-level plan to guard against ecologically and agronomically poor practices by the colonists. At the national level there is a lack of clear policy with respect to colonization and the environment. At the institutional level PAHS has a section devoted to planning and assessment of methods and crops appropriate to conditions in the Alto Beni. At the Working level PAHS technical specialists meet frequently with colonist-farmers for instruction in, and demonstration of proper cultivation methods, improved and new crops, and conservation principles and practices.

Problems External to PL 480:

Problems Internal to PL 480: Payments occasionally delayed, which distresses colonists

Impact(s) of Activity on Target Environment/Beneficiaries:

Complementarity with other USAID/other Donor Projects:

Alternatives for Improving Focus/Programming/Impact on Existing/Future Title I/III Natural Resource Activities:

Name of Organization: PERTT - Executive Program for Land Rehabilitation in Tarija

Person(s) Interviewed:

Entered PL 480 Program: 1983

Activities under PL 480: Construction and operation of nurseries; air photo acquisition and interpretation; production of tree seedlings; establishment of village nurseries.

Narrative Description: PERTT is a small PVIO directly involved in reforestation and erosion control activities (e.g., small dams, reservoirs, terraces) in the badly eroded Tarija region. It has established and supervises some 30 community nurseries through the village Clubes de Madres. In addition, it is involved with other projects and donor activities (e.g., FAO-Norway in the Guadalquivir River Basin; German GTZ in the Camacho River Basin). Rehabilitation costs are high and so far PERTT projects are mostly of a pilot nature.

Problems External to PL 480:

Problems Internal to PL 480: None. PERTT suggests PL 480 program could be enhanced by providing credit to participating farmers for tool purchase and agricultural production, and by providing technical assistance in credit use.

Impact(s) of Activity on Target Environment/Beneficiaries:

Direct positive impact on farmers participating in PERTT erosion control and reforestation programs. Farmers also benefit from educational programs, including village nursery and reforestation programs through Clubes de Madres.

Complementarity with other USAID/other Donor Projects:

Alternatives for Improving Focus/Programming/Impact on Existing/Future Title I/III Natural Resource Activities:

Assuming pilot programs in Tarijfa prove feasible, efforts should be expanded to basin-level planning and rehabilitation. In addition to carrying out its own conservation and educational activities, PERTT could play a major coordinating role in such an effort.

Name of Institution: PRODEM - Small Business Development Program

Individual Interviewed: Francisco Otero, Director ACCION in Bolivia

Entered PL 480 Program: 16 months ago

Uses of the money they receive: Support of family industry
Commercialization of street markets

External Problems: Banks do not like to help their participants

Internal Problems: 1. need more funds to loan
2. confusion of authority between USAID & PL 480

PL 480 does not give them technical assistance. They receive from ACCION

They would recommend other institutions to participate in PL 480 programs.

The only suggestion to improve their program is to make more funds available to them to loan.

Kinds of Loans: money for materials, money to let women purchase items to sell in the market

Terms: length: average 13 months
interest rate: 13%
average size of loan: \$120, max \$320 U.S.

Loan volume: in 16 months 9000 loans to 4000 individuals

Impact: Improved microempress' ability to purchase materials for manufacturing and market women's ability to purchase inventory.

Procedures: promotion of credit - word of mouth, they now have a 5 month waiting list for loans
identification of borrowers - borrowers come to them
selection of borrowers - must take classes in simple business management
evaluation of borrowers - reviewed by project
approval of loans - done by project

Time for loan approval: 7 - 14 days after they reach the top of the waiting list and complete the classes

Institution provides technical assistance in the form of the classes which must be completed prior to receiving a loan. There are optional classes which borrowers may take.

Loan status: repaid on time: 8996
late: 4 were more than 24 hours late. There is a 24 hour grace period.
written off - none. all were repaid within 30 days.

Name of Institution: PROMASOR - National Association of Maiz and Sorghum Producers

Individual Interviewed: Marcelo Del Rio Brios - President
Dr. Oscar Anez Gimenes - Vice President
Ing. Hilario Llaure O. - Treasurer
Lic. Nelson Boules - Manager

Entered PL 480 Program: 4 years ago

Uses of the money they receive: The money which they receive is used to advance payment to farmers for their grain which they put in storage to be sold at a later date.

External Problems: Commercial banks demand too much collateral.

Internal Problems: Late arrival of funds

PL 480 does not give them technical assistance.

They would recommend other institutions to participate in PL 480 programs.

Suggestion to improve the program:

1. Provide loan funds for inputs
2. Line of credit to build a silo so they do not have to rent space

Kinds of Loans: to make advance payments to producers who market their grain through the organization

Terms: length: until stored grain is sold
interest rate: 13%

Loan volume: \$2,000,000 (US) line of credit

Impact: Has allowed participants to receive a higher price for their grain than if they sold at harvest. It has also had an impact of raising prices for all producers.

Procedures: identification of borrowers - all producers are eligible
selection of borrowers - anyone who wishes to participate
evaluation of borrowers -
approval of loans - approved by bank

Time for loan approval: producers get their money the same day they deliver the grain for storage

Technical assistance: they sell improved seed and provide minimal technical assistance.

Loan status: no data on defaults, but figure it to be very low

Name of Institution: Universidad Evangelica Boliviana

Individual Interviewed: Ing. Luis Feballos Paredes - Rector

Entered PL 480 Program: 2 years ago

Uses of the money they receive: The funds were a donation to build buildings

External Problems:

Internal Problems:

PL 480 does not give them technical assistance.

They would recommend other institutions to participate in PL 480 programs.

Suggestions to improve the program:

Kinds of Loans: They received a donation not a loan

Impact: Allowed them to start an applied education program for rural youth. They feel that over time the program will have a positive impact in the country side.

Name of Institution: FHI - Food for The Hungry International

Individual Interviewed: Randall L. Hoag, National Director

How long have you participated in the PL 480 Program: Since 1983 under Title II. Since 1986 under Title III.

This is a Private Voluntary Organization (PVO). It does not make loans and does not fit into the lending categories. It has used the funds received from PL 480 to pay for operations. A good portion of the funds have been used to pay salaries. They do not intend to make loans. They do intend to start a program where they would cost share the project 50/50 with the participant.

External problems: raising funds for staff

Internal problems: None

Positive feeling toward PL 480. Feels that the tighter rules have made them (FHI) improve their program.

Name of Institution: ARADO - Agency for Agricultural and Rural Development

Individual Interviewed: Interviewed Arturo Moreira Rios, Gerente General.

Entered PL 480 Program: ARADO first participated with PL 480 in...

Kinds of Loans: PL 480 finances lines of credit.

Narrative Description: This is a national association of rural communities which they call centers. Members are farmers only and ARADO works through each center to provide technical assistance, credit and commercialization assistance (mostly marketing). Most centers produce potatoes, but there are some producers of beans, tomatoes and other crops also. Their purpose is to improve the economic condition of farmer members through greater production and improved marketing of products.

The most important ARADO program is credit for which PL 480 provides the majority of funding. ARADO also obtains credit from regular commercial credit institutions as well as the central bank.

6. Producer members work with an ARADO technician located at their center in preparing the credit application. The technician checks the producers qualifications and then forwards the application to ARADO.

Producer members receive all credit in the form of inputs and the supplier forwards the invoice to ARADO for payment. The technician supervises the use of inputs and the production. The producer member can cancel the debt by selling the product to ARADO or to another outlet and paying back in cash. ARADO claims that 85% of producer borrowers pay back on time. They could produce no data to support this claim. ARADO has no bad debt fund. They claim that pressure from fellow members is an important factor in minimizing bad debts.

ARADO claims that a minimum of \$1200 per member is required for adequate financing. As is the case with all PL 480 credit, producer borrowers pay 13% and have one year for payback. The main advantage of the program, other than these easy terms, is that credit must be used for production inputs, not for consumer goods. They feel that this results in the use of better seed, more fertilizer, more irrigation, etc.

Problems External to PL 480: Non-PL 480 related problems were based on the natural variability of weather and markets. Also, it was a continual challenge to educate producers about credit and their responsibilities for repayment.

8. The main problem is the waiting for approval of the funding from the E.S. Also, there is a need for funds to carry over debts due to bad weather, markets, etc. We observed that all ARADO accounts were done by hand. Even though they seem to be quite detailed, it doesn't seem possible that they could keep up with the large number of accounts without the aid of more accountants or computers.

9. ARADO claims that their producer members obtain 70% higher income on the average than non-members. They couldn't explain how they got that number. However, they claimed that there was some past research that showed ARADO members better off than the average non-member

Project benefits include the more liberal credit available to a large number of producers and the higher income these borrowers experience, as claimed by ARADO, but not confirmed. Problems include the delays in receiving the line of credit and the somewhat archaic accounting system of ARADO. However, one of the benefits of the ARADO project is the direct participation of the community center technician in the credit process and the selling of product to ARADO.

10. Perhaps the greatest opportunity for improvement is in providing more rapid response to credit needs of ARADO. Also there may be opportunities for improving the accounting efficiency of ARADO and therefore making it possible for them to survive on the small margin obtained from credit.

Name of Institution: FENACRE - National Association of Savings and Loan Cooperatives

Individual(s) Interviewed: Interviewed Alberto Montero Cossio, Gerente General, Oscar Alvarez Canaviri, Economist, Jose Villaroel Coca, Economist, and J. Celiar Lopez Coelho, Gerente de Operaciones.

Entered PL 480 Program: First participated in 1985.

Kinds of Loans: Provides lines of credit to cooperatives.

5. Since 1985 FENACRE has provided credit to member cooperatives. At present they provide credit to 218 cooperatives representing 200,000 producer members. Their main objective at present is to help cooperatives recover from the 1985 economic crisis through financing, training and technical assistance. They have used central bank funds for the lines of credit traditionally and more recently used PL 480 funds for capital improvements and financing.

FENACRE is a nationwide organization organized into 8 regions. Each region has what they call an extension specialist with general technical training.

Procedures: To qualify for a line of credit from FENACRE cooperative members must meet the following criteria:

1. Be a cooperative
2. Demonstrate good management and administration
3. Demonstrate that producer members are "good producers". If a member cooperative doesn't qualify, FENACRE helps it improve in the area necessary so that it can eventually qualify. Poor administration and management is usually the biggest problem.

FENACRE depends upon the regional extension person for most assistance to the coop and also for developing the credit application. Each cooperative's application is reviewed at the FENACRE office and also at the E.S. When approved at all levels, FENACRE signs a credit contract with the cooperative and the line of credit is then made available to the local cooperative. Coop must prove that it is qualified to sign the contract and must provide an audited financial report to FENACRE. After this, the coop is on its own in extending credit to cooperative members.

Cooperative members may receive credit in the form of inputs or cash, depending on the type of cooperative. Members pay 13%, the local cooperative takes 2% and FENACRE takes 3%. FENACRE pays 8% to E.S.

External Problems: Again, non-PL 480 related problems are those arising from normal risks inherent in agricultural production and marketing. They simply cannot assume that each year is going to be normal or average.

