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**USAID**



**RESULTS REVIEW AND RESOURCE REQUEST**

**FY 1995 - 1998**

**USAID/BOLIVIA**

**MARCH 1996**

# RESULTS REVIEW AND RESOURCE REQUEST (R4)

FY 1995 - 1998

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LIST OF ACRONYMS

R4 1995-1998

ADR	Alternative Dispute Resolution
AIDS	Acquired Immunodeficiency Syndrome
AOJ	Administration of Justice
APPLE	Anti-Proverty Lending Fund
ASAP	As soon as possible
BAOJ	Bolivian Administration of Justice
BOLINVEST	Export and Investment Promotion Entity
BOLFOR	Sustainable Forestry Management Project
BPSP	Bolivian Peace Scholarship Program
CDIE	Center for Development Information and Evaluation
CFR	Code of Federal Regulations
CICOL	Local Indigenous Peoples NGO
CICON	Legislative Support Services Center
CIES	Information, Education and Services Center
CML	Congressional Modernization Committee
CORDEP	Cochabamba Regional Development Program
DAEC	Development Assistance Executive Committee
DDCP	Democratic Development and Citizen Participation
DOJ	Department of Justice
DPP	Department of Population Policy
EA	Bureau of East Asian and Pacific Affairs
EAI	Enterprise for the Americas Institution
EP3	Environmental Pollution Prevention Project
EPM II	Environmental Planning and Management II
ESD	Electrification for Sustainable Development Project.
ESF	Economic Support Funds
FAAS/ICASS	Foreign Affairs Administration Support
FAN	Friends of Nature Foundation
FIE	Centro de Fomento a Iniciativas Económicas
FONAMA	Bolivia's National Environmental Fund
FSN	Foreign Services National
FY	Fiscal Year
G/DG	Center for Democracy and Governance
GDP	Gross Domestic Product
GEF	Global Environmental Facility
GOB	Government of Bolivia
HIV	Human Immunodeficiency Virus
ICITAP	International Criminal Investigative Assistance
IDB	Inter-American Development Bank
IEEs	Initial Environment Examinations
IPPF/WHR	International Planned Parenthood/Western Hemisphere Region
IR(1) (2) (3)	Intermediate Results
LAC	Latin America and Caribbean Bureau
LOP	Life Of Project
MOJ	Ministry of Justice
NAT	NGO Assessment Team
NGO	Non-Governmental Organization
NMS	New Management Systems

NPI	New Partnership Initiative
NXP	Non-Expendable Property
OE	Operative Expenses
OPDAT	Office of Professional Development and Training
ORS	Oral Rehydration Salt
OYB	Operation Year Budget
PAAB	Bolivia's Environmental Action Plan
PACD	Project Assistance Completion Date
PASA	Participating Agency Service Agreement
PHN	Population Health and Nutrition Center
PIP	Parks in Peril Program
PPC	Bureau for Program and Policy Coordination
PRIME	Program for Innovation in Micro Enterprise
PROA	Local NGO Self-Financing Primary Health Care II
PROCOSI	Child Survival PVO Network II
PRODEM	Promotion and Growth of Micro Enterprise
PROMETA	Protection of the Environment Local NGO
PROSALUD	Self-Financing Primary Health Care II
PSI	Population Services International
PTO	Patent Trademark Office
PVO	Private Voluntary Organization
R4	Results Review and Resource Request
RCO	Regional Contracts Office
RTI	Research Triangle Institute
SARTAWI	Sartawi Foundation, Rural Development Organization NGO.
SNPP	National Secretary of Popular Participation
SNS	National Secretarial of Health
SO	Strategic Objective
SOT	Strategic Objective Team
STD	Sexually Transmitted Disease
TR2	Transition Re-Engineering Report
UNICEF	United Nations Children's Fund
USDH	United States Direct Hire
USG	United States Government
USPVO	United States PVO
VOCA	Volunteer's in Overseas Cooperative Assistance.
WCS	Wildlife Conservation Society
WINNEX	Bolivian Export Company
WOCCU	World Council of Credit Unions.
WRI	World Resources Institute

## I. FACTORS AFFECTING PROGRAM PERFORMANCE

**Background.** In 1995 the Government of Bolivia consolidated a number of key reforms initiated by the Administration of President Gonzalo Sanchez de Lozada in 1993. These reforms: in education, capitalization, popular participation, and modernization of the state, were laid out in the Administration's "Plan de Todos" (Plan for Everyone). Although ambitious, they have proven at least partially attainable. The GOB has been fully occupied in implementing these reforms, maintaining a sound macroeconomic program, reforming the justice sector, combatting the illegal coca/cocaine industry, and decentralizing many government services.

Nevertheless, Bolivia remains one of the most impoverished nations in the hemisphere with a per capita GDP of about \$800 in 1995; 70 percent of all Bolivian households and approximately 94 percent of rural households are classified as poor. The average Bolivian citizen lives on just \$2.20 per day. Poverty affects, among other factors, high mortality rates which at 75 per 1,000 births in 1994 remain unacceptably high; 38 percent of children under five years of age suffer some degree of malnutrition, and 12 percent suffer moderate or severe malnutrition. Based on the UNDP's "Human Development Index", Bolivia has a low level of human development, ranking 122 out of 160 countries. Haiti is the only country with a lower human development ranking in Latin America.

USAID and the donor community have assisted the GOB in its reform efforts. External assistance is on the order of \$700 million per year, or about 11 percent of GDP.

USAID in Bolivia pursues four Strategic Objectives (SO) in carrying out the Agency's sustainable development mission: Economic Opportunity and Access, Democracy, Health and Population, and Environment. Through each of its SOs, USAID is helping Bolivia achieve measurable and sustainable development results (described in Chapter II.) USAID has generally encountered external and internal economic, social, and political factors conducive to the achievement of these objectives. Some of these factors are described below along with USAID's response to them.

**Economic Opportunity.** Faced with a severe economic crisis in the mid-1980s, Bolivia continued with its far-reaching economic program aimed at restoring price stability and restructuring the economy. The economic reform program combined comprehensive structural reforms with tight monetary policy and a program to reduce debt and debt service payments. Implementation of this program has succeeded in restoring price stability -- inflation during the last three years has averaged 10.1 percent -- among the lowest in the hemisphere. Furthermore, moderate economic growth has been regained -- real GDP growth averaged 4.0 percent during the same period -- among the highest in Latin America.

Price stability and economic growth notwithstanding, Bolivia's economy remains fragile. The fiscal deficit, mostly financed with external resources, remains relatively high. The external balance also remains weak; the current account deficit of the balance of payments averaged 10 percent of GDP. Moreover, Bolivia remains vulnerable to exogenous shocks, most important, in decreased external economic assistance and in international prices of primary commodities. Per capita GDP growth -- 1.6 percent -- is insufficient to reduce poverty.

This investment climate has adversely affected the GOB's macroeconomic and some USAID program results. It is caused in large part by a judicial system that does not protect tangible and intangible property, the constant threat by the GOB to reform the investment law, and the GOB's inability to implement existing investment codes.

Despite the GOB's drive to focus on eradication to avoid decertification by the USG for insufficient cooperation in the fight against drugs, substantial progress was made in the important alternative development area. Private investment in the Chapare and planting and export of licit crops increased. Delays in receiving GOB authorization to move forward with contracts for the road program have been overcome. Those delays and unacceptably high road construction bids reduced the number of temporary jobs generated under the USAID-supported Cochabamba Regional Development Project (CORDEP). Demand for alternative development activities and new private investment in the Chapare continue to grow. The GOB's replacement of key counterparts with good, qualified technical experts has permitted a positive policy dialogue. That dialogue is resulting in the serious pursuit of actions complementary to alternative development, such as consideration of an agroindustrial park for the Chapare.

**Democracy.** Bolivia's commitment to strengthen democratic government and the social base of democracy is evidenced by the fast-paced implementation of a series of recently promulgated laws. The Constitutional Amendments Law (1994), the Popular Participation Law (1994), and the Administrative Decentralization Law (1995) enacted the most sweeping redistribution of political and economic power since Bolivia's 1952 revolution.

Citizen participation in municipal government has become a reality. In addition, from 1993 to 1995 Bolivia's Congress enacted a series of amendments improving the Electoral Law. The December 1995 municipal elections, with record numbers of citizens registering to vote and casting ballots, brought the Popular Participation Law to life. This bodes well for Bolivia's fragile democracy, now in its 14th year.

An estimated 8,000 urban and 12,000 rural community organizations qualify under the Popular Participation Law to apply for and

obtain legal status. As of February 28, 1996, almost 53 percent of these community organizations completed this critical step towards their empowerment. By law, each of the more than 300 new municipalities must have a citizen oversight committee. Thus far, 64 percent have been constituted. However, not all 300 plus mayors have been sworn in. There were a number of cases where political parties won the election but did not present candidates and electoral authorities will rule on official requests from runner-up parties which did present candidates.

USAID and other donors continue to help the Bolivian Congress modernize itself and root out corruption through professionalization of services. USAID-supported congressional modernization activities experienced some delays while the GOB negotiated terms for a major legislative strengthening loan with the Inter-American Development Bank. The final outcome of these negotiations will lead to better coordination among all parties and the reduction of any potential overlap. Additionally, the Law against Domestic Violence now provides women with a necessary legal mechanisms for more adequate protection against domestic violence.

The Bolivian Supreme Court recently emerged from a period of institutional instability and political turmoil whose side effects disrupted USAID support for judicial training. For more than a year, the Supreme Court operated with only half the required number of justices, amassing a serious case backlog. Recently, new members were appointed and training programs have resumed. In addition, the Supreme Court recently established a Commission on Judicial Reform to coordinate with external donors. USAID officials meet monthly with the Reform Commission to build an increasingly closer working relationship with the Court.

**Health and Population.** Current GOB policies are extremely favorable to the rapid improvement of health care services. More than ever before, the GOB and Bolivian society in general are open and receptive to family planning. The GOB recently made a strong commitment to prioritized actions to lower infant, child and maternal mortality. The newly operational Popular Participation and Administrative Decentralization laws have empowered municipal governments to contract for their own health care services and to contribute increased resources to finance them. A trend is starting towards the provision of services by NGO providers that offer better quality health care services and treat their clients more humanely than government services have in the past. This trend will continue with support at the Presidential and Ministerial levels of the GOB, and at the local levels which stand to benefit.

Elements of the leadership of the National Secretariat of Health (SNS), however, are resisting the trend toward decentralization that is accelerating around them. At the moment, the SNS

leadership is more aware of a perceived loss of control and influence than of the many advantages of the movement. As responsibility for health care moves to the municipal level, the SNS actually will gain from being relieved of service provision responsibility in many communities. This will allow the Secretariat to redeploy human and financial resources in a more strategic pattern to serve the truly needy urban and rural populations. It will also enable the Secretariat to strengthen its organizational, normative, regulatory, and health monitoring role.

One area being impeded by the current thinking in the Secretariat, for example, is health financing and cost recovery. Bolivia is a leader in several areas in health care financing. In the private sector, PROSALUD -- an expanding network of cost recovery maternal and child health care clinics -- has become an international model of high quality health care combined with financial sustainability. Many other NGOs work in partnership with the GOB to provide health care services, particularly in the rural areas. This trend is expanding at the municipal level under the new Popular Participation and Administrative Decentralization laws, but the SNS continues to oppose many of these efforts. In the commercial sector, social marketing programs for oral rehydration salts, Vitamin A fortified sugar, and contraceptives offer great potential to deliver vital health care products to both urban and rural areas in a sustainable way.

USAID's strategy has been to help the SNS conduct cost-recovery studies, improve its monitoring and information unit, create social marketing activities jointly with the commercial sector, and support other policies that strengthen its normative role. Health sector reform is happening. Future USAID interventions will continue to offer the Secretariat support in the policy area consistent with overall GOB goals.

**Environment.** Bolivia's President promised that emphasis on the environment would intensify with his administration, and 1995 has seen important positive developments in this area. These include creation of a major new national park in the Chaco and an agreement with the indigenous Izoceño community to manage it. Park guards are now being hired, trained and equipped, and a protection infrastructure is being developed. This directly complements USAID's new activity to help protect this area's threatened wildlife. In addition, the local NGO "Friends of Nature Foundation" (FAN), a long-time "Parks in Peril" partner, was awarded the contract to manage Noel Kempff Mercado National Park on behalf of the GOB. This is an outstanding example of strong government-NGO collaboration to protect biological diversity.

Bolivia's President signed into law new regulations to accompany the General Environmental Law. Developed with support from local

currency generated under the P.L. 480 program and other donors, these will assist USAID's Pollution Prevention Program (EP3) to improve the environmental performance of selected industries in La Paz, Cochabamba and Santa Cruz. The GOB also continues to be strongly committed to hosting a hemispheric Conference on Sustainable Development and the Environment (scheduled for December 1996) as a follow up to the Miami Summit. This important effort should advance progress on the Summit of the Americas agreements.

However, Bolivia's National Environmental Fund (FONAMA), despite its impressive early performance, continues to suffer. Staff turnover has been rapid, project activities delayed, and its ability to attract additional donor resources seriously reduced. Fortunately, USAID's bilateral programs with FONAMA have been largely insulated from these developments. A separate Environmental Framework Agreement governs management of Bolivia's \$21.8 million Enterprise for the Americas (EAI) Environmental Account in FONAMA. Nevertheless the institution's difficulties caused delays and reduced Bolivia's strong momentum on the environment. To help address this issue USAID, in collaboration with six other donors and the GOB, supported an external evaluation of FONAMA. The evaluation, submitted in February 1996, makes several important recommendations aimed at revitalizing the institution. The GOB has assured the donor community that it is anxious to restore FONAMA to its former position of prominence in Bolivian environmental affairs.

## II. Performance of Strategic Objectives

### A. Economic Opportunity

Agency Goal: Broad-based Economic Growth Achieved

Strategic Objective: Expanded Economic Opportunity and Access

**Performance Progress to Date.** Performance under the Economic Opportunities Strategic Objective continued to gain momentum in 1995. Although the country's overall economic performance was moderate, USAID made major contributions in job creation, exports, and financial services for the poor. Temporary job creation was reduced under the Cochabamba Regional Development Program (CORDEP) due to problems in contracting for road improvements.

Strategic Objective level macroeconomic indicators were slightly below target. The estimated coca economy in 1995 was about the same size as in 1994 in relation to the overall legal economy. Still, it is down about 250 percent from the baseline of 1988. Total nontraditional exports and the GDP growth rate fell moderately, largely due to a severe lowlands drought and a cautious investment climate.

The non-bank financial sector continued to grow in size and importance. The biggest breakthrough was the passage of a decree authorizing the Superintendency of Banks and Financial Institutions to license and supervise microfinance institutions. This decree, prompted by two years of USAID policy dialogue, offers an innovative framework that will be watched closely by other countries around the world. USAID has begun a program to provide technical assistance to the Superintendency in its implementation. Whereas in 1989 less than 10,000 Bolivian households had access to microloans, in 1995 just under 100,000 households received financial services from USAID-assisted institutions. USAID supports five of Bolivia's high potential microfinance institutions: a bank (BancoSol) and four NGOs that plan to convert to private corporations under the new licensing framework. This bodes well for the sector's growth and viability.

In another innovative program, USAID developed a bond issue guarantee program for a microfinance institution, the first of its kind. The \$5 million in bonds, partially guaranteed under USAID's Economic Growth Center Bond Guarantee Program and expected to be issued in 1996, will help BancoSol diversify its liabilities and establish itself in the formal financial markets. USAID's technical and financial support to the credit union system is promoting growth and greater solvency.

Through support to the export, investment, alternative development and microenterprise sectors, USAID contributed to the

creation of almost 29,000 new permanent jobs between 1992 and 1995, more than five times greater than the target. The majority of these jobs were created in the dynamic microenterprise sector, where women are the primary beneficiaries. Thousands of other jobs were created with support from the USAID-assisted export and investment promotion entity, BOLINVEST, and the Cochabamba Regional Development (CORDEP) marketing program. Most important, the majority of these new jobs were in nontraditional export sectors -- fresh and dried fruit, wood, flowers and textiles.

During FY 1995, 393,133 person-months of employment were generated under the Title II Municipal Food for Work Program in about 2,500 local community projects in the areas of basic sanitation, road and street maintenance and construction, and forestation. Of these temporary jobs, 39,511 person-months of employment were generated in the Cochabamba region, which helps mitigate migration into the Chapare coca-growing areas. In the coming years, the Food for Work program will concentrate on (a) rural infrastructure to increase production of and access to food, and (b) rural water and sanitation infrastructure, which will improve health conditions as well as provide temporary employment. The program will be fully integrated into the new GOB food security strategy, developed with USAID support.

The Title II School Feeding Program, which reached approximately 200,000 primary school age children in 1,800 rural schools, significantly contributed to their food security and reduced student drop-out rates. A September 1994 evaluation showed that the drop-out rate in schools with school feeding was 3 percent, compared to 10 percent in schools without school feeding. Despite the promising results of this program and its importance to the new food security strategy of the GOB and educational reform, plans are being developed to phase-out school feeding. The Title II Cooperating Sponsors have decided to phase the program out because the USAID Food Aid and Food Security Policy Paper does not give school feeding priority and BHR/FFP has discouraged sponsors from continuing school feeding.

USAID again exceeded its ambitious annual export target, this year by 30 percent. BOLINVEST was responsible for the bulk of the nearly \$35 million in new exports, despite having redirected support to smaller companies. Although BOLINVEST has been highly successful, much still needs to be done to develop Bolivia's export and investment sectors. Therefore, the institutionalization of BOLINVEST was a major goal in 1995. BOLINVEST transformed itself into a foundation with strong local leadership, attained legal status, and developed a new fee structure to increase income.

Exports also were bolstered by dramatic increases in alternative development products from the conflictive coca-growing Chapare region. Farmers are clearly encouraged to turn away from coca

production as their incomes increase through reliance on licit crops and the value of their exports increase. For example, over \$1.0 million in bananas were exported in 1995 by a growing Bolivian company (WINNEX) to Argentina, and demand for high quality bananas in the local market has pushed up farm-gate prices to levels three times those of two to three years ago. Fruits and vegetables from the Chapare and the High Valleys were successfully exported to each of Bolivia's five neighboring countries, the most significant being bananas and pineapples to Argentina. Container shipments of banana and cassava flour and dried fruit chips to Europe were well received with continuing orders. The same may be said of the first shipment of canned palm heart to Japan. With two small canneries now operating in the Chapare and another being planned in association with a 300-hectare plantation, a major environmentally sound palm heart industry has been launched in the Chapare. Clearly, demand for alternative development crops is significant and growing.

Twice the land area of the Chapare is devoted to licit crops as is devoted to coca and private investor interest in the Chapare is increasing daily. The most recent example is that of Chilean, Ecuadorian and Puerto Rican investors who are purchasing 2,400 hectares to supply a significant portion of the markets they now serve in Buenos Aires. They plan to begin with 300 hectares of bananas, gradually expanding their plantings to move in a major way once there is a paved road all the way to the Argentine border. A Bolivian investor planted 200 hectares in bananas and is entering into a marketing agreement with WINNEX for the exportable portion of his production. WINNEX itself plans to establish 200 hectares on its own land within the year. These and CORDEP-supported expansions of high quality banana production through NGOs and producers' associations should alleviate the supply problems that now limit exports. The absorptive capacity of the Argentine market is far beyond what can be produced in the Chapare well into the next century.

Bottlenecks in the production of black pepper plants have been relieved and rapid expansion of the crop, to supply domestic and regional markets, is foreseen. Black pepper is an attractive product for the Chapare due to its high use of manual labor, simple processing, and high value to bulk/weight ratio. This latter factor makes it well suited to many of the hilly areas not well served by roads.

Domestic demand for passion fruit, introduced as an alternative development product some six years ago, currently exceeds supply. Imported concentrates are being used to meet excess local demand and to serve growing markets for consumer-sized packages of passion fruit juice and other products in Southern Cone markets.

**Expected Progress FY 1997-1998.** Pension reform, a crucial element of the capitalization process and a major economic reform

itself, was postponed in 1995. The GOB felt it was politically necessary to focus on other major structural reforms first, notably capitalization. The Pension Reform Law, developed with the coordinated assistance of USAID and the World Bank, has been ready to be introduced to Congress for over a year. President Sanchez de Lozada and his staff have been talking up the reform more aggressively of late and promise to present the law to Congress in 1996. Despite numerous delays, prospects for passage and implementation are good. The new system will provide millions of Bolivians with a reliable retirement income plan and will provide Bolivia with huge inflows of sorely needed capital for productive investment.

USAID's support to microfinance institutions will intensify over the next two years. Highly focussed technical assistance will be provided to NGOs in the process of transformation to licensed microfinance corporations. Assistance may also be provided to credit unions and commercial banks entering the microfinance market. During FY 1997 and 1998, USAID expects to execute two to three donations for equity investments in microfinance institutions. This will help their capital position and allow them to leverage additional funding.

USAID is contemplating an extension of support to the credit union system through the World Council of Credit Unions (WOCCU) beyond the 1997 planned termination date. The assistance, which would require significantly reduced funding, would concentrate on technical assistance to credit unions licensed by the Superintendency of Banks.

Major private sector based expansion in the export of both fresh and processed products from the Chapare are planned. Bananas will continue to be the leader in fresh fruit exports with weekly shipments expected to double by mid-1996 and double again by year's end. The exporter, WINNEX, confidently plans to export over one million boxes in 1997. Problems in quality assurance of export pineapples will likely be overcome in 1997. The exporter (WINNEX) will contract for fields of the fruit at the initiation of the growth period and provide technical assistance on crop management, harvesting and post harvest handling.

