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**UNITED STATES INTERNATIONAL DEVELOPMENT COOPERATION AGENCY
AGENCY FOR INTERNATIONAL DEVELOPMENT
Washington, D. C. 20523**

BOLIVIA

PROJECT PAPER

**PRIVATE AGRICULTURAL PRODUCER ORGANIZATIONS
(AMENDMENT NUMBER 1)**

**AID/LAC/P-610
(CR-320)**

PROJECT NUMBER 511-0589

UNCLASSIFIED

AGENCY FOR INTERNATIONAL DEVELOPMENT PROJECT DATA SHEET		1. TRANSACTION CODE <input type="checkbox"/> A = Add <input checked="" type="checkbox"/> C = Change <input type="checkbox"/> D = Delete	Amendment Number _____	DOCUMENT CODE 3
2. COUNTRY/ENTITY BOLIVIA		3. PROJECT NUMBER 511-0589		
4. BUREAU/OFFICE LAC		5. PROJECT TITLE (maximum 40 characters) PRIVATE AGRICULTURAL PRODUCER ORGANIZATIONS		

6. PROJECT ASSISTANCE COMPLETION DATE (PACD) MM DD YY 1 2 3 1 9 2	7. ESTIMATED DATE OF OBLIGATION (Under 'B.' below, enter 1, 2, 3, or 4) A. Initial FY 8 6 B. Quarter 4 C. Final FY 9 1
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8. COSTS (\$000 OR EQUIVALENT \$1 =)						
A. FUNDING SOURCE	FIRST FY 86			LIFE OF PROJECT		
	B. FX	C. L/C	D. Total	E. FX	F. L/C	G. Total
AID Appropriated Total	550		550	5,700	1,000	6,700
(Grant)	(550)	()	(550)	(5,700)	(1,000)	(6,700)
(Loan)	()	()	()	()	()	()
Other U.S.	1.					
	2.					
Host Country		1,000	1,000			
Other Donor(s)						
TOTALS	550	1,000	1,550	5,700	1,000	6,700

9. SCHEDULE OF AID FUNDING (\$000)									
A. APPROPRIATION	B. PRIMARY PURPOSE CODE	C. PRIMARY TECH CODE		D. OBLIGATIONS TO DATE		E. AMOUNT APPROVED THIS ACTION		F. LIFE OF PROJECT	
		1. Grant	2. Loan	1. Grant	2. Loan	1. Grant	2. Loan	1. Grant	2. Loan
(1) ARDN	402	031		4,200		2,500		6,700	
(2)									
(3)									
(4)									
TOTALS				4,200		2,500		6,700	

10. SECONDARY TECHNICAL CODES (maximum 6 codes of 3 positions each) 054 245	11. SECONDARY PURPOSE CODE _____
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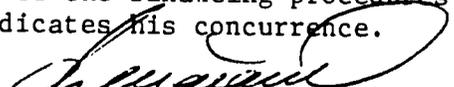
12. SPECIAL CONCERNS CODES (maximum 7 codes of 4 positions each)									
A. Code									
B. Amount									

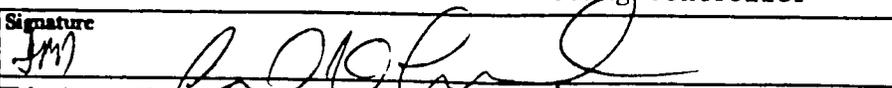
13. PROJECT PURPOSE (maximum 480 characters)
 To strengthen and expand the capacity of private agricultural organizations (PAOs) to provide services and increased incomes to their members.

14. SCHEDULED EVALUATIONS Interim MM YY MM YY Final MM YY 0 4 9 0 1 1 9 1 1 1 9 2	15. SOURCE/ORIGIN OF GOODS AND SERVICES <input checked="" type="checkbox"/> 000 <input type="checkbox"/> 941 <input checked="" type="checkbox"/> Local <input type="checkbox"/> Other (Specify) _____
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16. AMENDMENTS/NATURE OF CHANGE PROPOSED (This is page 1 of a _____ page PP Amendment.)

The USAID Controller has reviewed the financing procedures described herein and hereby indicates his concurrence.


 Guillermo Peñaranda
 Acting Controller

17. APPROVED BY	Signature 	18. DATE DOCUMENT RECEIVED IN AID/W, OR FOR AID/W DOCUMENTS, DATE OF DISTRIBUTION MM DD YY 9 8 2 8 9 0
	Title Carl H. Leonard USAID/BOLIVIA DIRECTOR	

PROJECT AUTHORIZATION
Amendment No. 1

Name of Country: BOLIVIA
Name of Project: Private Agricultural Organizations
Number of Project: 511-0589

1. Pursuant to Section 103 of the Foreign Assistance Act of 1961, as amended, the Private Agricultural Producer Organizations (PAPO) Project for Bolivia was authorized on July 23, 1986. That Authorization is hereby amended as follows:

a. Delete the first two paragraphs of the first page of the Authorization and insert in lieu thereof the following:

"1. Pursuant to Section 103 of the Foreign Assistance Act of 1961, as amended, I hereby authorize the Private Agricultural Organizations (PAO) Project (the "Project") for Bolivia (the "Grantee") involving planned obligations of not to exceed Six Million Seven Hundred Thousand United States Dollars (US\$ 6.7 million) in grant funds over a six and one-half year period from the date of original authorization, subject to the availability of funds in accordance with the A.I.D./OYB allotment process, to help in financing the foreign exchange costs, and certain local currency costs, of the Project. The planned life of the Project is extended from date of initial obligation in July, 1986 until December 31, 1992.

2. The Project will provide technical assistance, training, credit, and organizational support mechanisms to increase the income of individuals and groups who derive the major portion of their incomes from the production and marketing of agricultural products."

b. Section 3.a. of the original authorization is modified to prospectively delete Bolivia as an eligible source and origin of commodities and as an eligible nationality for suppliers of commodities and services, except as provided in this paragraph. Based upon the justification included in the Project Paper Amendment No. 1, local cost financing with appropriated funds is hereby authorized for the following types of transactions under the amended Project, as necessary to fulfill program objectives and to best promote the objectives of the foreign assistance program:

2

- i. -short-term technical assistance;
- ii. -evaluations and audits;
- iii. -in-country costs incurred by U.S. technical assistance contractors, including, but not limited to salaries and benefits, office equipment and supplies, travel and per diem, and applicable overhead.

c. No pest or pesticide management activities shall be undertaken under the amended Project until an Environmental Analysis has been prepared and approved by the LAC Environmental Officer.

2. The authorization cited above remains in force except as hereby amended.



Carl Leonard
Mission Director

Date: 8/28/90

SA
RLA:SAllen/PD&I:LVale^Nzuela:1099L

Clearances:

ARD:DMcIntyre [Signature]
 A/PD&I:Lodle [Signature]
 A/DP:SSmith [Signature]
 ECON:CJoel [Signature]
 A/EXO:LFoley [Signature]
 A/CONT:GPeñaranda [Signature]
 A/DD:JRDavison [Signature]

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LIST OF ACRONYMS

AIGACAA	Asociacion Integral de Ganaderos en Camélidos de los Andes Altos
ANAPO	Asociacion Nacional de Productores de Oleaginosas y Trigo
ASOBOFLOR	Asociacion Boliviana de Floricultores
CAT	Camara Agropecuaria de Tarija
CAO	Camara Agropecuaria de Oriente
CACH	Camara Agropecuaria de Chuquisaca
CAP	Camara Agropecuaria de Potosi
CBD	Commerce Business Daily
CIS-Punata	Cooperativa Integral de Servicios-Punata
CIS-YAC	Cooperativa Integral de Servicios-Gran Chaco
DA	Development Assistance funds
FEGABENI	Federación de Ganaderos del Beni y Pando
MACA	Ministerio del Asuntos Campesinos y Agropecuarios
MPC	Ministerio de Planificación y Coordinación
OAP	Organizaciones Agrícolas Privadas
PAO	Private Agricultural Organizations (PAPO under original project)
PIL	Project Implementation Letter
VOCA	Volunteers in Overseas Cooperative Assistance

I. SUMMARY

The Private Agricultural Producer Organizations (PAO) Project Paper was authorized on July 23, 1986. Activities began in June 1987, following the signing of a contract with RONCO, Inc. on May 22, 1987. The purpose of the Project is to strengthen and expand the capacity of Private Agricultural Organizations (PAOs) to provide services to their members, and thus to increase agricultural production and incomes and to promote Bolivian agricultural exports. The \$11.5 million Project included \$4.2 of A.I.D. Development Assistance funds, \$6.0 in government-owned PL-480 funds and \$1.3 million in counterpart funds from the PAOs.

Over the last three years, the Project has provided training, commodities, credit and over 2000 person days of management and technical assistance to selected private agricultural organizations. An April 1990 mid-term evaluation argued that although the Project had a mixed report card, it was beginning to show important results and held real promise. Impressive gains had been achieved, particularly in the creation of marketing services, and it was now necessary to make a number of adjustments in the Project to increase its impact. Perhaps the most critical adjustment was to place greater attention on organizational development. The Project's Technical Committee, composed of representatives of USAID/Bolivia, the technical assistance contractor RONCO, Inc., the Ministry of Agriculture and Campesino Affairs and the PL-480 Executive Secretariat, met in Tarija on June 4 through 6, 1990, to review the evaluation recommendations and make modifications in the Project. The two most important changes to be introduced into the Project are: first, only producer associations, and not regional agricultural chambers, will be assisted by the Project, and second, the Project will assist agricultural organizations located in strategic regions and with products which exhibit strong commercial viability, particularly in regards to economically sound alternatives which can reduce the role of coca/cocaine in the economy.

This Project Paper Amendment will extend the activities undertaken under the Project for an additional two years. In depth technical assistance in the areas of organizational development and marketing and production technologies, will be provided to eight agricultural producer organizations. In addition, short-term assistance in specific technical areas will be provided to an additional 20 to 30 organizations. Through these efforts, the Project aims to improve the ability of producer associations to provide services to their members and increase their incomes. The rationale for amending the Project is two-fold: 1) the Mission considers it necessary to continue its assistance to the agricultural sector of Bolivia, given its key contribution to the economy and to the development of non-traditional exports which are alternatives to coca; and 2) agricultural development projects usually take more time than expected: an extension will provide the assisted organizations with extra time to consolidate and strengthen their operations, institutionally, programmatically and financially and will permit additional organizations to participate in the Project.

This Amendment will increase A.I.D. funding for the Project in the amount of \$2.5 million, increasing the life-of-project funding to \$6.7 million. The PACD will be extended for two years to December 31, 1992. The contract with RONCO, which is due to expire on November 30, 1990, will be extended for an

additional two years. Although consideration has been given to rebidding the Project, the design team believes it would cause a serious set-back to start anew with another institutional contractor (see Annex 5 for a Justification for Less Than Full and Open Competition). To increase the cost-effectiveness of the short-term technical assistance, the Volunteers Overseas Cooperative Assistance (VOCA) will be incorporated into the Project through a buy-in with AID/W. VOCA will provide approximately 81 person months of short-term technical assistance to old and new agricultural organizations.

USAID/Bolivia has received field authority to extend the Project and add \$2.5 million to the original life-of-project funding. (See Annex 2, 90 State 006926.)

II. PROJECT RATIONALE

A. Justification for a LOP Extension

There are two principal reasons for USAID/Bolivia's decision to extend the Project for an additional two years: the key role of the agriculture sector in Bolivia and the ability of the Project to make a substantial contribution to the sector's growth.

In recent years, Bolivia has become increasingly dependent on its agricultural sector for its overall economic well-being. This has been due to the collapse of its mineral sector, the consequences of its macroeconomic structural adjustment policy and its persistent international debt burden.

Currently, agriculture produces one fifth of the nation's value added, one sixth of its exports, and provides employment for half of the labor force. The agro-industrial sector contributes an additional five percent to the Gross Domestic Product, and a large part of the service sector, formal and informal, is engaged in marketing food and fiber. Still, the performance of the agriculture sector has been low relative to its natural potential. The analysis by USAID/Bolivia's Agricultural and Rural Development Office suggests that the sector will continue to perform poorly until the organizational and marketing problems of producer associations are resolved. The PAO Project addresses these needs.

Although the Project has taken time to get off the ground, it is now in a position to make a substantial contribution to the ability of agricultural producer organizations to provide services to their members. A recent evaluation indicates that the PAO Project shows real promise. Many of the gains made towards institutional strengthening could be threatened if the Project were ended by December 1990, the current PACD. The Mission believes that two additional years are necessary for the Project to strengthen participating producer organizations and contribute to the growth of the agricultural sector.

B. Project Progress To Date

Project implementation began in June 1987, after a contract was signed with RONCO, Inc. The second half of 1987 was devoted to reviewing private

agricultural organizations in Bolivia and selecting the first 10 organizations that would receive assistance under the Project. A total of 606 organizations were reviewed. (The selection deliberately included at least one organization from each department, except Oruro, to facilitate the eventual establishment of a National Agricultural Chamber, which was a subsidiary aim of the Project.) By early 1988, diagnostic studies had been completed for the ten selected organizations. The studies assessed strengths and weaknesses and defined a technical assistance program for each organization.

To date, after two years of activity, the Project has worked with ten organizations, eight of which still participate in the program. They are: FEGABENI (Federación de Ganaderos del Beni y Pando), ANAPO (Asociación de Productores de Oleaginosas y Trigo), ASOBOFLOR (Asociación Boliviana de Floricultores), CIS-Punata (Cooperativa Integral de Servicios de Punata), CAP (Cámara Agropecuaria de Potosí), CACH (Cámara Agropecuaria de Chuquisaca), CAT (Cámara Agropecuaria de Tarija), and CIS-Gran Chaco (Cooperativa Integral de Servicios Gran Chaco). For reasons discussed later, two organizations were dropped: CAO (Cámara Agropecuaria del Oriente) and AIGACAA (Asociación Integral en Ganaderos de Camélidos de los Andes Altos).

The Project has provided technical assistance, training, credit, and organizational support to these organizations. The impact of this assistance has been varied: three producer associations (FEGABENI, ASOBOFLOR, ANAPO) have mounted marketing agencies that have the potential to benefit producers. A fourth organization (CIS-Punata) will soon initiate similar activities. Meanwhile, however, most of the regional chambers have made no progress. The evaluation team considers this is due to a lack of clear definition of the distinct roles of regional agricultural chambers and producer organizations.

Despite the difference in the nature of the assisted organizations, the strategy of the Project has been essentially the same for all. The Project has provided long-term technical assistance in organizational development. At the same time, the Project has helped the agricultural organizations develop a marketing enterprise. Where necessary, the Project has arranged for loans to mount the enterprise. The Project has also provided training and technical assistance to the enterprise until it is able to operate viably. The purpose of establishing a subsidiary marketing enterprise has been two-fold: to provide a needed service for producer members and to provide an income base for the parent organization.

A brief description of the activities undertaken by the Project with each of the ten organizations is described below.

1. AIGACAA: Asociación Integral de Ganaderos en Camélidos de los Andes Altos, La Paz.

The Project attempted to identify investors interested in processing llama and alpaca fiber and find markets and mechanisms for exporting llama wool and wool products. The assistance was ended, however, when the Project learned of the World Bank's program with AIGACAA, which includes institutional strengthening and credit for production and marketing of llama wool. For this reason, AIGACAA was dropped from the Project.

2. ANAPO:Asociación Nacional de Productores de Oleaginosas y Trigo, Santa Cruz

ANAPO, established in 1974, has a membership of 3,000 wheat and oil-seed growers in Santa Cruz. The Project has undertaken the following:

- prepared feasibility studies on a seed-processing plant and on a silo operation;
- provided loans for rehabilitating the seed-processing plant and for constructing silos;
- procured office equipment and two vehicles;
- sponsored upper-level management at two training courses given by INCAE;
- trained ANAPO staff in computerized accounting and inventory control; and
- provided two long-term advisors to develop and implement a wheat program.

Because of Project support of the seed-processing plant, ANAPO has been able to process 3,000 metric tons of wheat seed this year. The Project has also heavily supported ANAPO in the development of a wheat plan, which aims to make the Santa Cruz Department self-sufficient in wheat.

3. ASOBOFLOR: Asociación Boliviana de Floricultores, Cochabamba

The association was founded in 1982 by 18 flower growers. Today, the membership remains small at 20. The assistance provided by the Project has been primarily aimed at SERVIFLOR, the marketing enterprise. However, some assistance has also been granted to the parent association. The Project has provided the following:

- prepared studies to help ASOBOFLOR organize the marketing service;
- provided office equipment and a vehicle;
- financed the staff of ASOBOFLOR (a general manager and a secretary) and the general manager and a rose agronomist at SERVIFLOR;
- financed training in management;
- financed observation trips for SERVIFLOR officials; and
- provided a loan to rent and rehabilitate a shed for flower classification and packing.

Through the technical assistance provided by SERVIFLOR, farmers have gained access to an international market and increased their volume of exports from \$40,000 to \$136,000 over a one year period.