8. Problems identified included the insufficient point spread for FENACRE to operate on. They feel that they need at least 5% to cover administration of the credit program. There are regular problems with cooperative member delinquencies. Credit extensions are routine and frequent. This makes less

credit available for next years needs and for bringing in more cooperative members. They have noticed that when the cooperative member extends credit to producer members in the form of inputs their record is much better than those who extend credit in the form of cash.

FENACRE feels that they have excellent relations with the E.S.. They would like more guidance, more assistance in evaluating and administering the credit system. If PL 480 were to cut them off they would go back to the commercial banking system for credit, but would not be able to do nearly as much as they are doing at present.

9. FENACRE thinks that the credit program has improved income and production of participatiang cooperative members. However, they have no quantitative evidence of this. The credit program appears to be quite well administered.

10. Quicker response from the E.S. office on funding will help FENACRE make better use of its line of credit. Also, FENACRE should plan for normal variation in production due to climatic factors and variation in gross returns due to market factors. This means that they must be more flexible in repayment terms, allowing producers to extend loans for as much as one year but continue paying interest.

Name of Institution: PDAC - Alternative Agricultural Products

Individual Interviewed: Person interviewed was Guillermo Holters.

Entered PL 480 Program: PDAC has been involved with PL 480 for 4 years.

Uses of the money they receive: PCAC is trying to get farmers in the Chupare region to switch from coca production to other crops.

Narrative Description: This is a program dictated by the U.S. Government with the participation of the Bolivian Government. To date, attempts to introduce different crops in the coca growing region have failed, primarily because the price of coca is so high.

Now the emphasis is on building the infrastructure that is necessary for other crops to become commercialized, assuming that someday the price advantage of coca is lost. Coca production doesn't need the infrastructure that regular agricultural crops need.

Kinds of Loans: Not a credit program.

7. Trying to find alternatives to coca is very speculative so PDAC needs the maximum amount of flexibility in its program. Basically, the entire PDAC program is highly speculative and expensive, but the problem of coca is so great that they feel it is worth the extra cost.

Internal Problems: Perhaps the only PL 480 related problem is that there is not enough funding to really convert the coca producers, at least in the short run. Without much larger funding injections and procedures to make coca production very costly (fines, crop destruction, etc.), the chance of success appears to be very small.

9. The only identifiable benefits to date is some improvement in the infrastructure of the region, infrastructure that is not really needed for coca production and marketing.

10. Not much more can be said about this program since it is dictated by the U.S. Government.

11. The encuesta was used for PDAC. Results follow:

- Insumos are funds and administrative assistance
- Insumos are used for agricultural and forestry experiments, road construction, equipment purchases and direct assistance to other organizations.
- Benefits are more than 100KM of road improvement, and discovery of agricultural and forestry alternatives to coca.
- Not satisfied with results to date.
- Problems include high price of coca and poor markets for alternative crops.
- Funding organizations lack sufficient knowledge of the special problems involved in this project.

-Insumos are recieved on time.

-Project can be improved by improving communication with E.S. and appointing a sub-secretry of desarrollo alternativas that is professional and not political!

-Have not obtained objectives and therefore have changed them from finding directly alternative crops, to improviang infrastructure so alternative crops may be more feasible.

Name of Institution: CRS - Regional Seed Certification Association

Individual Interviewed: Interviewed Guido Revollo.

Entered PL 480 Program: CRS has been supported by PL 480 funds for two years.

Uses of the money they receive: This organization encourages certified seed production and use.

Narrative Description: They are directly involved in certifying seed, in distributing certified seed and in providing credit to seed producers. They are part of the national consejo of seed. This regional consejo has two years experience, mostly with potato and wheat seed production and certification. As of 6/30/88 they had received \$Bs 8,960 from PL 480, \$Bs 9,880 from the GOB treasury, and \$Bs 34,105 of their own income. About 65% of their PL 480 funds go for office and communication equipment. This is aside from the lines of credit.

Kinds of Loans: CRS provides lines of credit through the seed producers own cooperative or directly to producer. Applicant must demonstrate ability to produce high quality seed and meet other credit requirements. The CRS people review application. The CNS looks at credit applications but is not involved in handling the funds.

7. Credit problems are due to marketing problems, not due to poor production. Most farmers do not know how to use certified seed and are in the habit of using anything they can get. Therefore, a strong market has not developed for high quality seeds. This is a long-term problem which must be addressed before the seed programs will really be successful and financially independent.

8. At present PL 480 is funding operations and some capital needs of program. CRS is concerned because PL 480 doesn't want to be involved for the long term. However, it will be a long time before the program can be financially independent.

9. CRS doesn't know if they have been successful to date. They feel it is impossible to measure in the short term. The major problem is the eventual acceptance and demand for certified seeds.

10. Since the eventual success of this program depends upon widespread use of certified seeds more information is needed to understand the barriers to use. It is clear that certified, or at least clean seeds have a great impact on production. However, many producers do not know this, and even if they did may not know how to use certified seeds effectively. A combination of research to identify the factors limiting use of certified seed and an educational/promotional program would be valuable.

Name of Institution: MAC (INAVI) - Private Integrated Broiler Producer

Individual(s) Interviewed: Interviewed Freddy Amador Rico, Engineer and Alfredo Maldonado Gomez, Gerente General.

Entered PL 480 Program: They have one year of experience with PL 480 and are waiting for approval of this years proposal

4. This is a scheme to increase corn and wheat production.

Narrative Description: This is a private integrated broiler producer that has requested funding from PL 480 to buy corn and wheat to go into their feed producing operation. They feel this is justified because their purchases of domestic corn and wheat will improve the market for producers. At present it is cheaper to buy this stuff from out of the country. The price of sorghum and corn from Santa Cruz is higher in Cochabamba than from Santiago, Chile. Bolivia is subsidizing exports which makes Bolivian corn and sorghum cheaper outside the country than inside.

Kinds of Loans: \$500,000 in credit was approved April 1987 for broiler producers to buy corn from domestic producers. Borrowers needed to have a contract with domestic producers before they were eligible. Unfortunately, the broiler producers could not repay at end of the year because of market conditions. Three months extension was given and MAC claims that all debt was repayed at the end of this extension. The broiler producers want the same arrangement this year.

External Problems: The major non-PL 480 related problem was the depressed broiler market last year. However, this is not an unusual problem in the long term and should have been anticipated.

Internal Problems: The major PL 480 related problem was the delay in receiving approval of the proposal and receiving the necessary funds.

9. MAC could not identify any measurable benefits, although they still believe in the concept.

10. This project is somewhat strange because corn and wheat producers are already receiving assistance in various direct forms. Additional subsidy of the purchase of their product amounts to a double subsidizes and assists the broiler producers who do not appear to need assistance.

11. The encuesta was used with MAC. Results follow:

- Insumo was a line of credit
- This was used to buy domestically produced corn and sorghum
- The benefits were higher profit for MAC due to much lower cost of credit!
- They were satisfied with results because they claimed that it was the only line of credit available.
- The major problem was that it was impossible to repay the debt within 12 months.

-The program could be improved by providing a continuous line of credit on a revolving basis and not worry about specific payback periods.
-Objectives were achieved.

Name of Institution: CUINCA - Producer Cooperative

Individual(s) Interviewed: Interviewed cooperative manager, president, winery manager and winery supervisor.

Entered PL 480 Program: Has used credit from FENACRE from the beginning of their participation in PL 480 program.

Uses of the money they receive: This is a producer cooperative that buys producer products, and provides inputs, credit and technical assistance.

Narrative Description: They are a member of FENACRE and therefore provide credit on their terms. They were very satisfied with the FENACRE arrangements and had no interest in obtaining credit directly from PL 480.

They have used some FENACRE credit to construct a very small winery (8000 litres) which helps with the increase in grape production in the area. In this way, the work of PERTT and CAT are complimented by the credit made available through FENACRE, but the local organization is the cooperative, CUINCA. Unfortunately, the wine quality will have to be improved considerably before they can expand to markets outside Tarija.

6. One innovative new program that is worth watching closely is the requirement that farmer members deposit their savings with the cooperative. After some years of experience this could become the most important basis for providing credit to producer members.

External Problems: One non PL 480 related problem is the primitive base from which these types of cooperatives must operate. It is very much a bootstrap operation and small injections of outside funding can make a big difference in eventual success.

Internal Problems: No problems with PL 480.

9. While facilities are a little primitive, the cooperative appears to be well managed and if representative of the cooperatives involved in many of the PL 480 funded projects, we can be quite confident in the eventual payoff from these funds.

10. The major opportunity is to continue providing credit through the intermediaries for these types of cooperatives. Few of the cooperatives are sufficiently well organized or managed to become intermediaries themselves.

Name of Institution: CAT - Agricultural Association of Tarija

Individual Interviewed: Interviewed Jaime Antonio Castellanos, President.

4. With PL 480, CAT is a financial intermediary.

Uses of the money they receive: This association of farmer cooperatives, rural communities and individual farmers has the general objective of improving economic conditions in the rural areas by improved production, introduction of new crops and the marketing of same. CAT is also a political organization in that it promotes the interests of farmers and therefore does not receive support from the Government of Bolivia. However, in the last two years CAT has reduced its political orientation and has focused on agricultural production.

CAT now has 4000 members and provides credit, accounting support, legal assistance, economic analysis and is planning to get into more technical services such as soil testing. CAT obtains about 10% of its finance needs from the Ministry of Agriculture, the rest comes from PL 480. The PL 480 funds are used especially for financing new crops, improved seed production, soil conservation projects, etc. CAT is a member of FENACRE and therefore receives a line of credit from them on their terms. CAT is one of the FENACRE members that currently provides credit mostly in cash, but are changing to inputs as fast as they can.

CAT is a highly analytical and well organized operation. They have on-computer file comprehensive socio-economic information of each of the 4000 members. They also do an annual "production plan" for the geographic area which is used to obtain the line of credit from FENACRE. CAT has developed cost of production data for all major crops in the area which is used in preparing this production plan.

They feel that they plan their credit needs very well and are very conservative when giving lines of credit to members. To date their experience has been good (so they say) but they are new in the credit business and are learning as rapidly as they can. There are many difficulties in using commercial credit, including the paperwork, the terms and rates and the limitations on the total line of credit available. Are very happy with the arrangements with FENACRE.

They are encouraging the production of new crops through their credit offerings and research on costs of production. They are also involved in finding external markets for new crops. They have used PL 480 credit to construct a garlic warehouse and processing operation. They are encouraging more production of this and exportation to Argentina. They want more financing for this venture from USAID.

Without credit producers would not be able to experiment with new crops and inputs to production would be traditional, and output lower. Believe that the credit institution must provide credit in the form of inputs and must control output to obtain the best credit records. CAT feels that very high priority for Bolivia is a real extension service and good agricultural

research, including agronomic and economic research (genetics, soil analysis, plant analysis, market analysis etc.). They also feel that a disproportionate amount of government resources go to solve problems in the Alti-Plano where most of the people live. More should go to the margins of Bolivia where there is the greatest chance of solving the nations general economic problems.