Finally, the Economic Opportunities Strategic Objective Team is discussing possible interventions in support of the small enterprise sector, with an emphasis on exports.

**Summit of the Americas.** The Economic Opportunities SOT has actively pursued a number of Summit of the Americas initiatives. USAID/Bolivia sent three important representatives of the microfinance sector to a Summit of the Americas follow-up conference in Trinidad and Tobago. These people, representing a microfinance NGO, the Central Bank, and the Superintendency of Banks, provided clear leadership during the hemisphere-wide

event. Later in the year, Bolivia's Superintendent of Banks was the only person from a regulatory body to speak during a Latin America-wide conference on microfinance supervision held in Washington, D.C.

In support of international free trade, USAID sponsored the participation of a Bolivian representative to attend a two week course on patents and trademarks. This was followed by the visit of two U.S. Patent and Trademark Office officials, who came to Bolivia to review draft legislation of Bolivia's Intellectual Property Rights Law and to help increase public and private sector awareness of intellectual property rights. USAID has agreed with the GOB to collaborate on future initiatives in this field.

**STRATEGIC OBJECTIVE PERFORMANCE**

<b>Bolivia</b>				
<b>STRATEGIC OBJECTIVE: Expanded Economic Opportunity and Access.</b>				
<b>Indicator: Size of coca exports as a percent of legitimate exports</b>				
<b>Unit: Percent</b>		<b>Year</b>	<b>Planned</b>	<b>Actual</b>
<b>Source: Government of Bolivia</b>	<b>Baseline</b>	1988	-----	83.7
<p><b>Comments:</b> Although coca production and export are estimated to have declined in 1995*, the ratio of coca exports to legitimate exports was slightly higher than projected due mainly to lower than projected legitimate exports.</p> <p>* Official estimates for 1995 will be available in April 1996.</p>		1995	15.8	17.5
		1996	13.2	
		1997	10.7	
		1998	8.3	
		1999	7.0	
		<b>Target</b>	2000	
<b>STRATEGIC OBJECTIVE: Expanded Economic Opportunity and Access.</b>				
<b>Indicator: Illegal coca economy as a percent of legal economy</b>				
<b>Unit: Percent</b>		<b>Year</b>	<b>Planned</b>	<b>Actual</b>
<b>Source: Government of Bolivia</b>	<b>Baseline</b>	1988	-----	8.5
<p><b>Comments:</b> A lower than projected economic growth rate for the overall economy raised this ratio slightly over the planned estimate.</p> <p>* Official estimates for 1995 will be available in April 1996.</p>		1995	2.6	3.2
		1996	2.2	
		1997	1.9	
		1998	1.6	
		1999	1.3	
		<b>Target</b>	2000	

STRATEGIC OBJECTIVE: Expanded Economic Opportunity and Access.				
Indicator: Nontraditional exports-total value.				
Unit: Thousands of U.S. dollars (nominal FOB)		Year	Planned	Actual
Source: Government of Bolivia	Baseline	1991	-----	262,114
Comments: Nontraditional exports declined by about 10% in 1995 mainly due to government delays in the application of a neutral tax policy and uncertainty over modifications to laws and decrees affecting the sector.		1995	500,000	419,771
		1996	550,000	
		1997	640,000	
		1998	760,000	
		1999	850,000	
		Target	2000	
STRATEGIC OBJECTIVE: Expanded Economic Opportunity and Access.				
Indicator: GDP growth rate.				
Unit: Percent		Year	Planned	Actual
Source: Government of Bolivia	Baseline	1988	-----	3.0
Comments: A drought that affected the winter crop in the eastern lowlands, higher prices on imported commodities, and the change in government spending emphasis which increasingly gives priority to social spending instead of more growth generating expenditures are the main factors that lead to a lower than planned economic growth rate.		1995	4.5	3.7
		1996	5.0	
		1997	5.6	
		1998	5.8	
		1999	6.0	
		Target	2000	

**STRATEGIC OBJECTIVE: Expanded Economic Opportunity and Access.**

**Indicator: Number of poor households, not served by traditional financial institutions, receiving financial services under USAID-assisted programs**

Unit: Number of Bolivian Households		Year	Planned	Actual
Source: MSED, Microfinance	Baseline	1993	N/A	62,433
Comments: Planned PACD for MSED project is September 1997. Results attributable to microfinance begin in 1996.		1995	100,000	98,902
		1996	120,000	
		1997	145,000	
		1998	180,000	
		1999	220,000	
	Target	2000		

**INTERMEDIATE RESULTS: Increased employment opportunities in non-coca industries.**

**Indicator: Permanent jobs created by firms/individuals receiving USAID-supported services.**

Unit: Number		Year	Planned	Actual
Source: Export Promotion, MSED	Baseline	1991	-----	3,422
Comments: Planned figures adjusted to reflect updated information under the MSED and MF Activities.		1995	F 25,000 M 10,000	F 17,235 M 11,491
		1996	F 16,800 M 11,200	
		1997	F 19,200 M 12,800	
		1998	N/A	
		1999	N/A	
	Target	2000		

INTERMEDIATE RESULTS: Increased employment opportunities in non-coca industries.				
Indicator: Temporary jobs generated with USAID resources outside the Department of Cochabamba - total				
Unit: Person/months		Year	Planned	Actual
Source: P.L. 480 Tit. II	Baseline	1991	-----	342,630
Comments: Planned figures adjusted to reflect a refocus of project to work within the more food insecure departments.		1995	232,260	393,133
		1996	232,260	
		1997	209,034	
		1998	209,034	
		1999	198,582	
	Target	2000	188,653	
INTERMEDIATE RESULTS: Increased non-coca economic opportunities in the Chapare.				
Indicator: Temporary jobs generated with USAID resources in the Department of Cochabamba- total				
Unit: Person/months		Year	Planned	Actual
Source: CORDEP, P.L. 480 Tit. II, SNC	Baseline	1991	-----	16,917
Comments: Planned CORDEP PACD is September 30, 1997.		1995	36,611	39,511
		1996	33,120	
		1997	28,386	
		1998		
		1999		
	Target	2000		

INTERMEDIATE RESULTS: Increased employment opportunities in non-coca industries.				
Indicator: Temporary jobs generated with USAID resources outside the Department of Cochabamba.				
Unit: Person/months		Year	Planned	Actual
Source: P.L.480 Tit. II	Baseline	1991	--	342,630
Comments: Planned figures adjusted to reflect a refocus of project to work within the more food insecure departments.		1995	127,743 F 104,517 M	247,674 F 145,459 M
		1996	127,743 F 104,517 M	
		1997	114,969 F 94,065 M	
		1998	114,969 F 94,065 M	
		1999	109,220 F 89,362 M	
	Target	2000	103,759 F 84,894 M	

INTERMEDIATE RESULTS: Increased non-coca economic opportunities in the Chapare.				
Indicator: Temporary jobs generated with USAID resources in the Department of Cochabamba.				
Unit: Person/months		Year	Planned	Actual
Source: CORDEP, P.L.480 Tit. II, SNC	Baseline	1991	--	16,917
Comments: Planned CORDEP PACD is September 30, 1997.		1995	14,645 F 21,966 M	24,101 F 15,410 M
		1996	13,565 F 20,346 M	
		1997	8,405 F 12,606 M	
		1998	7,600 F 11,400 M	
		1999	6,800 F 10,200 M	
	Target	2000		

STRATEGIC OBJECTIVE: Expanded Economic Opportunity and Access.					
INTERMEDIATE RESULTS: Increased non-coca economic opportunities in the Chapare					
Indicator: Hectares of non-coca crops planted in the Chapare.					
Unit: Number of Hectares (Annual)		Year	Planned	Actual	
Source: CORDEP	Baseline	1990	-----	917	
Comments: 1997 figures are subject to the availability of funds as agreed in the LOP funding.  PACD is 09/30/97.		1995	10,500	11,200	
		1996	10,000		
		1997	5,000		
		1998			
		1999			
		Target	2000		
	STRATEGIC OBJECTIVE: Expanded Economic Opportunity and Access.				
INTERMEDIATE RESULTS: Increased non-coca economic opportunities in the Chapare					
Indicator: People who believe drug production and trafficking constitute a problem for Bolivia					
Unit: Percent of Bolivian population		Year	Planned	Actual	
Source: Drug Awareness Project	Baseline	1992	-----	32.9%*	
Comments: The National Urban Survey on opinions regarding illicit drug use was completed in 1995 as planned. The number reported for 1995 represents the percentage of reportants that think drug use is a Bolivian problem.  * 39% as reported as baseline last year was a typographical error. The correct baseline value is 32.9% or 33%.		1995	41%	42.9%	
		1996	45%		
		1997	49%		
		1998	51%		
		1999	53%		
		Target	2000		

STRATEGIC OBJECTIVE: Expanded Economic Opportunity and Access.				
INTERMEDIATE RESULTS: Increased competitiveness of the non-coca export sector.				
Indicator: Nontraditional export sales by USAID-assisted businesses.				
Unit: Thousands of dollars		Year	Planned	Actual
Source: Export Promotion	Baseline	1991	-----	11,547
Comments: Planned PACD for Export Promotion is FY 98 (and CORDEP is FY 97.)		1995	26,660	34,368
		1996	52,466	
		1997	52,000	
		1998	50,000	
		1999	N/A	
		Target	2000	
STRATEGIC OBJECTIVE: Expanded Economic Opportunity and Access.				
INTERMEDIATE RESULTS: Broadened Financial Markets				
Indicator: Pass and implement pension reform				
Unit:		Year	Planned	Actual
Source: Government of Bolivia	Baseline	1991		
Comments:		1995	Pass Law	Law not Passed
		1996	Implement Law	
		1997	N\A	
		1998		
		1999		
		Target	2000	

INTERMEDIATE RESULTS: Increased employment opportunities in non-coca industries.

Indicator: Permanent jobs created by firms/individuals receiving USAID - supported services.

Unit: Number		Year	Planned	Actual
Source: Export Promotion, MSED	Baseline	1991		1,369
Comments: Planned USAID support ends in FY 1997 or early FY 1998.  Planned figures adjusted to reflect, updated information under the Export Promotion and MSED Activities.		1994	2,390 M 3,593 F	7,566 M 10,854 F
		1995	10,000 M 15,000 F	11,908 M 16,818 F
		1996	11,200 M 16,800 F	
		1997	12,800 M 19,200 F	
		1998	N/A	
	Target	2000	N/A	

## B. Democracy

Agency Goal: Sustainable Democracies Built

Strategic Objective: Broaden the Social Base of Bolivian Democracy While Strengthening Governance

**Performance Progress to Date.** USAID provided assistance to the National Electoral Court during the December 1995 municipal elections, contributing greatly to their success and transparency by training over 100,000 citizens who acted as election officials on election day. With 1 million new eligible voters registered since 1991, the municipal election of December 1995 shows a 60 percent increase over the 1.7 million figure established as the baseline during the December 1991 municipal election. Cumulative registration and permanent screening of the voter registration list, two key 1995 achievements under this SO, would have been impossible without the automated voter registration system financed by USAID.

With the passage of the Popular Participation Law, participation in local and national government decision making has become a reality. Municipal level activities under USAID's Democratic Development and Citizen Participation Project, which directly supports the Popular Participation Law, began implementation in January 1996.

Special Development Activities supported poor, isolated communities in the development, design, and implementation of 19 self-help activities during FY 1994 and 1995, benefitting approximately 3,557 women and 5,336 men in 40 rural communities throughout the country. This program is being reoriented to place even more emphasis on popular participation through municipal governments.

The legislative support services center (CICON) established with USAID assistance, took major steps toward legal and financial sustainability as Congress granted it permanent status and provided full funding for its operations in the 1996 national budget. Congress also established a permanent Congressional Modernization Committee (CML) to oversee CICON. In February 1996 Congress committed itself to including permanent GOB funding for CICON, starting with the 1996 national budget. Some of the most important Congressional committees (i.e., appropriations, justice, human rights, and local government) currently use the center's services.

During FY 95, USAID helped improve the institutional capacity of key justice sector institutions, professionalize justice sector officials, expand access to public defense, and formulate regulatory frameworks.

Professionalization of judges, Supreme Court magistrates,

prosecutors, police investigative officials, public defenders, and lawyers continues. Of the 3,597 person/days (workshops last an average of three days) of training provided in FY 1995, 2,805 person/days were provided to men and 804 person/days to women. The difference in the disaggregated figures is partially due to the underrepresentation of women, especially in the judiciary. In spite of this fact, increased emphasis will be placed on including more women in USAID-supported training programs and on gender-sensitive training content.

Specialized training covered court administration, case tracking and judicial system management, bail and pre-trial release, the Public Ministry Law, conciliation and arbitration techniques, court-annexed mediation, criminal investigations, and police administration. The Bolivian National Police career development plan was completed. It focuses on performance and training as criteria for promotion and institutes a competitive bidding system for selected positions.

With USAID support, the institutionalization of the MOJ's Office of Public Defense continues through in-country training by Costa Rican public defenders, limited budget support to allow timely expansion to new areas, and training internships with the Costa Rican Office of Public Defense. In FY 1995 a total of 996 person/days of training were provided to the Office of Public Defense 330 person/days to women and 667 to men. This activity grew to a staff of over 100 in ten offices in eight of Bolivia's nine Departments. The Office of Public Defense absorbs about 70 percent of the MOJ's budget. Awareness of and demand for the public defenders' services mushroomed. Defenders secured the release of 11,514 persons and currently handle 37 percent of the cases in Bolivia. In Sucre, that percentage is 71 percent, and in La Paz, Cochabamba, Potosi and El Alto, the average is nearly 45 percent.

Significant technical assistance provided to Bolivian drafting commissions produced important regulatory frameworks in several areas. The new draft Code of Criminal Procedures addresses human rights issues; two MOJ-originated laws reduce high levels of prolonged detention in Bolivian jails and allow the Public Defense to play a key implementing role. A Regulatory Decree on the Control and Management of Seized Assets maximizes the GOB's flexibility to dispose of illegally obtained assets rapidly and use the proceeds to benefit the anti-narcotics agencies while avoiding potentially unconstitutional abuses. Two new volumes of the prosecutors' manual cover recommended investigation and prosecution techniques, as well as management and administrative guidelines, thus standardizing the procedures.

USAID funded an anticorruption program by the U.S. Department of Justice Office of Professional Development and Training (OPDAT) and International Criminal Investigative Training Assistance

Program (ICITAP), and GOB offices. An anticorruption workplan went into effect in January 1996, with two initial objectives: training programs tailored to the Controller General's Office and to public prosecutors; and an in-depth review of anticorruption legislation. After helping create an anticorruption division in the Judicial Technical Police, ICITAP provided technical assistance in establishing the corresponding investigative regulations and directly trained the division's investigators.

Human resource development is a key element in the achievement of the Democracy Strategic Objective. USAID's Human Resources for Development program provides selected mid-level managers and technicians with the necessary skills to improve their efficiency, transparency and responsibility in private and public sector functions. The Bolivian Controller General's Office is one of the direct beneficiaries through the Master's Degree program in Auditing and Financial Controls and short-term training programs in fraud control and accountability. Under this effort, 116 Bolivians (of which, one-third are women) holding leadership positions in public and private institutions are currently benefitting from the program.

Also under the Administration of Justice Project, a local NGO trained 6,515 urban marginalized people on their civic and legal rights (of which 2,659 were male and 3,852 were female). Beneficiaries are mostly women from poor neighborhoods, and men and women non-convicted prisoners. The training methodology is "popular education" which takes into consideration the educational level of beneficiaries by using didactical games and easy-reading material.

Over 135 socially and economically disadvantaged Bolivians (58 men and 77 women) were trained under the Bolivian Peace Scholarship Project (BPSP) in technical and leadership skills in 1994-95. These returned participants have joined a pool of over 1,000 BPSP returnees who, since 1989, share the benefits of their training through participation in USAID's Follow-On Program with over 20,000 Bolivian men and women and 360,000 children. Sixteen women received training specifically targeted at gender analysis, strategic planning and project design for gender consideration.

In close coordination with the Office of Bolivia's Vice President, USAID directly supported the GOB's Education Reform program by training pluricultural and bilingual teachers in an effort to assist traditionally marginalized native populations participate in the reform movement.

Two major evaluations were conducted during this reporting period. The first, of the Democratic Institutions Project, validated USAID's approach, experiences and results in the legislative and electoral areas, although it noted that the long-term sustainability of the project-funded legislative support

services was in question. The second, CDIE's impact evaluation of legislative support activities, validated in greater depth USAID's approach, experiences and results in the legislative area, and drew a series of lessons potentially applicable to other parts of the world. The CDIE report also noted that the sustainability issue was successfully resolved when the Congress decided to seek full funding for the legislative support service center starting with the 1996 national budget.

The overall conclusion of these two evaluations is that, although USAID undertook some calculated risks in deciding to support an in-house, bicameral, nonpartisan technical support services center in the Bolivian Congress, the venture was successful mainly due to the supportive action of an Ad Hoc Congressional Modernization Committee, which became a fully recognized Congressional Committee on Modernization on October 25, 1995.

**Expected Progress FY 1997-1998.** Over this period, USAID will support activities aimed at improving municipal governance, broadening the reach of effective citizenship, promoting a more representative Congress, and enhancing justice sector activities.

USAID will help municipal governments and civil society representatives work together to implement the Popular Participation Law, and support the institutionalization of management systems in municipal governments to produce publicly demanded works and services and achieve greater transparency. It will promote local citizen education and bring about preconditions for voter participation, while helping the national electoral system meet the new bottom-up demands resulting from broader participation. Finally, it will help grassroots organizations and municipal governments gain effective access to Congress, while helping Congress increase its knowledge of and responsiveness to constituencies.

Specifically, USAID will be directly involved in making a constituency outreach office a fully operational part of CICON in Congress. It will make official voter lists publicly available at terminals open to the public at each of ten departmental electoral authority buildings. It will directly help 20 municipal governments become fully operational under the terms of the Popular Participation Law, which mandates a high degree of citizen participation in decision making and oversight. As a national level complement to bottom-up accountability, direct assistance will be provided to the Senate to establish procedures and an office to process demands to suspend revenue-sharing resources of municipal governments that do not comply with participatory mandates of the law.

Human resource development will continue to directly reinforce popular participation by training mayors and community leaders in civic participation, municipal governance and financial

accountability. Through our Human Resources for Development project and in direct cooperation with the Bolivian Controller General's Office, approximately 200 auditors and accountants will receive training in areas such as fraud auditing, anti-corruption and accountability, as well as in the use of the GAO auditing standards. Through the Bolivian Peace Scholarship Project, more than 100 professional volunteers under the Follow-on Program will work with an estimated 20-30 remote rural municipalities, helping them with needs assessment, project development, and civic education to help these municipalities become fully conversant with popular participation.

Over one million harder-to-reach eligible citizens remain to be registered to vote, and this will be one of the main objectives under this SO for the July 1997 general election. The next critical benchmark is publication of the voter registry for screening by parties, the press, and citizens in general, as mandated by the electoral law. USAID expects significant progress (although short of this full million) towards this benchmark in time for the July 1997 general election.

USAID-supported administration of justice (AOJ) activities will complete the establishment of management systems in key justice sector institutions (prosecutors, public defense, investigative police, judiciary) in the Santa Cruz, La Paz, Tarija and Sucre judicial districts. Software for court administration, once tested in the Santa Cruz pilot project, will be installed in the Tarija and La Paz judicial districts.

The AOJ activities also will continue to support human rights and access to public defense through specialized training and technical assistance for the drafting of regulatory frameworks. Technical assistance will be provided to the Ministry of Justice to draft a bill to curb money laundering, to reorganize the Office of Asset Forfeiture, to produce an organization and operations manual, and to establish a computerized inventory system.

Actions to support an effective criminal and investigative process include the establishment of (a) an effective national command structure for the Office of the Bolivian Attorney General and (b) a model district prosecutor's office. Special emphasis will be placed on institutional processes for budget formulation and execution, financial and personnel management, data collection and processing, and training. With new funding, work will continue with the Judicial Technical Police to develop its managerial and organizational infrastructure. The Embassy does not support the use of counternarcotics ESF for the Judicial Police since in their view "there is no link with drug interdiction", and will require more information before it concurs in any ICITAP programs. Additional training and technical assistance is planned to enhance special criminal

investigations, case management, and forensic services through the creation of the Institute of Legal Medicine.

**Summit of the Americas:** The Democracy Strategic Objective is directly supporting the Summit of the Americas initiatives of strengthening democracy, invigorating society and community participation, combatting corruption, and promoting and protecting human rights. As mentioned above, democracy strengthening activities permeate the USAID program in Bolivia. The Democratic Development and Citizen Participation (DDCP) activity recently began implementation to directly support GOB efforts to implement the new Popular Participation Law, a clear GOB priority. Both the DDCP and the Bolivian Peace Scholarship Program (BPSP) will provide training to local level authorities.

Prosecutors and officers from the GOB's Office of the Controller General are being trained through tailor-made programs under USAID-supported AOJ activities to combat corruption. Decision makers from the Controller's Office and other entities are being trained through the USAID-supported Catholic University of Bolivia's Masters Degree in Auditing and Financial Controls.