4. CACH: Cámara Agropecuaria de Chuquisaca, Sucre

The CACH was founded in 1975 by 14 growers. Today, it is an umbrella organization comprised of 14 associations. The total number of members of the CACH is estimated at 4,000. The Project has provided the following:

- procured office equipment;
- conducted studies on alternative crops, a regional radio information program, storage silos, and air transport;
- sponsored two management courses and provided computer training.
- sponsored an observation visit to California to become familiar with new crops and the requirements of the export market;
- granted a loan to purchase the chamber headquarters.

As a result of Project efforts, the CACH has identified three highly profitable products (pork, wheat and flowers) to be promoted with their respective producer association.

5. CAO: Cámara Agropecuaria del Oriente, Santa Cruz

The CAO, founded in 1964, is the strongest and most active rural producer's lobbying association in Bolivia. It provides few services directly to producers. Because it is so strong, the CAO has considered itself capable of undertaking its own projects without technical assistance. The relationship between the Project and the CAO has been so difficult that no technical assistance has been granted. For this reason, the CAO was dropped from the Project.

6. CAP: Cámara Agropecuaria de Potosí

The CAP, founded in 1979, is the weakest of the PAOs. It is composed of five producer associations with approximately 1,300 members in total. Very little technical assistance has been provided to the CAP. This seeming negligence appears to be the result more of the chamber's actions than the Project's. Various offers by the Project to strengthen the CAP, such as providing a manager or supplying equipment, have been rejected by the chamber as being unnecessary.

The Project has also carried out several studies for the chamber, but none have come to fruition because of a lack of financing.

7. CAT: Cámara Agropecuaria de Tarija

The CAT was founded in 1983, although it did not get off the ground until 1987. It currently has 5,000 members, either individually or through their producer association. The Project has provided CAT the following:

- provided office equipment;

- trained staff in the use of the computer;
- sponsored an observation trip to Chile to explore possibilities of fruit and garlic exports to that country; and
- assisted the CAT in the garlic export initiative, by selecting and buying garlic seed.

8. FEGABENI: Federación de Ganaderos del Beni y Pando, Trinidad

FEGABENI was created in 1967 by some of the larger ranchers in Trinidad. Today there are 29 associations affiliated with FEGABENI with approximately 3,800 members. The Project has provided the following assistance:

- provided a loan for rehabilitating the slaughterhouse, named FRIGASA;
- provided two management courses for FEGABENI and FRIGASA staff;
- donated office equipment and vehicle to FRIGASA;
- prepared studies to assess the viability of a refrigerated slaughterhouse;
- provided short-term technical assistance to train slaughterhouse workers;
- provided long-term technical assistance to the management of FRIGASA;

As a result of Project efforts, FEGABENI has rehabilitated the FRIGASA slaughterhouse, which is now operating with international quality standards. Marketing remains a problem for FRIGASA. Given the economic conditions in neighboring countries, Argentina and Brazil, meat is substantially cheaper there and exports from Bolivia cannot compete. The Project will continue to provide assistance to FRIGASA, particularly in the areas of business administration and marketing.

9. PUNATA: Cooperativa Integral de Servicios Cochabamba, Ltda., Cochabamba

The Project has provided the following:

- provided long-term advisor to help put the input warehouse on a business footing;
- trained staff in management and the use of the computer;
- provided a consultant to review the cooperative's accounting system;
- conducted studies on alternative crops, such as a dairy enterprise and on a flower industry;
- sponsored courses on flower growing, on water control; and
- provided office equipment.

As a result of Project efforts, CIS-Punata has established and is operating a cheese factory, which is successfully selling cheese in the Cochabamba area. Many association members have also begun preparing their lands for flower production, to be sold through SERVIFLOR.

10. YACUIBA: Cooperativa Integral de Servicios Gran Chaco, Tarija

The technical assistance contractor provided Yacuiba the following services:

- technical assistance to carry out various studies (wheat production, storage and marketing of grains, corn production).
- short-term technical assistance to build an agricultural extension.
- trained staff in accounting systems.
- short-term technical assistance on crop diversification.

From these activities, as well as others, there has been some impact on volume of production and member sales. The results of a recent survey of the three organizations which received most of the Project assistance are found in Table 1. These results indicate that important gains have been made by the three associations. Increases in individual member incomes have not been measured systematically, but there are indications that these have experienced small increases. Results in the area of institutional strengthening are difficult to measure, but it is clear that there have been some pay-offs from the intensive management assistance provided by RONCO. For example, ANAPO has in one year increased the area cultivated with wheat from 3,000 hectares to 27,000 hectares. ASOBOFLOR has increased its exports of flowers from 100 boxes to 400 boxes in one year. In addition, services to members in ANAPO, ASOBOFLOR and CIS-Punata have increased significantly, as have the payments for these services by association members. These gains are in large measure a reflection of improved management systems within these associations.

TABLE 1

PROJECT IMPACT ON SALES, VOLUME AND OTHER
FACTORS, BEFORE AND WITH PROJECT

<u>Organization</u>	<u>Before Project</u>	<u>With Project</u>
ANAPO		
Grain Sales	\$1.2 million/yr	\$4.37 million/yr
Seed processing costs	\$36/Ton	\$30/Ton
ASOBOFLOR		
Value of flower exports to Miami	\$40,000/shipment	\$150,000/shipment
FEGABENI		
Meat sales	\$3,000/yr	\$185,000/yr
Livestock processed	630 head/yr	1,120 head/yr
Employment	20 persons	50 persons

* Information drawn by USAID Project Officer in conversation with the three PAO's during the month of March 1990.

Based on the original Project Paper outputs, RONCO developed a list of 8 indicators about which it reports on a monthly basis to USAID/Bolivia. These indicators, shown on Table 2, provide some idea as to the activities undertaken by the Contractor, but offer little information as to the Project's progress towards meeting the goal and purpose of the Project. For this reason, the outputs have been redefined in this Amendment (see Section III.C.). The Contractor will be expected to develop a monitoring and evaluation system which will collect data to measure progress on the new indicators.

Table 2

Project Accomplishments (as of 3/90)

Activity	Goal	Accumulated
1. PAO analyses executed for the selection process	30	606*
2. Development of organizational strategies	10	10
3. Technical assistance plans executed for PAO's	30	44
4. PAO's strengthened	10	10
5. PAO bulletins published	36	23
6. Policy Studies	4	1
7. Product Studies	6	4
8. Training (No. of individuals)		
In Country	150	849
International	60	32

* The original Project Paper envisioned 30 in-depth analyses. During Project implementation, however, it was determined that a more superficial review of most agricultural organizations in Bolivia would be needed in order to select the Project beneficiaries. It is for this reason that the target number and that which was accomplished differ so greatly.

Based on the Table 2 indicators, the Project has surpassed its targets in many key areas, such as in training and technical assistance. Other targets have yet to be met. However, practically all targets are expected to be reached by the current completion date of the RONCO contract.

C. Mid-Term Evaluation Results

A mid-term evaluation was conducted in April 1990 in order to make a preliminary assessment of the success of the Project, and suggest adjustments to be implemented in the extension Project. Overall, the Project is considered to be successful, although it has undergone growing pains and is only now beginning to show its real potential. The evaluators were impressed with the gains made in the area of marketing services: two associations, ASOBOFLOR and FEGABENI, have formed and are operating a marketing organization.

The emphasis placed by the Contractor on marketing, however, has meant that less attention has been given to the area of institutional strengthening. The Contractor's approach has been to establish subsidiary marketing enterprises with the idea that these will help strengthen the parent organizations. This "ripple effect" has not necessarily held true.

For example, while SERVIFLOR has developed into a strong service organization, the parent organization, ASOBOFLOR, has not. The evaluators strongly recommend that organizational development (such as management, financial accounting, etc.) receive priority. They note that a strong institution will be in a good position to create and manage a marketing enterprise. A marketing subsidiary, on the other hand, cannot guarantee the institutional strengthening of the parent organization.

In the opinion of the evaluators, the greatest weakness of the Project has been an overly broad definition of a "private agricultural organization" and the concomitant lack of understanding of the role different types of organizations play. The Project has been following a similar assistance strategy with all organizations, whether they be producer associations or regional agricultural chambers. Yet, an agricultural chamber is less able to establish a marketing enterprise, because it represents many different products and producers. However, a producer association is organized around a particular product and marketing of that product is of vital interest to the entire membership.

The evaluators, therefore, recommend that the Project redefine its objectives (whether it be establishment of marketing services or strengthening agricultural organizations). The Project should then define the roles each assisted organization plays within a hierarchy of organizations and provide the technical assistance required to strengthen them in that role.

More specifically, the evaluation made 8 recommendations. At a recent meeting of the Project's Technical Committee in Tarija, these recommendations were discussed in depth and modifications in the Project were agreed upon. The recommendations and the Committee's responses to each follow:

Recommendation No. 1

Recommendation: Assistance to the regional agricultural chambers should emphasize organizational development in management, finances, and regional planning. The project may also help those more advanced chambers fulfill their responsibilities of disseminating information, such as price surveys, production statistics, and environmental educational materials.

Response: As a result of this recommendation, and the Project's ineffectiveness in assisting the regional agricultural chambers, the Technical Committee has decided that the Project will no longer work directly with the chambers. Instead, the Project will focus its energies on producer associations and cooperatives. The four PAOs which will continue to be assisted under the amended Project are: FEGABENI, ASOBOFLOR, ANAPO and CIS-Punata. An additional four organizations will be selected for intensive assistance in organizational development and marketing.

Recommendation No. 2

Recommendation: All future project implementation activities should be carried out within the framework of the organizational structure (hierarchy of agricultural producer associations) which the project is seeking to create.

Response: The Project will ensure that work with any sub-organization is approved by the parent organization and that each organization receives technical assistance appropriate to its functions and position within the hierarchy of agricultural organizations. As discussed above, however, the Project will focus its attention on producer associations.

Recommendation No. 3

Recommendation: The selection criteria for deciding which producer organizations participate in the Project should emphasize strategic regions and subsectors, that is, commodities that are commercial and promise strong growth.

Response: The Technical Committee fully agrees and has decided that the Project will work ONLY in strategic regions and with products which show commercial promise.

Recommendation No. 4

Recommendation: Feasibility studies undertaken by the Contractor of proposed enterprises will take a systemic approach that considers the financial responsibilities and obligations (including debt from previous endeavours) of all the organizations involved in the proposed activity.

Response: In reviewing the feasibility of a marketing enterprise, the Project will include the financial position of the parent organization as well. (This recommendation arose because a study of FRIGASA's financial position did not include the parent organization's debt.)

Recommendation No. 5

Recommendation: A primary goal of long-term technical assistance activities with the client producer associations should be organizational development: management, financial accounting, inventory controls, etc.

Response: The Project will seek to strike a better balance between management and marketing assistance. Organizational development will receive greater attention. Also, under this amendment, Volunteers Overseas in Cooperative Assistance (VOCA) will be available for short-term technical and management assistance.

Recommendation No. 6

Recommendation: A primary goal of the technical assistance activities under the Project should be the design of technology transfer systems for producer associations.

Response: A technology transfer specialist will be part of the long-term technical assistance team. He or she will work with the organizations on building a technology transfer program.

Recommendation No. 7

Recommendation: The environmental concerns raised in the original Project paper should be addressed under this amendment.

Response: The technology transfer package will include and incorporate environmental practices, e.g. safe practices on pest control for green houses; production practices and technologies for crop production in order not to affect the environmental balance.

Recommendation No. 8

Recommendation: All technical assistance activities should be decentralized to the maximum extent possible through obligation of workplans and budgets with periodic reviews in scheduled staff meetings.

Response: The contractor will open regional offices in Cochabamba, Beni and Sucre, in addition to the current office in La Paz, in order to better implement Project activities.

D. Project Amendment Adjustments

This section summarizes the major adjustments that will be made to the Project as a result of the evaluation recommendations and the Technical Committee meeting in Tarija. The major adjustments are:

1) The Project will work only with agricultural producer associations. Regional agricultural chambers will no longer receive direct Project assistance.

2) The Project will limit its technical assistance to working with associations in strategic regions of Bolivia and with products which have a strong commercial potential, and present an alternative to coca production.

3) The Volunteers in Overseas Cooperative Assistance (VOCA) will be incorporated into the Project in order to respond to specific technical assistance needs of producer associations. Because the program uses volunteers, more technical assistance days will be available to agricultural organizations through this mechanism than through the regular procurement of short-term services.

4) The technical assistance provided to the eight primary producer organizations (four from the initial Project and four to be added under this Amendment) will not emphasize marketing over and above organizational development. A balance will be struck.

5) A representative from MACA will be the GOB counterpart. Under the original Project, the GOB representative was under the Ministry of Planning and Coordination (MPC).

III. REVISED PROJECT DESCRIPTION

A. Project Goal and Purpose

The goal of the Project remains the same: to increase income on farms and ranches through increased yields, expanded production, and increased marketable surplus, including exports. This goal contributes to two of the program-level objectives spelled out in USAID/Bolivia's FY 1991-1992 Action Plan: increase investment, productivity and employment in non-coca activities, and increase the volume, value, and range on non-coca exports.

The purpose of the Project has been slightly modified. The phrase "and increased incomes" has been added. The purpose statement now reads: to strengthen and expand the capacity of private agricultural producer organizations to provide services and increased incomes to members. The Project will strengthen the administrative, financial, technical and marketing capacities of producer associations.

B. Project Activities

Under the Amended Project, resources will be committed to consolidate the progress made to date in the institutional strengthening of four producer associations with which the Project has worked in the past (FEGABENI, ANAPO, ASOBOFLOR and CIS-Punata). Although it is apparent that these organizations are considerably stronger now than they were three years ago, additional time is required to assist them to solidify their financial base through increasing membership, improving and expanding fee-based services, and continuing the development of investments in new enterprises and joint ventures. The remaining four organizations (CAT, CAP, CACH, and CIS-Yacuiba) will be dropped from the Project, as agreed upon by the Project's Technical Committee in Tarija.

Four new producer associations will be selected for intensive assistance in organizational development and marketing. The location of the producer association as well as the viability of its product will be the key criteria for selection.

During its first phase, the Project identified 606 agricultural organizations, of which many would welcome the opportunity to receive Project support. Consequently, human and financial resources will be increased to expand the coverage of the Project among some of these organizations in the future. It is estimated that at least twenty organizations will receive ad hoc technical assistance from VOCA.

The specific activities to be carried out under the Amended Project include:

- a. Management Assistance: Assistance will be provided (primarily by RONCO) in organization and management techniques in order to institutionally strengthen the participating organizations and improve their ability to provide services to their members. The Project will continue to pay the salaries (on a declining basis) for a general manager, a technical manager, and specialists in technology transfer, quality control, and marketing. The associations will assume responsibility for these salaries once the Project has ended.
- b. Technical Assistance: The Project will continue to assist agricultural organizations in
- selecting and developing technically and economically viable crops, including studies on soil, water, reforestation, and pest management.
 - promoting economically sound agribusinesses, including market research and identification of potential buyers;
 - transferring technologies for improved production and marketing;
 - arranging joint ventures, where appropriate.
- Through RONCO and VOCA, at least 20 to 25 new organizations will benefit from this ad hoc technical assistance.
- c. Training: Training will be provided to Project staff and to association members in administrative matters (computerized accounting, personnel management, etc.) as well as in technical subjects (packing technologies, production techniques, etc.). Most training will be conducted in Bolivia. It is expected that at least 200 individuals will receive training under the Amended Project.
- d. Feasibility Studies: The Project will continue to prepare and disseminate studies on viable crops and agribusinesses. The number of studies to be conducted will depend largely on the opportunities that develop as the Project is implemented. It is expected, however, that at least 5 new studies will be prepared over the two year period.
- e. Financial Support: The Project will continue to provide support to the eight primary participating associations for costs related to office infrastructure, research centers, silos and cooling facilities. In its first phase, the Project financed the purchase of the CACH headquarters, the SERVIFLOR marketing facilities, and office equipment and furniture for ANAPO, ASOBOFLOR, FEGAGENI and CIS-Punata. Prior to committing any resources to these activities, the Project will ensure that they are socially, economically, and environmentally sound. The amounts to be expended will depend on the opportunities which develop.
- f. Newsletter: The Project will continue to publish a monthly newsletter on organizational and agricultural matters. The newsletter has had a distribution of approximately 600 issues monthly among producer association members. The Project plans to increase distribution during the second phase to potential PAO members.

C. Revised Outputs

This Amendment revises the outputs of the Project based upon two years of implementation experience and upon the adjustments suggested by the evaluation. The revised outputs for the Project, which are more impact rather than process oriented, are:

- increase membership among participating organizations by 20%;
- increase the sales of non-traditional farm exports of participating agricultural organizations by 25%;
- increase the number of non-traditional crops being farmed by association members by 5, in order to diversify income sources and help reduce the risk to individual members and associations;
- develop 4 new agricultural enterprises for processing and/or marketing member products;
- increase and diversify the financing of each primary organization's operations. The eight organizations will increase their self-sufficiency level (financing of operating costs through self-generated income) by at least 20%;
- 24 PAO Project bulletins published;
- 5 product studies prepared; and
- 200 individuals trained.