Kinds of Loans: Their credit procedures are dictated by FENACRE and they feel that they are working very well. They want to provide more credit in the form of inputs and gain more control over products after harvest.

External Problems: Non-PL 480 related problems were the same as other credit institutions, although CAT seems to be less preoccupied with this.

Internal Problems: They suggested that the major problem with the PL 480 program is the large number of unrelated projects. They would prefer a much more integrated approach. However, CAT is an example of the integration between other PL 480 funded projects.

9. Benefits include increased production of new crops and the opportunity for exports. They could provide no substantive evidence of this.

10. CAT appears to be large enough, and with some improvement in accounting and management could become an ICI itself. This would cut out one level in the line of credit, FENACRE.

Name of Institution: UDAPE - Economic Policy Analysis Group

Individual(s) Interviewed: Interviewed Gonzalo Afcha de la Parra, executive director.

Entered PL 480 Program: Financial support from PL 480 began September 1987.

Uses of the money they receive: This is an economic policy analysis unit loosely under the Ministry of Planification.

Narrative Description: This group of 15 economists assist in developing government economic policy. It is basically a research organization administered by a board of directors made up of the secretaries of treasury, agriculture, commerce, commerce, planning and the president of the central bank. An extensive evaluation of UDAPE was undertaken in 1985 and 1988 by Ken Jameson. This was requested because of the unusual nature of this organization within government and because USAID funds were being used for an organization clearly unrelated to rural development. The Jameson evaluation was glowingly positive with only a few suggestions for improved internal management and a longer term orientation to the research. Jameson also suggested that more of their research results be published and widely distributed. Jameson interviewed all users of UDAPE analysis and said that:

"They were unanimous in their high regard for the UDAPE contribution to the policy process, and their main concern was that its continuation be assured."

Jameson went on to say that all but one of the six UDAPE projects studied intensively had a direct policy effect in the GOB. Jameson did not address the long term funding question in his evaluation.

Kinds of Loans: Not a credit institution.

External Problems: Main problem is lack of resources in the Government of Bolivia to carry out this important task resulting in dependence on USAID.

Internal Problems: When asked about problems with PL 480 they put on their economic policy analysis hats and suggested that the main problem with PL 480 is that the commission conjunto has the authority to administer the E.S. more tightly, but they simply don't do it. UDAPE thinks that the E.S. needs to concentrate the use of funds and work more in agreement with G.O.B. policies.

While UDAPE did not address this, it appears that one problem with the separate funding of an office that performs fundamental government work is that a separate elite is created, especially with the much higher rates of pay. This damages morale within the line agencies of the government. It is clearly a dilemma since this unit is so valuable.

9. Gonzalo argued that the Government receives continuous and direct benefits from this group, and this is confirmed in the Jameson evaluation. Recently they have developed a wheat marketing data base and thinks that it works well. Interesting that the secretary of commerce and tourism is asking for the same thing and it already exists at UDAPE.

10. It was difficult to observe tangible products from UDAPE. They gave us some documents, meant for GOB eyes only. However, the Jameson evaluation found tangible and substantiable evidence of benefits. Additional benefits may be obtained if research results are more widely distributed and known. This is such an important function of government it should be one of the highest priorities for direct government funding. If direct government funding is not possible, at least UDAPE should become more integrated into one or more of the ministries. The recent creation of the board of directors is a move in this direction.

Name of Institution: CNS - National Seed Certification Association

Individual Interviewed: Interviewed Isabel Canedo.

Entered PL 480 Program: PL 480 provided support after 1986.

Uses of the money they receive: This is the national office of the regional seed groups. Basically providing credit to seed producers, but also financing operations and structure of CNS as well as the 7 CRS's.

Narrative Description: Most of the activity is at the regional levels where credit is handled, seed cleaning and certification facilities are operated and the production and use of certified seed is promoted. The national office is the coordinator.

Production of seed and certification of seed has increased rapidly since PL 480 support began. Currently \$1.2 million is available for credit to seed producers. There is a big promotion now for Garlid seed production and CNS wants more PL 480 support for additional promotion of all types of certified seed.

6. See producers apply to the CRS using a standard form. The CRS technologist visits the applicants operation to confirm the information and give advise on improved practices. Applicant must follow correct production procedures or he (she) can no longer use this credit source. After the papers have been confirmed and approved at the CRS, they are forwarded to the ICI and after approval there they are forwarded to the CNS which also has to approve of them. Terms are 8% to CNS, 10% to the CRS and 13% to the grower. CNS couldn't explain what the ICI got and why they were involved if CNS was doing the work. Approximately 30% of the outstanding debt was overdue. Terms are regularly extended for three months.

External Problems: The general problem is as stated under the CRS, lack of familiarity and benefits with certified seed. This requires continuous promotion which CNS is now doing.

Internal Problems: No problems with PL 480 were mentioned.

9. The general benefits of increased certified seed use was mentioned previously. However, it is not clear what benefits are gained by the participation of the CNS. Much of what the CNS is doing could be done effectively at the regional level.

10. There is an opportunity to determine whether the national office functions could be better performed at the regional levels. If there is a purpose for the national office, it may be purely politics.

Name of Institution: CUMAT - Center for Improved Land Use

Individual(s) Interviewed: Juan Carlos Quiroga, Gerente General was interviewed.

4. Land use mapping is their bag.

Narrative Description: CUMAT has studied many areas of Bolivia intensively and extensively and have produced detailed land use maps with accompanying books for these areas. Their technical output is impressive. The idea is that these maps would be used in deciding which crops to promote where. A good example is their study of the Chupare region which shows only 1 percent of the land appropriate for agriculture. This is mostly because of too much rain in too short a period. Nevertheless, the GOB and AID are spending millions to find alternative crops there. They expressed their frustrations that foreigners don't understand the ecology of the various regions of Bolivia and spend millions attempting to establish inappropriate agriculture there. Meanwhile, CUMAT has all this good information that they ignore.

Kinds of Loans: Not a credit institution.

External Problems: The main non-PL 480 related problem is the lack of use of CUMAT output and the lack of understanding of the countries ecology in general.

Internal Problems: The main frustration with PL 480 is that they are funding CUMAT work and are not using it to screen the thousands of other proposals received.

9. The benefits could be substantial if the output were more extensively used, but to date the only tangible benefits are the maps and publications themselves.

10. Opportunities for improvement include a little more humility in the CUMAT office and some strong promotion of the publications and maps. Along with promotion, some education of agencies might be appropriate. This project has the potential of becoming self financing in the future, once the economic value of the products are better recognized.

Name of Institution: PAHS - Land Settlement Program

Individual Interviewed: Interviewed Virginia Grover

4. Assisting colonists in newly developing regions of the country.

Narrative Description: The objective of this private organization is to help the colonists through direct financing, educational programs and infrastructure improvement. They use PL 480 funds to provide emergency food, provide transportation, provide health services, supply seeds, provide tools and provide equipment such as chain saws and tractors, teach the children and adults and finally construct buildings, fences and other structures.

There are many problems with the colonization program, from difficulties in adjusting to another climate, the complete lack of infrastructure and communication with the outside world and exotic sicknesses. It appears that the colonists are quite dependent upon PAHS for survival.

Kinds of Loans: Not a credit institution.

External Problems: Most of the problems that PAHS is dealing with are extreme and are typical of any colonization. The problems are social, cultural, climatic, economic, health, etc.

8. PAHS feels that decisions taken in the ES are much too personal. This gives rise to continuous uncertainty in funding and much anxiety for the people depending on PAHS for survival.

9. The tangible benefits include the equipment, food, medicine, etc. that is purchased with PL 480 funds. The less tangible benefits include the survival and health of the colonists. This is less tangible because it is not clear what difference the assistance is making. It may be possible that without assistance, the colonists might make the more difficult adjustments necessary for survival, including emigration.

10. The greatest opportunity is to learn more about the real potential for self subsistence in the region (upper Beni). If the probability of self subsistence is small, the cost of continued assistance cannot be justified. Some of the work of CUMAT can be used to determine the eventual agricultural productivity there. Regarding the Administration of PL 480, they think that it is better to give certain funding for 2 or more years rather than deciding each year.

Name of Institution: Fe Y Alegria - Radio Instruction Program for Children

Individual(s) Interviewed: Interviewed Jaime Reyes Velasquez, Director, Benigno Flores Canavari, Victor Altamarino Tarifa, Concepcion Toro Lopez and Filemoa Heridia Laura, all profesores.

Entered PL 480 Program: This is a newly funded program. In fact they have not yet submitted their proposal.

Uses of the money they receive: They have a radio education program for young children in the remote areas of Bolivia.

Narrative Description: They produce educational materials on cassette tapes and written materials for cooperating radio stations and schools in the remote regions of Beni, Cochabamba and Santa Cruz. They are working with more than 100 schools and 10,000 6 to 7 year old children. Next year the program will be expanded to Oruru, Chucisaca and Tarija.

Kinds of Loans: Not a credit institution.

External Problems: The major problem is general gross underfunding of educational programs and the remoteness of some schools. Teachers in some schools have not even finished high school themselves yet. This continues to bring down the quality of education for the country.

Internal Problems: No problem with PL 480, especially since they received their funding even before the proposal was written!

9. Too soon to know what additional benefits will be derived from the PL 480 funding. They couldn't tell us if PL 480 just substitutes for lost funding or will allow them to do something new and different.

10. It is difficult to understand why this program is not part of the ministry of education. Perhaps this is another case of supporting a separate organization, creating a well paid elite and driving down the morale of the official government agency.

Name of Institution: Banco de Cochabamba

Individual(s) Interviewed: Interviewed Fernando Sanchez de Lozada and two vice presidents.

Uses of the money they receive: They offer a line of credit to producers, artesanal craftspeople and small industries.

Narrative Description: They have had five years of experience with agricultural credit. Much of this was financed from the central bank and until the past year have had a good experience. Now they prefer to concentrate on artesanal crafts and small industrial loans.

Kinds of Loans: They follow typical bank procedures. Short term loans are typically 80 days, but are now loaning for as much as 10 months. PL 480 loans go out at 13%. They currently have \$18 million available from PL 480. Their experience with farmers is "very bad". They wouldn't or perhaps couldn't say just how bad.

External Problems: The major problem is the bank is not set up to provide technical assistance. They do provide some in Santa Cruz, but it is not enough. With more technical assistance they feel that their record would be better. But they also admit that many farmers just don't understand the concept of credit.

Internal Problems: No problems with PL 480.

10. Banks seem to have difficulty understanding the agricultural credit peculiarities and often get themselves into trouble. There is no reason why agricultural credit should be any more costly than other types of credit, once the needs and risks are understood. However, it seems unlikely that the commercial banks will ever have enough interest or enough courage to really get into the agricultural lending business. The agriculturally oriented ICI seem to have a head start on this and only need some improvements in procedures and accounting, whereas the commercial banks need a complete education which is more difficult.