Promoting and protecting human rights is the main concern of Bolivia's Ministry of Justice, as evidenced by the promulgation of two important MOJ-originated laws: the law prohibiting prison for debt and the law allowing bail and pre-trial release. Directly supportive of the MOJ initiatives, USAID backed the GOB Public Defenders through institutional strengthening and training. USAID also provided technical assistance to draft the New Code of Criminal Procedures which when enacted will promote due process of law and the protection of human rights.

**STRATEGIC OBJECTIVE PERFORMANCE**

Bolivia				
STRATEGIC OBJECTIVE: Broaden the social base of Bolivian democracy and progressively improve its governance.				
Indicator: Percent of cases completed within legally prescribed time periods in first-level criminal courts (Santa Cruz, Tarija, national)				
Unit: Percent		Year	Planned	Actual
Source: Court records, MSD reports	Baseline	1994	SC: 0 T : 0 N : 0	SC: 0 T: 0 N: 0
<p>Comments:</p> <p>Progress is being made towards the establishment of the case tracking systems for the Santa Cruz and judicial planning system in the Tarija Judicial Districts. We are expecting delivery of these systems by mid-1996.</p> <p>New proposed PACD is December 1998, pending availability of funds.</p>		1995	SC: 30 T : 30 N : 10	SC: 0 T : 0 N : 0
		1996	SC: 50 T : 50 N : 20	
		1997	SC: 75 T : 75 N : 40	
		1998	SC: 95 T: 75 N: 40	
		1999	N/A	
	Target	2000	N/A	

STRATEGIC OBJECTIVE: Broaden the social base of Bolivian democracy and progressively improve its governance.

Indicator: Number of alternative dispute resolution (ADR) centers established

Unit: Number of ADR centers (cumulative)		Year	Planned	Actual
<p>Source: ODI</p> <p>Comments:</p> <p>As we had reported in last year's Action Plan the strategy concerning this indicator was reoriented to include the consolidation of new centers.</p> <p>New proposed PACD is December 1998, pending availability of funds.</p>	Baseline	1994	5	3
		1995	10	7
		1996	15	
		1997	20	
		1998	20	
		1999	N/A	
	Target	2000	N/A	

STRATEGIC OBJECTIVE: Broaden the social base of Bolivian democracy and progressively improve its governance.

Indicator: Percent of significant laws originating in Congress

Unit: Percent (cumulative)		Year	Planned	Actual
<p>Source: Official Gazette and Congress Records; SUNY and CICON records</p> <p>Comments: During this reporting period all new laws originated with the Executive. Over time, legislators will be able to turn their own or their constituents' ideas into legislative proposals with the assistance of the new legislative support services. This indicator is applied to "significant" laws as determined by USAID and SUNY. 78% of significant laws originated by the Executive during this reporting period were significantly modified by Congress (mostly by the Senate, which is controlled by the governing coalition).</p>	Baseline	1994	2%	14%
		1995	4%	0%
		1996	5%	
		1997	5%	
		1998	5%	
		1999	6%	
	Target	2000	8%	

**STRATEGIC OBJECTIVE:** Broaden the social base of Bolivian democracy and progressively improve its governance.

**Indicator:** Percent of functioning municipalities complying with Popular Participation Law mandates

Unit: Percent (cumulative product of three variables)		Year	Planned	Actual
Source: National Secretary of Popular Participation (SNPP), National Secretary of Finance, Congress Budget Office	Baseline	1996	20%	
		1995	N/A	see comments
Comments: The baseline for this indicator is expected to be established in 1996 when more data become available. Current SNPP figures show that: 1) 53% of community organizations have been legally registered and 2) 64% of vigilance committees have been constituted. No figures are available as yet on: 3) % mayors sworn-in.		1996	20%	
		1997	40%	
		1998	60%	
		1999	80%	
	Target	2000		

**STRATEGIC OBJECTIVE:** Broaden the social base of Bolivian democracy and progressively improve its governance.

**Indicator:** Percent nationally aggregated municipal income spent per year

Unit: Percent		Year	Planned	Actual
Source: Congress Budget Office, National Secretary of Popular Participation (SNPP), Secretary of Finance, USAID/ODI	Baseline	1995	N/A	70%
		1995	N/A	70%
Comments: In the previous reporting period, a 40% baseline for this indicator was expected to be established by 1997. However, according to SNPP estimates, the figure for 1995 is 70%. For this reason, the 1995 figure has been set as the new baseline.		1996	80%	
		1997	85%	
		1998	90%	
		1999	95%	
	Target	2000		

STRATEGIC OBJECTIVE: Broaden the social base of Bolivian democracy and progressively improve and governance.				
Indicator: District court case tracking and/or judicial planning statistical systems				
Unit: Members (cumulative)		Year	Planned	Actual
Source: Court records, MSD reports	Baseline	1994	2	1
Comments: Progress is being made towards the establishment of the case tracking systems for the Santa Cruz and judicial planning system in the Tarija Judicial Districts. We are expecting delivery of these systems by mid-1996 at which time we will be able to report on this indicator.		1995	3	1
		1996	3	
		1997	5	
		1998	7	
		1999	N/A	
	Target	2000	N/A	

STRATEGIC OBJECTIVE: Broaden the social base of Bolivian democracy and progressively improve its governance.				
INTERMEDIATE RESULT: Governmental and non-governmental conflict resolution processes improved.				
Indicator: Number of courts presided over by judges (J) and managed by court administrators (A) trained under project-assisted training program				
Unit: Number (cumulative)		Year	Planned	Actual
Source: Court records, MSD reports	Baseline	1994	J: 40 A: 2	J: 75 A: 0
Comments: The Tarija Court Administration pilot-project is being implemented as planned, and there is currently one court administrator working in that office. The Judicial Training Center pilot project, which will provide continuous training to judges nationwide, began in February 1996 and will provide 30 training seminars and workshops in FY 96-97.  New proposed PACD is December 1998, pending availability of funds.		1995	J: 80 A: 4	J: 80 A: 2
		1996	J: 120 A: 6	
		1997	J: 160 A: 10	
		1998		
		1999	N/A	
	Target	2000	N/A	

STRATEGIC OBJECTIVE: Broaden the social base of Bolivian democracy and progressively improve its governance.				
INTERMEDIATE RESULT: Congressional functions improved and oriented to constituencies.				
Indicator: Congressional committees using new legislative support services				
Unit: Number of committees (cumulative)		Year	Planned	Actual
Source: Legislative support service records	Baseline	1993	4	3
<p>Comments: The new legislative support services under CICON include budget analysis, bill drafting, legislative research and constituency outreach.</p> <p>Current assistance centers on Upper and Lower House Finance and Justice Committees, Senate Local Government Committee, and Lower House Human Rights Committee. Other committees require fiscal, legal, and constitutional support for their own work. Although effective legislative work is best measured at the committee level, an attempt is being made to keep records of individual members requesting and receiving assistance from the legislative support services under CICON.</p>		1995	6	6
		1996	8	
		1997	10	
		1998	10	
		1999	10	
	Target	2000		

STRATEGIC OBJECTIVE: Broaden the social base of Bolivian democracy and progressively improve its governance.				
INTERMEDIATE RESULT: Increased citizen participation in local government and civil society.				
Indicator: Eligible voters registered for general and municipal elections				
Unit: Millions		Year	Planned	Actual
Source: National Electoral Court	Baseline	1991	---	1.7 municipal
<p>Comments: The 1991 baseline applies only to municipal elections. General elections require a different baseline, such as the 1993 results (not shown on table) of 2.4 million. The 1.0 million increase in 1995 since the 1991 baseline amounts to a 60% improvement, but still an estimated 1.0 million or 30% of projected eligible voters remain to be registered. The Mission's target for the 1997 general election is a 500,000 net increase in registered voters. The remaining estimated 500,000 eligible voters will require longer time and expense because they are progressively harder to reach and motivate.</p>		1995	2.0	2.7 municipal
		1996	no elections	no elections
		1997	3.2	
		1998	no elections	no elections
		1999	3.7	
	Target	2000	no elections	no elections

### C. Health and Population

Agency Goal: World's Population Stabilized and Human Health Protected in a Sustainable Fashion

Strategic Objective: Improve Family Health Throughout Bolivia

**Performance Progress to Date.** In 1995, National Secretary of Health hospitals and clinics more than tripled the number of new family planning users compared to the previous year. The Social Security hospitals and the two most important private sector service providers, CIES and PROSALUD, nearly doubled their new users. Nearly all of these new users are women. The Contraceptive Social Marketing Program tripled average monthly condom sales in 1995.

These data demonstrate an unprecedented growth in USAID's family planning program in Bolivia. They show a potential to surpass even the excellent 50 percent increase in the use of modern contraceptives -- from 12 percent of women of reproductive age in 1989 to 18 percent of women in 1994. Given the superb performance of USAID-supported service providers, current projections to double the rate of increase from 1 percent per year over the previous five years to 2 percent per year through 1997 and beyond can be achieved.

Gains in child survival -- a 22 percent drop in the infant mortality rate between 1989 and 1994 -- have been equally impressive. Secretariat of Health data indicate important gains in vaccination coverage in 1995. In the Community and Child Health Project, the vaccination program results for this year have surpassed an 85 percent coverage level for Polio III, BCG, DPT III and measles vaccinations. A major multi-donor effort to eradicate measles led to national vaccination rates exceeding 75 percent. PROCOSI, the USAID-supported PVO child survival network, increased its membership from 10 to 24 members, providing needed child survival services in rural areas. USAID- and UNICEF-provided oral rehydration salts were key to preventing deaths due to cholera and diarrheal diseases during 1995. USAID was the major donor of ORS donating 1,200,000 packets during the year. Finally, an innovative private-public-commercial initiative led to an agreement to produce locally oral rehydration salts.

USAID's AIDS/STD Prevention project reduced the incidence of sexually transmitted diseases by up to 35 percent for some groups at high risk for AIDS, certainly slowing the rate of HIV infection.

The story of the policy and infrastructure changes responsible for these gains, however, provides an even greater cause for optimism. In 1995, PROSALUD -- Bolivia's and now the global model for self-sustaining high quality health care -- opened six new clinics, creating a national network of 28 clinics. Two of

the clinics, in Tarija and Riberalta, at the southern and northern border regions with Argentina and Brazil, were opened at the insistence of the local mayors.

The mayors of these cities and their counterparts in over 300 newly created municipalities have been empowered with central GOB funding to arrange for their own health care. The Popular Participation and Decentralization laws are driving a health sector reform that has the potential of privatizing a significant percentage of the maternal and child health care services in Bolivia. Already the quality of care, financial sustainability, and preventive to curative health care ratio have improved, as NGOs take over health care delivery in both urban and rural areas. The change has the potential to release National Secretariat of Health resources for deployment in the most needy rural and urban areas and to encourage the Secretariat to strengthen its organizational, normative, and policy roles.

**Expected Progress FY 1997-1998.** This is truly an historic opportunity in Bolivia. After two lost decades for family planning and too long at the bottom of the hemispheric list in maternal and child health indicators, now is Bolivia's moment for radical improvement in primary health care. USAID has set the stage for taking advantage of this opportunity with many 1995 initiatives, primarily targeted at women and children. These activities will be continued and strengthened:

Health Sector Policy: Policy will receive increased emphasis in the coming years under the new Health Strategic Objective Results Framework. Technical assistance to the National Secretariat of Health to strengthen its national database, particularly in family planning and maternal and child health service statistics, improved both the quality of data and analytical ability of the information unit. Assistance in financial sustainability and cost recovery will continue. Studies in support of the population program will continue in the Department of Population Policy (DPP) in the Ministry of Sustainable Development and the Environment, which is financing career positions for DPP, assuring institutionalization at a key GOB level. Technical assistance is increasingly focused on creating gender sensitivity at the Secretariat level. The majority of DPP-supported and other USAID-financed studies have gender and participation as key components.

The P.L. 480 Title II Program is undergoing a complete restructuring and reprogramming to make the program more consistent with the USAID Food Aid and Food Security Policy Paper, Mission Strategic Objectives and the emerging GOB food security strategy. The Title II Cooperating Sponsors are targeting their programs more closely to the most food-insecure regions of the country and concentrating more program resources on maternal and child health and water and sanitation projects.

USAID, in cooperation with the European Union and FAO, provided funding and technical assistance to the GOB to develop a food security assessment and strategy. The strategy is in the final stages of elaboration and has developed a map of Bolivia showing what provinces and municipal sections suffer from extreme food insecurity. The strategy basically defines food insecurity as a problem of access given the poverty of the majority of Bolivians, especially in the countryside. It also emphasizes the need to increase primary health services to mothers and children under five years of age, accelerate educational reform at the primary level, increase agricultural production, link isolated communities to markets through access road construction, and provide basic sanitation services to rural areas. This emerging strategy is being used by the Title II Cooperating Sponsors to develop their new Development Assistance Programs for the period 1997-2001.

Health Service Delivery: Decentralization of health services, formerly managed by the National Secretariat of Health, is expected to continue to move facilities to municipal control. Those services provided directly by the Secretariat continue to improve in quality and primary health care focus through collaborative assistance provided by USAID and other donors.

New activities in the private sector, primarily aimed at improving women's health, include: a \$5.3 million grant agreement with International Planned Parenthood/Western Hemisphere Region (IPPF/WHR) to strengthen Bolivia's most important private sector family planning agency, the Center for Research, Education, and Services (CIES); a \$4.4 million cooperative agreement to PROSALUD to provide reproductive health services throughout the country; a \$4.2 million grant to PROCOSI, a network of 24 NGOs to provide reproductive health in 35 percent of Bolivia's rural areas; a \$2.9 million grant to Population Services International (PSI) to launch an aggressive Contraceptive Social Marketing effort throughout Bolivia; and Social Marketing program of Vitamin A fortified sugar and Oral Rehydration Salts in collaboration with UNICEF, the Secretariat of Health, and commercial sector industries.

Improved Health Practices: USAID's new Health Sector Results Framework will establish indicators to measure progress on improved child survival and reproductive and sexual health practices by women, men, adolescents, boys, and girls. Experience has shown, both in developed and developing countries, that many improvements in health status depend more on individuals modifying their behavior than on the provision of medical services. Bolivia's 1995 reproductive health mass media campaign, for example, boosted clinic attendance by 66 percent. One study indicated that as a result of television spots, more viewers (over 90 percent of the sample) could correctly identify the national logo that indicates where family planning services

are available than recognized the Bolivian flag or the Coca-Cola logo!

Health practices studies are disaggregated by gender, and the special role of women in maintaining family health guides USAID interventions. Male roles in decision making are addressed in mass media spots and counselling, and males are an important target in contraceptive social marketing.

The 1996 campaign will provide information on specific contraceptive methods and provide exposure to contraceptive social marketing brands. The introductory spot features the Vice President of Bolivia with his entire family urging Bolivians to take advantage of reproductive health services. The campaign will be launched by Bolivia's First Lady at a large assembly and press conference.

In the current strategic objective performance tables, targets for infant, child, and maternal mortality, and nutritional status were taken from the GOB Plan Vida official goals. Those for modern and total contraceptive prevalence, new users, and couple-years of protection were derived through time series analysis based on the 1989/1994 Demographic Health Surveys and extrapolations from aggregated service statistics from a USAID-supported database. Significant progress was recorded in child survival indicators, but these still are below the GOB's overly ambitious targets. The new Health Strategic Objective Results Framework will replace GOB projections with scientifically derived targets. Plan Vida places top priority on the reduction of maternal mortality, and USAID's new Health SO Results Framework will incorporate this and other gender-specific targets.

One area of concern is nutritional status. To directly address this concern, the P.L. 480 program is being redesigned to more selectively target at-risk children and expand maternal and child health support. 40 percent of the \$18 million programmed for P.L. 480 Title II on an annual basis will be used in maternal and child health and child survival programs and complementary water and sanitation projects in the most food-insecure areas of Bolivia. Approximately \$3 million in Title III generated local currency reflows will support Title II water and sanitation projects.

One of the most important programs designed to improve health practices and food security under the Health Strategic Objective is the child survival program funded with local currencies generated under the Title II program and Development Assistance funds channelled through PROCOSI. The goal of the child survival program is to reduce mortality and immunopreventable morbidity among children under six. The program attacks the major preventable causes of mortality among Bolivian children, namely,

diarrheal diseases and acute respiratory infections. Health and nutrition education are integral components of the program. The program also constructs drinking water and sewer systems which diminish the incidence of water borne diseases. During FY 1996, the program will be carried out in 624 rural communities serving 16,628 mothers and 26,381 pre-school children. In FY 1995, water and sewage systems were installed in 456 rural and peri-urban communities with a total population of 73,983.

Beginning in FY 1997 the Title II Cooperating Sponsors will expand coverage of this program to 80,000 pre-school children and 40,000 others, and put more emphasis on decreasing malnutrition rates among children from 0 to 36 months by incorporating the maternal and child health and supplementary feeding activities based upon the PRISMA model developed in Peru. Under this model, maternal and child health and child survival services are complemented by providing nutritionally-at-risk and malnourished pre-school children and their mothers with food rations and training over a six month period to combat malnutrition in this target group on a sustainable basis.

Excellent progress is noted on all family planning indicators. As we proceed with reengineering all the strategic objective indicators are currently under review, along with intermediate and activity level indicators. Improvement of sophisticated monitoring systems, with gender-specific tracking, and data verification safeguards is already under way. The new systems will be in place and in use before the end of FY 1996.

Given the overall success of the Health Strategic Objective to date, the improved policy environment, and the investments planned in proven outstanding performers, USAID is confident that the ambitious targets being developed under the Health SO Results Framework will be reached with the requested funding levels. Since the program is in a take-off phase with many new activities just started in FY 1995, it is critical to maintain investment levels to sustain the momentum of the newly available health services and the new demand for those services.

This is Bolivia's moment. USAID is pleased and proud that our Health Strategic Objective is responding to this unprecedented opportunity to change the future of all Bolivians.

**Summit of the Americas:** Bolivia's Popular Participation and Administrative Decentralization laws have established a political environment conducive to one of the Summit of the Americas' major initiatives, more equitable access to basic health services. These two laws redistribute resources and control of health infrastructure to local governments, which are free to choose among a variety of health care options, including NGOs, private providers, or the National Secretariat of Health. USAID-supported NGOs, such as PROSALUD and several PROCOSI members,

already signed agreements with municipal governments to administer health care services in provincial cities and rural communities.

USAID supported studies on health care financing, cost recovery, development of a basic basket of health services for universal availability, improved management information systems, and prompted other reforms that support increased equity and access.

The GOB's Health and Population Program addresses all -- and measures the impact of all but three (deaths from measles, vitamin A deficiency, and iodization of salt)-- of the Summit of the Americas' sixteen health goals. USAID's Health and Population Strategic Objective Results Framework focuses on broadening access and improving quality of health care. It specifically aims at empowering local organizations to reach a broad spectrum of groups previously excluded or alienated from the health care system with culturally sensitive and technically appropriate services.

**STRATEGIC OBJECTIVE PERFORMANCE**

<b>Bolivia</b>				
<b>STRATEGIC OBJECTIVE: Improved family health throughout Bolivia.</b>				
<b>Indicator: Infant Mortality rate.</b>				
<b>Unit: Deaths of infants 0-12 months per thousand live births.</b>		<b>Year</b>	<b>Planned</b>	<b>Actual</b>
<b>Source: Demographic Health Survey (DHS), 1989 and 1994.</b>	<b>Baseline</b>	<b>1984</b>	<b>--</b>	<b>105</b>
<b>Comments: Actual baseline figure for 1984 is based on time series calculations made in the 1994 DHS and represents the infant mortality rate for 1979-1984. Planned figures are derived from time series analyses based on the DHS. The target of 52.5 for 1997 is the ambitious official GOB Plan Vida target. Planned figures revised beginning 1995 based on 1994 DHS.</b>		<b>1995</b>	<b>72</b>	<b>75</b>
		<b>1996</b>	<b>70</b>	
		<b>1997</b>	<b>52.5</b>	
		<b>1998</b>	<b>50</b>	
		<b>1999</b>	<b>48</b>	
	<b>Target</b>	<b>2000</b>	<b>46</b>	
<b>STRATEGIC OBJECTIVE: Improved family health throughout Bolivia</b>				
<b>Indicator: Child Mortality rate.</b>				
<b>Unit: Deaths of children 0-5 years per thousand live births.</b>		<b>Year</b>	<b>Planned</b>	<b>Actual</b>
<b>Source: DHS, 1994</b>	<b>Baseline</b>	<b>1984</b>	<b>--</b>	<b>142</b>
<b>Comments: Actual baseline figure for 1984 is based on time series calculations made in the 1994 DHS; and represents the child mortality rate for 1979-1984. Planned figures are derived from time series analyses based on the DHS. The target of 78 for 1997 is the ambitious official GOB target. Planned figures revised based on 1994 DHS. USAID does not believe GOB targets are realistic. New targets will be developed during FY 96.</b>		<b>1995</b>	<b>90</b>	<b>116</b>
		<b>1996</b>	<b>84</b>	
		<b>1997</b>	<b>78</b>	
		<b>1998</b>	<b>76</b>	
		<b>1999</b>	<b>74</b>	
	<b>Target</b>	<b>2000</b>	<b>72</b>	

Bolivia

STRATEGIC OBJECTIVE: Improved family health throughout Bolivia.

Indicator: Maternal Mortality

Unit: Maternal deaths per hundred thousand live births.

Source: DHS, 1989, 1994

Comments: The 1994 DHS contained a nationwide representative maternal mortality survey, the first of its kind in Bolivia. There have been no yearly time-series planned data calculated since the results of the 1994 DHS. The 1997 target is the ambitious GOB Plan Vida target. The early 1982 baseline was taken from the 1989 DHS and was estimated from limited hospital data at the time.