D. End-of-Project Status

At the end of the Amended Project, the following end of project achievements are expected:

- membership of participating organizations increased;
- the number of non-traditional crops farmed by members increased;
- membership largely supporting the provision of services through fee payments;
- primary organization's self-sufficiency level improved;
- new agricultural enterprises created; and
- volume, range and value of domestic sales and exports of assisted organizations increased.

E. Role of Volunteers in Overseas Cooperative Assistance (VOCA)

In the original project conception, it was intended that the program exert a positive impact on a wide range and number of agricultural organizations. This was to have been achieved by working intensively with a select primary group of about ten organizations, and by working on a more limited basis with a second larger group (about 25) on specific problems.

After three years of the Project, the technical assistance contractor has not substantially expanded its activities to include the second larger group. This could only be done at considerable additional cost to the USG. Therefore, the Mission has decided to utilize the services of VOCA, which has an established record of providing specific short-term services to cooperatives and producer associations in Bolivia under their "farmer-to-farmer" program, and which because it uses voluntary services is the most cost-effective use of Project resources. The inclusion of VOCA at this stage of the Project will ensure that the original intent of making services available to a second larger group be fulfilled. An illustrative list of agricultural organizations to which VOCA may provide technical services is presented in Table 3.

VOCA activities under the amended Project will be carried out using the same mechanisms VOCA has used in Bolivia since 1970. The only new feature will be the introduction of a modest in-country presence in the form of a resident representative who will look after the day-to-day details.

Table 3

Illustrative List of Private Agricultural Producer
Organizations (PAOs) with which VOCA may Work

Activity	P.A.O. & Locations
--Poultry	AAC/Cochabamba
--Poultry	ADA/Santa Cruz
--Dairy	BENI Dairy Farm Management
--Dairy	Cooperative Ganadera Beni
--Dairy	ACRHOBOL/Cochabamba
--Cattle	ASECEBU/Santa Cruz
--Hogs	ADEPOR/Santa Cruz
--Grain	PROMASOR/Santa Cruz
--Beekeeping	AAB/Santa Cruz
--Beekeeping	Chuquisaca
--Rabbits	ACC/Cochabamba
--Rabbits	CACH/Sucre*
--Grapes	CACH/Sucre*
--Flowers for Export	ASOBOFLOR/Cochabamba*
--Fruit	CACH/Sucre*
--Pastures	FEGASACRUZ/Santa Cruz
--Grain Drying, Storage	PROMASOR/Santa Cruz
--Flowers for Export	CACH/Sucre*
--Pork Processing	COBOLDE/Sucre
--Fruit Wholesale	ASHOFRUT/Santa Cruz
--Processed Foods	PIL/Sucre
--Processed Foods	COBOLDE/Sucre
--Beef Grading	FEGASACRUZ/Santa Cruz
--Dairy Herd Records	ARCHOBOL/Cochabamba
--Poultry Disease Control	AAC/Cochabamba
--Poultry Disease Control	ADA/Santa Cruz
--Extension Planning	CIAT/Santa Cruz
--Machinery	CCAM
--Soil Conservation	CAIPT/Cochabamba

* Organizations with which Ronco, Inc. is currently working.

IV. PROJECT IMPLEMENTATION, MONITORING AND EVALUATION ARRANGEMENTS

A. Implementation Arrangements

1. USAID/Bolivia Management

The Project will continue to be managed by a full-time Bolivian Foreign Service National out of the Office of Agriculture and Rural Development (ARD). The Director of the ARD Office, a USDH, will supervise overall project management.

Because this Project is intimately involved in marketing domestic products and non-traditional products with export potential, there is complementarity with some of our other USAID/B projects. To improve coordination of activities among these projects, USAID/Bolivia plans to hold bi-monthly meetings of the project managers and institutional contractors of the PAO Project, the Market Town Capital Formation Project, the Chapare Regional Development Project, the Export Promotion Project, and any other related project. These meetings will be organized by the Project Development and Implementation office in coordination with the Mission Evaluation Officer.

2. GOB Representative

The Project will continue to follow the implementation procedures spelled out in the original Project Paper. The one key exception is that the Project will no longer be managed by the Program Coordinating Unit (PCU) under the Ministry of Planning and Coordination, but rather under the Ministry of Agriculture and Campesino Affairs (MACA). This is a change that was instituted in January of 1990 and has the approval of both the MACA and the Ministry of Planning and was confirmed by Project Implementation Letter No. 23.

A GOB/MACA representative will be located within the Project headquarters and will serve as a liaison between the GOB and the Project. This individual will have the following functions:

- a) monitor the execution of the Project and its program of activities;
- b) monitor the programming and execution of work plans;
- c) inform and coordinate the Project activities with the MACA;
- d) coordinate and prepare of semi-annual operational work plans and the Project budget in coordination with PL-480 and the Project contractor for presentation to the GOB and USAID/Bolivia; and
- e) participate in the Technical Committee, in representation of the GOB.

3. Project Technical Committee

A Technical Committee, composed of one representative from USAID/Bolivia, MACA, PL-480, VOCA and RONCO, will continue to advise the

Project. However, under the amended Project, it will assume an even greater monitoring role. Some of the functions it will have include:

- a) ensure that the Project functions within the terms of the Project Agreement signed between the GOB and USAID;
- b) determine and establish policies for the implementation of the project;
- c) review, analyze, evaluate and approve the work plans presented by the technical assistance contractor;
- d) follow-up and monitor all activities to be implemented by the Project;
- e) approve and monitor the Project budgets;
- f) participate in the evaluations and audits of the Project; and
- g) recommend possible amendments or adjustments to the Project in order to improve its functioning.

4. New Selection Criteria for Agricultural Organizations

The Project will work with a selected number of organizations. As discussed earlier, four of the producer associations from the first phase of the Project will continue to be assisted: ASOBOFLOR, FEGABENI, ANAPO and CIS-Punata. Four new organizations will be selected for in depth technical assistance and an additional 20 to 25 new organizations will be selected to receive ad hoc technical assistance. The criteria for selection will include, among others:

- a) organization is a producer association or cooperative;
- b) it is active in a product which has obvious commercial potential, both for the domestic market or exports;
- c) it is located in a strategic region, with access to transportation and other infrastructure, which will facilitate production and marketing.

Additional criteria will be developed once the second phase of the Project begins.

5. Technical Assistance Contractor

Because this is only a two year extension, the Mission proposes to extend the institutional contract with RONCO, Inc. A waiver of competition memorandum to this effect is included as Annex 5. The RONCO staffing for the Project is expected to be as follows:

La Paz Office:
Chief of Party (U.S.)
Human Resources Specialist

Technology Transfer Specialist (U.S. or T.C.)
Project Monitoring and Evaluation Specialist (Bolivian)
Communications Expert (Bolivian)
Training Coordinator (Bolivian)
Project Accountant (Bolivian)
Accounting Assistant (Bolivian)
Secretaries (Bolivian)
Chauffeur/Messenger (Bolivian)

Cochabamba Office

Business Administrator (U.S. or T.C.)
Organizational Development Specialist (U.S., T.C. or Bolivian)
Secretary (Bolivian)
Chauffer (Bolivian)

Sucre Office

Business Administrator (U.S., T.C. or Bolivian)
Organizational Development Specialist (U.S., T.C. or Bolivian)
Secretary (Bolivian)
Chauffer (Bolivian)

Trinidad Office

Financial Analyst/Credit Specialist (U.S., T.C. or Bolivian)
Business Administrator (U.S., T.C. or Bolivian)
Secretary (Bolivian)
Chauffer (Bolivian)

The Project's office in Santa Cruz has been closed down.

6. Short-Term Technical Assistance Through VOCA

To further improve the quality and cost-effectiveness of the technical assistance provided to the producer associations, the Mission proposes to utilize the services of Volunteers in Cooperative Assistance, VOCA, through a buy-in with a centrally-funded contract. VOCA has had an excellent track record in Bolivia, and it is especially well suited to provide volunteer farmers and agribusiness experts from the United States. A VOCA representative, based in the Project's Cochabamba Office, will be funded through the buy-in.

In capsule form, the process of providing short-term technical assistance to producer associations through a buy-in with the VOCA "farmer-to-farmer" Cooperative Agreement will be the following:

- a. VOCA receives written requests for assistance from private agricultural organizations through the Project's offices managed by RONCO, the long-term technical assistance Contractor.
- b. The request is either accepted, put on pending status until questions can be answered regarding details that need clarification, or rejected because the proposed activity does not fall within the project purpose or within VOCA's areas of expertise, or because the organization does not meet the qualifying criteria for eligibility.

- c. With the approved requests, VOCA proceeds to recruit the most highly qualified individuals available in the U.S. for each assignment, keeping the requesting organizations apprised of developments regarding recruitment results, the background of the individuals being sent, and their arrival-related details.
- d. At this stage, VOCA/Washington makes all travel arrangements for departing volunteers, and informs USAID/Bolivia and RONCO of the upcoming placements in the country including the names of the organizations to receive the technical assistance services, the goals of the activities requested, the bio-data of the volunteers, arrival details. VOCA/Washington will also brief the volunteers en route to Bolivia. At the same time, the requesting organizations prepare detailed work plans for the volunteers they are about to receive and prepare to provide the necessary in-country support for them.
- e. When the volunteers arrive in country, the requesting organizations assume all logistical support responsibilities, including transport to and from work daily, interpreters, office space, secretarial help, and supplies and equipment necessary to carry out the assignments. VOCA monitors project activity through its resident representative.
- f. The volunteers prepare written reports with recommendations and submit them to the requesting organizations before they depart from the work site. In addition to conducting farm visits or analyzing existing or proposed systems, procedures, physical structures, etc. relating to potential improvements in farm or agribusiness operations, "farmer-to-farmer" volunteers often will present seminars on their observations, findings and recommendations to association or cooperative membership and the local community at large. Having proven to be very productive and popular in Bolivia, these seminars have been valuable because they offer information and advice to farmers who could not be reached during the cycle of farm visits, because they reinforce and often expand upon the volunteers written reports, and because they reach interested local officials, academics, agricultural specialists and others not directly related to the organization that requested VOCA's services;
- g. Upon completion of the assignments, departing volunteers may pass through La Paz to debrief with USAID/Bolivia and/or RONCO. Copies of the volunteers' final reports will be made available to the Mission and RONCO.
- h. Six months subsequent to the completion of the assignments, and prior to the PACD, VOCA staff will evaluate the impacts of the volunteers' work by visiting the sites and interviewing the leadership, management and some of the membership of the organizations assisted to determine if the volunteers' recommendations were followed, and if so, what were the results. If some or all of the recommendations were not followed, the reasons for that are discussed and also included in the evaluation report. The physical format of the evaluation report was developed and refined over the years in consultation with AID/W.

- i. Returning volunteers are assisted, when necessary, in preparing press releases for their hometown newspapers regarding their assignments.
- j. VOCA submits all required progress and financial reports to the corresponding AID/W offices with a copy to USAID/Bolivia on an established periodic basis.

The VOCA representative, selected in consultation with USAID/Bolivia, will work under the supervision of VOCA's Latin America and the Caribbean representative. In addition to project development, monitoring and support duties, this individual will conduct ongoing liaison functions with the RONCO team. VOCA will submit to the Mission periodic progress and expenditure reports and will brief appropriate officials on the progress of the activity, noteworthy achievements and other information of interest. Because the majority of field activities will take place in the Santa Cruz and Cochabamba area, this individual will reside in Cochabamba, and work in the RONCO office there.

7. Project Analyses

This PP Amendment essentially extends the work under the PAO Project and does not radically depart from the original design. USAID/Bolivia will continue to procure technical assistance services to strengthen selected agricultural producer associations. Because the Project will not be substantially modified, the Project Analyses (Technical Analysis, Social Soundness Analysis, Economic Considerations and Institutional and Financial Analysis) prepared in the original Project Paper are still relevant. The Administrative Analysis, for the most part, still holds. Slight modifications include: the MPC is no longer the GOB counterpart, and, the name of the USAID office managing the Project has changed.

B. Implementation Schedule

<u>Activity</u>	<u>Date</u>
Signature of Project Agreement Amendment with MPC/MACA	Aug. 1990
CBD Publication of intent to extend RONCO contract and sign a CA with VOCA	Sept. 1990
RONCO contract amendment signed	Nov. 1990
VOCA buy-in finalized	Nov. 1990
Regional offices opened	Dec. 1990
Hiring of new staff	Dec. 1990
Final evaluation	Nov. 1992

C. Monitoring and Evaluation

The Technical Assistance Contractor will be expected to develop a monitoring and evaluation system (M&E) which will collect data to measure progress on Project indicators. The goal of the M&E system will be to collect and analyze data on the achievement of the Project purpose, outputs and activities. Once this Project Paper Amendment is authorized, the Contractor will proceed to develop a system which will establish qualitative and quantitative measures of the Project's achievements. The M&E system will provide information on the effectiveness of producer associations to provide services to their members. The system will monitor the timely implementation of Project activities and expenditures, and to evaluate changes, as measured from a baseline, in 1) the administrative, financial, technical and marketing capacity of producer associations; 2) the number and income of organization members; 3) volume of products marketed to domestic and export markets; 4) crop diversification; and 5) the recuperation of operating expenses through the collection of service fees.

The long-term technical assistance team will be responsible for the M&E system. A Project Monitoring and Evaluation Specialist will be hired by RONCO to design and manage the Project's M&E systems. A combination of case studies and ongoing data collection will form the basis of this system. The M&E Specialist will be responsible for collecting baseline data, monitoring Project progress and preparing quarterly reports to be submitted to USAID/Bolivia. In addition, the M&E Specialist, in coordination with the USAID/Bolivia Monitoring and Evaluation Unit, will conduct an internal midterm evaluation workshop. The workshop will assess progress on the implementation of the Project Amendment and develop criteria for judging the relative self-sufficiency of participating organizations.

A final external impact evaluation of the Project will take place prior to the PACD. This evaluation will measure the quantitative and qualitative achievements of the Project.

The Mission will directly contract an IQC firm to prepare the final impact evaluation. A mid-term and final audit will be contracted locally, utilizing G03/PL-480 counterpart funds.

D. The Role of Women

Women play an important role in the agriculture sector of Bolivia. They perform key farming tasks, such as planting, weeding and harvesting, while the men tend to migrate to the cities in search of employment. Women are also the principal marketers of agricultural goods. City, town and village markets are generally the domain of women vendors, who sell goods from family farms or who buy goods from wholesalers. As has been noted in numerous other studies, however, these essentially women-headed households are still under the wing of a male figure. Men tend to be the representatives of the family farm at association meetings and men are usually the recipients of agricultural or cottage industry loans. In this cultural context, it is not surprising that women farmers are underrepresented in the institutions with which the PAO Project works.

What is surprising, however, is that professional women have been an active force in the PAO Project. Two of the associations participating in the Project have been directed by women: ASOBOFLOR and CIS-Cochabamba. And one of the marketing agencies created by the Project, SERVIFLOR, is also headed by a woman. Because of the Bolivian cultural context, the Project is better able to promote women staffers in the associations rather than women association members. Given the important role women play in agriculture, however, the Amended Project will continue to encourage the technical offices of the associations to reach out to woman farmers and assist them in their agricultural endeavors. It is they, who as principal farmers, need to be reached in order to improve agricultural productivity and produce quality.

V. REVISED LIFE OF PROJECT COST ESTIMATES AND FINANCIAL PLAN

A. Life-of-Project Cost Estimate Detail

The major cost elements comprising the Development Assistance portion of this Project Amendment are: 96 person-months long-term technical assistance (\$1,354,000) and 40 person-months short-term technical assistance (\$482,000) to the eight core producer associations by an institutional contractor (total: \$1,836,000); 81 person-months ST technical assistance to a wider group of organizations by VOCA (\$610,000); and evaluation and audit (\$54,000).

The local cost (PL-480) components are: technical assistance (\$3,106,000), comprised of counterpart costs to the long-term technical assistance institutional contractor (\$2,186,000) and local short-term technical assistance (\$920,000); training (\$250,000); financial support comprised primarily of grants to the PAOs (\$2,700,000); and the project coordination unit in MACA and evaluations/audit (\$190,000).

Counterpart funds from the producer organizations are: training (\$15,000); and operational support (\$100,000).

No provision has been made to reflect start-up costs because this is an ongoing project. VOCA also has a presence in Bolivia.

As in the original project, producer organizations are expected to cover some Project costs. These have to do with lodging and traveling of the consultants within Bolivia. Similarly, the GOB/PL-480 Boliviano contribution will be made available through an implementation letter signed by USAID and PL-480 based on the GOB request for assistance.