APPENDIX D
INSTITUTIONS AND INDIVIDUALS
INTERVIEWED

INDIVIDUALS INTERVIEWED

G. Reinald van Raalte
 H. Robert Kramer
 John A. Fasullo
 Darrell McIntyre
 Raymond Victorine
 Hernan Munoz
 Osvaldo Vega

ORGANIZATION

Director USAID/B
 Sub-Director USAID/B
 ARD/USAID/B
 ARD/USAID/B
 ARD/USAID/B
 ARD/USAID/B
 ARD/USAID/B

Fernando Urquidi
 Guillermo Justiniano
 Freddy Teodovic
 Slavica De Machicao
 Freddy Salas

US Embassy, La Paz
 Ministro de AA.CC. y Agropecuarios
 Sub-Secretario del MICT
 Unidad de Trigo - MICT
 Asociacion de Industriales
 Molineros - ADIM-La Paz

Gonzalo Escobari
 Jorge Hidalgo
 Freddy Belmonte
 Carlos Prado
 Javier Bedregal
 Luis Teran
 Guillermo Rivera
 Jorge Cuellar
 Mario Zurita
 Jorge Rosales
 Victor Alba
 Oscar Eterovic
 Belisario Rios
 Carlos Martinez
 Juan Antezana
 Luis Arevalo
 Nevardo Vargas

ADIM-La Paz
 Molino Andino-La Paz
 Empresa Nal. de FF.CC.
 Administraci 'n Aut 'noma AADAA-La Paz
 AADAA-La Paz
 Molinos Rio Grande-Santa Cruz
 ANAPO-Santa Cruz
 ANAPO-Santa Cruz
 ANAPO-Santa Cruz
 Consejo de Semillas-Santa Cruz
 Molino San Luis-Cochabamba
 Molino San Luis-Cochabamba
 Molino Samalco-Cochabamba
 Molino El Gallo-Cochabamba
 CIAPROT-Cochabamba
 CIAPROT-Cochabamba
 Asociacion de Productores de Trigo
 APT-Cochabamba

Carlos Brockmann
 Jorge Noda
 Luis Jord n

PL-480 Executive Secretariat
 PL-480 Executive Secretariat
 PL-480 Executive Secretariat

ORGANIZATIONAL PARTICIPANTS

ACAF - Association of CAO, ASPAR, and FENCA
 ANAPO - Association of Oilseed and Wheat Producers
 ARADO - Agency for Agricultural and Rural Development
 BBA - Bolivian American Bank
 Bank of Cochabamba
 Bank of Santa Cruz
 Bolivian Evangelic University
 CACEN - National Savings and Loan Housing Bank
 CAISY - San Juan Yapacani Integral Services Cooperative
 CAO - Association of Agricultural Cooperatives of the East
 CAT - Tarija Agricultural Association
 CEAB - Educational Center for the Bolivian Adventist Church
 CIAT - Center for Tropical Agricultural Research

CNS - National Seed certification Association
CRS - Regional Seed Certification Association
CUMAT - Center for Improved Land Use
Cuinca - producer cooperative
DESEC - Center for Social and Economic Development
FE Y ALEGRIA - Radio instruction program for children
FENACRE - National Association of Savings and Loan Cooperatives
FHI - Food for the Hungry International
LIDEMA - League for Protection of the Environment
MAC - Private integrated broiler producer
PAHS - Land settlement program
PDAC - Alternative Agricultural Products
PERTT - Tarija Land Rehabilitation program
PRODEM - Small Business Development Program
PROMASOR - National Association of Maize and Sorghum Producers
UDAPE - Economic Policy Analysis Group

APPENDIX E
SUMMARY OF BENEFICIARY
INTERVIEWS

EVALUACION PROYECTOS COCHABAMBA

A: NEW MEXICO STATE UNIVERSITY
DE: SRITA. Ma. ISABEL BLACUTT
SUPERVISOR DE P.L.-480
REF: INFORME DE ENCUESTAS

Los proyectos visitados en el departamento de Cochabamba con fines evaluativos fueron los siguientes; ARADO, DESEC' FENACRE y Consejo Regional de Semillas de Cochabamba.

ARADO

Este proyecto agrícola fué financiado por P.L.-480, tiene como objetivo la producción de semilla de papa y abarca algunas localidades de las provincias Carrasco, Campero y Tiraque del departamento de Cochabamba.

Para fines de evaluación se ha encuestado a 21 beneficiarios, encontrándose que la participación de estos en dicho proyecto alcanza a un número promedio de 10 años; proveyéndoles de semillas, fertilizantes e insecticidas tanto a pequeños como a medianos agricultores, además de equipo de labranza y yuntas, estos últimos en muy pequeña cantidad y no a todos los participantes.

En cuanto a los problemas específicos que el agricultor encuentra estos son de dos tipos, externos e internos. Ahora bien, refiriéndonos a los primeros se ha podido ver que un 76% de los encuestados tienen problemas de plagas, heladas y en alguna medida sequía.

Los problemas internos al proyecto son del orden de un 84%, encontrándose en orden de importancia:

- La entrega tardia de los insumos citados anteriormente, sobre todo fertilizantes.

- La provisión de mala calidad de semilla en la gestión 86-87, que tuvo consecuencias negativas para los agricultores.
- La cantidad de insumos provistos, no satisfizo los requerimientos de los campesinos, pues ellos desearían una cantidad mayor para habilitar más terrenos, y de esta manera incrementar su producción.

Así mismo se ha provisto de asistencia técnica adecuada, la cual ha abarcado un 90% de las personas encuestadas; y ha sido positiva en el sentido de haber obtenido un mayor rendimiento, logrando de esta manera muy buenas cosechas; peso vale la pena señalar que ha tenido deficiencias, pues en un 10% de los casos esta asistencia no ha llegado a su debido tiempo ni ha abastecido a todos los agricultores.

Existe una opinión generalizada entre las personas encuestadas, respecto a que un mayor cantidad de campesinos participe del proyecto, ya que con asistencia técnica los rendimientos por parcela son mayores lo que trae beneficios tanto personales como regionales.

Las sugerencias recogidas para que el proyecto funcione en forma más efectiva son las siguientes:

- Mayor cantidad de préstamos en especies
- Préstamos en efectivo
- Mayor asistencia técnica
- Una tasa de interés menor
- Ampliación del plazo de pago

En cuanto a los objetivos que el proyecto contempla estos se pueden enmarcar en:

- Incorporar al programa de producción de semilla de papa a los asociados de bajos recursos económicos mediante la otorgación de semilla de papa y fertilizantes.
- Lograr la producción comercial de semilla de papa de alta calidad genética y sanitaria, mediante técnicas de producción apropiadas para la región.

- Capacitar a los beneficiarios y su dependientes en técnicas de producción, uso de insumos y comercialización de la producción.

De los cuales se puede afirmar que, mediante el estudio realizado, se están cumpliendo en forma efectiva tanto el primero como el tercero.

DESEC

Este proyecto forestal financiado por P.L.-480 está destinado a la producción de diferentes tipos de plantas con el objeto de forestar y reforestar algunas zonas del departamento de Cochabamba, (Valle alto y otros) evitando de esta manera la erosión de la tierra.

Para tales fines se cuenta con tres viveros:

- Cocaraya
- Zapata Rancho
- Pojo

Los dos primeros se encuentran en funcionamiento hace 3 años, preveyéndose que el último lo haga en los próximos meses.

Para fines de evaluación se ha encontrado a 22 beneficiarios, encontrándose que la participación de estos en dicho proyecto alcanza a un número promedio de 2 años.

El proyecto está dirigido en su generalidad a las comunidades agrícolas cercanas a la ubicación de los viveros; proveyéndole de plantas de pino e eucalipto, así como equipo de trabajo para la plantación de estas.

En cuanto a los problemas específicos que los beneficiarios encuentran, estos son de dos tipos, externos e internos. Refiriéndonos a los primeros se ha podido ver que un 64% de los encuestados tienen problemas de sequías y heladas.

Los problemas internos al proyecto son del orden del 9%, encontrándose en orden de importancia.

- La entrega tardía de las plantas
- Las grandes distancias que el campesino debe recorrer para obtenerlas.

Así mismo se ha previsto de asistencia técnica adecuada a los beneficiarios de este un 91%, y ha sido positiva en el sentido de haber capacitado al campesino para dar un adecuado trato a las plantas, con proyecciones de beneficios futuros personales y comunales, debemos indicar además que el 9% restante no ha gozado de la asistencia técnica prometida.

Los comunarios de las regiones visitadas manifiestan por otro lado, que existe una mala organización en cuanto a la forma de trabajo, la cual es muy particular y consiste en dedicar un día de trabajo voluntario por semana a la plantación y cuidado de los insumos recibidos, pero como no existe forma de obligar a todos los miembros de la comunidad a que lo hagan, sólo son unos pocos los que trabajan resultando el beneficio para todos. Además de esto, se afirma que el proyecto les ofreció alimentos por trabajo, sin embargo estos no han llegado a sus manos.

Existe una opinión generalizada entre las personas encuestadas, respecto a que una mayor cantidad de campesinos, participe del proyecto por la siguiente razón: con una mayor participación, existirá mayor fuerza de trabajo, un mayor grado de forestación y los beneficios a largo plazo también serán mayores tanto para la comunidad en su conjunto como para cada familia en particular.

Las sugerencias recogidas para que el proyecto funcione en forma más efectiva son las siguientes:

- Construcción de un dique para riesgo
- Asistencia técnica más coordinada y continua
- Capacitación campesino en áreas vinculadas al proyecto

En cuanto a los objetivos que este proyecto contempla, estos se enmarcan en:

- Forestación de algunas zonas del departamento de Cochabamba, con el fin de evitar la erosión.
- Mejorar el equilibrio ecológico de las zonas forestadas
- Mejorar en un largo plazo el nivel de vida del campesino

Podemos afirmar que los dos primeros objetivos citados anteriormente se están cumpliendo en mayor o menor medida, siendo todavía muy pronto hacer apreciaciones sobre el tercero de ellos.

FENACRE

P.L.-480 por intermedio de FENACRE financia proyectos agrícolas para cultivos anuales de productos específicos, a personas individuales pertenecientes a dos cooperativas ubicadas en la provincia Punata del departamento de Cochabamba, las cuales son:

- Cooperative Integral de Cochabamba
- Cooperativea San José de Punata

Para fines de evaluación se ha encuestado a 25 beneficiarios, encontrándose que la participación de estos en dicho proyecto alcanza a un número promedio de 6 años, proveyéndoles de dinero en efectivo para la compra de semillas, fertilizantes, insecticidas, fumigadores y equipo de trabajo, por otro lado debemos señalar que hubo un acceso fácil y oportuno al crédito.

En cuanto a los problemas específicos que el agricultor encuentra estos son de dos tipos, externos e internos. Refiriéndonos a los primeros se ha podido ver que el 100% de los encuestados tiene problemas climatológicos y de plagas.