	Year	Planned	Actual
Baseline	1982	-----	480
	1995		390
	1996		
	1997	171	
	1998		
	1999		
Target	2000		

Indicator: Contraceptive prevalence - modern

Unit: Percent

Source: DHS, 1989, 1994

Comments: Actual baseline data for this indicator are from 1989 and 1994 DHS. Planned figures were derived through a time series analyses based on 1989/1994 DHS. Planned figures revised beginning 1995 based on 1994 DHS.

	Year	Planned	Actual
Baseline	1989	-----	12.2
	1995	20	18
	1996	22	
	1997	24	
	1998	26	
	1999	28	
Target	2000	30	

STRATEGIC OBJECTIVE: Improved Family Health Throughout Bolivia				
Indicator: Contraceptive prevalence - total				
Unit: Percent		Year	Planned	Actual
Source: DHS, 1989, 1994	Baseline	1989	---	30.3
<p>Comments: Actual baseline data for 1989 are from the 1989 DHS. Planned figures were derived through time series analysis based on 1989/1994 DHS. The 1997 target is the GOB Plan Vida target. Planned figures revised beginning 1995 based on 1994 DHS.</p>		1995	48.5	45.0
		1996	50.5	
		1997	52.0	
		1998	54.0	
		1999	56.0	
	Target	2000	58.0	
Indicator: New acceptors of modern methods of contraception at USAID-assisted facilities				
Unit: Members		Year	Planned	Actual
Source: Pathfinder Service Statistics	Baseline	1994	---	76,188
<p>Comments: This indicator was added for FY 1995. Planned figures are estimated from that base, and will be revised in FY 1996 based on actual performance in 1995 and 1996.</p> <p>Source of indicator was later changed because the Quipus system had too many bugs that made it inaccessible to most users. The Pathfinder system is simple, user friendly, and backed by local technical support.</p>		1995	78,000	110,142
		1996	80,000	
		1997	82,000	
		1998	84,000	
		1999	85,000	
	Target	2000	88,000	

STRATEGIC OBJECTIVE: Improved Family Health Throughout Bolivia				
Indicator: Couple years of protection at USAID-assisted facilities				
Unit: Number		Year	Planned	Actual
Source: Pathfinder Service Statistics	Baseline	1994	---	89,587
Comments: This indicator was added for FY 1995. Planned is estimated from that base, and will be revised in FY 1996 based on actual performance in 1995 and 1996.		1995	94,962	125,193
		1996	100,660	
		1997	106,660	
		1998	113,102	
		1999	119,888	
	Target	2000	124,500	
Indicator: Adequate Nutritional Status.				
Unit: Percent of 3-36 month old with 2 or more standard deviations below median weight for age		Year	Planned	Actual
Source: "Maternal & Child Health in Bolivia", a secondary analysis of 1989 DHS.	Baseline	1989	-----	13.3
Comments: Actual baseline data for 1989 is from 1989 DHS. The 1997 target value is the target adopted by the GOB.  Secondary analyses of the 1994 DHS indicated 15.7% of the cohort are below standards.		1995	10.1	15.7
		1996	9.5	
		1997	9.0	
		1998	--	
		1999	--	
	Target	2000	--	

#### D. Environment

**Agency Goal:** Environment Managed for Long-term Sustainability  
**Strategic Objective:** Reduced Degradation of Forest, Soil and Water Resources and Biodiversity Protected

**Performance Progress to Date.** USAID is a critical player in Bolivian environmental affairs and in 1995 continued its vital support to this sector. Our Strategic Objective for the Environment focuses on "reducing degradation of forest, soil and water resources and protecting biological diversity." More than half of Bolivia's total area is under forest cover, and so this SO reflects Bolivia's environmental priorities, as well as those of the USG. USAID has identified biodiversity as one of two global environmental priorities, and has selected Bolivia as a "key country" for biodiversity conservation activities. USAID's second global environmental priority is mitigation of global climate change, and here, too, conserving the country's vast forest cover (Bolivia ranks eighth worldwide in total forest area) and protecting its carbon sequestration capabilities directly support this global objective.

USAID's strategy to achieve the SO includes efforts to increase the total area under improved management with biodiversity protected. Activities are being carried out in parks and protected areas and in the country's biologically rich production forests. Bolivia has more forest cover than California, Oregon, Washington, Idaho, and Montana combined. With a remarkably low population density of only 6.7 people per square kilometer, it offers outstanding conservation opportunities. Reducing forest degradation and discouraging its conversion to other uses will also help protect soil and water quality and improve the well-being of thousands of indigenous peoples.

Progress toward the SO has been outstanding, meeting or substantially exceeding all targets. Total area under improved management (with biodiversity protected) has greatly surpassed original estimates, with the formal ecocertification of the Chiquitanos Indian Federation's forestry enterprise. This was based on a forest management plan developed under the Sustainable Forestry Management (BOLFOR) Project in collaboration with CICOL, a local indigenous peoples NGO, and the Dutch-funded "Green Seal" Program. This ecocertification was granted under the independent "Smart Wood" Program of the U.S.-based Rainforest Alliance. The Chiquitanos now have more than 50,000 hectares under internationally recognized sustainable management (already exceeding USAID's 1997 target), as well as the first ecocertified forestry enterprise in Bolivia. Wood from the Chiquitanos' enterprise now can be exported to high value "green markets" in Europe and the U.S. In the wake of this success, ten additional enterprises have recently sought BOLFOR's assistance. This holds exceptional promise for continued outstanding SO

performance. BOLFOR also is analyzing traditional, noncommercial uses of forest plants, in order to insure that these other important species also are taken into account in forest management plans. BOLFOR's social scientists have collected indigenous knowledge on hundreds of plant species from local experts in several different Chiquitano communities, with 2 women and 2 men assigned to each location. Here the participation of both sexes is critical, as culturally defined gender roles help structure experience with, and knowledge of, native plants; Chiquitano men and women use different plants for different purposes.

USAID's Environment SOT also began working with the Izoceño community and the Wildlife Conservation Society (WCS) to jointly design a wildlife management program for the Bolivian Chaco, focusing on species with high subsistence and biological values. This region's dry tropical forests are unusually rich in biological diversity, and USAID's Biodiversity Support Program has classified the area as "regionally outstanding in biological value." The cornerstone of USAID's customer-focused design is "learning by listening," and USAID issued a purchase order to buy from the Izoceños a proposal of what they think a sustainable resource management program in the Chaco should look like. The Izoceños are actively engaging their 21 communities in this effort through an impressive indigenous "grassroots" consultation process. Both women and men enthusiastically participated in an initial community mapping exercise, identifying their different gender-influenced uses of Izoceño space. Both women and men must be involved in this analysis in order to fully understand the relationships of the Izoceños with their resource base. The program is expected to play an important role in protecting the biological values of the new Chaco National Park (at 3.5 million hectares, it represents an area larger than Costa Rica) and in building indigenous capabilities to design, implement, and evaluate programs for sustainable resource use. The Izoceños have the first indigenous municipality to be formed under the Popular Participation law. Potential synergies will be explored with the Mission's Democracy SO and in particular its new Democratic Development and Citizen Participation activity.

In addition to improved management in forest production areas, USAID's measurable progress with parks and protected areas has been even more impressive. The more than 1.2 million hectares in Noel Kempff Mercado (with more bird species than the U.S. and Canada combined) and Amboró National Parks that were officially "graduated" from the Parks in Peril Program in early 1995 now have joint public-private management committees to oversee their administration. The local NGO "Friends of Nature Foundation" (FAN), a long time Parks in Peril partner, was awarded the contract to manage Noel Kempff Mercado Park on behalf of the GOB. The sustainable management of these areas is a major achievement with global significance for the conservation of biological

diversity. It underscores the outstanding conservation opportunities in Bolivia.

Maintaining forest cover is perhaps the most effective means of protecting soil and water quality and quantity, and USAID's impact in this area has been impressive. Other initiatives targeted specifically to soil conservation also have yielded important results, substantially in excess of original SO targets. These include local currency generated under the P.L. 480 program support for 25,000 hectares (as compared to the 3,500 hectare target) of minimum tillage farming in Santa Cruz, important not only for the significant amounts of soil and water being conserved but also as a model for area farmers. P.L. 480-generated local currency resources also are financing soil-conserving reforestation efforts on an even larger area, and VOCA technical assistance has helped producer groups in different parts of the country to better understand soil conservation issues. In addition, various EAI-funded activities with local NGOs and community groups contributed almost 5,000 additional hectares with tree planting and soil conservation improvements. Women's participation in these programs is extremely important, as they often assume responsibility for maintaining community tree nurseries and for caring for newly planted seedlings.

The Electrification for Sustainable Development (ESD) activity continued to provide cutting-edge solar and biomass energy technologies to rural families, schools, and park guard headquarters (e.g., Noel Kempff Mercado National Park) far from the national grid. In 1995 more than 150 solar lighting systems were installed, 10 in rural schools. The Riberalta Biomass project was initiated, and will generate electricity by burning Brazil nut processing wastes; this will provide environmentally friendly electricity to 5,000 urban residents. ESD expects to provide solar energy systems to more than 1,000 households in 1996.

**Expected Progress FY 1997-1998.** Indicators for the SO include identification of new, sustainable sources of forest income and dollar targets for ecocertified forest products, both aimed at increasing forest value to discourage forest conversion (i.e., making forest lands more valuable as forest than through alternative uses). Initial targets such as numbers of new sustainably harvested forest products developed, and dollar values, are scheduled to begin in 1996 and increase steadily in 1997-1998. Progress is right on schedule and it is anticipated that numbers for these indicators will be on or above original projections.

Recommendations for new regulations on forest concessions were prepared and presented for GOB consideration, focusing on ecologically sound guidelines for development and approval of GOB-required forest management plans. This represents an

important level of effort on the part of BOLFOR staff and other local experts, and will help Bolivian enterprises to improve forest management. The comprehensive regulations for components of the General Environmental Law also were signed by the President of Bolivia, and with this Bolivia now has, for the first time in its history, clearly defined "rules of the road" for industrial performance with respect to environmental protection. This should also give an even greater impetus to USAID's new Pollution Prevention Project (EP3).

Targets for improved public knowledge of environmental protection also have been met, thanks to close collaboration with several local NGOs. For example, PROMETA (Protection of the Environment in Tarija) was one of several local NGOs to use Enterprise for the Americas funding for environmental education programs (in all, 27 new projects in a range of themes were approved for EAI funding in 1995). This young group of volunteers and professionals successfully trained more than 7,500 children (more than 3,400 of whom were females) and 3,544 adults (of whom 1,596 were women) in improved environmental management in the Department of Tarija. Similarly the USAID-funded Cochabamba Regional Development Project (CORDEP) trained more than 2,000 people in areas ranging from integrated pest management to agroforestry, and the NGO PROA provided sanitary education to more than 1,600 women and 800 men of El Alto, the rapidly growing urban fringe of La Paz. The World Resources Institute's (WRI) "Mega-Trend" workshops on sustainable development also exposed hundreds of leading Bolivian citizens and decision-makers to improved environmental information.

**Summit of the Americas:** USAID-supported technical assistance through the World Resources Institute is providing leadership in shaping the follow-up Hemispheric Conference on Sustainable Development to be hosted by Bolivia in late 1996. In addition, USAID continues to provide support -- throughout the environment portfolio -- to the GOB and cooperating NGOs in the Summit priority areas of sustainable energy use, biodiversity conservation, and pollution prevention.

**STRATEGIC OBJECTIVE PERFORMANCE**

<b>Bolivia</b>				
<b>STRATEGIC OBJECTIVE:</b> Reduced degradation of forest, soil and water resources and protected biological diversity.				
<b>Indicator:</b> Forest, soil and water degradation decline with biodiversity protected, with increase in area under improved management practices.				
<b>Unit:</b> Hectares under improved management (cumulative)		<b>Year</b>	<b>Planned</b>	<b>Actual</b>
<b>Source:</b> BOLFOR, Parks in Peril	<b>Baseline</b>	1993	0	0
<b>Comments:</b> 1995's target was exceeded more than ten-fold with the ecocertification of Lomerio by the Rainforest Alliance. Given outstanding progress, planned targets for subsequent years have been revised upward. Note that this impressive performance (as well as planned targets for future years) does not include 1.2 million additional hectares under improved management "graduated" from the Parks in Peril Program by USAID/W and The Nature Conservancy (this measure of progress was not envisioned when this indicator was developed).		1995	3,500	50,000
		1996	100,000	
		1997	250,000	
		1998	500,000	
		1999	750,000	
	<b>Target</b>	<b>2000</b>	<b>1,000,000</b>	
<b>INTERMEDIATE RESULTS:</b> Increased forest value to discourage forest conversion.				
<b>Indicator:</b> New, sustainable sources of forest income identified.				
<b>Unit:</b> # products (cumulative)		<b>Year</b>	<b>Planned</b>	<b>Actual</b>
<b>Source:</b> ARD/USAID, BOLFOR	<b>Baseline</b>	1993	0	0
<b>Comments:</b> Research and development for new, sustainable harvested forest products was to take two years to begin meeting targets. That work is on track and on schedule; ecocertification has begun.		1995	N/A	N/A
		1996	2	
		1997	4	
		1998	6	
		1999	8	
	<b>Target</b>	<b>2000</b>	<b>10</b>	

<b>INTERMEDIATE RESULTS: Increased forest value to discourage forest conversion.</b>					
<b>Indicator: Total value of forest products sustainably harvested increases.</b>					
<b>Unit: U.S. Dollars (cumulative)</b>		<b>Year</b>	<b>Planned</b>	<b>Actual</b>	
<b>Source: ARD/USAID, BOLFOR</b>	<b>Baseline</b>	1993	0	0	
<b>Comments: Work continues on track and on schedule.</b>		1995	N/A	N/A	
		1996	10,000		
		1997	50,000		
		1998	300,000		
		1999	500,000		
		<b>Target</b>	<b>2000</b>	<b>1,000,000</b>	
	<b>INTERMEDIATE RESULTS: Increased forest value to discourage forest conversion.</b>				
<b>Indicator: Recommendations developed for new regulations on forestry concessions.</b>					
<b>Unit:</b>		<b>Year</b>	<b>Planned</b>	<b>Actual</b>	
<b>Source: PL-480, BOLFOR</b>	<b>Baseline</b>	1992	-----	-----	
<b>Comments: Recommendations were developed and presented to the GOB. These will help both the GOB and local enterprises to greatly improve forest management, and to better comply with international standards for ecocertification.</b>		1995	Completed and presented to GOB	Done	
		1996	N/A		
		1997			
		1998			
		1999			
		<b>Target</b>	<b>2000</b>		

INTERMEDIATE RESULTS: Improved public and private institutional capacity for sustainable resource use and environmental protection.

Indicator: Regulations developed for components of General Environmental Law

Unit:		Year	Planned	Actual
Source: PL-480, GOB	Baseline	1992	0	
Comments: The Regulations to accompany the General Environmental Law were signed into law by the President of Bolivia. For the first time in its history Bolivia now has clearly defined "rules of the road" for industrial performance with respect to the environment.		1995	Regulations Approved	Done
		1996	N/A	
		1997		
		1998		
		1999		
	Target	2000		

INTERMEDIATE RESULTS: Increased public awareness of environmental protection and sustainable natural resources management issues.

Indicator: Improved public knowledge of environmental protection.

Unit: People (resource users: cumulative)		Year	Planned	Actual
Source: EAI, CORDEP, BOLFOR	Baseline	1992	-----	0
		1995	13,000	15,000
		1996	25,000	
		1997	35,000	
		1998	45,000	
		1999	55,000	
	Target	2000	70,000	

### III. Management Contract

#### A. SO Changes and Refinements

##### 1. SO Changes and refinements

In these times of reengineering and change, USAID has plunged head first into the future and the Agency core values of customer focus, managing for results, accountability and teamwork. Nonetheless, with an approved Strategic Plan in place through 1997, and an agreement to prepare a new Strategic Plan next year, USAID has opted to maintain our current four Strategic Objectives as previously approved by the LAC Bureau.

In the Democracy area, USAID is formulating a results framework which will better reflect political support achieved through policy dialogue on Bolivian legal system structural reforms. It will more adequately reflect USAID support for Bolivian initiatives. Accordingly, the current draft of the Results Framework shows a Strategic Objective and four Intermediate Results that differ from the SO and program outcome statements of previous Action Plans.

USAID-supported democracy programs help "broaden the social base of Bolivian democracy while progressively strengthening its governance." Although this phrasing of the Strategic Objective is new, the past and current USAID democracy portfolio clearly supports it. The new SO statement is fully consistent with the Agency Goal of Sustainable Democracies Built and the USG's strategy to support Bolivian democracy. We feel this reformulated SO statement more accurately reflects the cumulative and final impact of our democracy assistance to Bolivia and is more readily measurable than our current SO statement.

In the Environment area, reporting numbers of hectares under improved management for forest, soil and water degradation with biodiversity protected was combined into a single indicator, consistent with guidance from the March 1995 DAEC review of USAID/Bolivia's Action Plan.

Recent visits from Global and LAC Bureau gender experts have helped define and capture the impact of USAID activities on Bolivian men and women, and to adjust strategies to better address gender issues across the board.

Currently the draft Results Frameworks for each of the four Strategic Objectives are being reviewed and revised by core and expanded SOT members and virtual SOT members in Washington. Progress to date in developing these Results Frameworks is described in greater detail below.

## 2. Reengineering Overview

**The Reengineering Transition.** Major progress has been made by the Mission in implementing reengineering concepts and systems. Our reengineering training started in August 1995 and was completed in January with briefings to expanded SO team members. Training courses were custom designed to support a transition plan or "Road Map" developed and approved with broad participation of Mission staff. Our training program and transition plan are being featured in upcoming issues of the Agency wide "On-Track" reengineering newsletter and in a new CDIE report series on USAID reengineering experience.

New management structures were established as part of the transition. A Reengineering Steering Committee chaired by the Mission Director and including 15 US and FSN staff members was organized to make decisions and provide guidance on all transition issues. A Training Team was formed to design and deliver training courses, and a Transition Monitoring Team put in place with the sole task of monitoring the transition process, identifying problem areas, and making appropriate recommendations to the Reengineering Steering Committee. New Strategic Objective core teams were formed during the month of October, and full implementation responsibility for all projects were formally transferred from traditional Offices to the SO core teams on November 1.

To begin work on a Mission customer service plan, each functional support office (DP, PD&I, ECON, RCO, RLA, EXO, CONT) was charged with identifying its key services and conducting a customer survey to discover areas needing improvement. We started with internal customers because we felt that the customer service concept would be better understood and accepted if staff were first tasked with applying it when dealing with colleagues in the Mission. As a result of internal customer surveys, the Reengineering Steering Committee has so far selected seven internal processes or systems for special reengineering efforts. These range from the procedures for local travel approvals to a complete revision of our internal delegations of authority. SO teams are now beginning to plan surveys of external customers. Depending on NMS-related workload, we anticipate completion of an overall Mission customer service plan by the end of FY 1996.

Initial tasks of the SO core teams were to conduct internal portfolio reviews, identify expanded team members and begin work on the new results frameworks. A total of 53 Mission employees are members of SO core teams. Starting in January they were joined by another 48 expanded team members. Our four SO teams average 13 USAID and 12 non-USAID members, or 25 individuals per team. In selecting expanded team member, care was taken to identify exceptionally qualified and creative individuals from a

range of institutions including: the GOB, other donors, USPVOs, local PVOs, and private sector firms, as well as "virtual" team members from USAID Washington. Our team members range from the local World Bank representative to the Chief of the Izoceño-Guarani indigenous tribe. P.L. 480 Title II cooperating sponsors are members of our Economic Opportunity and Health SO teams. Each of the four new draft results frameworks presented in the following pages were discussed and finalized with inputs from both core and expanded SO team members. Work on results indicators is in progress and will be fully reported at next year's Strategic Plan review.

### 3. DRAFT RESULTS FRAMEWORKS AND NARRATIVES

#### 3a. DRAFT ECONOMIC OPPORTUNITY STRATEGIC OBJECTIVE RESULTS FRAMEWORK

Agency Goal: Broad-Based Economic Growth  
Strategic Objective: Increased Broad-Based Licit Employment and Income of the Poor

The Economic Opportunities Strategic Objective Team (SOT) developed a new Results Framework incorporating suggested Agency program approaches (e.g., supporting investment in infrastructure, accelerating transfer of improved agricultural technologies, improving training, technology transfer and other forms of direct support for the private sector, and expanding access to formal financial services for microentrepreneurs) that is fully consistent with Bolivia's development priorities, as expressed by the GOB's development strategy proposal to the Consultative Group in March of 1996, and the Agency's goal and objectives. The resulting development hypothesis, which used USAID's existing portfolio as its point of departure, has been further cross-examined with counterparts and respected local and international experts that are members of the SO expanded team (e.g., the World Bank representative in Bolivia, a long-term consultant from Harvard, a Central Bank Vice-President, and a World Bank consultant) who bring significant experience and expertise to help achieve the SO.

The Results Framework is based on the hypothesis that Bolivia will increase broad-based licit employment and income by expanding income-earning opportunities and broadening financial services to poor men and women. The SO reflects USAID long-term commitment to expand the benefits of development to the poor. Achievement of the SO is based on the assumption that the GOB will maintain macroeconomic equilibrium and will continue to implement key structural reforms supported by other donors. The SO can best be achieved with strong, viable institutions and sectoral policy frameworks, which this Results Framework incorporates as an integral part of its strategy with the support of the Technical Support for Policy Reform activity. The SOT

continues to work decisively to define indicators that will measure increases in employment and income levels, which mostly affect the poor.