TABLE 4

LIFE OF PROJECT FUNDING SUMMARY
(US\$ 000)

BUDGET	CURRENT PAO PROJECT				PAO PROJECT AMENDMENT				PAO PROJECT TOTAL			
	PROJECTS INPUTS	AID	GOB/PL480	PAOS	TOTAL	AID	GOB/PL480	PAOS	TOTAL	AID	GOB/PL480	PAOS
I. TECHNICAL ASSISTANCE	3,747	1,666	41	5,454	2,446	3,106		5,552	6,193	4,772	41	11,006
A. Long Term	2,487	1,398	41	3,926	1,354	2,186		3,540	3,841	3,584	41	7,466
1) International	2,389	559		2,948	1,354			1,354	3,743	559		4,302
2) Local	98	839	41	978		2,186		2,186	98	3,025	41	3,164
B. Short Term	1,260	268		1,528	482	920		1,402	1,742	1,188		2,930
1) United States	654			654	224			224	878			878
2) Third Country	312			312	258			258	570			570
3) Local	294	268		562		920		920	294	1,188		1,482
C. VOCA C.A. Buy-in					610			610	610			610
II. TRAINING		276	29	305		250	15	265		526	44	570
A. In Country		140		140		96	10	106		236	10	246
B. Neighboring Countries		136	29	165		154	5	159		290	34	324
III. OPERATIONAL SUPPORT		436		436		2,700	100	2,800		3,136	100	3,236
A. Financial Support to PAOS (Credit and Grant)**		300		300		2,700	100	2,800		3,000	100	3,100
B. Specific Studies		136		136						136		136
IV. PROJECT SUPPORT	453	1,008		1,461	54	190		244	507	1,198		1,705
A. Project Coordinator		334		334						334		334
B. Vehicles/Furniture	176	20		196					176			176
C. Coordination Unit (OCP)	21	577		598		160		160	21	737		758
D. Evaluations/Audits	256	77		333	54	30		84	310	107		417
V. CREDIT **		2,600	1,230	3,830						2,600	1,230	3,830
VI. CONTINGENCIES		14		14		8		8		22		22
TOTAL	4,200	6,000	1,300	11,500	2,500	6,254	115	8,869	6,700	12,254	1,415	20,369

** Credit under the Amended Project will be substantially reduced, and limited to very special circumstances.

TABLE 5

PROJECT AMENDMENT COST ESTIMATE

(US\$ 000)

INPUT SOURCE	YEAR ONE		YEAR TWO		TOTAL	TOTAL	TOTAL	TOTAL
	AID	GOB	AID	GOB	FUNDS AID	FUNDS GOB	FUNDS PAOS	
I. TECHNICAL ASSISTANCE	1,187	1,506	1,259	1,600	2,446	3,106		5,552
A. Long Term	655	1,046	699	1,140	1,354	2,186		3,540
1) International	655		699		1,354			1,354
2) Local		1,046		1,140		2,186		2,186
B. Short Term	235	460	247	460	482	920		1,402
1) United States	112		112		224			224
2) Third Country	123		135		258			258
3) Local		460		460		920		920
C. VOCA C.A. Buy-in	297		313		610			610
II. TRAINING		125		125		250	15	265
III. OPERATIONAL SUPPORT TO PAO's		1,350		1,350		2,700	100	2,800
IV. PROJECT SUPPORT		91	54	99	54	190		244
V. CREDIT								
VI. CONTINGENCIES		4		4		8		8
TOTAL	1,187	3,076	1,313	3,178	2,500	6,254	115	8,869

B. VOCA Budget Detail

Table 6

	YEAR 1	YEAR 2	LOP
VOLUNTEER COSTS:			
Travel and Transportation:			
Volunteer Travel (1)	\$ 51,000	\$ 53,550	\$ 104,550
Volunteer Living Costs (2)	84,375	88,875	173,250
Briefing Per Diem (3)	8,775	9,225	18,000
Direct Briefing Costs (4)	1,000	1,060	2,060
Volunteer Insurance (5)	3,375	3,555	6,930
Vol. Passports, Visas, Immunizations, etc.	<u>10,965</u>	<u>11,500</u>	<u>22,465</u>
Total Volunteer Costs	\$ 159,490	\$ 167,765	\$ 327,255
VOCA STAFF COSTS:			
Salaries			
Program Coordinator (7)	\$ 5,160	\$ 5,580	\$ 10,740
Recruitment Assistant (8)	3,180	3,450	6,630
Regional Representative (9)	3,660	3,960	7,620
Fringe Benefits (10)	5,119	5,542	10,661
Other Direct (11)	2,568	2,780	5,348
Bolivia Staff			
Salary (12)	20,000	21,000	41,000
Office and Supplies (13)	3,333	3,500	6,833
Travel and Per Diem (14)	6,000	6,300	12,300
Staff Travel			
Airfares (15)	3,500	3,676	7,176
Per Diem (16)	1,500	1,580	3,080
Miscellaneous Expenses (17)	<u>100</u>	<u>106</u>	<u>206</u>
Total Staff Costs	\$ 54,120	\$ 57,474	\$ 111,594
TOTAL DIRECT COSTS	\$ 213,610	\$ 225,239	\$ 438,849
INDIRECT COSTS (18)	<u>\$ 83,308</u>	<u>\$ 87,843</u>	<u>\$ 171,151</u>
TOTAL COSTS	\$ 296,918	\$ 313,082	\$ 610,000

Notes to Table 6: VOCA Budget

- (1) Domestic airfares home-D.C.-home at \$500 per person for 20 volunteers and 10 spouses, for \$15,000. International airfares D.C.-Bolivia-D.C. at \$1,200 each for same 30 people, for \$36,000. Total: \$51,000 for year with 1.5% increase projected for Year Two.
- (2) Overseas living costs for average assignment duration of 45 days, 20 volunteers at average per diem rate of \$75, or 900 person days at \$75, yielding \$67,500; 10 spouses for average of 45 days (450 person days) at a half per diem rate of \$37.50, giving \$16,875. Year 1 total is \$84,375, with 5% increase for Year Two.
- (3) Washington briefing and debriefing per diem: \$117 per day for total of three days each for 20 volunteers, for \$7,020; half per diem of \$58.50 for three days each for 10 spouses, for \$1,755. Year 1 total is \$8,775, with 5% increases for Year Two.
- (4) Direct briefing costs are for volunteer briefing kits, visa fees, staff travel to and from Washington embassies: \$50 per assignment x 20 = \$1,000.
- (5) Insurance for supplemental coverage against loss from accident, illness, and theft.
- (6) Also includes passport photos, ground transport, airport taxes, calls to VOCA, postage, other related miscellaneous costs.
- (7) 30 days per year of direct attention to this activity (recruitment and outgoing and incoming processing of volunteers) at a daily cost of \$172, based on annual salary of \$39,489. 30 days x \$172 = \$5,160.
- (8) 30 days of functions in (7) above for assistant program coordinator at a daily cost of \$106, for \$3,180.
- (9) 30 days of staff time costs for Latin America/Carribbean representative: 20 days in Bolivia and 10 days in headquarters, in functions directly related to this activity, at daily staff time cost of \$122, for \$3,660.
- (10) Fringe benefit costs (health and life insurance, retirement, vacation, payroll taxes) at 42.66% of salaries: items 7, 8, and 9 above (\$12,000) x 0.4266 = \$5,119.
- (11) Other direct costs related to this activity's use of overall headquarters resources.
- (12) Two-thirds of projected annual personnel cost of one resident hire with agricultural sector expertise to help coordinate in-country activities, for \$20,000. VOCA core Farmer-to-Farmer grant resources will cover the other third.

Notes to VOCA Budget (cont)

(13) Projected Bolivia mini-office costs: office supplies, telephone bills, postage, etc.

(14) Periodic travel to the different departments to develop project activity and monitor actions in the field by local resident hire: 100 days of per diem at \$70, for \$7,000. Air and ground transport, and other incidental travel-related costs, for \$2,000.

(15) Two round trips D.C.-Bolivia-D.C. with internal stops in four to six Bolivian cities, at \$1,750 per round-trip ticket, for Latin America/Caribbean representative, for project development, monitoring and evaluation activities.

(16) 20 days of per diem for LA/CA representative at \$75 per day for two country visits.

(17) Miscellaneous expenses at \$50 per trip for the two LA/CA representative's country visits.

(18) Indirect costs at 39% of all direct costs of the activity.

C. Procurement Plan

A contract extension will be negotiated with RONCO, Inc. for an additional two years. This will provide institutional strengthening experts as well as short-term specialists. In addition to the RONCO short-term advisors, the Project will supplement its short-term advisors with volunteers from VOCA. A final evaluation and yearly audits will be contracted during the two year extension. No commodities are to be purchased directly by A.I.D.. Under the Project, RONCO will procure some commodities for new private agricultural organizations that are selected to participate in the Project.

A detailed procurement plan is presented below:

SERVICES:

<u>CONTRACT TYPE</u>	<u>ESTIMATED VALUE</u>	<u>CONTRACTUAL METHOD</u>	<u>AUTH. AGENT</u>	<u>PROPOSED SOURCE</u>	<u>EXCEPTIONS/WAIVERS</u>
A. CONTRACT EXTENSION WITH RONCO 10-90 PIO/T processed for RCO 11-90 Final negotiations and award 01-91 T.A. recommences	\$1,836,000	OTFO	RCO	U.S.	Waiver required
B. BUY-IN WITH VOCA 10-90 PIO/T processed for AID/W 11-90 Final negotiations and award 01-91 T.A. commences	\$ 610,000	buy-in	AID/W	U.S.	None
C. MID-TERM AUDIT - CR 08-91 PIO/T processed for USAID/B 09-91 Delivery order negotiated and signed 10-91 Audit commences 12-91 Audit report accepted	\$ 18,000**	local IQC	USAID/B	Local & RIG/T	NONE
D. FINAL EVALUATION - CR 07-92 PIO/T processed for AID/W 08-92 Delivery order negotiated and signed 09-92 Evaluation commences 11-92 Report accepted	\$ 54,000*	IQC	AID/W	U.S.	NONE
E. FINAL AUDIT - CR 08-92 PIO/T processed for AID/W 10-92 Delivery order negotiated and signed 11-92 Audit commences 01-93 Audit report accepted	\$ 18,000**	local IQC	USAID/B	Local & RIG/T	NONE

CODES: CA - Cooperative Agreement; CR - Cost Reimbursement; FO - Full and Open Competition (U.S. - CBD); FP - Fixed Price; OC - Other Competition (U.S./Local - at least three sources); IQC - Indefinite Quantity Contract (Pre-competed by AID/W); OTFO - Other Than Full and Open Competition.

* Funds remaining from the original Project will supplement this amount.

** Audits to be paid with local currency.

D. Project Disbursement System

A Project Agreement Amendment will be signed with the MPC and cosigned by the MACA. This will provide the basis for the contract extension with RONCO, the buy-in to a centrally-funded Cooperative Agreement with VOCA, and the continuation of the Unidad de Coordinación del Proyecto (UCP), now under MACA, as per Project Implementation Letter No. 23.

USAID/Bolivia will procure evaluation and audit services directly.

<u>Method of Implementation</u>	<u>Method of Financing</u>	<u>Approx. Amount</u>
Institutional Contract	Direct Pay	\$1,836,000
Buy-In Cooperative Agreement	Direct Pay	\$ 610,000
Mid-term Audit	Direct- local	\$ 18,000
Final Evaluation	Direct Pay	\$ 54,000
Final Audit	Direct- local	\$ 18,000

E. Local Source Procurement Justification

Local source procurement in Bolivia with appropriated funds will be necessary under the PAO Project Amendment in order to successfully implement certain Project activities. Although the two technical assistance providers (RONCO and VOCA) are based in the U.S., they will, in order to fulfill program objectives and best promote the objectives of the foreign assistance program, incur the following types of local costs:

- Short-term technical assistance. The Project will continue to utilize Bolivian as well as U.S. and Third Country specialists to assist the participating producer associations. The Project is particularly interested in tapping local sources in order to expand local capacities to service the agricultural sector after the Project ends.
- U.S. contractor's costs of operating in Bolivia. Both RONCO and VOCA will necessarily have local costs in Bolivia, such as, but not limited to, salaries and benefits, office equipment and supplies, and travel and per diem.

USAID/Bolivia will also be procuring local audit services for a mid-term and final audit of the Project. USAID/Bolivia maintains a local IQC for financial services in order to ensure a quick response to financial review needs of our projects. Moreover, the Mission seeks to promote the auditing capacity of Bolivian firms, all of which are affiliated with the major U.S. auditing firms.

Because procurement of these services and commodities in Bolivia would "best promote the objectives of the foreign assistance program, " [HB 1B Sections 5B4a(6) and 5D10a(1)(d)], a waiver permitting procurement of goods and services with source, origin and nationality in Bolivia is included in Project Authorization Amendment No. 1. The aggregate amount of this waiver is estimated at \$1,000,000. The Mission Director has authority to grant this waiver under Delegation of Authority 752, Section III.B. By signing the Facesheet and amended Project Authorization for this Project Paper Amendment, the Mission Director approves this waiver to permit local cost financing of the types of costs specified above, and also determines that the prices of indigenous and locally available imported goods and services are reasonable [HB1B, Section 18A.1.c.(1)].

VI. CONDITIONS PRECEDENT

As in the original Project Paper, a condition to disbursement will be the issuance of a Project Implementation Letter signed by the GOB, PL-480 Secretariat and USAID/Bolivia, which agrees on the allocation of the equivalent of \$6.253 million in Bolivianos to be used as described in the Revised Life of Project Cost Estimates and Financial Plan section.

ANNEX 1
REVISED LOGFRAME

23

PROJECT DESIGN SUMMARY
LOGICAL FRAMEWORK

(INSTRUCTION: THIS IS AN OPTIONAL FORM WHICH CAN BE USED AS AN AID TO ORGANIZING DATA FOR THE PAR REPORT. IT NEED NOT BE RETAINED OR SUBMITTED.)

Life of Project:
From FY 86 to FY 93
Total U.S. Funding \$6.7 million
Date Prepared: 8/15/90

Project Title & Number: Private Agricultural Organizations--Amendment no. 1

NARRATIVE SUMMARY	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	IMPORTANT ASSUMPTIONS					
<p>Program or Sector Goal: The broader objective to which this project contributes: To strengthen and expand the capacity of private agricultural producer organizations to provide services to their members.</p> <p>Project Purpose: To strengthen and expand the capacity of private agricultural producer organizations to provide services and increased incomes to members.</p> <p>Outputs:</p> <ol style="list-style-type: none"> 1. Increased membership in PAOs. 2. Increased sales of non-trad. export crops. 3. Increased number of non-trad. crops being farmed by member PAOs. 4. New agricultural enterprises for processing or marketing. 5. Increased self-sufficiency. 6. PAO project bulletins published. 7. Product studies prepared. 8. Individuals trained. <p>Inputs:</p> <ol style="list-style-type: none"> 1. Technical Assistance (LT & ST) 2. Training 3. Financial Support to PAOs 4. Evaluation/Audit 	<p>Measures of Goal Achievement: Increased crop and animal production, incomes and employment at end of project.</p> <p>Conditions that will indicate purpose has been achieved: End of project status. Target PAOs providing a broader range of more efficient services for which they are reimbursed by members.</p> <p>Magnitude of Outputs:</p> <ol style="list-style-type: none"> 1. 20% increase. 2. 25% increase. 3. Five new crops. 4. Four new enterprises. 5. 20% increase in financing of operating costs through self-generated income. 6. 24 bulletins. 7. Five product studies. 8. 200 individuals trained. <p>Implementation Target (Type and Quantity)</p> <table border="0"> <tr> <td>\$2,446,000 (AID)</td> </tr> <tr> <td>\$3,105,000 (GOB)</td> </tr> <tr> <td>250,000 (GOB)</td> </tr> <tr> <td>2,800,000 (GOB)</td> </tr> <tr> <td>54,000 (AID)</td> </tr> </table>	\$2,446,000 (AID)	\$3,105,000 (GOB)	250,000 (GOB)	2,800,000 (GOB)	54,000 (AID)	<p>Analysis of GOB and other statistics; survey of PAO membership.</p> <p>Comparison of baseline and end-of-project data collected during project implementation and at end-of-project evaluation.</p> <p>Monthly and final project implementation reports.</p>	<p>Assumptions for achieving goal targets: GOB economic program and privatization policies continue to evolve.</p> <p>Assumptions for achieving purpose: Models designed and implemented are socially, politically and technically acceptable.</p> <p>Assumptions for achieving outputs: Accurate social and organizational analyses provide correct orientation for assistance plans.</p> <p>Assumptions for providing inputs:</p>
\$2,446,000 (AID)								
\$3,105,000 (GOB)								
250,000 (GOB)								
2,800,000 (GOB)								
54,000 (AID)								

1/26

ANNEX 2

AID/W APPROVAL TO AUTHORIZE
PROJECT PAPER AMENDMENT IN THE FIELD

27

AID AMB DCM ECON

Rec'd 1/9

VZCZCLP0254
PP RUEHLP
DE RUEHC #6925 0082205
ZNR UUUUU ZZH
P 092203Z JAN 90
FM SECSTATE WASHDC
TO AMEMBASSY LA PAZ PRIORITY 3702
BT
UNCLAS STATE 006926

File: PD&I

LOC: 009 028
09 JAN 90 2214
CN: 01077
CHRG: AID
DIST: AID

Action: PD&I
Info: D/DD
ARD EXO
DP
C
RF 3
SF

AIDAC

E.O. 12356: N/A
TAGS:
SUBJECT: PRIVATE AGRICULTURAL ORGANIZATIONS (PAO)
PROJECT, 511-0589

REF: LA PAZ 15264

1. BASED ON INFORMATION PROVIDED IN REFTTEL (A), THE ACTING ASSISTANT ADMINISTRATOR ON JANUARY 2, 1990 GAVE PROGRAMMATIC APPROVAL FOR MISSION TO APPROVE PP AMENDMENT AND TO AUTHORIZE AMENDMENT TO AUTHORIZATION OF SUBJECT PROJECT.