Los problemas internos al proyecto son del orden de un 48%, encontrándose en orden de importancia.

- Entrega retrasada del crédito en algunos de los años pasados.
- Demasiada burocracia en las gestiones anteriores.

Así mismo se ha provisto de asistencia técnica adecuada a la cual ha abarcado un 80% de las personas encuestadas, y ha sido positiva en el sentido de haber obtenido un mayor rendimiento, logrando de esta manera muy buenas cosechas así como capacidatación agrícola campesina, pero vale la pena señalar que ha tenido deficiencias, pues en un 20% de los casos está asistencia no ha llegado a su debido tiempo ni ha abastecido a todos los agricultores.

Respecto a que una mayor cantidad de agricultores se beneficie del crédito, el 12% está en contra, pues ellos manifiestan que el monto de crédito por persona se vería reducido; mientras que el restante 88% opina que todos los campesinos necesitan crédito y asistencia técnica para mejorar su productividad.

Las sugerencias recogidas para que el proyecto funcione en forma más efectiva son las siguientes:

- Monto del crédito mayor
- Crédito a largo o mediano plazo
- Mayor asistencia técnica.

Los objetivos que este proyecto contempla están enmarcados en:

- Ayudar al campesino de bajos ingresos a incrementar su productividad mediante la otorgación de semillas y fertilizantes.
- Capacitar a los beneficiarios y sus dependientes en técnicas de producción y uso de insumos
- Mejorar el nivel de vida del campesino

Es importante señalar que el cumplimiento de estos objetivos está siendo efectivo en mayor o menor medida.

CONSEJO REGIONAL DE SEMILLAS DE COCHABAMBA

El Consejo Regional de Semillas que recibe financiamiento de P.L.-480 tiene como objetivo la producción de semilla mejorada de trigo, es decir, semilla pura, de una variedad o híbrido que

se adapte a las condiciones de cada región, libre de enfermedades y de semillas de malezas y que tengan una buena germinación.

El proyecto está destinado a beneficiar a los campesinos de algunas zonas del departamento de Cochabamba a través del acopio, selección, tratamiento y acondicionamiento de semilla de trigo.

Para fines de evaluación se ha encuestado a solo 9 beneficiarios, debido a la dificultad que se tuvo para encontrarlos, llegando a la conclusión de que la participación de estos en dicho proyecto alcanza a un número promedio de 2 años; proveyéndoles de semillas, fertilizantes y herbicidas tanto a pequeños como a medianos agricultores.

En cuanto a los problemas específicos que el agricultor encuentra, estos son de dos tipos, externos e internos. Refiriéndonos a los primeros se ha pedido ver que el 100% de los encuestados tienen problemas climatológicos y de plagas.

Los problemas internos al proyecto son del orden del 44% encontrándose en orden de importancia.

- Entrega de mala calidad de semilla en la gestión 86-87, con las consiguientes consecuencias negativas para el agricultor.
- Atraso en la entrega de semilla.

Así mismo se ha previsto de asistencia técnica adecuada, la cual ha abarcado un 78% de las personas encuestadas, y ha sido positiva en el sentido de haber obtenido un mayor rendimiento, logrando de esta manera muy buenas cosechas así como capacitación agrícolas campesina; el 22% restante no recibió la asistencia técnica prometida.

Existe una opinión generalizada entre las personas encuestadas, respecto a que una mayor cantidad de campesinos participe del proyecto, pues de esta manera la región se verá favorecida con una mayor producción, con los beneficios consiguientes que este incremento traería consigo.

Las sugerencias recogidas para que el proyecto funcione en forma más efectiva son las siguientes:

- Mejor organización
- Entrega de semilla mejor seleccionada
- Mayor asistencia técnica
- Crédito en efectivo para compra de equipo

Los objetivos que contempla este proyecto están enmarcados en:

- Producir semilla mejorada de trigo
- Ayudar al campesino a incrementar su productividad mediante la otorgación de semilla mejorada y fertilizantes.
- Mejorar el ingreso familiar del campesino.

Todos los cuales están en vía de ser cumplidos; no contando todavía con resultados objetivos, para una mayor apreciación.

CHUQUISACA

Los proyectos visitados en el Departamento de Chuquisaca con fines evaluatorios fueron los siguientes: Consejo Regional de Semillas de Chuquisaca, Avicultura e Infraestructura.

CONSEJO REGIONAL DE SEMILLAS DE CHUQUISACA

El Consejo Regional de Semillas que recibe financiamiento de P.L.-480 tiene como objetivo la producción de semilla mejorada de trigo, es decir, semilla pura, de una variedad o híbrido que se adapte a las condiciones de cada región, libre de enfermedades y de semillas de malezas y que tengan una buena germinación.

El proyecto está destinado a beneficiar a los campesinos de algunas zonas del departamento de Cochabamba a través del acopio, selección, tratamiento y acondicionamiento de semilla de trigo.

Para fines de evaluación se ha encuestado a 22 beneficiarios, encontrándose que la participación de estos en dicho proyecto alcanza a un número promedio de 2 años; proveyéndoles de semillas, fertilizantes y herbicidas tanto a pequeños como a medianos agricultores.

En cuanto a los problemas específicos que el agricultor encuentra, estos son de dos tipos, externos e internos. Refiriéndonos a los primeros se ha pedido ver que el 100% de los encuestados tienen problemas climatológicos y de plagas.

Los problemas internos al proyecto son del orden del 18% encontrándose en orden de importancia.

- Retraso en la entrega de los insumos.
- Mucha distancia que recorrer para obtener la semilla.

Así mismo se ha previsto de asistencia técnica adecuada, la cual ha abarcado la totalidad de las personas encuestadas, y ha tenido deficiencias en el sentido de haber sido estas, en algunos casos, esporádicas y no muy bien orientadas.

Existe una opinión generalizada entre las personas encuestadas, respecto a que una mayor cantidad de campesinos participe del proyecto, pues de esta manera los rendimientos regionales, serán mayores, además de que podrán vender sus cosechas a precios mayores debido a la mejor calidad.

Las sugerencias recogidas para que el proyecto funcione en forma más efectiva son las siguientes:

- Entrega de semilla mejor seleccionada
- Asistencia técnica permanente
- Capacitación campesina por medio de hacerlas orientadas hacia los objetivos del proyecto.

Los objetivos que contempla este proyecto están enmarcados en:

- Producir semilla mejorada de trigo

- Ayudar al campesino a incrementar su productividad mediante la otorgación de semilla mejorada y fertilizantes.
- Mejorar el ingreso familiar del campesino.

Los cuales, individualmente se están cumpliendo en forma efectiva en mayor o menor medida.

AVICULTURA

P.L.-480 por intermedio del banco de Cochabamba, Banco de Santa Cruz y Banco Nacional de Bolivia, financia proyectos de carácter avícola en el departamento de Chuquisaca, destinados a desarrollar granjas avícolas de pequeños y medianos avicultores, situados en su mayoría en la provincia Oropeza de dicho departamento.

Para fines de evaluación, se ha encuestado a 14 beneficiarios, encontrándose que la participación de estos en dicho proyecto alcanza a un número promedio de 2 años, proveyéndoles de dinero en efectivo para la compra de alimento balanceado, pollitos bebé y en algunos casos para desarrollar la infraestructura de la granja.

En cuanto a los problemas específicos que el avicultor encuentra estos son de dos tipos, externos e internos. Ahora bien, refiriéndonos a los primeros, se ha podido ver que el 100% de los casos tiene problemas de mercado, debido a que en la actualidad existe una sobre oferta de pollos parrilleros (que son los que estas granjas producen) en el mercado interno, ya sea por la internación legal o ilegal de este tipo de productos en nuestro país, todo lo cual provoca que los precios sean bajos y apenas cubran los gastos de producción de los avicultores, dejándoles poco o ningún margen de utilidad.

Los problemas internos al proyecto afectan al total de las personas encuestadas y son en orden de importancia los siguientes:

- Monto del crédito pequeño, que no satisface los requerimientos de los avicultores.

- Corto plazo del crédito (un año)
- Demora en la otorgación del crédito debido a la burocracia.

Así mismo, debido a la naturaleza del crédito que es canalizado a través de los bancos no existe asistencia técnica de ningún tipo la cual es necesaria para la mayor productividad de la granjas.

Respecto a que una mayor cantidad de avicultores se beneficie del crédito, la opinión generalizada es contraria a esta idea, pues ellos manifiestan que debido a la actual situación de crisis en el mercado esto traería sólo consecuencias negativas para ellos.

Las sugerencias recogidas para que el proyecto funcione en forma más efectiva son las siguientes:

- Proveer de asistencia técnica adecuada para generar mayores rendimientos por granja.
- Créditos mayores
- Ampliación del plazo de pago

En cuanto a los objetivos que encara el proyecto estos son más de tipo personal a la carencia de un programa conjunto que los asocie, y podrían resumirse en:

- Mayor producción avícola
- Mayores utilidades
- Competencia más igualitaria con otras regiones del país dedicadas a la misma actividad.

Podríamos afirmar, en base al trabajo realizado, que al menos las personas encuestadas, si bien han recibido crédito, no han sabido encaminar en forma eficiente este por falta de un buen asesoramiento técnico, por lo que los objetivos anteriormente citados no han sido cumplidos en su mayoría.

A modo de conclusión y comentario debería incentivarse y apoyarse en un futuro, a la Asociación avícola del departamento de Chuquisaca, pues si bien esta existe, solo se limita a asociarlos, ya que no cuenta con un equipo técnico capaz de llevar a cabo tareas de capacitación y asesoramiento efectivo a estos pequeños productores.

INFRAESTRUCTURA

Como parte de nuestro trabajo y saliendo un poco de la orientación agrícola de los anteriores proyectos presentados, hablaremos ahora sobre las diferentes obras realizadas en la ciudad de Sucre con la cooperación de P.L.-480, CARITAS, Alcaldía Municipal de Sucre y ELAPAS.

Para fines de evaluación se visitaron 4 diferentes proyectos en dicha ciudad, los cuales fueron:

- Poteo Barrio C. Maurer
- Poteo Villa San Antonio Bajo
- Muro de Contención Delicias
- Polifuncional de la Florida

Encuestándose a 8 personas que colaboraron con la ejecución bajo la siguiente modalidad: las personas pertenecientes a la zona donde se realiza la obra colaboran con un día de trabajo voluntario semanal, recibiendo a cambio alimentos por parte de CARITAS, asesoramiento técnico por parte de la Alcaldía Municipal de Sucre y ELAPAS y materiales de construcción financiados por P.L-480.

Estas obras fueron realizadas en la gestión de 1987 beneficiando a una gran cantidad de personas de la siguiente manera:

- Mejoramiento de la zona
- Habilitación de nuevas rutas
- Mayor higiene y salud para la comunidad
- Construcción de edificios públicos para uso comunal.

La opinión general está centrada en que deberían incentivarse este tipo de proyectos, pues mediante una colaboración conjunta se pueden lograr grandes obras en beneficio general.