The Economic Opportunities Results Framework consists of two Intermediate Results: "expanded licit income-earning opportunities for the poor" (IR1) and "broadened access to financial markets" (IR2) that complement each other in the achievement of the SO. Secondary intermediate results: increased domestic and export sales, increased private investment, improved rural infrastructure, non-bank financial institutions strengthened and expanded and appropriate policy and regulatory framework instituted, reinforce each other and are supported by cross-cutting activities aimed at improving policies and strengthening institutions that affect the private sector.

To "expand licit income-earning opportunities for the poor" (IR1), USAID will undertake activities aimed at accelerating private investment and transfer of appropriate agricultural technology, improving entrepreneurial and labor skills, supporting rural infrastructure, strengthening institutions, and supporting policies that reinforce competitive markets, recognizing the USG's overarching national interest in promoting alternatives to illicit coca/cocaine production. The purpose of this IR is to provide productive and secure employment and income opportunities by improving productivity of the poor through direct technical assistance and/or improvement of sectoral policies and institutions.

By promoting exports through the Export Promotion and Cochabamba Regional Development (CORDEP) activities, domestic industries competing in external markets will be forced to improve their efficiency and productivity. It is this improvement in productivity that will lead to increased domestic and export sales, value added, income, permanent employment, and sustainable growth. Both activities provide technical assistance to existing companies or potential exporters, thus catalyzing private investment, inducing technology transfer, and strengthening labor and entrepreneurial skills. USAID will continue to implement programs to increase farmer productivity, and thus income, by cultivating licit and new high-yield crop varieties and adopting high technology agricultural practices. By providing training and direct technical assistance, USAID will educate a critical mass of workers, farmers and entrepreneurs that is fundamental to improve productivity and production so that income and employment opportunities are expanded. Private domestic and foreign investment, promoted in coordination with local entrepreneurial groups and in regional countries through itineraries, fairs and presentations, will require primary and secondary inputs which will further stimulate the economy, creating improved industrial/rural infrastructure, new direct and indirect employment, and the capacity for the production of competitive

and sustainable exports.

USAID programs, including Title II food and local currency resources and local currency reflows from the Title III program, will also improve rural infrastructure such as roads, bridges, and micro-irrigation systems with appropriate watershed management practices and provide massive, though temporary, employment opportunities and food security.

Supporting "hard" infrastructure, however, is not sufficient to sustain increases in domestic and export sales or private investment. Strong and viable institutions, the "soft" infrastructure, also will receive USAID assistance aimed at building private, effective and sustainable technical assistance mechanisms, such as research and extension services and marketing channels. In fact, all the projects and activities under this Result Framework work in this direction with farmers associations, NGOs involved in the sector, and specific government institutions.

To "broaden access to financial markets" (IR2) is to help bring financial services to Bolivia's poor. Traditionally, Bolivia's commercial banks served about 3 percent of the population, most of whom come from the upper classes. These services, although not a panacea for poor people's woes, will be essential in facilitating their economic activities through the financing of operating and investment capital and thus increasing productivity, sales and income. Both the Micro and Small Enterprise Development and Microfinance activities expand access to microfinancial services in a sustainable manner by strengthening current microfinance and credit union organizations. Through policy dialogue and technical assistance, USAID has helped the GOB develop licensing and regulatory frameworks, and will continue to support these non-bank financial institutions and solidify the Superintendency of Banks and Financial Institutions' capacity to exercise critical prudent supervision. Assistance will be focused on those financial institutions with the strongest administrative and financial systems and management, and will aim to improve these institutions' viability, efficiency and service quality. Since the microfinance and credit union sectors are receiving increasing attention from the GOB and other donors, USAID will emphasize coordination to ensure that appropriate policies are implemented and maintained and to ensure that efforts are not duplicated and that resources are used optimally.

The two IRs are complementary. The Bolivian poor have no hope for serious and sustained income and employment growth if licit economic opportunities based on increases in productivity are not available to them. It is this increase in productivity that will generate sustainable growth and employment, and therefore, increased income. The achievement of IR1 and IR2 will integrate

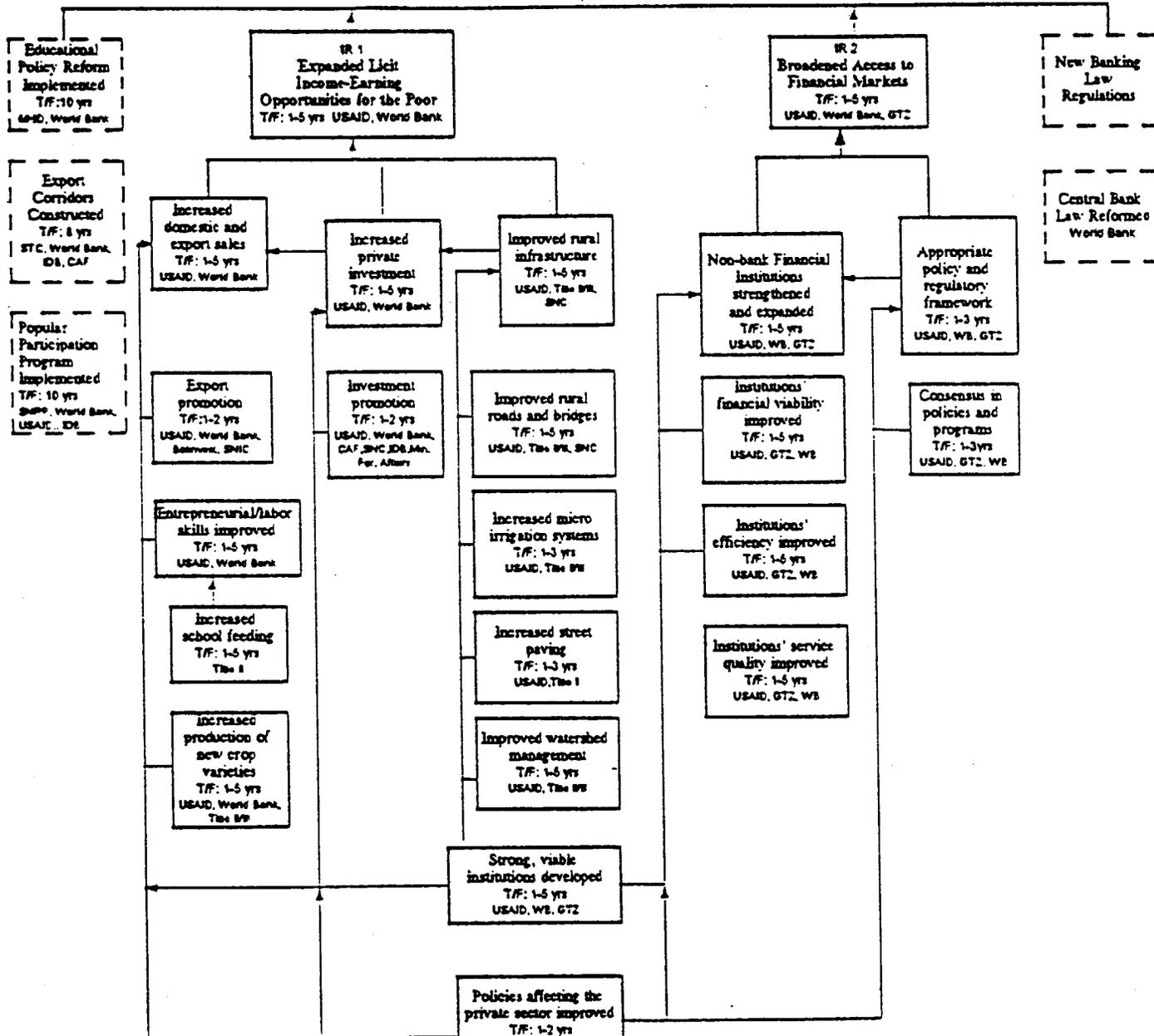
the poor into the economic growth process, initially through the supply of parts, raw material and other inputs, yet slowly integrating them fully into a modern economy and with the rest of the world. By providing economic opportunities and access to financial services to the Bolivian poor men and women while supporting competitive markets, this Strategic Objective will contribute to an economic and social reorganization whereby all economic and social groups participate and benefit, thus achieving the Agency's goal of "broad-based economic growth."

In developing the Economic Opportunities Results Framework, the SOT not only has analyzed Bolivia's development stage and priorities and USAID's portfolio, but also has considered relevant reforms that the GOB is executing with financial assistance from the donor community. The Education Reform and the Popular Participation Program, the Central Bank law and new banking law regulations, and the export corridors have been identified as some of the most important activities that affect directly the SO. In fact, preliminary coordination with the GOB and a donor agency on the possible creation of a private, non-profit agricultural research fund, contemplated in Bolivia's Sustainable Rural Development Strategy, already has taken place and is fully consistent with the Economic Opportunities Results Framework. Another example of expanded participation, teamwork and commitment is the sub-team meetings with counterparts in the development, measurement and validity of indicators. In the months ahead, the Economic Opportunities SOT will organize itself into teams with core and expanded team members around the concept of result packages to develop activity management plans and refine the proposed indicators.

**DRAFT RESULTS FRAMEWORK:  
ECONOMIC OPPORTUNITY**

**INCREASED BROAD-BASED  
LICIT EMPLOYMENT &  
INCOME OF THE POOR**  
T/F: 1-7 yrs

**Development Hypothesis: Bolivia will increase  
broad-based licit employment and income by expanding  
income-earning opportunities and broadening financial  
services to poor men and women.**



3b. DRAFT DEMOCRATIC INITIATIVES STRATEGIC OBJECTIVE  
RESULTS FRAMEWORK

Agency Goal: Sustainable Democracies Built

Strategic Objective: Social Base of Bolivian Democracy Broadened and Its Governance Progressively Strengthened.

Although the Mission's democracy portfolio has been managed strategically since 1988, we recently have begun the process of employing reengineering guidelines and Agency core values in managing for customer-oriented democracy results through a more empowered and accountable core strategic objective team (SOT) of Mission staff from various offices.

An expanded SOT includes representatives of the Supreme Court, the Ministry of Justice, the Congress, the National Secretariat for Popular Participation, and the Electoral Court. It also includes contractors and recipients, key partners who we will continue to work closely with in achieving our results. It also includes two virtual members (one from LAC/SPM and one from G/DG) who bring gender expertise to the team. In the future, the Mission will invite representatives of Bolivia's Controller General and the Association of Autonomous Municipal Governments (which includes mayors and municipal council members), as well as other key partners and beneficiaries.

The expanded SOT has contributed to the current re-statement of the SO and to the development of the Strategic Framework, as discussed below. Current reengineering benefits from the expanded SOT include:

- critical review of unexamined assumptions about democracy assistance conducted with beneficiaries and implementors
- reality check on current status of each newly proposed IR and its particular contribution to the SO
- discovery of potential bottlenecks such as public sector accountability and corruption; political parties and their internal practices
- sharpened awareness of opportunities for mutual reinforcement across IRs
- acknowledgement of the need to establish smaller management subteams to implement activities under each IR
- the importance of women in broadening the social base of democracy

The responsiveness of beneficiaries and implementors to the challenge of participating in strategic design in the democracy

area is significant. One recurrent theme is that, of all fields of assistance, democracy should be planned and implemented in the most open and participatory fashion.

A draft management plan will be presented to the expanded SOT, including: the establishment of management subteams and ways to track their contribution to the overall SO; guidelines aimed at maximizing mutual reinforcement among IRs at various levels and avoiding compartmentalization of efforts by IR; guidance on how to validate various participatory approaches; ways to effectively incorporate gender concerns under each IR; integration of bottom-up/top-down strategies under the Democratic Development and Citizen Participation (DDCP) activity; and other IR-specific management concerns.

Rationale for SO Results Framework. In considering the re-statement of the SO, the expanded SOT noted that, although Bolivia's political history has been marked by chronic instability, over the past 15 years the country has made great strides in the constitutional transfer and use of power.

However, despite this progress, democracy in Bolivia remains largely in the hands of urban elites. Marginalized urban and rural dwellers of indigenous descent form the majority of the country. Most democratic institutions are not well rooted in social and economic realities, and for the most part are responsive to a restricted group of predominantly Spanish origin.

The expanded SOT also noted that recent policy developments in Bolivia have created remarkable new conditions for a more just, representative, participatory, and accountable democratic system. The Popular Participation, Administrative Decentralization, and Constitutional Amendments Laws, as well as a series of landmark legislative bills and related regulatory decrees ensuring popular participation in government, expanded economic opportunities, and due process of law for ordinary Bolivian citizens, provide readily apparent and far-reaching openings to support Bolivia's democratic development.

For these reasons, a subcommittee of the expanded SOT recommended that the SO be re-stated as "broadening the social base of Bolivian democracy while progressively strengthening its governance."

Although this phrasing of the strategic objective (SO) is new, the past and current USAID/B democracy portfolio clearly supports it. The new SO statement is fully consistent with the Agency Goal of Sustainable Democracies Built and the USG's strategy to support Bolivian democracy. We feel this re-stated SO more accurately reflects the cumulative and final impact of our democracy assistance to Bolivia and is more readily measurable than our previous statement of the SO. Improved effectiveness

and accessibility of key democratic institutions and practices.

The development hypothesis under consideration by the expanded SOT is that the social base of Bolivian democracy will be broadened and its governance progressively strengthened if: (1) the conflict resolution process is improved; (2) public sector institutions become increasingly accountable, transparent, and responsive; (3) congressional functions are improved and oriented to constituencies; and 4) local governance becomes more effective and participatory. Other conditions for achieving the re-stated SO include: 1) an electoral system that increases its coverage and transparency; and 2) democratic knowledge, values and practices of Bolivian men and women improved.

Intermediate Result 1: A sense that equitable redress is within the reach of ordinary citizens through impartial specialized public mechanisms such as the court system, increases trust in democratic government. Governmental judicial systems and non-governmental ways of solving conflicts which enjoy the trust of the people and demonstrably serve citizens regardless of their socioeconomic status, will directly contribute to broadening the social base of democracy and improving its governance.

Intermediate Result 2: The public responsiveness and responsibility of institutions which actually serve citizens from all strata of society will contribute to broadening the social base of democracy. Accountable, transparent and responsive institutions will help reduce opportunities for public corruption and this will lead to a socially accepted and governable system.

Intermediate Result 3: Improved congressional functions and a legislature better oriented to constituencies are key to achieving better democratic governance and broader trust in democratic government. These will be realized when Congress more effectively carries out its three constitutional functions, namely, to oversee the other branches of government, to approve new or amended legislation, and to represent constituencies.

As a result of the 1994 Constitutional Amendments Law, starting with the 1997 general elections one-half of the Lower House will be directly elected from single member districts, as opposed to cliquish party lists. Despite considerable governance challenges this is likely to create within the Lower House, single-member district representatives will directly help broaden the social base of democracy and will reduce public mistrust of Congress.

Intermediate Result 4: To improve overall democratic governance and move towards a more broadly democratic society, local governance must become more effective and participatory. This will be brought about when municipal and departmental governments carry out effective and transparent public administration, delivering public goods and services in accordance with community

priorities determined by popular participation as mandated by the Bolivian PP Law.

**Secondary Intermediate Results:** A more representative Congress and more participatory municipal governments are in part the product of free and open elections where increasing proportions of eligible citizens participate, and in part of the myriad individual decisions of citizens whose knowledge, values and practices regarding democratic society and government improve over time. For this reason the attached Results Framework Table links these two secondary intermediate results to both the legislative and municipal IRs.

To broaden the social base of Bolivian democracy, over 1 million eligible voters, many of whom are poor, rural, indigenous, marginalized women, must register to vote. In the wake of the 1995 municipal elections, USAID is in the process of working with official census and electoral court data, and creating an on-line database with gender disaggregated estimates, by each one of Bolivia's municipalities, of the number of eligible men and women voters still not registered to vote. These data may help the Mission design gender-appropriate voter registration and civic education activities to reach this population and thereby help achieve our intermediate results.

In managing for the above IRs and SO, USAID is making a set of critical assumptions related: to continued respect by the Bolivian military of civilian constitutional rule; to the GOB's ability to enact key legal amendments that will pave the way for achievement each IR; to continued control of terrorism and the illegal drug trade; and to the ability of political parties to become increasingly responsible, responsive, representative and transparent.

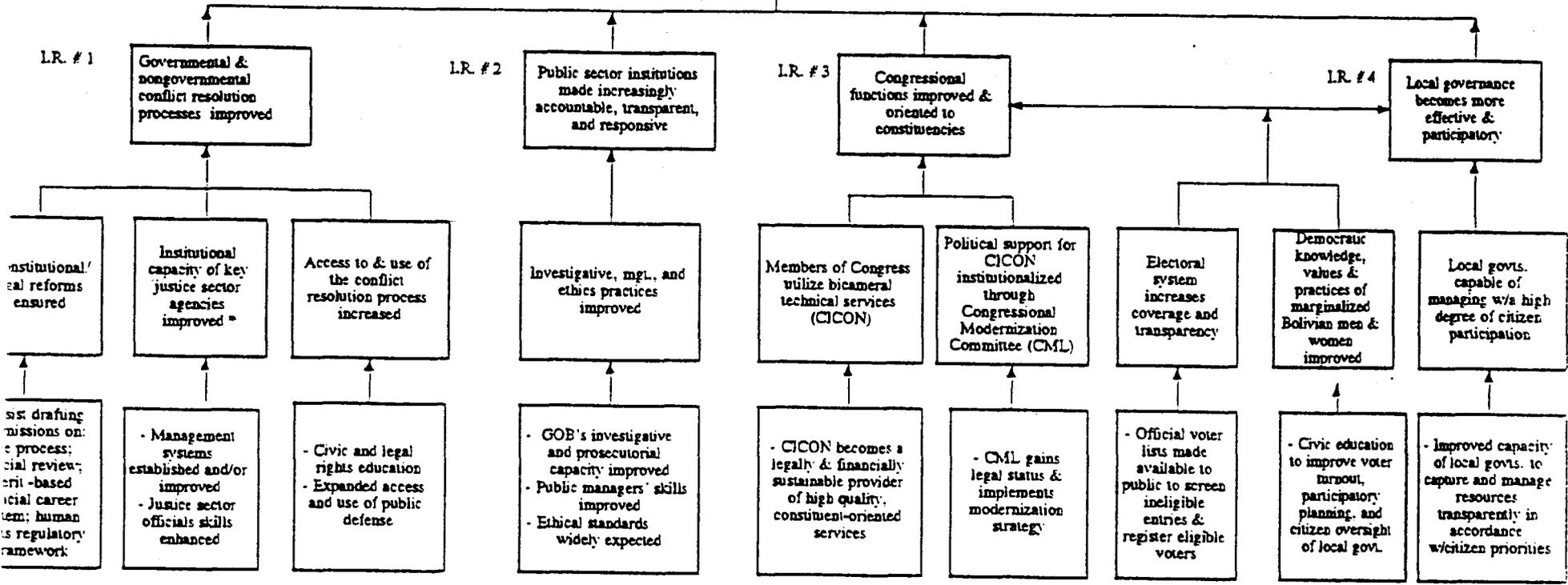
As noted by the Strategic Framework subcommittee of the expanded SOT, one side product of developing a results-oriented strategic framework is the systematic ability to assess the relative state of progress by IR, indicating whether Mission support for a given IR is:

- 1) mostly accomplished and evaluated (parts of IR1 and IR2)
- 2) currently under implementation (parts of IR1 and IR2)
- 3) fully designed, contracted and at start-up phase (IR2)
- 4) mostly on the drawing board (IR2)

DRAFT RESULTS FRAMEWORK: DEMOCRACY

Broaden the social base of Bolivian democracy while progressively strengthening its governance

Development hypothesis: The social base of Bolivian democracy will be broadened and its governance progressively strengthened if (1) the governmental & nongovernmental conflict resolution processes are improved; (2) public sector institutions become increasingly accountable, transparent, and responsive; (3) congressional functions are improved & oriented to constituencies; and (4) local governance becomes more effective & participatory.



\* Includes the Judiciary, the prosecutors, public defenders, the judicial technical police and judicial civil servants

### 3c. DRAFT HEALTH AND POPULATION STRATEGIC OBJECTIVE RESULTS FRAMEWORK

Agency Goal: World's Population Stabilized and Human Health Protected in a Sustainable Fashion

Strategic Objective: Improved Health of the Bolivian Population

The Health and Population Strategic Objective Results Framework is a product of an analytical and participatory process that began with the constitution of the core strategic objective team (SOT) at the beginning of November 1995. The Core SOT initiated an examination of the existing health and population program. The team examined the assumptions underlying the existing objective tree and progress toward reaching the SO. The team discovered that considerable gains had been made in several areas such as diarrhea control, vaccination coverage, and use of modern contraceptive methods. The greatest remaining challenges, however, were in the areas of maternal health, the control of acute respiratory disease in children, and family planning, particularly in rural areas.

The SOT identified improvements in these areas as requiring major changes in how the Bolivian population perceives and uses health services. Although the current Family Health objective tree focuses on supply and demand for health care, it does not reflect some of the critical elements necessary for changing people's relationship to the formal health care system. Several important factors are missing from the objective tree, such as attention to quality of care and participation by a broad spectrum of the Bolivian population. Many of these elements are an integral part of the current program but presently are not tracked or measured. In addition, there have been many significant recent changes in the Bolivian policy environment through the Popular Participation and Decentralization laws that support both broader participation and improvements in the quality of health care through direct financing and administration at the local level.