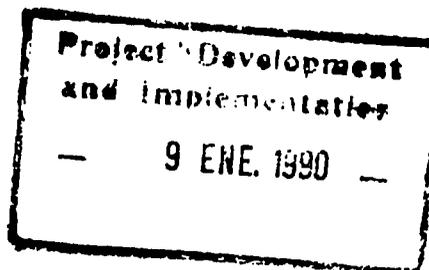
Reply due 1/16

Action tkn _____

2. IN REFTTEL MISSION REQUESTED AUTHORITY TO PREPARE AND APPROVE PAO PP AMENDMENT AND AMEND THE PROJECT AUTHORIZATION. MISSION ALREADY HAS THIS AUTHORITY UNDER DELEGATION OF AUTHORITY NO. 752, AND CAN EXERCISE IT ONCE VARIOUS CONDITIONS HAVE BEEN MET INCLUDING PROGRAMMATIC APPROVAL BY LAC/W. YOU NOW HAVE THIS PROGRAMMATIC APPROVAL FROM LAC. BAKER

BT
#6926

NNNN



26

VZCZCLPI *
RR RUEHC
DE RUEHLP #5264 328 **
ZNR UUUUU ZZE
R 241835Z NOV 89
FM AMEMBASSY LA PAZ
TO SECSTATE WASHDC 9034
BT
UNCLAS LA PAZ 15264

CLASS: UNCLAS
CHRG: AID 11/20/89
APPRV: D:GRVANRAALTE
DRFTD: PD&I:LVALENZUELA:1
CLEAR: 4)DD:HR&RAMER
DISTR: AID AMB DCM

AIDAC

PDI

FOR PETER LAPERA, LAC/DR

E.O. 12356: N/A
SUBJECT: PRIVATE AGRICULTURAL ORGANIZATIONS (PAO)
PROJECT AMENDMENT 511-0589

PDI 2

1. SUMMARY. AFTER LONG DELIBERATION AND CONSIDERING THE FUNDING EXIGENCIES OF THE CHAPARE AMENDMENT, MISSION HAS DECIDED TO PROCEED WITH A STRAIGHT-FORWARD AMENDMENT TO THE PRIVATE AGRICULTURAL ORGANIZATIONS PROJECT, AS OPPOSED TO LINKING IT TO A NEW MARKETING INITIATIVE.

D/DD

ARD

DP

2. THIS CABLE REQUESTS AID/W TO DELEGATE AUTHORITY TO THE MISSION TO APPROVE AN AMENDMENT TO THE PAO AND AMEND THE PROJECT AUTHORIZATION. THE PAO PROJECT HAS OPERATED SUCCESSFULLY OVER THE LAST TWO YEARS, PROVIDING TECHNICAL ASSISTANCE TO PRODUCER ASSOCIATIONS AND PROMOTING OTHER SERVICES, SUCH AS JOINT VENTURES. MOST RECENTLY, THE ASSOCIATION OF CATTLE PRODUCERS OF THE BENI, WITH THE FINANCIAL PARTICIPATION OF A COSTA RICAN FIRM, INAUGURATED A MODEL SLAUGHTERHOUSE IN TRINIDAD, BOLIVIA.

C

RF 3

3. THE MISSION PROPOSES TO EXTEND THE PAO PROJECT FOR TWO YEARS (ITS CURRENT PACD IS 12/90) IN ORDER TO CONSOLIDATE THE GAINS OF THE PROJECT AND OFFER TECHNICAL ASSISTANCE TO NEW ASSOCIATIONS. THE EXTENSION WILL PROVIDE AN ADDITIONAL \$2.5 MILLION OVER A TWO-YEAR PERIOD FOR A CONTINUATION OF TECHNICAL ASSISTANCE AND TRAINING SERVICES TO ADDITIONAL ASSOCIATIONS.

4. MISSION REQUESTS AUTHORITY TO PREPARE AND APPROVE A PP AMENDMENT AND AMEND THE PROJECT AUTHORIZATION TOO. GELBARD
BT

#5264

NNNN

ANNEX 3

MACA REQUEST FOR ASSISTANCE

CPR



MINISTERIO DE ASUNTOS CAMPESINOS Y AGROPECUARIOS BOLIVIA



La Paz, 14 de marzo de 1990 Sec.Gral.No.0678/90.

THE COPY RETURN TO CENTRAL FILES

Señor Reginald van Raalte, Director de USAID/BOLIVIA. Presente.

Ref.: Ampliación del Proyecto OAP.

Señor Director:

Como es de su ilustrado conocimiento, mediante Convenio 511-0539 entre los Gobiernos de los Estados Unidos de Norteamérica y de Bolivia, se creó el Proyecto de Organizaciones Privadas con el objeto de fortalecer a las organizaciones de productores agropecuarios privados (OAPs) del país en el área de la prestación de servicios, con el fin de incrementar los ingresos agrícolas y los excedentes comerciales (incluidas las exportaciones) para los agricultores bolivianos.

El Proyecto OAP se inició en junio de 1986 y, de acuerdo al Convenio mencionado, deberá concluir en diciembre del presente año.

Mediante Carta de Implementación No. 23 de fecha 12 de febrero de 1990, el Proyecto AOP ha pasado a ser coordinado por este Ministerio, a través de las Subsecretarías de Desarrollo Alternativo y de Desarrollo Agropecuario.

El desarrollo de este Proyecto nos permite puntualizar lo siguiente:

- 1. Es el primer Proyecto dirigido al sector privado agropecuario organizado, pudiendo considerársele como un proyecto piloto.;
2. Los contactos realizados con las distintas OAPs nos demuestran que el trabajo realizado hasta la fecha ha sido positivo;
3. Muchos proyectos, ya iniciados o planificados, requieren de seguimiento y asistencia técnica para lograr el éxito esperado.

Table with columns: FILE, OFFICE, ACTION, INFO. Rows include D, DD, ECON, EXO, DP, PD&I, CONT, HHR, SP, ARD, PS. Includes 'Reply due' and 'Action tkn.' fields with handwritten dates.

Handwritten dates: 4/6 and 4/16

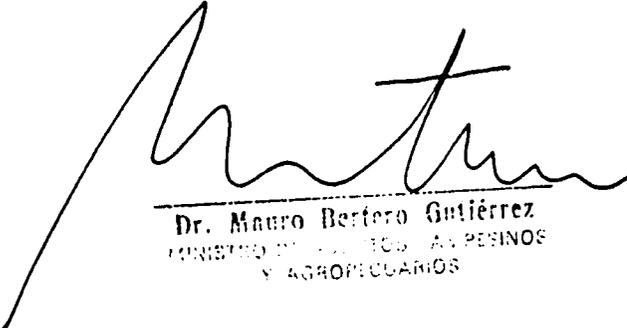
Handwritten numbers: 39 and .1...



MINISTERIO DE ASUNTOS CAMPESINOS
Y AGROPECUARIOS
BOLIVIA

Por todo ello, nos permitimos presentarle oficialmente la solicitud de que su institución amplíe el funcionamiento de este proyecto por dos (2) años más a partir del 1o. de enero de 1991 al 31 de diciembre de 1993, toda vez que el Gobierno de Bolivia lo considera necesario y oportuno.

Con este motivo, renuevo a usted las seguridades de mi consideración más distinguida.



Dr. Mauro Bertero Gutiérrez
MINISTRO DE ASUNTOS CAMPESINOS
Y AGROPECUARIOS


DRE/rchf.

ANNEX 4

JUSTIFICATION FOR LESS THAN FULL AND OPEN COMPETITION

UNCLASSIFIED

QUITO 009922

AID AMB DCM ECON

Rec'd 8/10

VZCZCLP0031
PP RUEHLP
DE RUEHQT #9922 2211553
ZNR UUUUU ZZH
P 091552Z AUG 90
FM AMEMBASSY QUITO
TO AMEMBASSY LA PAZ PRIORITY 5773
BT
UNCLAS QUITO 09922

File: PD&I

LOC: 341 449
09 AUG 90 1551
CN: 40207
CHRG: AID
DIST: AID

Action: ARD ✓
Info: D/DD
EXO
PD&I
CONT
RLA
C
RF 3
SF

AIDAC

E.O 12356: N/A
SUBJECT: 511-0589-C-00-7151-00, RONCO

REF: ARD FAX RECEIVED 8/8/90

RE ISSUE OF LESS THAN FULL AND OPEN COMPETITION JUSTIFICATION, RCO CONCURS WITH DRAFT SUBMITTED, WITH THESE COMMENTS: IT SHOULD REFER TO THE SPECIFIC CONTRACT NUMBER INVOLVED, LAST SENTENCE OF ITEM 9 IS SPECULATIVE - SUGGEST IT BE DELETED.

Reply due 8/17

WHILE CONCEIVABLE THAT WE'VE AN URGENT AND COMPELLING NEED TO GO WITH RONCO FOR THE EXTENSION, THAT IS A LAST DITCH, NO OTHER CHOICE JUSTIFICATION BASIS WE SHOULD USE ONLY WHEN NOTHING ELSE WILL WORK. AS A FOLLOWON EFFORT WITH A WELL ESTABLISHED CONTRACTOR THIS IS CLEARLY A SOLE RESPONSIBLE SOURCE CASE. THERE IS NO PROBLEM JUSTIFYING IT ON THIS BASIS. RCO NOTES THAT MONEY INVOLVED IS LESS THAN HALF EXISTING CONTRACT, AND LOE UNDER ONE THIRD OF EXISTING.

Action: tkn _____

RCO SUGGESTS WE GET ON WITH THE ACTION AND PLACE OUR CBD NOTICE IMMEDIATELY. PLEASE CONFIRM.
LAMBERT

BT
#9922

NNNN

UNCLASSIFIED

QUITO 009922

42

ACTION MEMORANDUM TO THE MISSION DIRECTOR

DATE: 8/1/90

FROM: *D. McIntyre for*
Darell McIntyre, D/ARD

SUBJECT: Justification for less than full and open competition for a sole-source Mission-funded amendment to the contract (511-0589-C-00-7151-00) for technical services with RONCO, funded under Project 511-0589, Private Agricultural Organizations, PP Amendment no. 1. This amendment would extend the period of RONCO's services by two years.

PROBLEM: Your signature is required under the authority cited below to approve other than full and open competition for the services of RONCO as discussed in the following paragraphs.

DISCUSSION:

The Private Agricultural Organizations project is being amended for two reasons: (1) USAID/Bolivia considers it necessary to continue its assistance to the agricultural sector of Bolivia, given its key contribution to the economy and, more important, to the development of non-traditional exports as an alternative to coca; and (2) an extension will provide the PAOs with more time to consolidate and strengthen their operations, institutionally, programmatically and financially. The mid-term evaluation conducted in April 1990 determined that overall, the project has been successful to date, but that it was only now beginning to show its real potential.

The project amendment will require a two-year extension in technical services, currently carried out by RONCO, Inc. The selection of any other firm at this juncture would represent a time-consuming effort and an increase in costs, in order for such a firm to: familiarize itself with the PAO project; to evaluate the existing capabilities of the cooperative organizations, the agricultural sector of the country, and the requirements of farmers producing alternative crops to coca; and to acquaint itself with the rural sector in Bolivia from the Ministry of Agriculture to the level of the dispersed rural cooperatives.

Thus, in accordance with Part 6.3 of the Federal Acquisition Regulations, subpart 6.302-1, the following justification to contract the above firm is hereby submitted for your review and approval:

1. Identification of the Agency:

USAID/Bolivia

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2. Nature and/or Description of the Action Being Approved:

Justification for less than full and open competition for a sole-source Mission-funded amendment to the contract (511-0589-C-00-7151-00) for technical services with RONCO, funded under Project 511-0589, Private Agricultural Organizations, PP Amendment no. 1. This amendment would extend the period of RONCO's services by two years.

3. Description of Services Required and Estimated Value:

Specifically the contractor will carry out the following tasks:

- a) Provide 96 pm of long-term and 40 pm of short-term technical assistance in the areas of management, administration, marketing and technology transfer to private agricultural producer associations and cooperatives, and/or manage procurement of these services.
- b) Coordinate short-term technical assistance requests with VOCA.
- c) Manage financial support to the organizations.

The estimated value of these services (two year contract extension) as outlined above is approximately \$1,839,000.

4. Identification of Statutory Authority:

10 U.S.C. 2304 (c) (1) or 41 U.S.C. 253 (c) (1)

FAR 6.302-1 states that full and open competition need not be obtained when there is only one responsible source and no other supplies or services will satisfy agency requirements. Per FAR 6.304 approval is required by the Competition Advocate (Deputy Mission Director) for a proposed contract over \$100,000 but not exceeding \$1,000,000, or by the head of the procurement activity (Mission Director) for contracts over \$1,000,000 but not exceeding \$10,000,000.

5. Demonstration that the proposed contractor's unique qualifications or that the nature of the acquisition requires use of the authority stated:

Because the project is now poised to successfully reach its objectives, it is imperative that the technical assistance not be interrupted. RONCO has been providing technical assistance under the project, and has been doing a very good job, according to the mid-term evaluation. The technical assistance team has acquired considerable experience and knowledge about the Bolivian agricultural sector and the producer associations which are involved in the production of crops and livestock which are alternatives to coca production. They have developed strong working relationships with farmer organizations responsible for producing and marketing important alternative export crops, eg., garlic, flowers and wheat. Production of alternative crops by these groups is a critical element of the U.S. Government's alternative development strategy designed to reduce the role of narcotics in the Bolivian economy.

While it would be possible for USAID to contract another consulting firm to carry out the work envisaged in the two-year project extension, this action may cause a hiatus in technical assistance activities, thereby impeding successful implementation of the project. Furthermore, demobilizing RONCO personnel and procuring a new contractor would add an additional six months to the 24-month extension and cost an additional \$500,000 (see Table 1). Were competitive bidding to be undertaken for a new contract, RONCO would in all likelihood provide the most responsive proposal, which would be less costly due to their already having qualified and experienced personnel placed in the field.

Smooth continuation of project activities is essential to the successful realization of the Mission's alternative development strategy. This objective would be best achieved by having RONCO continue to carry out required technical assistance services without interruption.

6. A Description of efforts made to ensure that offers are solicited from as many potential sources as it is practicable:

For the reasons explained above, no other firm is being sought. The required CBD notice advising of the Mission's intent to award a sole source contract has been published per FAR 5.201.

7. A determination by the Contracting Officer that the anticipated cost to the Government will be fair and reasonable:

In clearing this Memorandum the Contracting Officer is so determining based on the fact that compensation will be tied to the contractor's established rates and other verifiable direct costs.

8. A description of the market survey conducted and the results or a statement of the reasons a market survey was not conducted:

See point 6 above.

9. Any other facts supporting the use of other than full and open competition:

As Table 1 indicates, use of full and open competition in order to provide an additional two years of services would increase the cost of the activity by \$500,000 not including costs in AID staff time to compete the new contract and close out the old one.

10. A listing of the sources, if any, that expressed, in writing an interest in the acquisition:

Any expressions of interest received by USAID/B from other firms will be reviewed by the Contracting Officer.

- 11. A statement of the actions, if any, the agency may take to remove or overcome any barriers to competition before any subsequent acquisition for the services required:

The Mission intends to complete all work under the proposed contract.

- 12. Contracting Officer certification that the justification is accurate and complete to the best of the Contracting Officer's knowledge and belief:

The Contracting Officer so certifies through the act of clearing this Memorandum.

- 13. Technical Office Certification:

This Memorandum constitutes certification by the responsible technical personnel that the supporting data which forms the basis for this justification is complete and accurate to the best of their knowledge.

RECOMMENDATION:

That you approve other than full and open competition in the execution of a two-year contract extension for RONCO, under the authority cited in paragraph 4 above.