Las sugerencias recogidas para que este tipo de proyectos funcionen en forma más eficiente son las siguientes:

- Complementar las obras realizadas bajo esta modalidad
- Asignación de mayores recursos financieros a proyectos similares

En cuanto a los objetivos, podría afirmarse que estos se han cumplido en su totalidad, como ser:

- Mejoramiento del barrio
- Mejores condiciones de vida para la gente beneficiada.

A modo de concluir vale recalcar que este tipo de proyectos dan buenos resultados en beneficio de la comunidad en su conjunto, pues constituyen obras sociales que contribuyen al desarrollo de la ciudad.

EVALUACION PROYECTOS POTOSI

A: NEW MEXICO STATE UNIVERSITY
DE: SR. GERARDO POLO
SUPERVISOR DE P.L.-480
REF: INFORME DE ENCUESTAS

CONSEJO REGIONAL DE SEMILLAS

Proyecto de semilla básica de papa

Actividades

- Inspección y sonificación fitopatológica de los lotes semilleros: Se analiza y se cuida el buen desarrollo de la semilla en el campo. Se estudio y elabora un mapa que identifica a cada región con las principales plagas que afectan a las semillas. Esta actividad es el 60% del trabajo de esta institución y se los cumple completamente, ya que los mínimos recursos que tienen son suficientes.

- Acondicionamiento de semilla de cereales: Se separa impurezas de las semillas. No se la mejora en planta industrial. En la actualidad se busca una mayor credibilidad por parte de los campesinos, para esto se mejoró el rendimiento de la semilla y se obtiene mejor calidad en el producto, paralelamente esto requiere de un mercado más amplio. Es una necesidad muy grande el contar con un mercado mayor y con un sistema eficiente de comercialización que asegure la venta y estabilidad en los precios de los productos agropecuarios. El nivel de repuesta de los campesinos, a este tipo de incentivos, es elevado ya que su producción es muy sensible a las señales de mercado como ser los precios y el nivel de la demanda.
- Laboratorio: Se estudia, se analiza y se experimenta con las semillas del lugar para conseguir un incremento en la calidad y rendimiento de la semilla.
- Mercado: Se estudia la demanda del mercado y en base a esto se hace proyecciones de la producción y su nivel de crecimiento en el departamento. En la gestión de 1986 - 1987, se trabajó con la semilla del productor que tiene el campesino. El nivel de producción de semilla fue:

Papa: 135.7 Toneladas

- 45.7 Fueron fiscalizadas de acuerdo a rangos de tolerancia
- 90.0 Fueron autorizadas. Este rango pertenece a categorías menores en fitosanidad.

Trigo: 4.5 Toneladas

- En este ramo de producción no se tiene estimado porque no existen expectativas de venta.

Cebada: 4 Toneladas

Avena: 2.5 Toneladas

- También se cuenta con un estudio de mercado que fue estimado en función al requerimiento de algunas instituciones como CARITAS, que trabaja en desarrollo agrícola y luego la Comunidad Económica Europea. Para la gestión 1989 - 1990 se estimo:

Demanda	956.63 TM
Oférta	780.83

Deficit	175.8
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Financiamiento

El Consejo Regional de Semillas funciona con fondos de donación y crédito. En la gestión de 1986 - 1987 se le otorgó una donación de \$6.061 (U.S.) que fué un apoyo para cubrir los gastos del Consejo. Se gasta en viáticos y pasajes para promocionar el uso de la semilla mejorada.

Se tiene comprometido un crédito de 175.000 (U.S.) que no fue desembolsado por no tener ICI (Institución Crediticia Intermediaria). En la gestión 1987 - 1988 se comprometió \$5.436 (U.S.) que no fueron desembolsados por que se rechazaron los descargos financieros que envió la institución, estos estaban incompletos.

El Tesoro General de la Nación no apoyó al Consejo en la Gestión de 1986 - 1987; pero sí lo hizo en la gestión 1987 - 1988.

El financiamiento de P.L.-480 apoyó en 1986-87 y no lo hizo en 1987-88, por las razones expuestas anteriormente. Actualmente, se planea trabajar con FENACRE y CACEN que son las ICI'S que requerían el consejo. Se envió el proyecto correspondiente y se está esperando la Carta de Entendimiento (aceptación y condiciones).

Ahora la institución no provee de semillas los productores, simplemente asesora y mercadea. Generan recursos por certificar semillas, lo cual le permitió cumplir con una buena parte del

plan de actividades. Se tiene un desarrollo gradual de la semilla hasta llevar a la semilla mejorada. Se trabajó con PROCECP (Proyecto de Semilla de Papa, avalada por P.L.-480).

Con recursos que se dispone se puede cubrir muy apretadamente una parte del plan de actividades. El objetivo que persigue la institución es el de lograr el autofinanciamiento.

Un aspecto muy importante a resaltar es que no se puede tomar el mismo parámetro para medir este proyecto comparándolo con Chuquisaca y Santa Cruz ya que es muy reciente y se encuentra en su etapa de "Despegue". Lo que se necesita para su maduración y eficiente funcionamiento es tiempo, por lo menos 5 años como cualquier otro proyecto refinanciado.

También se cuenta con estudios y proyecciones del MACA (Ministerio de Asuntos Campesinos) que muestran posibilidades ciertas en la exportación de la papa.

CACEN - MUTUAL POTOSI

Crédito Para Vivienda y Necesidades Familiares

Otorga créditos a pequeños comerciantes para la compra-venta de productos de consumo. Sus créditos apoyan el comercio en mercados, galerías comerciales, también apoyan a artesanos, carpinteros, peluqueros, etc.

Plazo: 1 año, los intereses de paga mensualmente

Interés: 3% mensual

Garantía: Hipotecaria y personal

Tipo de Crédito: Se otorga y se cobra en dólares Americanos

Problemas Debido a Factores Externos

- No hay mucho movimiento comercial (30%)
- El mercado de la divisa es muy restringido y no se puede obtener dólares fácilmente (66%)
- Las comisiones que se debe pagar a los abogados que asesoran a los comerciantes son altas (30%)

- El nivel de los beneficios que se obtiene en la comercialización depende mucho de la situación económica general del país y, sobretodo del nivel de ingresos de los consumidores (90%).

Problemas Debido a Factores Internos

- Los trámites son morosos y el tiempo de desembolso del crédito depende de estos (60%)
- La tasa de interés del 3% mensual es muy alta, y esto reduce significativamente el nivel de los beneficios que se obtiene en el comercio (100%)
- Los intereses se cobran por adelantado en el momento en que se desembolsa el crédito, esto reduce la capital de operaciones (66%)
- El pazo del crédito es corto y se lo debería ampliar (60%)
- Es necesario reducir las garantías ya que esto limita a muchos comerciantes a tener acceso al sistema crediticio (93%)
- El crédito es solo comercial y no se dispone de créditos para la construcción de viviendas. Es necesario ampliar el financiamiento a nivel institucional (66%)
- No se cuenta con asesoramiento técnico ni con un sistema eficiente de comercialización (90%)

Beneficios

- Se obtienen beneficios, mínimos debido al tipo de interés que se cobra.
- Es la única entidad que facilita crédito a comerciantes pequeños con poca capacidad de pago o poco confiables. Por esta característica beneficia mucho a la gente pobre que se dedica al comercio.

- Hay relativa agilidad en el desembolso del crédito una vez que se ha cumplido con los trámites requeridos.
- El nivel de los beneficios puede ser incrementado sustancialmente si se reduciría el interés (100%)
- Es necesario una ampliación del crédito para poder incrementar las ganancias potenciales ya que es factible incrementar los beneficios, con un volumen mayor de comercialización (90%)
- Los beneficiarios o sujetos de crédito están muy agradecidos a la Mutual prestataria aunque el nivel de sus ganancias sea reducido y solo permita la subsistencia (100%)

Fnoanciamiento Otorgado

(Expresado en Dólares Americanos)

<u>MONTO</u>	<u>FECHA</u>
11.166.72	7 de abril de 1986
10.504.20	11 de junio de 1986
17.693.60	14 de agosto de 1986
14.111.06	8 de septiembre de 1986
30.000.00	10 de octubre de 1986
70.000.00	11 de noviembre de 1986
98.524.42	9 de diciembre de 1986
118.600.00	16 de febrero de 1987

NOTA Los porcentajes expresados al lado de los problemas y beneficios anotados, provienen de la tabulación de las encuestas realizadas durante el proceso de evaluación del proyecto.

COOPERATIVA TAHUANTINSUYO

Cooperativa Integral en la provincia Retanos del Departamento de Potosí. El crédito otorgado está destinado a la siembra de papa y hortalizas. Son sujetos de crédito los pequeños agricultores. El ingreso a la cooperativa cuesta del 10% al 12%

del monto del crédito recibido, adicionalmente se descuenta el 4% para los trámites de legalización. También se provee crédito para el mejoramiento de ganado.

Plazo: 8 meses

Intereses: 13% anual

Garantías: Hipotecarias

Tipo de Crédito: En forma de insumos (insecticidas, fertilizantes, abono, semillas, etc.).

Problemas debido a Factores Externos

- Caída de los precios de los principales productos de producción agrícola de la región (17.6%).
- Factores climatológicos muy adversos en la región. Se tubo granizada, sequía y heladas, lo cual afectó el 95% de la producción (100%).
- El sistema de transporte comunal es muy deficiente y debido a distorsiones causadas por el monopolio se incrementan mucho los costos los que provoca que los productos no sean competitivos en su precio en los diferentes mercados (23.5%).
- Falta una mayor integración de los agricultores para desarrollar un trabajo mancomunado (29.4%).

Problemas Debido a Factores Internos

- El crédito es restringido y se da preferencia a los parientes de los dirigentes de la cooperativa (23.5%).
- Se tiene mucho retraso en otorgar el crédito, lo que afecta con gran incidencia a los niveles de producción por que los insumos llegan tarde y no se puede esperar debido a que pasa el tiempo de la siembra en el campo (94.1%).
- Los insumos son insuficientes y es necesario su ampliación en diversidad (41.1%).

- La asistencia técnica que se dá es ineficiente y es de suma importancia ampliarla y mejorarla (100%).
- No se cuenta con un sistema de comercialización e industrialización. Su implementación permitirá asegurar los productos contra las variaciones de precios y sobre todo climatológicos (70.5%).
- Se requiere un sistema de transporte comunal mejorado que haga beneficiosa la comercialización ya que su falta provoca muchas pérdidas en la cosecha (89.3%).
- El plazo del crédito es muy corto y es sólo de 8 meses. Un crédito agrícola requiere de 2 a 3 años para ser eficiente y que haga posible superar las adversidades climatológicas (88.23%).
- La tasa de interés que se cobra es muy elevada y reduce considerablemente el nivel de los beneficios que se obtiene en la venta de los productos. Existe una gran diferencia, tanto en plazo como en intereses, entre un crédito destinado a la producción agrícola y uno comercial (88.23%).
- Se requiere una mayor asistencia técnica con capacitación tecnológica agrónoma y el uso de tractores a nivel comunal. Es necesario que el financiamiento se extienda a esta etapa en la producción para lo que se requiere un mayor volumen en el monto del crédito extendible a nivel comunal. De esta manera se pueden explotar economías de escala que reduzcan costos que hagan mas competitiva la producción en los precios (100%).
- Se debe mejorar la calidad de los insumos y lo óptimo es el uso de semilla mejorada y certificada (23.5%).
- Se debe ampliar el crédito a un mayor número de socios para hacer posible el trabajo mancomunado y poder aumentar la producción (29.4%).