Through December 1995, the Core SOT team worked through several versions of the Results Framework to incorporate more effectively behavioral changes, quality of care and policy. In January, the Core Team presented a version to the Extended SOT and to a Research Triangle Institute (RTI) technical assistance team from the Global Bureau's Policy Project, which was contracted to help develop indicators and targets. The Extended SOT members, made up of a cross section of NGO partners, donor colleagues, and government representatives, provided extremely useful input in both oral and written form. In addition, the RTI consultants reviewed the Results Framework with other partners in four different cities. The Extended SOT members provided suggestions that were incorporated into the current version of the Results Framework. A sample of these suggestions included:

- 1) Changing the wording of the SO to "Improved Health of the Bolivian Population," based on the observation that there is no viable indicator that measures the aggregate health status of Bolivian families. The change also is more in keeping with language adopted at the International Conference on Population and Development in Cairo.
- 2) Dropping what previously had been the Program Outcome, "Increased Utilization of Health Services," more a summary statement of the intermediate results than a higher level intermediate result.
- 3) Rewording the Intermediate Result (IR1) "Improved Child Survival and Reproductive and Sexual Health Practices by Bolivian Women, Men, Adolescents, and Children" to better specify the target populations. Although not stipulated in the wording of the IR, adolescents and children refer to both young men and women and boys and girls.
- 4) Reformulating the Intermediate Result (IR2) "Improved Quality and Increased Coverage of Community Health Care Established by Local Governments and NGOs," to incorporate coverage in addition to quality, and indicate that local governments and NGOs will have primary responsibility for establishing broader coverage and better quality of care.
- 5) Changing the Intermediate Result (IRA) "Timely and Sustained Support of the Implementation of Relevant Elements of the Popular Participation and Administration Decentralization Laws," and adding a box, "Strengthen National Health Policy," with a dotted line above IRA in response to the Extended Team's observation that Bolivia, as yet, does not have a comprehensive health care policy.

Additional changes emphasize the accessibility and usefulness of health messages disseminated to age, gender, and culturally diverse populations (IR1.2); focus on adult and adolescent women and men as active agents in selecting health practices (IR1.2); specify the elements of quality care, namely improved technical, normative and sociocultural skills on the part of health care providers (IR2.1); and allow for more precise measurement of progress by disaggregating the elements of viable health care management at the local level (IR2.2).

The Health Strategic Objective Team has made considerable progress on developing a new Health and Population Results Framework and has begun managing existing activities as a team. The Results Framework is based on the hypothesis that the health of the Bolivian population will improve if: 1) Bolivian women, men and adolescents engage in healthful child survival and reproductive and sexual health practices; 2) the quality of health care services improves; 3) communities, municipalities,

departments, and NGOs increase health services' coverage; and 4) the Bolivian government implements the Popular Participation and Decentralization Laws. The development hypothesis is based on the assumption that improvements in the health status of the Bolivian population depend on parallel and simultaneous changes in individual and group practices, management of service delivery, and in political support for multiple health care options.

The Health and Population Strategic Objective reflects USAID's long-term commitment to improve and protect the health of Bolivians. The indicators at the SO level will measure improvements in child survival and in reproductive and sexual health of adult and adolescent populations. The primary intermediate results focus on three key levels of intervention: individual and group practices, quality of local health care services, and national health policy.

The Intermediate Result "Improved child survival and reproductive and sexual health practices by Bolivian women, men, adolescents, and children" (IR1) highlights expected changes in practices. Practices are defined as the preventive and curative actions taken by individuals in their homes and communities, as well as the decisions household members make about where and from whom to seek health care. As both actions and decisions are influenced by sociocultural beliefs and personal experience and knowledge of health care options, the secondary intermediate results (IR1.1 and IR1.2) focus on access to and use of culturally appropriate health messages, and on knowledge and participation by women, men and adolescents in health activities within the household and community.

The Intermediate Result "Improved quality and coverage of community health services" (IR2) encourages improvements in quality and coverage. In Bolivia, access to health care services is a factor of both availability and of quality, or acceptability of the services to the population. Secondary intermediate results (IR2.1 and IR2.2) focus on improving the technical, normative, and sociocultural skills of health care providers and administrators, and on improving the capacity of local communities, municipalities, NGOs and Departments to provide and sustain culturally acceptable services.

The Intermediate Result "Timely and sustained support of the implementation of relevant elements of the Popular Participation and Administration Decentralization Laws" (IRA) supports the overall sustainability of the health care system. It centers on the policy environment created by the newly enacted popular participation and decentralization laws that give local municipalities the authority and financial resources to manage local institutions such as health care facilities. The three key policy pillars of an improved health care system are: an improved

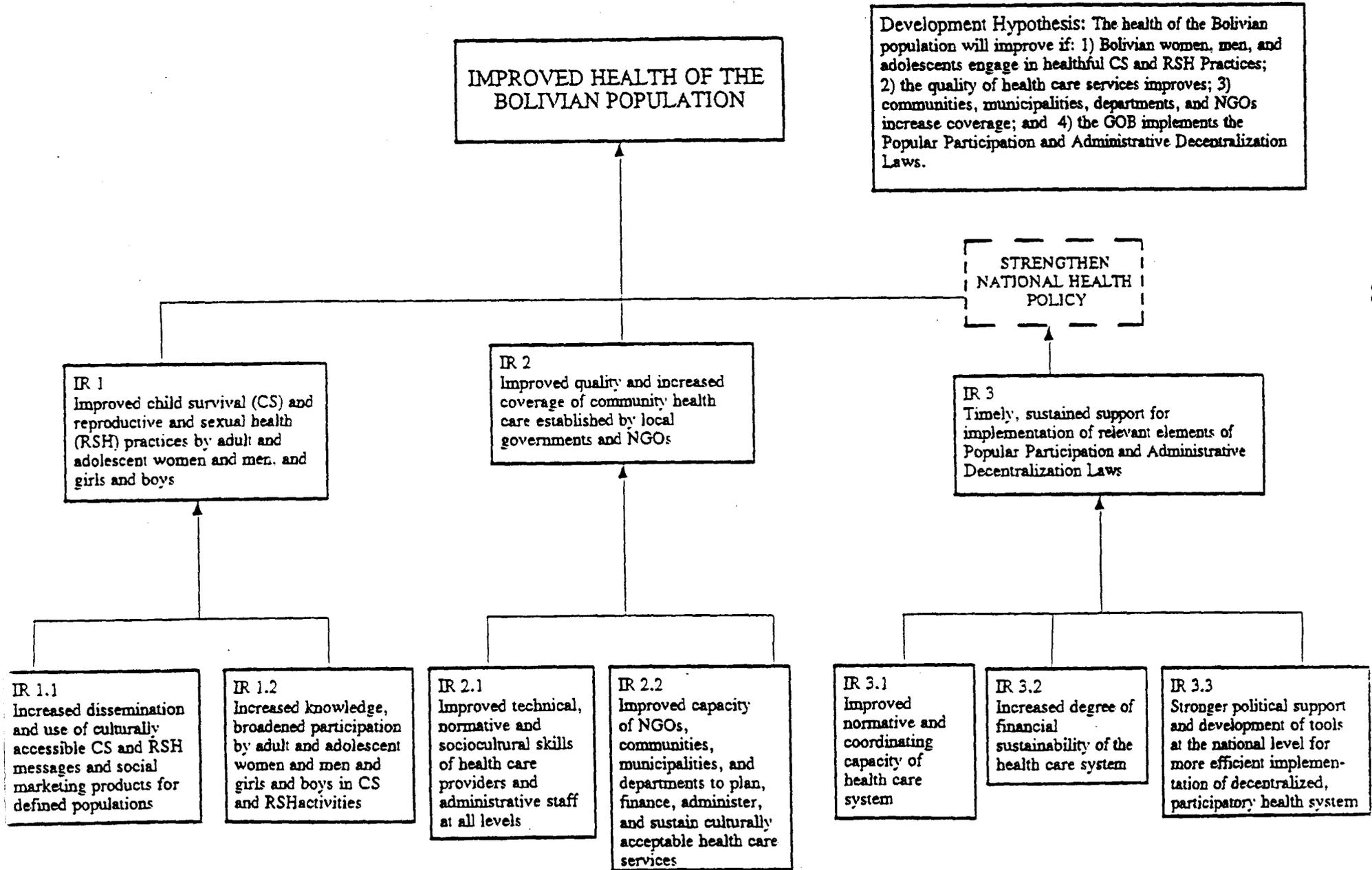
normative and coordinating capacity (IRA.1); an increased degree of financial sustainability (IRA.2); and stronger support and development of tools for a more efficient implementation of a decentralized and participatory health system (IRA.3).

The intermediary results of the framework are interrelated. Together, improvements in health practices and quality of care will increase access to and use of health services. Effective implementation of the Popular Participation and Decentralization laws will increase participation of the Bolivian population in determining the quality of the health care provided by local institutions. Improved normative standards will also improve the equity and equality of care across different regions of the country.

During the latter part of January and February, the Core and Extended SOTs reviewed indicators suggested by the RTI consultants. The primary criteria guiding the review are appropriateness of the measures, validity of the information, availability, relative ease of collection and analysis, and how well the indicators measure differential impact across groups distinguished by age, gender, and ethnicity. Final decisions on indicators at each level will be discussed further with the Expanded SOT, and finalized for submission next year.

The Health and Population SOT has begun to manage as a team many of the ongoing child survival and reproductive activities formerly managed by individuals. The team has a management plan which designates subteams by activities. The team is involved in developing a pilot approach for the continuation of child survival services in rural areas through PROCOSI. It also negotiated the continuation of health care financing studies under the Technical Support for Policy Reform project. In the months ahead, the Health and Population SOT will organize itself into working subteams around specific planning and management issues; make final decisions on indicators and targets; develop a Customer Service Plan; and develop a monitoring and evaluation capacity/unit.

# DRAFT RESULTS FRAMEWORK: HEALTH AND POPULATION



## 3d. DRAFT ENVIRONMENT STRATEGIC OBJECTIVE RESULTS FRAMEWORK

Agency Goal: Environment Managed for Long-term Sustainability  
Strategic Objective: Degradation of Forest, Soil and Water Resources Reduced and Biodiversity Protected

USAID's reengineering effort for the Environment SO incorporates a high degree of local participation. It was developed in tandem with Bolivia's Environmental Action Plan (PAAB), an 18-month process partially funded with local currency resources generated through the P.L. 480 programs in which more than 300 representatives of civil society from around the country (e.g., NGOs, indigenous peoples groups, businessmen, students, mothers clubs) participated. The priorities expressed in the Environment SO were reiterated by the GOB in late 1995 and were endorsed by the Mission's Expanded SOT for the Environment (this group includes NGOs, the GOB, and the Izoceño Indian federation).

The Results Framework for the Environment SO therefore uses USAID's existing portfolio as its point of departure. Nevertheless, the expanded SOT, including virtual team members in the LAC and G Bureaus, contributed importantly to a clearer definition of intermediate results and draft indicators. The SOT continues to work aggressively to define indicators to measure progress, and those suggested here will continue to be refined in the months ahead.

The Environment SO aims at three Intermediate Results (IRs), with one (IR2) providing strong support to the others: 1) forest conversion discouraged; 2) sustainable natural resources management practices adopted; and 3) pollution reduced. USAID is convinced that successful achievement of these results will lead to reduced degradation of forest, soil and water resources and biodiversity being protected.

Major activities to achieve "forest conversion discouraged" (IR1) include: a) protected areas effectively managed, largely through the Parks in Peril (PIP) Program with The Nature Conservancy and the new activity in the Chaco; measured by "hectares under improved management, with biodiversity protected"; b) value of forest increased, through BOLFOR-assisted identification and development of "environmentally friendly" forest products and adoption of improved forest management practices; measures could include "total area ecocertified" or "number/dollar value of new products developed"; c) legal and regulatory framework developed, focusing on insuring that appropriate biological and silvicultural information is incorporated into development of new legislation and/or regulations governing activities in the forestry sector; and d) selected wildlife populations managed by local groups, which represents the focus of the new Chaco activity and is also an area of emphasis for BOLFOR; potential indicators may include "wildlife management plans developed and

implemented," or a more ambitious "populations of selected wildlife species stable or increasing." However, the Environment SOT recognizes that these draft indicators would only measure the wildlife and would not capture the critical role that must be played by local people (including women) in these efforts. The SOT will continue to reflect on and improve these indicators.

Active and informed participation of community groups, the private sector, NGOs and other civic organizations in environmental management is a key part of USAID's efforts to achieve the SO. Such participation is basic to "sustainable natural resources management practices adopted" (IR2) and will insure effective customer focus, enhance prospects for sustainability, and contribute directly to the achievement of intermediate results discouraging forest conversion (IR1) and reducing pollution (IRA).

USAID supports two approaches to achieve IR2: a) public awareness of the benefits of sustainable resource management increased, in particular through environmental education initiatives funded by the Enterprise for the Americas (EAI) and other activities (one likely measure of progress is "numbers of persons, disaggregated by gender, participating in environmental education programs"); and b) capacity of local institutions to sustainably manage natural resources increased, with support from the EAI, BOLFOR, and the new Chaco program (here one indicator might be "numbers of local institutions successfully engaged in sustainable natural resource management activities").

Urban and rural pollution accelerate degradation of soil and water resources and have detrimental impacts on human health and biological diversity -- especially important in Bolivia, where many of the nation's most important rivers drain in the Amazon Basin. USAID's support to IRA "pollution reduced" focuses on: a) factory source pollution reduced, through the new Pollution Prevention Program with the G Bureau's EP3 Project (here a likely and measurable indicator is "numbers of factories adopting pollution prevention measures"); and b) adoption of renewable energy sources increased, with assistance from the Electrification for Sustainable Development Project (one indicator might be "numbers of households with renewable energy systems installed").

Both these efforts convey real benefits for human health and improved quality of life. For example, reduced urban pollution will improve water quality downstream, with less contaminants ending up in water used for irrigation, washing, and domestic animals. Similarly, USAID's rural customers report that solar electricity allows their children to spend more time on their homework; eliminates the unhealthy smoke from household kerosene lamps; provides women with more free time for other income earning opportunities; and allows greater access to radio, better

connecting people with the rest of the country.

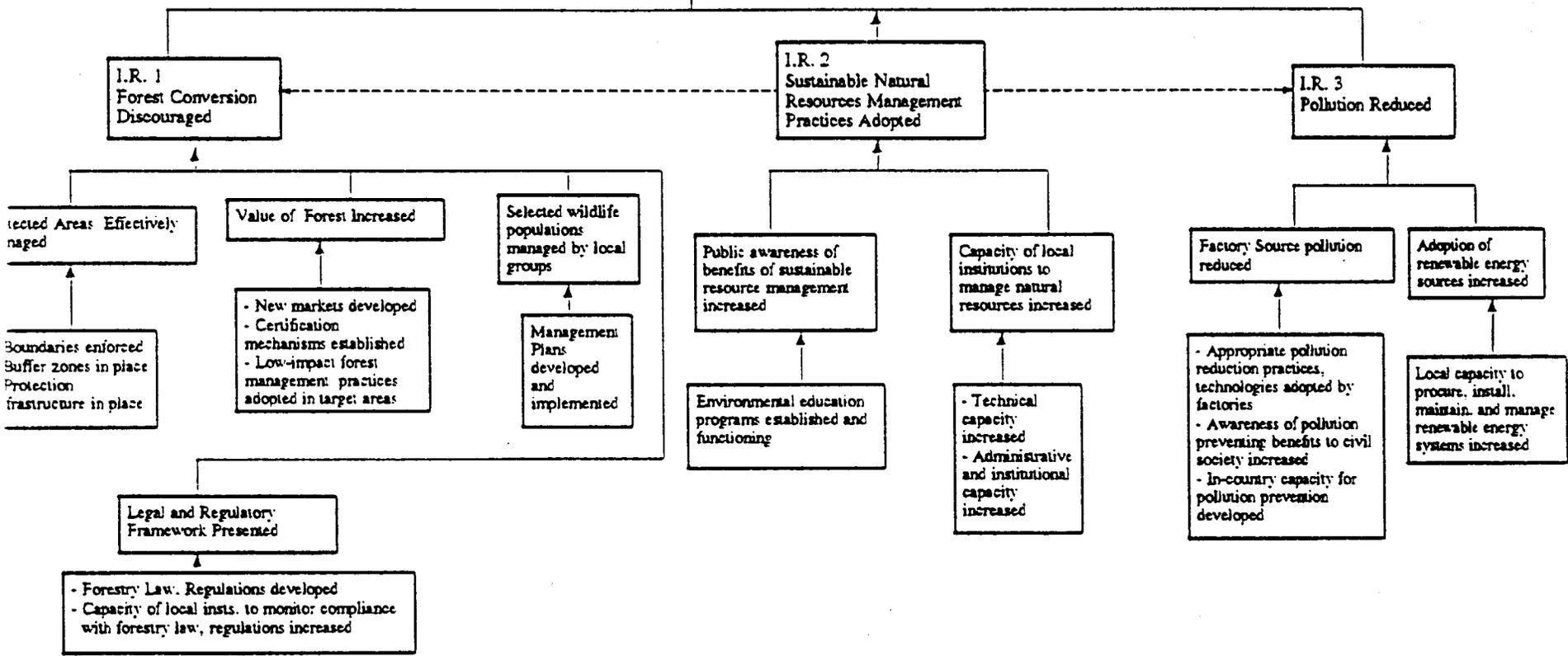
USAID's reengineering has strengthened the Mission's capabilities for improved environmental management. The initial design for the new Chaco program is a clear case in point, five Mission staff (with expertise ranging from environment and agriculture to project development, accounting, and contracting) already are actively engaged with the Izoceños.

Reengineering also is beginning to facilitate integration of environmental concerns with broader development issues through closer coordination among the Mission's four SOTs. The Environment SOT has appointed "liaisons" to insure that such coordination takes place. More importantly, the Environment SOT includes representatives from USAID's major customers, development partners and stakeholders -- ranging from the Izoceño Indians and NGOs to the GOB -- who all bring significant expertise and knowledge to help achieve the Environment SO. They also will help USAID insure that its collaborative programs in the Environment are addressing local needs as effectively as possible. Finally, the Environment expanded SOT decided that more emphasis should be given to documenting the significant "people-level impacts" of the SO's activities, and to disaggregating that information by gender and ethnicity. This will be explored in the months ahead.

DRAFT RESULTS FRAMEWORK:  
ENVIRONMENT

DEGRADATION OF FOREST,  
SOIL AND WATER  
RESOURCES REDUCED AND  
BIODIVERSITY PROTECTED

Development Hypothesis: Discouraging forest conversion, reducing pollution, and sustainably managing natural resources (a) reduces degradation of forest, soil and water resources and (b) protects biodiversity.



## B. Special Concerns or Issues for AID/W

1. a. Procurement: RCO/Bolivia has been given authority to execute buy-ins and delivery orders under Washington based contracts. However, G Bureau has been sending all of its PIO/Ts to OP in Washington for action. OP then -- at the 11th hour -- rejects them and sends them to RCO/Bolivia for action. This resulted last year in RCO having to reject a couple of unplanned (by RCO) actions sprung upon us from Global. To date, despite many attempts, RCO/Bolivia has been unable to secure a copy of the G Bureau Procurement Plan which would delineate which actions go to RCO/Bolivia and which actions go to OP and we are nearly halfway through the fiscal year. This could result in rejections of unplanned actions from Global by RCO/Bolivia at year end. If we knew what actions were coming and approximately when, we could staff them and help out Global. RCO/Bolivia does not like to reject actions, but planned actions for Bolivia and the Region take priority in RCO/Bolivia over those unknown actions from Global given to us for immediate action at year end.

b. Need to Align Procurement Systems Reform with Reengineering: We have carefully studied the "Procurement Reform Report" produced, we assume, by OP, to seek an understanding of procurement reforms implemented in the past few months which seem to fly in the face of reengineering core values such as customer focus, and empowerment and accountability. These reforms have steadily and significantly reduced the authority of Mission Directors and regional contracting officers, while centralizing authority and decision making in Washington, thereby undercutting the ability of SO teams and their RCOs to assume the responsibilities given to them under the new Directives. The report shows that many reforms have been initiated in the past two years, but it seems clear that most of these were developed before new reengineered operational systems were developed. The result is that effectiveness and credibility of reengineering is undermined. What is urgently needed is a major effort to turn this situation around by insisting that Washington procurement office staff get in synch with core values (such as managing for results and focusing on their internal customers), and work to realign their new policies with reengineering. We doubt this can happen without real participation on the part of their internal customers -- i.e., regional RCOs and overseas Mission staff.

2. Difficulty in Linking Downsizing with Reengineering: USAID/Bolivia has developed and is implementing a downsizing plan to reduce staff from 225 to 161 by the end of FY 1997. This plan was developed last June, before reengineering was in effect and fully understood, and decisions on which of the 64 positions to cut were initially based on minimizing pain to employees and offices, rather than our actual operational needs after the reengineering transition is completed. While we are proceeding apace with downsizing, we are trying to modify, as appropriate,

the positions targeted for downsizing. Since we can't yet estimate the potential benefits, in terms of work reduction, of the NMS software and other reengineered systems, some guesswork is involved. We hope nevertheless to come out of this difficult transition period with our operational capability sufficiently protected to be able to deliver the development results that we are all seeking.