ACTION:

Carl H. Leonard
Mission Director

Approved: 

Date: 8/25/90

Disapproved: _____

Date: _____

Clearances

Date

ARD:DMcIntyre DM
 PD&I:LValenzuela W 8/28/90
 EXO:LFoley LMF
 A/DP:SSmith SS 8/27/90
 A/CONT:GPeñaranda GP 8-28
 A/DD:JDavison JD 8/28
 RCO:JJDunlap (provided in Quito 09922)

(Mission Contracting Officer)

(Regional Contracting Officer)

Drafted by:ARD:JSleeper

Table 1

Private Agricultural Organizations Project 511-0589

Comparison of Costs of Re-Newing vs. Re-Competing TA Contract

I. Option no. 1: Re-new current contract with RONCO (24 months).

Cost: \$1,839,000, which includes de-mobilization costs.

II. Option no. 2: Re-compete the contract. In the considered opinion of the project office, which has technical and administrative responsibility to successfully implement this technical assistance project, that re-competition of the contract would require two things:

(a) The current RONCO contract would need to be extended by a minimum of six months to prevent a hiatus in activities caused by procurement process and/or to permit overlap with the new contractor;

(b) The period of services of the new contract would have to be for 24 months to permit a new contractor six months to learn the job. This would, in turn, require an additional six-month extension of PACD.

The costs for this option are as follows:

(1) Six-month extension of RONCO contract, including de-mobilization costs: \$492,558

(2) Cost of new contract, which likely would be about the same as current RONCO contract (\$1,839,000), because the ARD office has a very well-defined concept of person-months and other cost items required under the amended two-year contract. However, cost of the new contract must include mobilization costs, which are computed for two U.S. contractors as:

	\$6,000	Hiring costs (project office estimate)
	1,450	Travel (one-way LP-US X 2))
	12,960	HHE (Surface--7,200 lbs at \$0.90/lb X 2)
	2,100	U&B (air--700 lbs at \$1.50/lb X 2)
	6,300	POV (3,500 lbs at \$0.90/lb X 2)
	2,640	TLA (30 days X \$44/day X 2)
	<u>2,200</u>	Other direct costs (medical, visas, etc.)
Sub-Total	33,650	
	10,095	Overhead (30%)
Total	43,745	

Items (1) plus (2) = \$536,303.

Note: All costs (except those for hiring) have been drawn from the Project Development Office's "Lotus" program for estimating PIO/T costs.

III. Conclusion: A comparison of both options above indicates that Option 2 requires six months longer to get the same job done, at an increased cost to the U.S. taxpayer of \$536,303. This estimate does not include the additional costs in staff time to the U.S.G. of competing the new contract.

Drafted: JSleeper:ARD

ANNEX 5

ENVIRONMENTAL DETERMINATION

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AID AMB DCM ECON

Rec'd 8/10

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 PP RUEHLP
 DE RUEHC #3246 2211730
 ZNR UUUUU ZZH
 P R 091730Z AUG 90
 FM SECSTATE WASHDC
 TO RUEHLP/AMEMBASSY LA PAZ PRIORITY 7264
 INFO RUEHQT/AMEMBASSY QUITO 1947
 BT
UNCLAS STATE 263246

File: PD&I

LOC: 341 589
 09 AUG 90 1731
 CN: 10220
 CHRG
 DIST

Action: ARD
 Info: D/DD
 EXO
 PD&I
 RLA
 CONT
 C
 RF 3
 SF

AIDAC LA PAZ FOR ARD, J. SLEEPER, QUITO FOR

E.O. 12356: N/A

TAGS:

SUBJECT: ENVIRONMENTAL THRESHOLD DECISION FOR PRIVATE AGRICULTURAL PRODUCER ORGANIZATIONS (511-0589)

REA/SA, H. CLARK

REF: LA PAZ 10239

Reply due 8/17
 Action tkn

1. LAC DEPUTY CHIEF ENVIRONMENTAL OFFICER, J. WILSON, HAS REVIEWED AND HEREBY APPROVES MISSION REQUEST (REFTEL) FOR POSITIVE DETERMINATION FOR SUBJECT PROJECT.

2. PER A.I.D ENVIRONMENTAL REGULATIONS, THE POSITIVE DETERMINATION AND POTENTIAL USE OF PESTICIDES UNDER THIS PROJECT REQUIRE PREPARATION OF AN ENVIRONMENTAL ASSESSMENT (EA). THIS EA WILL BE PREPARED DURING EARLY IMPLEMENTATION OF PROJECT AMENDMENT ACTIVITIES, AFTER SELECTION OF PARTICIPATING PRIVATE AGRICULTURAL PRODUCER ORGANIZATIONS AND CROPS HAS BEEN MADE. THIS EA WILL FOCUS ON POTENTIAL ADVERSE EFFECTS OF PESTICIDE USE, IDENTIFY PEST/PESTICIDE MANAGEMENT NEEDS, AND PROVIDE FOR THE DESIGN OF AN INTEGRATED PEST MANAGEMENT PROGRAM

ORIENTED TO THE NEEDS OF THE PRIVATE AGRICULTURAL PRODUCER ORGANIZATIONS AND PESTICIDE APPLICATORS. THE PROJECT AGREEMENT MUST CONTAIN A COVENANT STATING THAT NO PEST/PESTICIDE MANAGEMENT ACTIVITIES WILL BE UNDERTAKEN UNDER THIS PROJECT UNTIL AN EA IS PREPARED AND APPROVED BY THE LAC BUREAU ENVIRONMENTAL OFFICER.

3. THE NEXT STEP IN THIS PROCESS IS SCOPING FOR THE ENVIRONMENTAL ASSESSMENT. MISSION MAY WANT TO CONSIDER THE USE OF THE REGIONAL ENVIRONMENTAL ADVISOR (REA), H. CLARK, AND REGIONAL PEST/PESTICIDE MANAGEMENT SPECIALIST (RPMS), A. CHIRI, TO ASSIST THE DEVELOPMENT OF THE EA SCOPE OF WORK, AT NO COST TO THE MISSION. AS NOTED IN REFTEL, TIMING AND PREPARATION OF EA WILL BE DETERMINED BY REGULAR COMMUNICATION AMONG THE MISSION, LAC/DR/E, REA, AND RPMS, BUT WILL BE INITIATED DURING EARLY STAGES OF IMPLEMENTATION OF ACTIVITIES UNDER PROJECT AMENDMENT. AID/W LOOKS FORWARD TO RECEIVING EA SCOPE OF

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WORK, AND WILL EXPEDITE REVIEW AND APPROVAL OF SOW-SO
THAT EA CAN BE INITIATED IN A TIMELY MANNER. EAGLEBURGER
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DE RUEHLP #0239/01 207 **
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FM AMEMBASSY LA PAZ
TO SECSTATE WASHDC 4543
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CHRG: AID 07-25-90
APPRV: ARD:DMCINTYRE
DRFTD: ARD:JASLEEPER/HCLP
:EVM
CLEAR: 1.PD&I:LVALENZUELA
DISTR: AID AMB DCM
ECON

UNCLAS SECTION 01 OF * LA PAZ 10239

AIDAC

FOR LAC/DR/E, JOHN WILSON, ANGEL CHIRI

F.O. 12356:NA
SUBJECT: REQUEST FOR AMENDED IEE THRESHOLD DECISION
(IAC/DR-IEE-86-7), AMENDMENT TO USAID/BOLIVIA PRIVATE
AGRICULTURAL PRODUCER ORGANIZATIONS PROJECT (511-0589)

REF: SLEEPER/WILSON TELECON 18 JULY 1990,
CHIRI/SLEEPER MEMO 24 JULY 1990

1. USAID/BOLIVIA IS AMENDING SUBJECT PROJECT BY DOLS
2.5 MILLION AND REPLACES THE ORIGINAL INITIAL
ENVIRONMENTAL EXAMINATION (CATEGORICAL EXCLUSION)
WITH AN AMENDED IEE, RECOMMENDING A POSITIVE
THRESHOLD DETERMINATION, WITH AN ENVIRONMENTAL
ASSESSMENT (EA) ON PEST MANAGEMENT ACTIVITIES TO BE
DEFERRED UNTIL THESE ACTIVITIES ARE BEING DEFINED
DURING EARLY PROJECT IMPLEMENTATION. THIS CABLE, AND
THE RESPONSE FROM LAC/DR/E, WILL COMPRISE AN ANNEX IN
THE PROJECT PAPER AMENDMENT. SINCE THIS IS AN FY 90
OBLIGATION, WE WOULD APPRECIATE YOUR IMMEDIATE
ATTENTION TO THIS MATTER.

PD+I

2. PROJECT PURPOSE: THE PURPOSE OF THE PROJECT
CONTINUES TO BE TO STRENGTHEN AND EXPAND THE CAPACITY
OF PRIVATE AGRICULTURAL ORGANIZATIONS (PAOS) TO
PROVIDE SERVICES TO THEIR MEMBERS, AND THUS TO
INCREASE AGRICULTURAL PRODUCTION AND INCOMES AND TO
PROMOTE BOLIVIAN AGRICULTURAL EXPORTS, BASED ON
SUSTAINABILITY OF AGRICULTURAL PRODUCTION WITHIN THE
AGROECOLOGICAL ZONES OF SPECIFIC CROP PRODUCTION.

*ARD2
D/OO
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3. PROJECT AMENDMENT: THE PROJECT IS BEING AMENDED
FOR AN ADDITIONAL TWO YEARS, AT AN ADDITIONAL DOLLARS
2.5 MILLION, FOR A NEW LOP FUNDING LEVEL OF DOLLARS
6.7 MILLION. THE RATIONALE FOR THE AMENDMENT IS
TWO-FOLD: (1) USAID/BOLIVIA CONSIDERS IT NECESSARY TO
CONTINUE ITS ASSISTANCE TO THE AGRICULTURAL SECTOR OF
BOLIVIA, GIVEN ITS KEY CONTRIBUTION TO THE ECONOMY
AND TO THE DEVELOPMENT OF NON-TRADITIONAL EXPORTS;
AND (2) AN EXTENSION WILL PROVIDE THE PAOS WITH MORE
TIME TO CONSOLIDATE AND STRENGTHEN THEIR OPERATIONS,
INSTITUTIONALLY, PROGRAMMATICALLY AND FINANCIALLY.

*C
RF3*

4. BACKGROUND: TO DATE, AFTER THREE YEARS OF
ACTIVITY, THE PROJECT HAS PROVIDED TECHNICAL
ASSISTANCE, TRAINING, CREDIT AND ORGANIZATIONAL

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SUPPORT TO TEN FARMER ORGANIZATIONS INVOLVED WITH THE PRODUCTION AND MARKETING OF LIVESTOCK, WHEAT, FLOWERS, AND OTHER CROPS SUCH AS GARLIC AND FRUIT WHICH HAVE EXPORT POTENTIAL AND WHICH ARE ALTERNATIVES TO COCA PRODUCTION, AND PROVISION OF AGRICULTURAL INPUTS. A MID-TERM EVALUATION CONDUCTED IN APRIL 1990 DETERMINED THAT, OVERALL, THE PROJECT HAS BEEN SUCCESSFUL TO DATE, BUT THAT IT WAS ONLY NOW BEGINNING TO SHOW ITS REAL POTENTIAL. AS A RESULT OF THE EVALUATION, THE FOLLOWING CHANGES ARE BEING MADE IN THE PROJECT: THE FOCUS WILL BE NARROWED TO THOSE PRODUCER ASSOCIATIONS IN STRATEGIC REGIONS OF THE COUNTRY WHICH PRODUCE COMMODITIES THAT PROMISE STRONG COMMERCIAL GROWTH; TECHNICAL ASSISTANCE WILL PLACE MORE EMPHASIS ON FINANCIAL RESPONSIBILITIES AND OBLIGATIONS OF THE ORGANIZATIONS, AND ON ORGANIZATIONAL DEVELOPMENT AND TECHNOLOGY TRANSFER; TECHNICAL ASSISTANCE ACTIVITIES WILL BE GREATLY DECENTRALIZED IN ORDER TO IMPROVE TECHNOLOGY TRANSFER AND MEET THE SPECIFIC TECHNICAL NEEDS OF THE ORGANIZATIONS. TO MEET THIS END, THE AMENDMENT WILL FUND A COOPERATIVE AGREEMENT WITH VOLUNTEERS IN OVERSEAS COOPERATIVE ASSISTANCE (VOCA).

5. PROJECT ACTIVITIES:

A. UNDER THE AMENDED PROJECT, RESOURCES WILL BE COMMITTED TO CONSOLIDATE THE PROGRESS MADE TO DATE IN THE INSTITUTIONAL STRENGTHENING OF THE PAOS. ALTHOUGH THESE ORGANIZATIONS ARE CONSIDERABLY STRONGER NOW THAN THEY WERE TWO YEARS AGO, ADDITIONAL TIME IS REQUIRED TO ASSIST THEM TO SOLIDIFY THEIR FINANCIAL BASE THROUGH INCREASING MEMBERSHIP, IMPROVING AND EXPANDING FEE-BASED SERVICES, AND CONTINUING THE DEVELOPMENT OF INVESTMENTS IN NEW ENTERPRISES AND JOINT VENTURES. SOME PAOS WILL BE DROPPED FROM THE PROGRAM BECAUSE THEY DO NOT FIT THE NEW CRITERIA FOR ASSISTANCE OUTLINED ABOVE, AND SOME NEW ONES WILL BE ADDED. THE LOCATION OF THE PAO AS WELL AS THE VIABILITY AND LONG-TERM PRODUCTION SUSTAINABILITY OF ITS PRODUCT WILL BE THE KEY CRITERIA FOR SELECTION.

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- B. SPECIFIC ACTIVITIES TO BE CARRIED OUT UNDER THE AMENDED PROJECT INCLUDE: MANAGEMENT ASSISTANCE, TECHNICAL ASSISTANCE, TRAINING IN ADMINISTRATION AND TECHNICAL SUBJECTS (PACKING TECHNOLOGIES, ETC.), FEASIBILITY STUDIES ON VIABLE CROPS AND AGRIBUSINESSES, AND LIMITED FINANCIAL SUPPORT TO SOME OF THE PAOS.

- C. DA MONIES UNDER THE AMENDED PROJECT (DOLS 2.5 MILLION) WILL BE USED ENTIRELY FOR TECHNICAL ASSISTANCE AND TRAINING IN THE AREAS OF MANAGEMENT AND ADMINISTRATION, PACKING AND PROCESSING, MARKETING, TECHNOLOGY TRANSFER (CROP AND ANIMAL PRODUCTION), AUDIT AND EVALUATION. THERE WILL BE NO OTHER PROCUREMENT.

- D. PL-480 TITLE III LOCAL CURRENCY MONIES UNDER THE AMENDED PROJECT (DOLS 6.253 MILLION) WILL BE USED FOR TECHNICAL ASSISTANCE AND TRAINING IN THE SAME APFAS, COUNTERPART OFFICE EXPENSES AND OTHER RECURRENT LOCAL COSTS. HOWEVER, OF THIS AMOUNT, DOLS 2.7 MILLION WILL BE USED FOR CREDIT AND/OR GRANTS TO THE PAOS. SOME OF THESE MONIES WILL BE USED FOR TECHNICAL ASSISTANCE AND TRAINING IN THE SAME AREAS, AND OFFICE EQUIPMENT/SUPPLIES/SPACE. SOME WILL BE USED IN THE FORM OF LOANS FOR PRODUCTION INPUTS (EXAMPLES: REFRIGERATION AND COOLING EQUIPMENT, SEEDS, FUEL COSTS, TRUCKS, ETC.). NO AGRO-CHEMICALS (FERTILIZERS OR PESTICIDES) WILL BE PROCURED WITH THESE MONIES.

- E. PAO COUNTERPART MONIES (I.E., MONIES FROM PRODUCER CONTRIBUTIONS TO THE PAO) UNDER THE AMENDED PROJECT (DOLS 115,000) WILL BE USED FOR COUNTERPART COSTS FOR TRAINING (LOCAL PER DIEM COSTS), AND MAY BE USED FOR THE PROCUREMENT OF AGROCHEMICALS FOR MOST CROPS. THE MINISTRY OF AGRICULTURE PROVIDES TECHNICAL ASSISTANCE IN AGROCHEMICAL APPLICATION. HOWEVER, DA AND PL-480 MONIES MAY BE USED TO PROVIDE TA FOR PESTICIDE APPLICATION AS PART OF A TECHNOLOGY PACKAGE (EG., ROSES) TO PRODUCER ASSOCIATIONS. PESTICIDE PROCUREMENT, TRAINING OR RECOMMENDATIONS WILL BE INCLUDED AS PART OF AN INTEGRATED PEST MANAGEMENT SYSTEM, TO BE DESIGNED AS PART OF AN ENVIRONMENTAL ASSESSMENT (EA) BEFORE IMPLEMENTATION OF ANY PESTICIDE-RELATED ACTIVITIES.