- Es necesaria una mayor coordinación e integración con otras entidades e instituciones agrónomas y de apoyo a la producción agropecuaria (41.1%).

Beneficios

- Son mínimos o nulos debido principalmente a factores climatológicos y a variaciones de los precios (100%).
- Existe un elevado potencial que puede ser explotado con un buen sistema de comercialización, transporte, asesoría técnica e industrialización de los productos (100%).
- Se logró buenos beneficios mediante la cooperación e integración con algunas instituciones agrónomas y de apoyo a la producción agropecuaria (41.1%).
- La gente que participa del proyecto está agradecida y encuentra un buen apoyo en su trabajo (100%).

Financiamiento

La institución crediticia intermediaria (ICI) es FENACRE. El 30 de julio de 1986 se desembolsó \$304.668.00 (U.S.). El plazo venció el 30 de mayo de 1988.

CONCERN GUARDERIAS INFANTILES

El propósito del proyecto es preservar la vida de niños pobres, menores de 5 años y en una gran parte se dedica a la capacitación de personal y de la comunidad para apoyar y preservar la vida infantil que muestra elevados índices de mortalidad y enfermedad en esa región.

Un modo de contribuir a la mejor alimentación de los niños es mediante el desarrollo de huertos nutricionales. La alimentación infantil en las guarderías era incompleta ya que no se consumía alimentos frescos. La compra de hortalizas de otras regiones es mucho más costoso, de tal modo que no se puede satisfacer esta necesidad. Mediante el desarrollo del sistema de carpas solares se cubre esta necesidad y se logra equilibrar la alimentación infantil.

Los insumos que provee el proyecto son madera y polientileno para la construcción de las carpas donde se siembra y cultiva hortalizas para la alimentación de los niños en la guardería.

Se presta asistencia a carpas de tipo familiar y comunal. Se dá preferencia a las carpas comunales porque los beneficios alimentarios son repartidos con mayor amplitud en un número elevado de personas.

Problemas debido a factores externos

- Factores climatológicos muy adversos como ser los fuertes granizos que destruyeron muchas carpas solares. Se perdió la cosecha y no se dispone de nuevos materiales para su reconstrucción.
- Falta de agua potable.

Problemas debido a factores internos

- La asistencia técnica es ineficiente y se requiere un mayor asesoramiento, tanto en la parte agrónoma como en la misma construcción de la carpa solar. Es necesario que esta sea resistente a los bruscos cambios de clima como a la tormenta y el granizo.

Beneficios

- Cuando se recibió el financiamiento, se obtuvo óptimos resultados, pero debido a defectos técnicos y a la falta de crédito se perdieron los beneficios.
- Es necesario fundamentalmente la reactivación del crédito y su ampliación a nuevas comunidades ya que con un buen funcionamiento de las carpas solares los beneficios e incremento en la calidad alimentaria de los niños, son muy grandes.
- Con un buen asesoramiento técnico se logran notables beneficios con una baja inversión.

- Se puede asegurar la duración del invernadero con un techo de calamina plástica que sea resistente al granizo. Esto demanda un mayor nivel de inversión y financiamiento.

FHI ULLOMA - CALLAPA

MODULOS DE DESARROLLO Y SANIDAD ANIMAL

El proyecto financia dos diferentes actividades:

1. Módulos de desarrollo: donde se otorga créditos a comunidades y pequeños agricultores para la construcción e invernaderos.
2. Sanidad animal: donde se hace un control y mejoramiento de ganado a nivel comunal.

Insumos

Se provee de materiales de construcción a los campesinos para los invernaderos y también de medicamentos para los animales. Se paga el trabajo con raciones alimentarias que administra el proyecto.

Problemas debido a factores externos

- Es necesaria la inversión y ampliación del crédito en infraestructura vial y de caminos que haga viable la comercialización de los productos agropecuarios (13.3%).
- La región no posee un hospital y es necesaria su construcción (5%).
- Es necesaria la ampliación del crédito para el mejoramiento de pastos en la crianza del ganado (8.3%).
- Se deben construir establos (5%).
- Es necesario la implantación de un sistema eficiente de organización de las comunidades que haga posible una división del trabajo y de este modo hacerlo más eficiente y productivo (36.1%).

- El factor climatológico es determinante en los niveles de producción y en las pérdidas que ocasiona cuando es adverso (50%).
- Sería muy conveniente abarcar con el proyecto un mayor número de comunidades ya que esto proporcionaría mano de obra que hace mucha falta para su desarrollo y ejecución (44.4%).

Problemas debido a factores internos

- Para lograr el aumento de la producción y sostenerlo se necesita colateralmente sistemas de riesgo, agua potable y construcción de estanques (19.4%).
- Un factor imprescindible en la mejoría de la producción es la capacitación y orientación técnica. Uno de los más grandes problemas en el campo es la ignorancia del campesino respecto a muchos medios y técnicas de producción. El asesoramiento técnico es fundamental para que el crédito sea realmente efectivo en lograr aumentos en la producción y mejorar el nivel de vida de los campesinos (66.6%).
- Es necesario el control parasitario con medicinas de buena calidad y eficientes en la crianza de animales. Esto reduciría mucho el nivel de pérdidas que se tiene en la ganadería por este motivo (99.9%).
- Un problema de mucha significación en el proyecto es el retraso en la entrega de insumos lo que retrasa a su vez la producción (80.5%).
- El seguimiento y control del desarrollo del proyecto es un factor importante ya que la gente que está incursionando en esta nueva técnica de producción, no posee mucha experiencia, al igual, es necesario el control de la comercialización para evitar malos manejos (22.2%).

- Es necesario la ampliación del crédito para muchos otros factores y actividades que son paralelas al proceso productivo. No se puede tomar el incremento de la producción como un solo factor aislado (50%).
- Se debe buscar mayor cooperación e integración con otras entidades de apoyo agropecuario (2.7%).

Beneficios

- Se logró significativos aumentos en la producción (63.8%).
- Es necesario construir un mayor número de invernaderos a nivel familiar ya que los invernaderos comunales tuvieron mucho éxito. Así se logra el autosustento familiar mayor producción e incremento en los beneficios por comercialización lo cual permitiría una mayor inversión (55%).
- Un beneficio importante es que el campesino aprendió nuevas técnicas de producción y se le enseñó nuevas perspectivas más prometedoras y eficientes que las tradicionales (41.6%).

En resumen, el proyecto dió muy buenos resultados pero es necesario el asesoramiento técnico, control y seguimiento, mayor organización y la ampliación de financiamiento para factores que contribuyen a la producción agropecuaria.

Financiamiento

Se tiene un monto de \$66.000 (U.S.) comprometidos y desembolsados.

OFASA - Camino Lambate - La Plazuela

Proyecto que une mediante camino carretero a dos poblaciones de Sud Yungas (Lambate - La Plazuela). La construcción del camino se la realiza por tramos y participan en ella los campesinos de las comunidades cercanas.

Insumo

Aparte del financiamiento de los materiales y maquinaria en la construcción del camino, se pago a los campesinos con alimentos que son administrados por ADRA-OFASA (Congregación adventista).

Problemas debido a factores externos

- En la región se tiene otra actividad alternativa que es la explotación del oro de un río cercano. Se dá el abandono del trabajo de construcción del camino por dedicarse a esta actividad (33%).
- El costo del transporte es elevado (25%).

Problemas debido a factores internos

- Es necesario la ampliación del ramal caminero para alcanzar un mayor número de poblaciones y lograr mayores beneficios por comercialización (58%).
- Se debe incrementar la asistencia técnica y la capacitación que son deficientes (75%).
- Se debe aumentar el número de maquinarias (50%).
- Hacer mantenimiento del camino (8%).
- Es muy importante implementar canales de riego y agua potable para subir los niveles de producción y beneficios (50%).
- Son necesarios los servicios de postas sanitarias (25%).
 - Existe demora en la entrega de alimentos (25%).
 - Se debe aumentar la mano de obra ya que es insuficiente para los requerimientos (16.6%).
- Maltrato de los ingenieros a los campesinos (16.6%).

Beneficios

- La alimentación familiar es mejorada y existe una mejor comercialización de los productos mediante el uso del nuevo camino (100%).
- Mejora de los cultivos con nueva semilla (8%).

Financiamiento

Se tiene comprometido: \$597.000 (U.S.)

Se ha desembolsado: \$406.000 (U.S.)

LA PAZ

CACEN - PROGRAMA DE CREDITO PARA RECUPERACION AGRICOLA DE LOS DAMNIFICADOS DEL LAGO TITICACA

Esta línea de crédito otorga préstamos a los campesinos de las inmediaciones de lago Titicaca. Se apoya los rubros de pesca, agricultura, lechería y ganadería.

Garantías: Hipotecarias

Interes: 13% anual

plazo: de uno a dos años con amortizaciones semestrales

Tipo de Crédito: En dólares Americano

Problemas debido a factores externos

- El nivel de ganancias se reduce mucho ante variaciones en el tipo de cambio ya que la producción se vende en pesos bolivianos y las amortizaciones se las hace en dólares (50%).
- El mercado interno es muy deprimido y hace falta un mejor sistema de comercialización que proteja de los bajos niveles de la demanda (25%).

Problemas debido a factores internos

- La tasa de interés es elevada lo cual permite niveles mínimos de rentabilidad en la producción agropecuaria (100%).
- Se pide una ampliación en el plazo del crédito ya que se tropieza con problemas climatológicos que retrasan o anulan la producción y de este modo es necesario un mayor período para la amortización del préstamo (50%).
- Es necesario una mayor y mejor asistencia técnica lo cual haría más eficiente la producción (75%).
- El problema de los trámites es muy negativo ya que incide en el tiempo de desembolso del crédito y posteriormente en la etapa de producción porque esta no se realiza en su oportunidad (50%).
- Se debe ampliar el monto del crédito con nuevas máquinas (50%).

Beneficios

- Aumento de los niveles producidos (25%).
- Asesoramiento técnico eficiente (25%).

Financiamiento

El 3 de septiembre de 1986 se dió \$80.000 (U.S.) y el plazo de vencimiento es el 3 de septiembre de 1991.

PRODEM

Otorga crédito a microempresarios tanto en la producción como en el comercio. Se vá ampliando gradualmente el monto del crédito con el tiempo. Los pagos se hacen mediante el banco.