3. **Completing Personnel System Reforms:** A critical piece currently missing from reengineering is the work of the Human Resources Business Area Analysis Team on adapting the FSN grade and position classification system to the new teamwork requirements. The new teamwork concept requires that employees become generalists in their work and be willing and able to do tasks that are above or below their current position description. We have already seen that this can promote anxieties about potential future downgrading or being taken advantage of by budget cutters for doing work below or above current grade standards. The USDH evaluation system has been revamped. We need something similar ASAP for FSNs who typically outnumber USDHs in the field by six to one.

4. **PVOs: On board or staking turf?** In the past two years USAID has effectively developed a political alliance with USPVOs as a means to counter budget cutting and restructuring. This alliance has clearly paid off. It seems, however, that a mixed signal is being sent to the field, creating confusion on exactly where we stand with PVOs. On the one hand, USAID Mission staff has been instructed to seek out our PVO partners, engage them in a dialogue about USAID Strategic Objectives, and work more closely with them in achieving these objectives (Directives and NPI). On the other hand, we get the distinct impression that local USPVO representatives are being told by their Washington Offices (and draft Procurement Office policies that we don't have access to) that the new name of the game is "give us the money and stay out of our hair." Meanwhile, recent Procurement Office policy changes are limiting our options to customize formal grant relationships to match needs of SO teams and local PVOs in the field. The judgement of experienced Regional Contracting professionals is being supplanted by a barrage of new rules and controls which effectively reduces the PVOs' possible contributions to SO teams and thereby constrains our ability to manage for results. Again, now that we have new reengineering operations systems, we need to get everyone on board so that we can work effectively as a team to achieve results. Could someone in Washington remind USPVOs headquarter staff that they also need to support SOs and be held accountable for results?

5. **FSN Retirement:** The Mission must again advise the Bureau of a potentially serious liability that may develop within the next twelve months. The Embassy has been working on a permanent FSN retirement plan, which will be going out for bid in

the near future. The plan will likely be modeled after the CSR system. If it calls for a 6 to 8 percent USG contribution for all prior year service, the cost could run as high as \$2,200,000 for USAID. It is too early to speculate on what the final plan will look like, or as to the manner in which retroactive service will be addressed. It may be funded over a number of years, subject to reduced contributions and benefits, or cut off at some pre-determined year. These questions, and the cost implications, should be answered in the near future.

C. Environmental Issues (22 CFR 216) and Schedule

USAID continues to comply fully with the environmental regulations specified in 22 CFR Part 216. In 1995 USAID prepared several IEEs and supervised (with assistance from LAC/DR/E and the Regional Environmental Officer based in Quito) two environmental impact assessments. No significant issues or problems are anticipated with 22 CFR Part 216 compliance.

Close environmental monitoring will continue. USAID expects to prepare additional IEEs, for the new Chaco initiative (most likely towards the end of the second quarter), and for the Self-Financing Primary Health Care and PVO Child Survival activities (both in the fourth quarter). One EA also is anticipated for additional work in the forestry sector, to be completed by the end of FY 1996. In addition, USAID will intensify its collaboration with Bolivia's P.L. 480 Executive Secretariat to improve the environmental performance of activities financed with local currency generated under the Title II and Title III programs.

#### IV. Resource Requirements

##### A. Program Funding Request by SO

###### 1. Economic Growth:

USAID has a small number of highly effective activities supporting increased economic opportunities for Bolivia's poor. This is the case partly by choice, as we have chosen to invest only in sectors and institutions with potential and local commitment. It is also a result of continual budget reductions.

As described in the performance section above, the impact of economic opportunities activities has been outstanding, especially considering that they receive one of the smallest pieces of the USAID's Development Assistance pie in Bolivia. The goal of the Economic Opportunities Strategic Objective Team is to continue to use every dollar and every human resource efficiently and effectively. We have identified several areas vital to future job creation where USAID has comparative advantage: exports and investment; rural infrastructure; small and microenterprise development; and financial markets. Resource requirements in all four areas are significant.

Development Assistance budget guidance levels for this R4 will compromise the effectiveness of the Economic Opportunities SO. The FY 1996 level of \$2.32 million, which represents a mere 9 percent of USAID's DA request, will force us to postpone the innovative equity investment component of microfinance. These investments must be executed early on in the program in order to strengthen the institutions' capital bases and ability to leverage additional resources.

USAID has largely overcome the CORDEP pipeline-related problems reported in its December 1, 1995 TR2 submission and expects expenditures to increase in the near future. This expected increased expenditure rate comes as a result of several factors. First, levels of social unrest in the Chapare have abated now that the GOB achieved its 1995 eradication target. Second, the GOB has agreed with USAID that road construction should be delinked from eradication, except in very special cases, thereby allowing the Mission to move ahead with the implementation of signed road construction contracts. Third, the rainy season, which has slowed construction, ends in April. As the GOB already committed and spent more than its agreed-upon \$40 million in project counterpart funds, the Mission will have to accelerate expenditures with project dollars. All but \$2 million of the \$21 million pipeline has been committed.

The FY 1997 and FY 1998 levels of approximately \$4.3 million and \$2.0 million respectively are the minimum needed to implement microfinance and to begin a new small enterprise development

activity. Anything less will cause USAID to shut down one of the activities and to question whether it can afford to carry on with the Economic Opportunities Strategic Objective at all.

Sustainable development in the Chapare has taken off, led by marketing and investment activities. These successes are based on previous and planned investments by USAID in transport infrastructure and support to the production of high quality licit agricultural products. This ESF-financed support must continue to consolidate the achievements to date. Delays in receipt of funding will result in an extension of this project for at least one year to permit orderly completion of planned activities. Should further counternarcotics funding for sustainable development activities become available, an extension or follow-on to CORDEP would be of immense assistance in continuing GOB and USG counternarcotics efforts in the Chapare.

The Mission has made progress in reducing the Microenterprise Project pipeline. Besides a burn rate of about \$170,000 per month in the first quarter of FY 1996, the Mission has committed almost \$4 million during this same period.

The \$4 million Technical Support for Policy Reform pipeline was generated by major ESF forward funding in FY 1994. The Mission recently committed about \$2 million to the project's prime contractor and GOB counterparts who will spend this much money this calendar year. Hence, the Mission expects remaining project funds to last another two years.

During FY 1997, the Title II Program will require approximately \$17.9 million in food donations to the four PVOs administering the Title II Program in Bolivia. Of this amount, \$7.2 million is needed for Family Health-related activities and \$10.7 million for Economic Opportunities Strategic Objective's projects.

## 2. Democracy

The Democracy Strategic Objective suffered a 40 percent reduction in the proposed FY 1996 DA budget. The amount requested was \$7,473,900 and the limit provided by LAC amounts to \$4,500,000. The Democratic Development and Citizen Participation activity started operations in January 1996. At the reduced level, USAID is unable to provide the prime contractor with an initial amount sufficient to cover planned expenditures through the second quarter of FY 1997. The total amount expected to be obligated for this activity in FY 1996 would ensure funding only to December 1996. The SO will need FY 1997 funds in October to ensure continuity of activities in FY 1997.

The Bolivian Peace Scholarship Project will not be able to complete its LOP funding by FY 1996 as planned to carry activities to the current PACD of June 30, 1997. About \$240,000 will be left for obligation in FY 1997, which will force the activity to be extended beyond June 1997 to achieve planned results.

The Democracy Strategic Objective Team has requested \$1 million in INL funds in FY 1996, but has been limited to \$500,000. This amount will be transferred to State for obligation to DOJ/ICITAP for the Police Program under the Bolivia Administration of Justice (BAOJ) Project. The amount obligated for ICITAP to date is anticipated to cover expenditures through September 1996, but the needs from October 1996 to September 1997 amount to \$1.3 million, of which FY 1996 BAOJ funds will cover only \$500,000. The Mission is in conversations with State/ARA to get the \$800,000 difference to ensure survival of ICITAP, since \$500,000 alone would force the close down of the police training program. The other risk associated with the reduced FY 1996 level concerns the BAOJ prosecutors program, implemented by DOJ/OPDAT. The DOJ/OPDAT PASA is currently funded through September 1996. Uncommitted funds from the pipeline could extend the PASA by five or six months, but FY 1997 funds will be needed by February 1997 to ensure continuity of the program.

The BAOJ pipeline as of September 1995 amounts to \$5 million due to late FY 1995 ESF obligations. The average monthly expenditure rate for the previous six months was \$188,000. At this burn rate, the pipeline would be drawn down in 28 months, or January 1998. However, the monthly expenditure rate is expected to increase because two implementors are expanding their scopes of work. The estimated increased monthly rate is \$230,000, which would exhaust the pipeline in 23 months, or by August 1997. The FY 1997 request of \$2.5 million would cover costs from September 1997 through the proposed new PACD of December 31, 1998.

## 3. Health and Population

After losing two decades (the 1970s and the 1980s) when other developing countries made rapid gains in family planning, Bolivia

began a population program in 1990. Progress was significant in the first four years with a modern contraceptive prevalence use increase from 12 percent to 18 percent. Many of the early investments of USAID had to focus on training, development of management and service statistics systems, persuading GOB and private sector leaders, and other building blocks and essential groundwork to create a population program from a zero base. In 1995, the Reproductive Health Services Project was amended: the planned obligation level was more than doubled from 1994 levels and was seven times the 1993 level.

With these new resources and the new momentum for family planning in Bolivian society, USAID launched six major new grants (each with LOP funding at the \$4-\$5 million level) to family planning service providers. The grants are rapidly expanding services to meet the pent-up demand of the 72 percent of Bolivian women who want no more children (DHS 1994). They also are providing clinical services and contraceptives in rural areas for the first time.

The 87 percent reduction anticipated in FY 1996 population funding, due to actual reductions plus restrictions on rates of obligation, will have a devastating impact on the Bolivian population program. It will be extremely damaging for these new project initiatives to be hit with cuts of this magnitude right at takeoff. Services will be curtailed and some institutions may not survive. At the human level, hundreds of women will die from botched abortions that could have been prevented. Abortion complications are estimated to account for as high as 50 percent of maternal deaths (Bolivia's maternal mortality rate is a staggering 390 per 100,000 births).

Because of the 1996 setbacks, early receipt of 1997 and 1998 funding at projected levels is critical to the survival of the program and to restore lost momentum to Bolivia's fledgling family planning movement.

USAID is committed to take advantage of the tremendous opportunities now available in Bolivia for family planning and improved health care in general. Decentralization of responsibilities for health care services, made possible by the Popular Participation and Decentralization laws, already is under way among the 300-plus municipalities that now have the funding and right to select private sector and NGO health providers.

These structural changes will have an even greater impact on child survival. To sustain its current immunization, diarrhea and respiratory infection control, and other essential programs, USAID requires \$4 million in 1997 and 1998. To take advantage of the current health sector opportunities, USAID plans three important interventions that will require a minimum of \$4 million of additional child survival funds in 1997 and 1998. This \$8 million per year level will bring our population to child survival funding level ratio to the 3 to 1 target recommended by PPC and necessary in

**Bolivia.**

The three activities that need to be expanded are strengthening the policy, normative, and organizational role of the Secretariat of Health; expansion of PROSALUD, Bolivia's model network of self-financing maternal child health clinics; and expanding support for the PROCOSI network of 24 NGOs delivering health services to rural Bolivia.

Assistance to the Secretariat of Health will focus on improving its social marketing programs (ORS and Vitamin A-Fortified Sugar), its information and monitoring systems, and its organizational capability. These interventions will help the Secretariat move from a service provision to a normative and policy role. USAID will assist the Secretariat in targeting resources and policies aimed at achieving their stated goal of a rapid reduction of infant, child and maternal mortality.

PROSALUD will be assisted to meet increasing demands of municipalities to expand its network of clinics nationwide. USAID plans to establish either an endowment or trust fund to assure the long-term sustainability of this successful cost recovery primary health care service model. The proposed endowment or trust fund would pay for medium to long-term support of the PROSALUD national and regional administrative offices, which provide management and administrative support, training, supervision, and continual technical assistance to the entire national network. A small portion would also go into a fund to increase, where necessary, PROSALUD's ability to care for indigent patients and help cover some operational aspects of establishing the model in new regions. Nearly 100 percent of PROSALUD's 650,000 annual client visits are made by women and children under five years old.

The third intervention would be a major increase in the child survival grant to PROCOSI from \$1 to \$2 million, with priority sub-grants going to the newest indigenous Bolivian NGO members. The PROCOSI umbrella organization is self-financing through a \$5.3 million debt swap endowment. Most member NGOs operate with fee-for-service, child sponsorship, and a variety of other self-financing mechanisms. The USAID grant will enable these institutions to reach their full potential of providing health services to 35 percent of rural Bolivia. This will facilitate municipal privatization of health care services and have a powerful ripple effect by freeing public sector resources for deployment in the neediest areas.

The expansion of the PROSALUD and PROCOSI activities were approved by the DAEC at last year's Action Plan Review in March 1995.

Bolivia has long been a USAID child survival emphasis country due to its infant and child survival indicators, among the worst in the hemisphere, yet child survival funding dropped to below \$5 million in 1995. At the time of this writing, the FY 1996 budget is still

not fixed. With proposed FY 1996 child survival levels of \$4.6 million, USAID will not be able to take advantage of the new opportunities created to finance key interventions with the National Secretariat of Health such as social marketing, information strengthening, and immunization efforts. An additional \$1.0 million will be needed for these activities and to work more closely with designated municipalities in the privatization of health care. With the requested \$8 million in child survival funds for 1997 and 1998, USAID could have a major impact on the health of Bolivian children, create sustainable health delivery institutions, and reinforce permanent changes in the entire health sector.

Beginning in FY 1997 the Title II Cooperating Sponsors will expand coverage of this program to 80,000 pre-school children and 40,000 others and put more emphasis on decreasing malnutrition rates among children from 0 to 36 months by incorporating the maternal and child health and supplementary feeding activities based upon the PRISMA model developed in Peru. Under this model, maternal and child health and child survival services are complemented by providing nutritionally-at-risk and malnourished pre-school children and their mothers with food rations and training over a six-month period to combat malnutrition in this target group on a sustainable basis.

The Reproductive Health Project pipeline reported in the December 1, 1995 TR2 (i.e., \$10.2 million) is planned to be entirely spent during FY 1996 based on the first quarter FY 1996 burn rate of \$2.4 million. Moreover, this burn rate is expected to increase to about \$3.6 million per quarter throughout the remainder of FY 1996 because various programs will reach full stride during this period. Key project activities that will significantly contribute to this spending increase include a mass media campaign, reproductive health subgrants to 20 NGOs, direct grants for contraceptive social marketing, and expansion of private sector family planning service provider networks.

As mentioned above, \$7.2 million in P.L. 480 Title II food is needed per year to support this SO in FY 1997 and in FY 1998.

#### 4. Environment

Bolivia has a strong comparative advantage for development investments in the environment, and offers outstanding opportunities for USAID to meet its global environmental priorities. The country's vast Amazon Basin forests are host to globally important biodiversity, yet the total population of Bolivia is only 7.2 million people.

This implies truly unparalleled conservation opportunities. In 1995 the Sanchez de Lozada government created two new national parks that underscore this point: Madidi, which according to a 1995 article in Bird Conservation International is "the planet's richest park for terrestrial biota" with an estimated 11% of all bird species on

earth; and Kaa-Iya in the Chaco, protecting 3.5 million hectares of dry tropical forest. According to the Wildlife Conservation Society, Kaa-Iya is arguably the hemisphere's richest park in nonflying mammal diversity.

Similarly, the GOB is eager to maintain a strong emphasis on sustainable development and the environment, as evidenced by its plans to host a hemispheric conference on this theme in December 1996 as a follow on to the Summit of the Americas held in Miami. Bolivia's environmental NGO sector is growing rapidly, due in no small measure to path-breaking initiatives like the Enterprise for the Americas, and to USAID-support to NGO partners like The Nature Conservancy, Wildlife Conservation Society, World Resources Institute, and Conservation International.

Real and significant progress is being made in reducing forest, soil and water degradation, and in conserving globally important biological resources. The USG is Bolivia's most important donor partner in this sector and -- like the GOB -- recognizes that sustainable economic and social development will not be possible without sound environmental management. Both governments also acknowledge that many environmental problems are international in scope and will require a continued shared commitment to achieve progress.

Latest indications are that the SO is likely to receive only \$3 million in funding in FY 1996. This would have dire implications for USAID's program were it not that BOLFOR, the Mission's flagship environment SO activity, has an adequate pipeline to carry it through FY 1996. Those BOLFOR resources will not last long however, and this level of funding will clearly be insufficient in FY 1997 and FY 1998 if USAID hopes to continue to fully capitalize on Bolivia's outstanding opportunities for sustainable development. This is even more apparent given the serious reductions in local currency resources generated through the P.L. 480 program. Program implications would include:

- o Initiatives like BOLFOR would be scaled back, even though concessionaires with more than 1 million hectares of forest have already approached USAID for assistance with international ecocertification requirements. This represents a level of progress no one anticipated just 2 years ago, and this momentum should be maintained at this critical time.

- o Modest USAID support continues to be critical to the GOB's planning for the Hemispheric Conference on Sustainable Development, a follow-on to the Miami Summit of the Americas. USAID support to WRI has assured the USG a low-cost "seat at the table" for this important event. Nevertheless, this level of funding would rule out any follow-up activities to the conference aimed at further advancing the Summit of the Americas agreements, reducing the USG's leadership role in this area. However, the request level of \$5.3

million would provide the flexibility necessary to build on this important event.

o At the reduced funding level, the new wildlife management activity with the Izoceños of the Chaco and the Wildlife Conservation Society -- of particular interest to Vice President Gore -- would be reduced or even eliminated. This "bottom-up" program will help protect some of the hemisphere's most important biological resources and increase Izoceño capacities for self-determination in resource management. USAID's efforts already have galvanized the energies and the hopes of this important customer group. Given adequate funding, this program would be a major success, positively affecting the development of the Izoceño people and the area's wildlife for generations to come.

o USAID support for renewable energy would be eliminated at the reduced funding level despite the excellent progress being made by the Electrification for Sustainable Development (ESD) Project. In 1996 ESD expects to install more than 1,000 solar energy systems in rural households and schools far from the national grid and will continue to develop its innovative biomass energy initiative in Riberalta. These models of environmentally friendly energy production should be expanded, and this would be done with adequate funding.

o Finally, the Environment SOT wants to explore ways to better integrate environmental concerns into the activities of the Mission's other SOs, an exercise that could generate broader lessons learned for the Agency, and to better document the "people-level impacts" of our environmental program. This effort, too, will require modest additional resources to fully accomplish.

Both the outstanding development opportunities that Bolivia offers to USAID and the excellent performance of the Environment SO, indicate that funding levels for FY 1997 and FY 1998 should be provided at the levels requested.

**B. Program Management Requirements: Operating Expenses (OE) and Staffing**

USAID/Bolivia has accommodated a significant reduction in OE resources over the past few years through prudent management of discretionary funds, by developing more cost-efficient operational procedures, and through unfailing adherence to a serious downsizing plan. This has been achieved while continuing to provide a variety of services to six LAC missions. However, there is a limit beyond which OE resources simply cannot be reduced any further in the short run; USAID/Bolivia has clearly reached that point. Although the budgets presented in Table 4 provide for a 2% reduction in each successive year after FY 1996 as required in the R4 instructions, the mandated levels were reached by mortgaging funding for salaries in the out years, by greatly underfunding projected inflation and FSN salary increases, and by limiting discretionary funding to levels which likely will not be sustainable.

Annual OE levels have fallen from \$6,029,000 in FY 1994 to \$5,257,300 in FY 1996 (13%), while salary and inflation costs have increased dramatically. Reducing discretionary expenditures and downsizing cannot continue to accommodate cuts of this magnitude. In reality, discretionary funding available to the Mission for activities such as training, travel, maintenance, NXP, supplies, communications, etc., represents less than 15% of the annual budget. Creative management of these funds has its limits. The majority of our OE funding goes towards non-discretionary items which we have no choice but to fund. Downsizing is not the answer in the short run, as it actually increases costs during the year in which it is implemented. For example, the Mission disbursed \$325,000 in FY 1995 to release 11 employees more than it would have cost to continue carrying them on the payroll through the entire year.

In February 1996, the Mission received the results of the first full FSN wage survey conducted in more than five years. The recommended increases were far more than expected, ranging from 14% to 40% per FSN grade, retroactive to the beginning of the fiscal year. As 15 months had elapsed since the last FSN wage increase, the Mission was under enormous pressure to identify the resources needed. Funding limitations forced us to negotiate 2 to 4 percentage point reductions from the recommended grade increases, as well as reductions and shortened retroactivity for the allowances portion. Nonetheless, we still came up short, despite an additional \$150,000 provided by the Bureau. Many of the cuts reflected in Table 4 are admittedly inadvisable and unrealistic, but there were no options left to the Mission given Washington's directive.

**FY 1996 - \$5,386,300 (OYB):** To reach this level and still fund the FSN wage increase, the Mission was forced to limit NXP to that which is essential to implementing the NMS (\$77,000); reduce funding for supplies, communications, travel, and utilities below FY 1995

levels; cut anticipated contractual services by more than 50%, and; reduce funding for PSC employees from a full year to 11.5 months (this is possible due to FY 1995 forward funding of PSCs).

This budget does not include funding for FAAS or ICASS. We are assuming that since the FY 1995 FAAS cost of \$129,000 was funded by Washington, a comparable amount will be passed to the Mission as additionality, given new instructions requiring the field to pay FAAS/ICASS costs directly beginning in FY 1996.