6. THE AMENDED INITIAL ENVIRONMENTAL EXAMINATION IS THE FOLLOWING: THE PURPOSE OF THE PROJECT CONTINUES TO BE TO STRENGTHEN AND EXPAND THE CAPACITY OF PRIVATE AGRICULTURAL ORGANIZATIONS (PAO'S) TO PROVIDE SERVICES TO THEIR MEMBERS, AND THUS TO INCREASE AGRICULTURAL PRODUCTION AND INCOMES AND TO PROMOTE BOLIVIAN AGRICULTURAL EXPORTS, BASED ON SUSTAINABILITY OF AGRICULTURAL PRODUCTION WITHIN THE AGROECOLOGICAL ZONES OF SPECIFIC CROP PRODUCTION. UNDER THE AMENDED PROJECT, RESOURCES WILL BE COMMITTED TO CONSOLIDATE THE PROGRESS MADE TO DATE IN

THE INSTITUTIONAL STRENGTHENING OF THE PAOS. SPECIFIC ACTIVITIES TO BE CARRIED OUT UNDER THE AMENDED PROJECT INCLUDE MANAGEMENT ASSISTANCE, TECHNICAL ASSISTANCE, TRAINING IN ADMINISTRATION AND TECHNICAL SUBJECTS (PACKING TECHNOLOGIES, ETC.), FEASIBILITY STUDIES ON VIABLE CROPS AND AGRICULTURES, AND LIMITED FINANCIAL SUPPORT TO SOME OF THE PAOS.

7. TECHNICAL SERVICES RELATED TO PROCUREMENT, RECOMMENDATIONS, OR MANAGEMENT OF PESTS AND PESTICIDES WILL REQUIRE AN ENVIRONMENTAL ASSESSMENT BEFORE IMPLEMENTATION OF THESE SERVICES. THESE TECHNICAL SERVICES CANNOT BE SPECIFIED UNTIL EARLY IMPLEMENTATION OF THE PROJECT, AFTER SELECTION OF PARTICIPATING PAOS AND CROPS, SO DESIGN AND ASSESSMENT OF ENVIRONMENTAL IMPACTS OF THESE ACTIVITIES IS NOT PRESENTLY POSSIBLE. THE PROJECT AMENDMENT AGREEMENT WILL INCLUDE A CLAUSE STATING THAT NO PEST/PESTICIDE MANAGEMENT ACTIVITIES WILL BE UNDERTAKEN UNDER THIS PROJECT UNTIL AN EA IS APPROVED BY THE AID/LAC BUREAU ENVIRONMENTAL OFFICER.

8. THIS EA WILL FOCUS ON POTENTIAL ADVERSE EFFECTS OF PESTICIDE USE, WILL IDENTIFY PEST/PESTICIDE MANAGEMENT NEEDS WITHIN THE PROJECT, AND WILL PROVIDE

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UNCLAS SECTION 03 OF 03 LA PAZ 10239

THE DESIGN FOR AN INTEGRATED PEST MANAGEMENT PROGRAM ORIENTED TO THE NEEDS OF EACH PAO AND THE PESTICIDE USERS/APPLICATORS. WHERE EXPORT CROPS ARE INVOLVED, ATTENTION WILL BE GIVEN TO THE REGULATORY REQUIREMENTS REGARDING PESTICIDE RESIDUES IN THE TARGET COUNTRIES.

9. TIMING AND PREPARATION OF THE EA WILL BE DETERMINED BY REGULAR COMMUNICATIONS AMONG USAID PROJECT PERSONNEL, THE AID REGIONAL ENVIRONMENTAL ADVISOR (REA), THE AID REGIONAL PEST MANAGEMENT ADVISOR (RPMA) AND AID/LAC/DR/E.

10. USAID/BOLIVIA, WITH THE CONCURRENCE OF THE REA, RECOMMENDS A POSITIVE ENVIRONMENTAL THRESHOLD DECISION, WITH A DEFERRED EA ON PEST AND PESTICIDE MANAGEMENT.

11. PLEASE ADVISE. MCAFEE

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UNCLAS SECTION 03 OF 03 LA PAZ 10239

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ANNEX 6

STATUTORY CHECKLIST

5C(2) - PROJECT CHECKLIST

Listed below are statutory criteria applicable to projects. This section is divided into two parts. Part A includes criteria applicable to all projects. Part B applies to projects funded from specific sources only: B(1) applies to all projects funded with Development Assistance; B(2) applies to projects funded with Development Assistance loans; and B(3) applies to projects funded from ESF.

CROSS REFERENCES: IS COUNTRY CHECKLIST UP TO DATE? HAS STANDARD ITEM CHECKLIST BEEN REVIEWED FOR THIS PROJECT?

A. GENERAL CRITERIA FOR PROJECT

1. FY 1990 Appropriations Act Sec. 523; FAA Sec. 634A. If money is to be obligated for an activity not previously justified to Congress, or for an amount in excess of amount previously justified to Congress, has Congress been properly notified? Yes
2. FAA Sec. 611(a). Prior to an obligation in excess of \$500,000, will there be:
(a) engineering, financial or other plans necessary to carry out the assistance;
and (b) a reasonably firm estimate of the cost to the U.S. of the assistance? Yes
3. FAA Sec. 611(a)(2). If legislative action is required within recipient country with respect to an obligation in excess of \$500,000, what is the basis for a reasonable expectation that such action will be completed in time to permit orderly accomplishment of the purpose of the assistance? Not required

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4. FAA Sec. 611(b); FY 1990 Appropriations Act Sec. 501. If project is for water or water-related land resource construction, have benefits and costs been computed to the extent practicable in accordance with the principles, standards, and procedures established pursuant to the Water Resources Planning Act (42 U.S.C. 1962, et seq.)? (See A.I.D. Handbook 3 for guidelines.) N/A
5. FAA Sec. 611(e). If project is capital assistance (e.g., construction), and total U.S. assistance for it will exceed \$1 million, has Mission Director certified and Regional Assistant Administrator taken into consideration the country's capability to maintain and utilize the project effectively? N/A
6. FAA Sec. 209. Is project susceptible to execution as part of regional or multilateral project? If so, why is project not so executed? Information and conclusion whether assistance will encourage regional development programs. No, however the project will contribute to anti-drug effort in the Andean region by supporting the development of alternative crops to coca.
7. FAA Sec. 601(a). Information and conclusions on whether projects will encourage efforts of the country to:
(a) increase the flow of international trade; (b) foster private initiative and competition; (c) encourage development and use of cooperatives, credit unions, and savings and loan associations; (d) discourage monopolistic practices; (e) improve technical efficiency of industry, agriculture and commerce; and (f) strengthen free labor unions. Yes
Yes
No

No
Yes

No
8. FAA Sec. 601(b). Information and conclusions on how project will encourage U.S. private trade and investment abroad and encourage private U.S. participation in foreign assistance programs (including use of private trade channels and the services of U.S. private enterprise). Two private U.S. contractors will work on the project.

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9. FAA Secs. 612(b), 636(h). Describe steps taken to assure that, to the maximum extent possible, the country is contributing local currencies to meet the cost of contractual and other services, and foreign currencies owned by the U.S. are utilized in lieu of dollars. Bolivia will contribute 71% of the total costs of the amended Project.
10. FAA Sec. 612(d). Does the U.S. own excess foreign currency of the country and, if so, what arrangements have been made for its release? No
11. FY 1990 Appropriations Act Sec. 521. If assistance is for the production of any commodity for export, is the commodity likely to be in surplus on world markets at the time the resulting productive capacity becomes operative, and is such assistance likely to cause substantial injury to U.S. producers of the same, similar or competing commodity? No
12. FY 1990 Appropriations Act Sec. 547. Will the assistance (except for programs in Caribbean Basin Initiative countries under U.S. Tariff Schedule "Section 807," which allows reduced tariffs on articles assembled abroad from U.S.-made components) be used directly to procure feasibility studies, prefeasibility studies, or project profiles of potential investment in, or to assist the establishment of facilities specifically designed for, the manufacture for export to the United States or to third country markets in direct competition with U.S. exports, of textiles, apparel, footwear, handbags, flat goods (such as wallets or coin purses worn on the person), work gloves or leather wearing apparel? No
13. FAA Sec. 119(g)(4)-(6) & (10). Will the assistance: (a) support training and education efforts which improve the capacity of recipient countries to prevent loss of biological diversity; (b) be provided under a long-term agreement in which the recipient country agrees to protect ecosystems or other No

- wildlife habitats; (c) support efforts to identify and survey ecosystems in recipient countries worthy of protection; or (d) by any direct or indirect means significantly degrade national parks or similar protected areas or introduce exotic plants or animals into such areas? No
14. FAA Sec. 121(d). If a Sahel project, has a determination been made that the host government has an adequate system for accounting for and controlling receipt and expenditure of project funds (either dollars or local currency generated therefrom)? N/A
15. FY 1990 Appropriations Act, Title II, under heading "Agency for International Development." If assistance is to be made to a United States PVO (other than a cooperative development organization), does it obtain at least 20 percent of its total annual funding for international activities from sources other than the United States Government? Yes
16. FY 1990 Appropriations Act Sec. 537. If assistance is being made available to a PVO, has that organization provided upon timely request any document, file, or record necessary to the auditing requirements of A.I.D., and is the PVO registered with A.I.D.? Yes
17. FY 1990 Appropriations Act Sec. 514. If funds are being obligated under an appropriation account to which they were not appropriated, has the President consulted with and provided a written justification to the House and Senate Appropriations Committees and has such obligation been subject to regular notification procedures? N/A

18. State Authorization Sec. 139 (as interpreted by conference report). Has confirmation of the date of signing of the project agreement, including the amount involved, been cabled to State L/T and A.I.D. LEG within 60 days of the agreement's entry into force with respect to the United States, and has the full text of the agreement been pouched to those same offices? (See Handbook 3, Appendix 6G for agreements covered by this provision). Not applicable because agreement is for less than \$25 million.
19. Trade Act Sec. 5164 (as interpreted by conference report), amending Metric Conversion Act of 1975 Sec. 2 (and as implemented through A.I.D. policy). Does the assistance activity use the metric system of measurement in its procurements, grants, and other business-related activities, except to the extent that such use is impractical or is likely to cause significant inefficiencies or loss of markets to United States firms? Are bulk purchases usually to be made in metric, and are components, subassemblies, and semi-fabricated materials to be specified in metric units when economically available and technically adequate? Will A.I.D. specifications use metric units of measure from the earliest programmatic stages, and from the earliest documentation of the assistance processes (for example, project papers) involving quantifiable measurements (length, area, volume, capacity, mass and weight), through the implementation stage? Yes
20. FY 1990 Appropriations Act, Title II, under heading "Women in Development." Will assistance be designed so that the percentage of women participants will be demonstrably increased? Yes

21. FY 1990 Appropriations Act Sec. 592(a).
If assistance is furnished to a foreign government under arrangements which result in the generation of local currencies, has A.I.D. (a) required that local currencies be deposited in a separate account established by the recipient government, (b) entered into an agreement with that government providing the amount of local currencies to be generated and the terms and conditions under which the currencies so deposited may be utilized, and (c) established by agreement the responsibilities of A.I.D. and that government to monitor and account for deposits into and disbursements from the separate account?

Local currencies will not be generated under this Project. However, the GOB will contribute local currencies for local cost components through separate local currency accounts created under PL-480 programs.

Will such local currencies, or an equivalent amount of local currencies, be used only to carry out the purposes of the DA or ESF chapters of the FAA (depending on which chapter is the source of the assistance) or for the administrative requirements of the United States Government?

Local currency will be used to carry out the purposes of the DA chapters of the FAA.

Has A.I.D. taken all appropriate steps to ensure that the equivalent of local currencies disbursed from the separate account are used for the agreed purposes?

Yes

If assistance is terminated to a country, will any unencumbered balances of funds remaining in a separate account be disposed of for purposes agreed to by the recipient government and the United States Government?

Yes

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B. FUNDING CRITERIA FOR PROJECT

1. Development Assistance Project Criteria

a. FY 1990 Appropriations Act Sec. 546 (as interpreted by conference report for original enactment). If assistance is for agricultural development activities (specifically, any testing or breeding feasibility study, variety improvement or introduction, consultancy, publication, conference, or training), are such activities: (1) specifically and principally designed to increase agricultural exports by the host country to a country other than the United States, where the export would lead to direct competition in that third country with exports of a similar commodity grown or produced in the United States, and can the activities reasonably be expected to cause substantial injury to U.S. exporters of a similar agricultural commodity; or (2) in support of research that is intended primarily to benefit U.S. producers?

The Project will assist agricultural producer associations farming crops that do not compete with U.S. producers.

b. FAA Sec. 107. Is special emphasis placed on use of appropriate technology (defined as relatively smaller, cost-saving, labor-using technologies that are generally most appropriate for the small farms, small businesses, and small incomes of the poor)?

Yes

c. FAA Sec. 281(b). Describe extent to which the activity recognizes the particular needs, desires, and capacities of the people of the country; utilizes the country's intellectual resources to encourage institutional development; and supports civic education and training in skills required for effective participation in governmental and political processes essential to self-government.

The Project seeks to strengthen agricultural producer associations so that they may be better able to provide services to their members. These associations are designed to operate on democratic principles.

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d. FAA Sec. 101(a). Does the activity give reasonable promise of contributing to the development of economic resources, or to the increase of productive capacities and self-sustaining economic growth? Yes

e. FAA Secs. 102(b), 111, 113, 281(a). Describe extent to which activity will:
(1) effectively involve the poor in development by extending access to economy at local level, increasing labor-intensive production and the use of appropriate technology, dispersing investment from cities to small towns and rural areas, and insuring wide participation of the poor in the benefits of development on a sustained basis, using appropriate U.S. institutions;
(2) help develop cooperatives, especially by technical assistance, to assist rural and urban poor to help themselves toward a better life, and otherwise encourage democratic private and local governmental institutions; (3) support the self-help efforts of developing countries; (4) promote the participation of women in the national economies of developing countries and the improvement of women's status; and (5) utilize and encourage regional cooperation by developing countries.

(1) The Project will provide services to rural farmers through producer associations.

(2) The Project will strengthen rural associations and cooperatives.

(3) Same as (2)

(4) The Project will encourage the increased participation of women in producer associations.

(5) N/A

f. FAA Secs. 103, 103A, 104, 105, 106, 120-21; FY 1990 Appropriations Act, Title II, under heading "Sub-Saharan Africa, DA." Does the project fit the criteria for the source of funds (functional account) being used?

Yes, Sec. 103.

g. FY 1990 Appropriations Act, Title II, under heading "Sub-Saharan Africa, DA." Have local currencies generated by the sale of imports or foreign exchange by the government of a country in Sub-Saharan Africa from funds appropriated under Sub-Saharan Africa, DA been deposited in a special account established by that government, and are these local currencies available only for

N/A

use, in accordance with an agreement with the United States, for development activities which are consistent with the policy directions of Section 102 of the FAA and for necessary administrative requirements of the U. S. Government?

h. FAA Sec. 107. Is emphasis placed on use of appropriate technology (relatively smaller, cost-saving, labor-using technologies that are generally most appropriate for the small farms, small businesses, and small incomes of the poor)?

Yes

i. FAA Secs. 110, 124(d). Will the recipient country provide at least 25 percent of the costs of the program, project, or activity with respect to which the assistance is to be furnished (or is the latter cost-sharing requirement being waived for a "relatively least developed" country)?

Yes

j. FAA Sec. 128(b). If the activity attempts to increase the institutional capabilities of private organizations or the government of the country, or if it attempts to stimulate scientific and technological research, has it been designed and will it be monitored to ensure that the ultimate beneficiaries are the poor majority?

The Project will strengthen the capacity of producer associations, to provide services to poor rural farmers.

k. FAA Sec. 281(b). Describe extent to which program recognizes the particular needs, desires, and capacities of the people of the country; utilizes the country's intellectual resources to encourage institutional development; and supports civil education and training in skills required for effective participation in governmental processes essential to self-government.

The Project strengthens the capacities of local institutions, which operate on democratic principles.

l. FY 1990 Appropriations Act, under heading "Population, DA," and Sec. 535. Are any of the funds to be used for the performance of abortions as a method of family planning or to motivate or coerce any person to practice abortions?