Monto del Crédito: de 400 a 2.000 bolivianos
Plazo: Amortizaciones quincenales o semanales
Interés: 2% sobre saldo

Garantía: Se forma un grupo de personas que se dediquen a la misma actividad y se garantizan mutuamente. El sistema es de garantía personal.

Problemas debido a factores externos

- Mercado interno reducido. Se tiene una depresión en el nivel de la demanda (3%).
- Existe competencia desleal de productos extranjeros (13.7%).
- Los insumos de producción son caros (13.7%).
- Los trámites son morosos (3.4%).
- Se tiene deficiencias en la organización interna del grupo garantizante (13.7%).

Problemas debido a factores internos

- Es necesario ampliar el monto del crédito para financiar un mayor nivel de comercio, para extenderlo a la etapa de producción y para cubrir la demanda creciente a fin de año y finalmente para la adquisición de nueva maquinaria y equipo que aumente los niveles de producción artesanal a industrial (89.6%).
- Se deber mantener constante la línea de crédito (6.8%).
- Es necesario una mayor asistencia en la comercialización de los productores. Se debe investigar e implantar un sistema de mercadeo que permita la exportación (10.3%).
- Se tiene retraso en el crédito (3.4%).
- Es necesario una mejor y mayor asistencia técnica en la producción. Se debe capacitar a los productores en la asimilación de nueva tecnología con la compra de nueva maquinaria y equipo (34.4%).

Beneficios

- Aumenta los beneficios por la comercialización y producción.
- Reducción de los costos por incremento en la disponibilidad de capital de trabajo (41.3%).
- El asesoramiento que se brinda en la enseñanza de contabilidad es eficiente ya que produce un mejor manejo y administración de las actividades de los microempresarios (41.3%).
- Permite estabilidad en tiempo de escasez y ante variaciones de los precios (3.4%).
- Los sujetos del crédito son muy puntuales en sus pagos (89.5%).

Financiamiento

Se financió \$260.000 (U.S.) y actualmente se amplió el monto a \$360.000 (U.S.) (el contrato se lo firmará recién).

EVALUACION PROYECTOS SANTA CRUZ

A: NEW MEXICO STATE UNIVERSITY
DE: SR. EDGAR ZAPATA SUAREZ
SUPERVISOR DE P.L.-480
REF: INFORME DE ENCUESTAS

Mediante contrato por la Secretaria Ejecutiva de la P.L.-480 Título III, fué designado para prestar servicios de supervisor, bajo la dirección de la Universidad Estatal de Nuevo México, para recabar información de encuestas por parte de los beneficiarios de la P.L.-480.

En la ciudad y provincias de Santa Cruz de la Sierra, me constituí en comunidades e instituciones que prestan servicio de fomento. A continuación paso a detallar los proyectos.

ANAPO

Esta institución proporciona financiamiento para el programa de semillas, en la producción de trigo y soya. En ANAPO se realizó un total de 22 encuestas. Esto debido a las grandes extensiones y a su vez pocos propietarios. Para obtener una muestra representativa, las encuestas se hicieron a beneficiarios bolivianos, menonitas y de la colonia japonesa; las provincias a las que pertenecen los beneficiarios son: Andrés Ibañez, Warnes, Ñuflo Chávez y Obispo Santiesteban.

De los 22 encuestados existe un promedio de 7.05 años como participantes de ANAPO; estos a su vez reciben crédito para: semillas, fertilizantes e insecticidas; de manera principal los beneficios son: incremento en la producción, mercado seguro de materia prima, mejora de precios, comercialización, mayores ingresos, etc. El 81.8% están satisfechos con los beneficios, pero indicaron que tuvieron problemas de índole climático y plagas, además que en su mayoría adolecieron problemas de burocracia y fondos no entregados a tiempo.

En lo referente a la asistencia técnica, esto merece una explicación; por ejemplo: la cooperativa CAICO Ltda. es la que recibe el crédito y esta es la encargada de dar asistencia técnica, debido a que cuentan con tecnología muy avanzada.

En el campo agrícola, los beneficiarios manifestaron que los créditos llegan en forma lenta, y que el crédito podría ser más directo a ellos, con intereses más bajos. Estos agricultores tienen entre 200 a 300 Has por cápita.

Las principales sugerencias que dan para mejorar ANAPO y beneficiarios son: Mayor financiamiento, mayor plazo de pago, menor interés, seguro agrícola, crédito para desmontes, almacenes agrícolas, mejor variedad de semillas, crédito para maquinaria, menor burocracia, etc.

Los problemas con se encuentran son: falta de caminos, comercialización y créditos a corto plazo.

En lo referente a los objetivos, se tienen: Mayor cantidad de hectáreas, mayor producción y mejores ingresos. Se cumplieron estos objetivos en un 95.5%.

PROMASOR

Es una entidad de productores de maíz y sorgo, existiendo 15 beneficiarios de crédito de P.L.-480. Debido a dificultades de localización se hicieron 6 encuestas a beneficiarios en las provincias de: Andrés Ibañez, Cordillera Chiquitos y Warnes. El promedio de participación en el proyecto es de 3.8 años; todos recibieron crédito para siembra de maíz y sorgo. En lo referente a problemas externos tropezaron con plagas, clima y dificultades de transporte. Los problemas internos son principalmente: Fondos a destiempo y burocracia; la asistencia técnica fue buena aunque en general ellos no aconsejan que existan más productores por la inexistencia de mercado y garantías para el préstamo.

Las sugerencias dadas son: créditos a largo plazo, mayor financiamiento, intereses más bajos comercialización de la producción, emcanismos para evitar el contrabando, asistencia en la comercialización.

Los objetivos principales son: mejor calidad del producto, mayor hectareaje cultivado y mayor ingreso. Fue cumplido en un 90%.

ACAE

Es un programa de proyectos agroindustriales, con el objetivo de acopiar arroz para comercializarlo.

Solo se pudo realizar una encuesta al gerente de ACAF, quién mencionó por escrito que la asociación es netamente acopiadora y comercializadora de arroz, por lo que no dan asistencia técnica ni insumos a los arroceros.

Analizando la encuesta podemos indicar que la asociación tiene dos años de existencia, los beneficios que dan son: tener donde almacenar y recibir adelante.

Tuvieron problemas de clima y plagas, al igual que los fondos no les llegó a tiempo y estos son mínimos, por lo que se cuenta con un bajo nivel de acopio por el poco adelanto monetario a los productores.

El gerente explicó que la asociación mejoraría si no existiera tanta exigencia de garantías, y para lograr esto la P.L.-480 debería tomar mayores riesgos.

BANCO DE SANTA CRUZ

Los fondos que se dieron son en fideicomiso, y los beneficiarios de P.L.-480 suman 9, de los cuales se ubico a 7, teniendo un promedio de participación de 2 años, habiendo recibido financiamiento para proyecto de: hanadería fabrica de dulce de leche, semillas, sembra de maíz, hortalizas, frutas, etc., los beneficios para ellos fueron de producción y comercialización.

Remitiendome a conversaciones sostenidas con dichas personas, debo manifestar que, en general, difiriendo en aspectos menores unos a otros conceptos, constaté en primer lugar, que el crédito obtenido no cumple a cabalidad los fines a los que se ha destinado, en vista de la existencia de un desfase entre el tiempo de solicitud y aquel en el que se entregan los fondos, por una parte. Por otra, la situación de crisis por la que atraviesa el país, dificulta el pago a tiempo, tanto de intereses, y con mayor fuerza, el pago de capital, pues diversos factores intervienen para que esto suceda, citando el caso más próximo como es el de contrabano y otros que afectan de manera directa o indirecta el normal desenvolvimiento de las actividades de los prestatarios.

Es así, que el caso de la imposibilidad de pago por parte de los beneficiarios que vieron su crédito canalizado a través de fondos en fideicomiso del Banco de Santa Cruz, principiamente, hace que se solicite una urgente reprogramación del crédito, como ayuda para poder sacar adelante la empresa que tienen en mente cristalizar y construirse en aporte positivo para su comunidad.

También se mencionó que existe una desubicación en lo que respecta a la orientación del crédito, pues surge la pregunta de si se debe adoptar un criterio de eficiencia o de justicia social al enfocar el destino del crédito.

EVALUACION PROYECTOS TARIJA

Prosiguiendo con el trabajo de encuestas de evaluación a los beneficiarios de P.L.-480, está vez en el departamento de Tarija. De acuerdo a lo programado, se hicieron visitas a diferentes comunidades que se encuentran realizando proyectos con Instituciones locales, tal el caso de Caritas Boliviana y PERTT.

CARITAS BOLIVIANA

Es una institución apoyada por la iglesia y financiada en gran parte por la P.L.-480.

Los proyectos emprendidos por CARITAS/ tienen un efecto positivo en los beneficiarios y en la elevación del nivel de vida de la comunidad en general, tal el caso de la construcción de canales a los que se proyecto añadir losas de hormigón armado, para que cumplan la función de puentes, a lo largo de 2 quebradas que atraviesan la ciudad de Tarija por su parte media, y que en la actualidad presentan menor riesgo cuando existen crecidas del caudal durante la época de lluvias, gracias a dichas obras. Este trabajo con una extensión apreciable, cumplirá un importantísimo papel cuando sea concluido, en vista de que constituirá un aporte significativo para la embelecimiento por una parte, y por otra pudiendo ser utilizado para el entubamiento de dichos cursos de agua en el futuro, dada la condición de su estructura.

En síntesis, este proyecto cumple una excelente obra de servicio a la comunidad.

PERTT

Es un programa de conservación y rehabilitación de tierras en el departamento de Tarija. En este aspecto se hizo un total de 28 encuestas en las comunidades Obrajes provincia Cercado, Erquis

Sur provincia Mendez, Oropeza provincia Mendez, Erquis Norte provincia Mendez; con un promedio de 4 años de participación de los beneficiarios, a su vez estos manifestaron que reciben semillas, insumos y ayuda en sus terrenos con maquinaria. El uso que dan a lo anteriormente mencionado es en la siembra de hortalizas, maíz, papa y la reforestación de la tierra erosionada. Las sugerencias para que PERTT mejore son: aplicación de represas, caminos vecinales, herramientas, alimentos prometidos, no discriminación en la entrega de insumos, transporte de productos, mejoramiento del sistema de riego, necesidad de capacitación de líderes, equipos de fumigación, alambrados en viveros, etc.

Los objetivos que fueron cumplidos en un 95% son: mayor producción y reforestación, mayor ingreso para el beneficiario, ejecución de obras mecánicas, capacitación y organización.

Comentando sobre el PERTT indiquemos que, como institución encargada en el área rural de reforestación de terrenos, esta cumpliendo en la medida de sus posibilidades, ya que en las áreas donde está trabajando el campesino, este se encuentra satisfecho con lo realizado hasta ahora, pero existe consenso en que hay que trabajar más.

Los productores pretenden también, recibir créditos, fertilizantes, insecticidas, en forma directa para la producción agrícola, por otra parte piden herramientas de trabajo, apoyo financiero técnico y maquinaria pesada para evitar la erosión.