No

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- Are any of the funds to be used to pay for the performance of involuntary sterilization as a method of family planning or to coerce or provide any financial incentive to any person to undergo sterilizations? No
- Are any of the funds to be made available to any organization or program which, as determined by the President, supports or participates in the management of a program of coercive abortion or involuntary sterilization? No
- Will funds be made available only to voluntary family planning projects which offer, either directly or through referral to, or information about access to, a broad range of family planning methods and services? N/A, not a family planning project.
- In awarding grants for natural family planning, will any applicant be discriminated against because of such applicant's religious or conscientious commitment to offer only natural family planning? N/A
- Are any of the funds to be used to pay for any biomedical research which relates, in whole or in part, to methods of, or the performance of, abortions or involuntary sterilization as a means of family planning? No
- m. FAA Sec. 601(e). Will the project utilize competitive selection procedures for the awarding of contracts, except where applicable procurement rules allow otherwise? Yes
- n. FY 1990 Appropriations Act Sec. 579. What portion of the funds will be available only for activities of economically and socially disadvantaged enterprises, historically black colleges and universities, colleges and universities having a student body in which more than 40 percent of the students are Hispanic Americans, and The technical assistance contractor os a Grey Amendment firm.

private and voluntary organizations which are controlled by individuals who are black Americans, Hispanic Americans, or Native Americans, or who are economically or socially disadvantaged (including women)?

o. FAA Sec. 118(c). Does the assistance comply with the environmental procedures set forth in A.I.D. Regulation 16? Does the assistance place a high priority on conservation and sustainable management of tropical forests? Specifically, does the assistance, to the fullest extent feasible: (1) stress the importance of conserving and sustainably managing forest resources; (2) support activities which offer employment and income alternatives to those who otherwise would cause destruction and loss of forests, and help countries identify and implement alternatives to colonizing forested areas; (3) support training programs, educational efforts, and the establishment or strengthening of institutions to improve forest management; (4) help end destructive slash-and-burn agriculture by supporting stable and productive farming practices; (5) help conserve forests which have not yet been degraded by helping to increase production on lands already cleared or degraded; (6) conserve forested watersheds and rehabilitate those which have been deforested; (7) support training, research, and other actions which lead to sustainable and more environmentally sound practices for timber harvesting, removal, and processing; (8) support research to expand knowledge of tropical forests and identify alternatives which will prevent forest destruction, loss, or degradation; (9) conserve biological diversity in forest areas by supporting efforts to identify, establish, and maintain a representative network of protected tropical forest ecosystems on a worldwide basis, by making the establishment of protected areas a

Yes

N/A - This is not a forestry project.

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condition of support for activities involving forest clearance or degradation, and by helping to identify tropical forest ecosystems and species in need of protection and establish and maintain appropriate protected areas; (10) seek to increase the awareness of U.S. Government agencies and other donors of the immediate and long-term value of tropical forests; and (11)/utilize the resources and abilities of all relevant U.S. government agencies?

- p. FAA Sec. 118(c)(13). If the assistance will support a program or project significantly affecting tropical forests (including projects involving the planting of exotic plant species), will the program or project: (1) be based upon careful analysis of the alternatives available to achieve the best sustainable use of the land, and (2)/take full account of the environmental impacts of the proposed activities on biological diversity? N/A
- q. FAA Sec. 118(c)(14). Will assistance be used for: (1) the procurement or use of logging equipment, unless an environmental assessment indicates that all timber harvesting operations involved will be conducted in an environmentally sound manner and that the proposed activity will produce positive economic benefits and sustainable forest management systems; or (2) actions which will significantly degrade national parks or similar protected areas which contain tropical forests, or introduce exotic plants or animals into such areas? No
- r. FAA Sec. 118(c)(15). Will assistance be used for: (1) activities which would result in the conversion of forest lands to the rearing of livestock; (2) the construction, upgrading, or maintenance of roads (including temporary haul roads for logging or other extractive industries) which pass through relatively undergraded forest lands; (3) the No

colonization of forest lands; or (4) the construction of dams or other water control structures which flood relatively undergraded forest lands, unless with respect to each such activity an environmental assessment indicates that the activity will contribute significantly and directly to improving the livelihood of the rural poor and will be conducted in an environmentally sound manner which supports sustainable development? No
No

s. FY 1990 Appropriations Act Sec. 534(a). If assistance relates to tropical forests, will project assist countries in developing a systematic analysis of the appropriate use of their total tropical forest resources, with the goal of developing a national program for sustainable forestry? N/A

t. FY 1990 Appropriations Act Sec. 534(b). If assistance relates to energy, will such assistance focus on improved energy efficiency, increased use of renewable energy resources, and national energy plans (such as least-cost energy plans) which include investment in end-use efficiency and renewable energy resources? N/A

Describe and give conclusions as to how such assistance will: (1) increase the energy expertise of A.I.D. staff, (2) help to develop analyses of energy-sector actions to minimize emissions of greenhouse gases at least cost, (3) develop energy-sector plans that employ end-use analysis and other techniques to identify cost-effective actions to minimize reliance on fossil fuels, (4) help to analyze fully environmental impacts (including impact on global warming), (5) improve efficiency in production, transmission, distribution, and use of energy, (6) assist in exploiting nonconventional renewable energy resources, including wind, solar, small-hydro, geo-thermal, and advanced

biomass systems, (7) expand efforts to meet the energy needs of the rural poor, (8) encourage host countries to sponsor meetings with United States energy efficiency experts to discuss the use of least-cost planning techniques, (9) help to develop a cadre of United States experts capable of providing technical assistance to developing countries on energy issues, and (10) strengthen cooperation on energy issues with the Department of Energy, EPA, World Bank, and Development Assistance Committee of the OECD.

u. FY 1990 Appropriations Act, Title II, under heading "Sub-Saharan Africa, DA" (as interpreted by conference report upon original enactment). If assistance will come from the Sub-Saharan Africa DA account, is it: (1) to be used to help the poor majority in Sub-Saharan Africa through a process of long-term development and economic growth that is equitable, participatory, environmentally sustainable, and self-reliant; (2) being provided in accordance with the policies contained in section 102 of the FAA; (3) being provided, when consistent with the objectives of such assistance, through African, United States and other PVOs that have demonstrated effectiveness in the promotion of local grassroots activities on behalf of long-term development in Sub-Saharan Africa; (4) being used to help overcome shorter-term constraints to long-term development, to promote reform of sectoral economic policies, to support the critical sector priorities of agricultural production and natural resources, health, voluntary family planning services, education, and income generating opportunities, to bring about appropriate sectoral restructuring of the Sub-Saharan African economies, to support reform in public administration and finances and to establish a favorable environment for individual enterprise and self-sustaining development, and to take

N/A

into account, in assisted policy reforms, the need to protect vulnerable groups; (5) being used to increase agricultural production in ways that protect and restore the natural resource base, especially food production, to maintain and improve basic transportation and communication networks, to maintain and restore the renewable natural resource base in ways that increase agricultural production, to improve health conditions with special emphasis on meeting the health needs of mothers and children, including the establishment of self-sustaining primary health care systems that give priority to preventive care, to provide increased access to voluntary family planning services, to improve basic literacy and mathematics especially to those outside the formal educational system and to improve primary education, and to develop income-generating opportunities for the unemployed and underemployed in urban and rural areas?

v. International Development Act Sec. 711, FAA Sec. 463. If project will finance a debt-for-nature exchange, describe how the exchange will support protection of: (1) the world's oceans and atmosphere, (2) animal and plant species, and (3) parks and reserves; or describe how the exchange will promote: (4) natural resource management, (5) local conservation programs, (6) conservation training programs, (7) public commitment to conservation, (8) land and ecosystem management, and (9) regenerative approaches in farming, forestry, fishing, and watershed management.

N/A

w. FY 1990 Appropriations Act Sec. 515. If deob/reob authority is sought to be exercised in the provision of DA assistance, are the funds being obligated for the same general purpose, and for countries within the same region as originally obligated, and have the House and Senate Appropriations Committees been properly notified?

N/A

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5C(3) - STANDARD ITEM CHECKLIST

Listed below are the statutory items which normally will be covered routinely in those provisions of an assistance agreement dealing with its implementation, or covered in the agreement by imposing limits on certain uses of funds.

These items are arranged under the general headings of (A) Procurement, (B) Construction, and (C) Other Restrictions.

A. PROCUREMENT

- | | |
|--|---|
| 1. <u>FAA Sec. 602(a)</u> . Are there arrangements to permit U.S. small business to participate equitably in the furnishing of commodities and services financed? | There may be opportunities for small business to provide commodities and services as sub-contractors to the contractors selected under the Project. |
| 2. <u>FAA Sec. 604(a)</u> . Will all procurement be from the U.S. except as otherwise determined by the President or determined under delegation from him? | Yes |
| 3. <u>FAA Sec. 604(d)</u> . If the cooperating country discriminates against marine insurance companies authorized to do business in the U.S., will commodities be insured in the United States against marine risk with such a company? | Yes |
| 4. <u>FAA Sec. 604(e)</u> . If non-U.S. procurement of agricultural commodity or product thereof is to be financed, is there provision against such procurement when the domestic price of such commodity is less than parity? (Exception where commodity financed could not reasonably be procured in U.S.) | N/A |

5. FAA Sec. 604(g). Will construction or engineering services be procured from firms of advanced developing countries which are otherwise eligible under Code 941 and which have attained a competitive capability in international markets in one of these areas? (Exception for those countries which receive direct economic assistance under the FAA and permit United States firms to compete for construction or engineering services financed from assistance programs of these countries.) No
6. FAA Sec. 603. Is the shipping excluded from compliance with the requirement in section 901(b) of the Merchant Marine Act of 1936, as amended, that at least 50 percent of the gross tonnage of commodities (computed separately for dry bulk carriers, dry cargo liners, and tankers) financed shall be transported on privately owned U.S. flag commercial vessels to the extent such vessels are available at fair and reasonable rates? No
7. FAA Sec. 621(a). If technical assistance is financed, will such assistance be furnished by private enterprise on a contract basis to the fullest extent practicable? Will the facilities and resources of other Federal agencies be utilized, when they are particularly suitable, not competitive with private enterprise, and made available without undue interference with domestic programs? Yes
No
8. International Air Transportation Fair Competitive Practices Act, 1974. If air transportation of persons or property is financed on grant basis, will U.S. carriers be used to the extent such service is available? Yes
9. FY 1990 Appropriations Act Sec. 504. If the U.S. Government is a party to a contract for procurement, does the contract contain a provision authorizing termination of such contract for the convenience of the United States? Yes

10. FY 1990 Appropriations Act Sec. 524. If assistance is for consulting service through procurement contract pursuant to 5 U.S.C. 3109, are contract expenditures a matter of public record and available for public inspection (unless otherwise provided by law or Executive order)? Yes
11. Trade Act Sec. 5164 (as interpreted by conference report), amending Metric Conversion Act of 1975 Sec. 2 (and as implemented through A.I.D. policy). Does the assistance program use the metric system of measurement in its procurements, grants, and other business-related activities, except to the extent that such use is impractical or is likely to cause significant inefficiencies or loss of markets to United States firms? Are bulk purchases usually to be made in metric, and are components, subassemblies, and semi-fabricated materials to be specified in metric units when economically available and technically adequate? Will A.I.D. specifications use metric units of measure from the earliest programmatic stages, and from the earliest documentation of the assistance processes (for example, project papers) involving quantifiable measurements (length, area, volume, capacity, mass and weight), through the implementation stage? Yes
Yes
In most cases
12. FAA Secs. 612(b), 636(h); FY 1990 Appropriations Act Secs. 507, 509. Describe steps taken to assure that, to the maximum extent possible, foreign currencies owned by the U.S. are utilized in lieu of dollars to meet the cost of contractual and other services. Local currency generated under PL-480 will be utilized to meet 60% of Project costs.
13. FAA Sec. 612(d). Does the U.S. own excess foreign currency of the country and, if so, what arrangements have been made for its release? No
14. FAA Sec. 601(e). Will the assistance utilize competitive selection procedures for the awarding of contracts, except where applicable procurement rules allow otherwise? Yes

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B. CONSTRUCTION

1. FAA Sec. 601(d). If capital (e.g., construction) project, will U.S. engineering and professional services be used? N/A
2. FAA Sec. 611(c). If contracts for construction are to be financed, will they be let on a competitive basis to maximum extent practicable? N/A
3. FAA Sec. 620(k). If for construction of productive enterprise, will aggregate value of assistance to be furnished by the U.S. not exceed \$100 million (except for productive enterprises in Egypt that were described in the CP), or does assistance have the express approval of Congress? N/A

C. OTHER RESTRICTIONS

1. FAA Sec. 122(b). If development loan repayable in dollars, is interest rate at least 2 percent per annum during a grace period which is not to exceed ten years, and at least 3 percent per annum thereafter? N/A
2. FAA Sec. 301(d). If fund is established solely by U.S. contributions and administered by an international organization, does Comptroller General have audit rights? N/A
3. FAA Sec. 620(h). Do arrangements exist to insure that United States foreign aid is not used in a manner which, contrary to the best interests of the United States, promotes or assists the foreign aid projects or activities of the Communist-bloc countries? Yes

4. Will arrangements preclude use of financing:

a. FAA Sec. 104(f); FY 1990 Appropriations Act under heading

"Population, DA," and Secs. 525, 535.

(1) To pay for performance of abortions as a method of family planning or to motivate or coerce persons to practice abortions; (2) to pay for performance of involuntary sterilization as method of family planning, or to coerce or provide financial incentive to any person to undergo sterilization; (3) to pay for any biomedical research which relates, in whole or part, to methods or the performance of abortions or involuntary sterilizations as a means of family planning; or (4) to lobby for abortion? Yes

(2) to pay for performance of involuntary sterilization as method of family planning, or to coerce or provide financial incentive to any person to undergo sterilization; (3) to pay for any biomedical research which relates, in whole or part, to methods or the performance of abortions or involuntary sterilizations as a means of family planning; or (4) to lobby for abortion? Yes

(3) to pay for any biomedical research which relates, in whole or part, to methods or the performance of abortions or involuntary sterilizations as a means of family planning; or (4) to lobby for abortion? Yes

(4) to lobby for abortion? Yes

or (4) to lobby for abortion? Yes

b. FAA Sec. 483. To make reimbursements, in the form of cash payments, to persons whose illicit drug crops are eradicated? Yes

c. FAA Sec. 487. To or through individuals or entities which we know or have reason to believe have either: (1) been convicted of a violation of any law or regulation of the United States or a foreign country relating to narcotics (or other controlled substances); or (2) been an illicit trafficker in, or otherwise involved in the illicit trafficking of, any such controlled substance? (Section 487 requires the taking of "reasonable steps to ensure that assistance" (under the FAA and the Arms Export Control Act) is not provided in the foregoing cases.) Yes

or (2) been an illicit trafficker in, or otherwise involved in the illicit trafficking of, any such controlled substance? (Section 487 requires the taking of "reasonable steps to ensure that assistance" (under the FAA and the Arms Export Control Act) is not provided in the foregoing cases.) Yes

or (2) been an illicit trafficker in, or otherwise involved in the illicit trafficking of, any such controlled substance? (Section 487 requires the taking of "reasonable steps to ensure that assistance" (under the FAA and the Arms Export Control Act) is not provided in the foregoing cases.) Yes

(Section 487 requires the taking of "reasonable steps to ensure that assistance" (under the FAA and the Arms Export Control Act) is not provided in the foregoing cases.) Yes

that assistance" (under the FAA and the Arms Export Control Act) is not provided in the foregoing cases.) Yes

is not provided in the foregoing cases.) Yes

d. FAA Sec. 620(g). To compensate owners for expropriated or nationalized property, except to compensate foreign nationals in accordance with a land reform program certified by the President? Yes

owners for expropriated or nationalized property, except to compensate foreign nationals in accordance with a land reform program certified by the President? Yes

e. FAA Sec. 660. To provide training, advice, or any financial support for police, prisons, or other law enforcement forces, except for narcotics programs? Yes

To provide training, advice, or any financial support for police, prisons, or other law enforcement forces, except for narcotics programs? Yes

advice, or any financial support for police, prisons, or other law enforcement forces, except for narcotics programs? Yes

forces, except for narcotics programs? Yes

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- f. FAA Sec. 662. For CIA activities? Yes
- g. FAA Sec. 636(i). For purchase, sale, long-term lease, exchange or guaranty of the sale of motor vehicles manufactured outside U.S., unless a waiver is obtained? Yes
- h. FY 1990 Appropriations Act Sec. 503. To pay pensions, annuities, retirement pay, or adjusted service compensation for prior or current military personnel? Yes
- i. FY 1990 Appropriations Act Sec. 505. To pay U.N. assessments, arrearages or dues? Yes
- j. FY 1990 Appropriations Act Sec. 506. To carry out provisions of FAA section 209(d) (transfer of FAA funds to multilateral organizations for lending)? Yes
- k. FY 1990 Appropriations Act Sec. 510. To finance the export of nuclear equipment, fuel, or technology? Yes
- l. FY 1990 Appropriations Act Sec. 511. For the purpose of aiding the efforts of the government of such country to repress the legitimate rights of the population of such country contrary to the Universal Declaration of Human Rights? Yes
- m. FY 1990 Appropriations Act Sec. 516; State Authorization Sec. 109. To be used for publicity or propaganda purposes designed to support or defeat legislation pending before Congress, to influence in any way the outcome of a political election in the United States, or for any publicity or propaganda purposes not authorized by Congress? Yes
5. FY 1990 Appropriations Act Sec. 574. Will any A.I.D. contract and solicitation, and subcontract entered into under such contract, include a clause requiring that U.S. marine insurance companies have a fair opportunity to bid for marine insurance when such insurance is necessary or appropriate? Yes

6. FY 1990 Appropriations Act Sec. 582.
Will any assistance be provided to any
foreign government (including any
instrumentality or agency thereof),
foreign person, or United States person
in exchange for that foreign government
or person undertaking any action which
is, if carried out by the United States
Government, a United States official or
employee, expressly prohibited by a
provision of United States law?

No

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