**FY 1997 - \$5,152,200 (OYB):** The effect of the FY 1996 FSN wage increase repeats itself in FY 1997. In order to reach a planning level 2% below FY 1996, the Mission was forced to disregard inflation on recurring costs, move forward targeted downsizing, and, budget for unrealistic reductions to discretionary line items. Beyond these measures, funding for FSN/DHs was also reduced to 11.5 months, while funding for FSN salary increases was limited to 5% (the FY 1997 salary survey will likely result in a recommended increase of 8% to 10%, which USAID will not be able to fund under this OYB scenario). The repercussions of denying a survey-based FSN increase, should it come to that, will be extremely difficult to manage within the Embassy community.

In addition to the above, funding for 13th month and Christmas bonuses mandated by Bolivian labor law will have to be deferred until FY 1998. This is a one-time savings, which significantly understates the real cost of compensating FSN employees in a given fiscal year. Normally, bonuses are funded in the year which they are earned. To realize this one-time savings, we will fund calendar year 1997 bonuses in December, using FY 1998 funds. This reduces FY 1997 personnel costs by \$270,000. Thereafter, bonuses must be funded each December following the fiscal year in which they are earned.

In reality, we believe funding under the above scenario will fall short of actual needs by \$300,000 to \$400,000, given inflation, the need for more discretionary funding, and the obvious need to provide for fair FSN compensation. The Mission has advised the Bureau Controller of this situation in anticipation of relief in FY 1997.

The Mission's FY 1997 budget does not include funding for FAAS/ICASS, which we are estimating at \$125,000. To date, USAID has been unable to seriously plan for ICASS, as the Embassy just recently received its preliminary guidance from the Department of State. The best we can do at this juncture is provide assurance that every effort will be made to limit ICASS funding to the level allocated for FAAS in FY 1995. Also, we will ensure that program funds are charged whenever appropriate.

**FY 1998 - \$5,049,100 (OYB):** To meet this FY 1998 planning level, the Mission again limited the annual FSN increase to 5%, reduced or straight-lined the cost of most office operations for a third

consecutive year, reduced planned NXP by 50%, provided for further downsizing, and, reduced funding available for U.S. and FSN PSCs from 12 months to 10.5 months (this will effectively eliminate the forward funding cushion created prior to FY 1996, when the Mission was able to fund PSCs up to 90 days beyond a given fiscal year). Obviously, the real cost of maintaining our staff in FY 1998 is greatly understated in this FY proposal, since funding only 10.5 months of salaries reduces personnel outlays by more than \$600,000.

Beyond the \$600,000 shortfall in the real cost of maintaining Mission personnel a full year, the additional cuts proposed to meet this planning level may also prove unmanageable. We will likely experience a shortfall in the range of \$350,000 in FY 1997, despite the shortened FSN funding period. In addition, it is critical that USAID/W understand that we cannot capitalize on prior-year forward funding beyond FY 1998. Thereafter, the annual OYB will have to increase significantly in order to fund a full twelve months of personnel costs.

The FY 1998 planning budget does not include \$120,000, which we estimate will be needed for FAAS/ICASS.

Beyond the budgetary difficulties expressed thus far, the Mission must again advise the Bureau of a potentially serious liability that may develop within the next twelve months. The Embassy has been working on a permanent FSN retirement plan, which will be going out for bid in the near future. The plan will likely be modeled after the CSR system. If it calls for a 6% to 8% USG contribution for all prior year service, the cost could run as high as \$2,200,000 for USAID.

It is too early to speculate on what the final plan will look like, or as to the manner in which retroactive service will be addressed. It may be funded over a number of years, subject to reduced contributions and benefits, or cut off at some pre-determined year. These questions, and the cost implications, should be answered in the near future.

It also should be noted that these R4 budgets include \$160,000 per year for regional support to the missions in Chile, Brazil, Paraguay, Colombia, Peru, and Ecuador. In reality, the annual cost of this support is far greater than \$160,000, with the lion's share being absorbed by USAID/Bolivia's bilateral budget.

As reflected in the Table 4 staffing levels, USAID/Bolivia has initiated a well conceived downsizing plan, which will take us from a high of 225 employees in FY 1995 to a projected level of 161 by the end of FY 1997. This represents a nearly 30% reduction over a three-year period, an initiative of which -- while painful -- the Mission is justifiably proud. We would not, however, recommend accelerating the downsizing process in response to the current budgetary constraints. This would involve significantly higher

costs during this R4 period, and would undoubtedly compromise our ability to effectively implement the Mission's approved strategic objectives at the program levels discussed in this document.

### C. Field Support from USAID/Washington

**Economic Opportunity Field Support:** The Economic Opportunities Strategic Objective has received significant support and collaboration from USAID/W in the past two years. We believe that the future impact of our program will depend on continuing and strengthening this relationship.

USAID is currently executing a substantial \$1.2 million buy-in to the Microserve project. The buy-in, scheduled to last through FY 1998, will be critical to the implementation of the Microfinance project by providing short-term technical assistance to several of Bolivia's high potential microfinance institutions. After making excellent use of APPLE and PRIME funding to strengthen microfinance and microenterprise programs such as SARTAWI, FIE, PRODEM and Pro Mujer, USAID hopes to continue accessing PRIME funding over the next three years. Tentative plans for FY 1996 include a request to provide financing for technical assistance to credit unions.

USAID currently has three Free Market Development Advisors making solid contributions to two local NGOs. We believe this program is well managed and provides good long-term technical assistance at a low price. USAID representatives, in discussion with USAID/W and Institute for International Education staff, have expressed interest in applying for FMDAs in 1996.

Bolivia has profited greatly from USAID/W's Bond Guarantee Program. Guarantees to three commercial banks and to BancoSol have helped move millions of dollars in credit to small and microenterprises. In mid-1995, USAID staff initiated discussions with Global Bureau staff about a possible municipal bond guarantee program for the city of Santa Cruz. Although the idea has not been fully developed, we want to keep the door open for this potentially interesting initiative.

In addition, USAID appeals to the Economic Growth Center for more information about best practices. As a worldwide center for technical information, the Global Bureau is perfectly positioned for this role. USAID is most interested in lessons learned in the microenterprise (both finance and training), export and investment promotion, and NGO strengthening fields. We would also urge the Economic Growth Center to develop and update a list of high quality consultants in these fields. This would be a great resource to USAID.

The LAC TECH Project has been an invaluable source of solid technical assistance to USAID in support of P.L. 480 Title II activities and in efforts to move several of the CORDEP supported

entities toward self-sufficiency. In Title II this assistance has been essential to the development of the GOB's Food Security Strategy and in assistance to our cooperating NGOs in the development of their programs in line with that strategy. Continuation of this support is extremely important both for the Food Assistance programs and in moving cooperating NGOs and producers' associations to less financially vulnerable and more sustainable operations. USAID sees a real opportunity to move IBTA/Chapare well along this road in FY 1997 but will require technical assistance from LAC TECH to do this.

USAID is striving to support a GOB and World Bank-proposed agricultural research foundation with local currency from early P.L. 480 Title III programs. Global Bureau liaison with the World Bank has been particularly helpful in coordinating this initiative with continuing Bank support for agricultural research in Bolivia. Participation by the G Bureau Research Specialist in World Bank missions to Bolivia will greatly increase the chances of success for a promising collaborative effort.

**Democracy Field Support:** The Democracy SO has not required significant levels of Washington support, but that which was provided was useful and timely. With support from the G Bureau's Center for Democracy and Governance, USAID hosted a Latin America Regional Conference on Modernization of Legislatures in Santa Cruz in February. The conference was a major success and appears to be the first example of a field-generated idea for which G/DG entered into an implementation partnership. USAID also benefitted from the assistance of a G/DG expert on gender issues who assisted in the development of the Democracy Results Framework and in a review of the democracy activities portfolio. USAID will continue to pursue opportunities for useful interactions with G/DG.

**Health and Population Field Support:** Unlike many bilateral programs of its size, the Bolivia population program has no institutional contractor in country. All of the technical assistance for the project comes from Global PHN Center Cooperating Agencies. Over the past five years, over \$14.5 million in technical assistance has been provided by the Cooperating Agencies. The child survival program has also received substantial technical assistance from PHN Center projects, particularly in recent years.

In 1997 and 1998, the Global Field Support requirement for population activities ranges from nearly \$8 million (Scenario 1) to \$5.6 million (Scenario 2). The services required are the essential building blocks of the program: contraceptives; logistics support for contraceptive storage and distribution; international fellows to help manage the program; operations research; policy support for the GOB; technical assistance in management; communication; and clinical training for providers. Some Global technical assistance projects working in Bolivia are exclusively devoted to gender issues, such as the Women's Studies Project, but all assistance in the areas of

training, research, communication, and policy support is programmed for maximum impact on women's health.

The Child Survival Field Support requirements for 1997 and 1998 (\$1.2 million, Scenario 1 to \$.6 million, Scenario 2) provide key technical assistance in social marketing, operations research, communication, training, development of norms, and community mobilization. All of this technical assistance is specifically tailored to interventions that produce the greatest impact in the reduction of maternal, infant, and child mortality.

**Environment Field Support:** Global and LAC Bureau field support funds have played an important role in achieving the Environment SO. LAC's Parks in Peril (PIP) Program, for example, has been instrumental in establishing an effective management presence in some of Bolivia's most important national parks, helping to conserve a wealth of biological diversity. PIP support will be required to maintain momentum in this area and to help local groups increase their capabilities for effective park and protected area management. The Environmental Support Project has provided important assistance, most recently for an assessment of biological diversity in key wetland areas (implemented by the NGO Wetlands for the Americas).

Similarly, LAC and G bureau contributions to the Global Environmental Facility (GEF) have been critical to the Mission's renewable energy activities. Bolivia continues to offer outstanding opportunities for expansion of innovative renewable energy technologies and the Mission will aggressively pursue any opportunities for G support in this area.

Support from the G Bureau increased substantially in 1995 through USAID funding for the Environmental Planning and Management II Project (EPM II) with the World Resources Institute (WRI). This has enabled USAID to continue to play a lead role in helping Bolivia plan for its Hemispheric Conference on Sustainable Development. WRI has been instrumental in advancing conference planning and continues to serve as the "think tank" on conference issues. USG follow-up to conference initiatives would almost certainly require continued support from EPM II in 1997, and such support would be sought if funding levels permitted.

A combination of Environmental Initiative for the Americas and Mission funding to the G Bureau's Pollution Prevention Program (EP3) also has played an important role in strengthening USAID's Environment SO. So far 16 industries, from textiles and tanneries to paints and finishings, with others expressing interest for the future, have expressed their enthusiasm to voluntarily open their doors to EP3's new initiative in Bolivia.

Additional support also will be provided by the Biodiversity Support Program to finance a community-mapping exercise in the Chaco. This will lay the foundations for developing wildlife management plans

for selected species and will play a major role in development of the new Chaco program. The Forest Resources Management II Project has also been responsive, most recently providing technical assistance to help Bolivia address problems associated with widespread forest burning.

Technical field support from the LAC Bureau's environmental staff continues to play an important role in the preparation and approval of all Mission IEEs and EAs. Finally, the SOT's virtual team members (including staff in G and LAC) have enriched the SO's Results Framework and its accompanying narrative. Their active participation is greatly appreciated.

## Annex 1

**ALL RESOURCES TABLE  
USAID/BOLIVIA  
(\$000)**

Funding Category	FY 1996*	FY 1997	FY 1998	
		Base**	Base**	Base -10%
<b>Development Assistance/ ESF</b>				
<b>Economic Growth</b>	10,800	11,316	10,500	10,300
Of which: Field Support ***	100			
<b>Democracy</b>	5,000	7,280	5,760	5,234
Of which: Field Support ***	150	88	50	45
<b>Population/Health</b>	15,521	16,520	15,520	14,068
Of which: Field Support ***	5,400	5,750	6,170	5,553
<b>Environment</b>	3,000	5,300	4,000	3,600
Of which: Field Support ***	140	1,000	450	
<b>PL480:</b>				
<b>Title II</b>	18,580	17,900	17,900	17,900
<b>GRAND TOTAL</b>	<b>52,901</b>	<b>58,316</b>	<b>53,680</b>	<b>51,102</b>

\* The FY 1996 level is from operating bureau allocations based on 75 per cent of the FY 1996 CP request level, except for PL480 programs for which appropriations have been enacted.

\*\* Base is defined as operating bureau allocations based on the FY 1997 OMB request level. State 36070.

\*\*\* Refers to all Field Support -- both Global-obligated and Mission-obligated.

<b>Annex 2</b>				
<b>Funding Scenarios by Objective</b>				
<b>(000)</b>				
<b>OBJECTIVE</b>		<b>FY 1997</b>	<b>FY 1998</b>	
	<b>FY 1996 *</b>	<b>Base**</b>	<b>Base **</b>	<b>Base - 10%</b>
<b>Strategic Objective # 1: (E.G.)</b>	21,900	22,016	21,200	21,000
Development Assistance	2,300	4,316	2,000	1,800
Economic Support Funds	8,500	7,000	8,500	8,500
PL480: Title II	11,100	10,700	10,700	10,700
<b>Strategic Objective # 2 : (DEM)</b>	5,000	7,280	5,760	5,234
Development Assistance	4,500	5,280	5,260	4,734
Economic Support Funds	500	2,000	500	500
PL480: Title II				
<b>Strategic Objective # 3 : (P.H.N.)</b>	23,001	23,720	22,720	21,268
Development Assistance	14,521	15,520	14,520	13,068
Economic Support Funds	1,000	1,000	1,000	1,000
PL480: Title II	7,480	7,200	7,200	7,200
<b>Strategic Objective # 4 : (ENV)</b>	3,000	5,300	4,000	3,600
Development Assistance	3,000	5,300	4,000	3,600
Economic Support Funds				
PL480: Title II				
<b>TOTAL</b>				
Development Assistance	24,321	30,416	25,780	23,202
Economic Support Funds	10,000	10,000	10,000	10,000
PL480: Title II	18,580	17,900	17,900	17,900
<b>GRAND TOTAL</b>	52,901	58,316	53,680	51,102

\* The FY 1996 level is from operating bureau allocations based on 75 per cent of the FY 1996 CP request level, except for PL480 programs for which appropri

\*\* Base is defined as operating bureau allocations based on the FY 1997 OMB request level. State 36070.

**Annex 3**  
**GLOBAL FIELD SUPPORT**

Mission: Strategic Objective	Field Support: Activity Number & Title	Priority	Duration	Estimated Funding (\$000)									
				FY 1996*		FY 1997		FY 1998		FY 1998			
				Obligated by :		BASE ** Obligated by :		BASE ** Obligated by :		BASE - 10% Obligated by :			
				Global Bureau	Operating Unit	Global Bureau	Operating Unit	Global Bureau	Operating Unit	Global Bureau	Operating Unit		
S.O.1: Expanded Economic Opportunities and Access	936-4215 Agricultural and Natural Resources Management	High	96-97	100									
S.O.2: Improved Effectiveness of Key Democratic Institutions	598-0806 AIFLD	Medium High	91-97	100		38		0				0	
	936-1421 Peace Corps	Medium High	90-98	50		50		50				45	
S.O.3: Improved Family Health throughout Bolivia	936-3023 Demographic & Health Surveys II	High	93-99			50		500				450	
	936-3038 Family Planning Logistics Management	Medium High	90-00			50		50				45	
	936-3052 Population Communication Services (PCS II)	High	90-00	800		800		800				720	
	936-3054 International Population Fellows Program	High	90-00	200		100		100				90	
	936-3055 Family Planning Mgmt. Development (FPMD)	Medium	90-00			100		100				90	
	936-3057 Central Contraceptive Procurement	High	90-00	600		1000		1000				900	
	936-3058 CARE	Medium-High	95-00	800		600		500				450	
	936-3060 Family Planning Womens Studies	Medium-High	95-00			50		50				45	

**Annex 3  
GLOBAL FIELD SUPPORT**

Mission: Strategic Objective	Field Support: Activity Number & Title	Priority	Duration	Estimated Funding (\$000)							
				FY 1996*		FY 1997		FY 1998		FY 1998	
				Obligated by :		BASE ** Obligated by :		BASE ** Obligated by :		BASE - 10% Obligated by :	
				Global Bureau	Operating Unit	Global Bureau	Operating Unit	Global Bureau	Operating Unit	Global Bureau	Operating Unit
	936-3061 Initiatives in Natural Family Planning	Medium	90-00	1000		50		50		45	
	936-3062 Family Planning Services (Pathfinder)	High	90-00			1000		1000		900	
	936-3069 JHPIEGO	Medium	90-00			100		100		90	
	936-3070 Population Leadership Fellowship	High	90-00			100		100		90	
	936-3073 Adolescents	Medium High	97-00			200		200		180	
	936-3078 Policy Project	High	90-00	100		200		200		180	
	936-3079 Family Health International (F.H.I.)	High	95-00	150		200		200		180	
	936-5122 Program to Erad. Micronutrient (OMNI)	High	95-00	50		50		50		45	
	936-5966-03 Mothercare /JSI	Medium High	90-00	500		500		500		450	
	936-5991-02 DDM Harvard (Policy Tech.)	High	95-00	150		50		50		45	
	936-5994-03 Environmental Health	Medium High	95-00	150		50		20		18	
	936-6006-03 Basic Support for Inst. Child Survival	High	95-00	700		400		500		450	

**Annex 3  
GLOBAL FIELD SUPPORT**

Mission: Strategic Objective	Field Support: Activity Number & Title	Priority	Duration	Estimated Funding (\$000)							
				FY 1996*		FY 1997		FY 1998		FY 1998	
				Obligated by :		BASE **		BASE **		BASE - 10%	
				Global Bureau	Operating Unit	Global Bureau	Operating Unit	Global Bureau	Operating Unit	Global Bureau	Operating Unit
	936-5974.13 Partnership in Health Reform (PHR)	High	96-00	200		100		100		90	
S.O.4: Reduced Degradation of Natural Resources and Protected Biodiversity	936-5554 Conservation of Biological Diversity	High	95-97	140		100					
	936-5559 Environmental Pollution Prevention	Medium High	95-99			150					
	598-0782-04 Parks in Peril	High	95-00			250		250			
	936-5562 Environmental Planning & Management EPM II	High	95-98			350		100			
	936-5730 Renewal Energy Application and Training	Medium	95-98			150		100			
<b>GRAND TOTAL.....</b>				<b>5790</b>		<b>6838</b>		<b>6670</b>		<b>5598</b>	

\* The FY 1996 level is from operating bureau allocations based on 75 per cent of the FY 1996 CP request level, except for PL480 programs for which appropriations have been enacted.

\*\* Base is defined as operating bureau allocations from the FY 1997 OMB request level. State 36070.

**TABLE 4**  
**USAID/Bolivia**  
**OE Funding Requirements**  
**(000)**

<b>OE Trust Funded Levels</b>			
<b>By Major Function Code:</b>	<b>FY 96</b>	<b>FY 97</b>	<b>FY 98</b>
U100 U.S. Direct Hire	289.6	423.4	316.7
U200 F.N. Direct Hire	979.3	862.8	1017.0
U300 Contract Personnel	2602.5	2398.0	2272.4
U400 Housing	487.5	520.4	515.7
U500 Office Operations	821.4	798.3	827.3
U600 NXP Procurement	77.0	149.3	100.0
Total Mission Funded	*	**	**
OE/TF Costs	5257.3	5152.2	5049.1
Of which TF Funded	1600.0	1600.0	1600.0

- Must not exceed FY 96 OE levels provided by LAC/DPB.
- \*\* Should not exceed reduced levels provided by LAC/DPB.

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<b>MISSION STAFFING REQUIREMENT - AS OF 10/1 EACH FY</b>																		
	<b>FY 96</b>						<b>FY 97</b>						<b>FY 98</b>					
	USDH	USPSC	TCNPSC	FSN	Other	Total	USDH	USPSC	TCNPSC	FSN	Other	Total	USDH	USPSC	TCNPSC	FSN	Other	Total
Total Authorized	24	12	0	178	1	215	20	10	0	154	1	185	18	8	0	134	1	161
of which Program funded	0	4	0	41	1	46	0	5	0	36	1	42	0	4	0	23	1	28

\*May not exceed USDH on-board position level provided by LAC/DPB.

## V. Special Issues

### A. Graduation/Exit

Bolivia is one of the poorest countries in Latin America, an Agency sustainable development emphasis country, and an unlikely candidate for early graduation from USAID support. With four Strategic Objectives that track the Agency goals of economic growth, democracy, health and population, and environment, USAID is well poised to make a significant development impact in Bolivia for years to come.

Not only are USAID activities in Bolivia achieving measurable success in each of the four strategic objective areas, many serve as models for other USAID field missions to emulate. Examples range from an effective and proven alternative development program (CORDEP), an innovative microfinancial services program for the poor (BancoSol), a successful nontraditional export program (BOLINVEST), a nationwide Follow-on Program that encourages and involves returned USAID-funded participants as change agents in Bolivia's development, one of Latin America's successful sustainable health care programs (PROSALUD), a network of health and population NGOs (PROCOSI), an effective AIDS/STD awareness and prevention program, innovative democracy strengthening and citizen participation activities, to state-of-the-art environmental programming, including a unique debt-for-development program under the Enterprise for the Americas Environment Initiative. There are many other examples. A dedicated staff committed to national and regional sustainable development through the provision of technical, legal, contracting, and controller services throughout South America makes USAID/Bolivia a strong and effective Agency presence in the region.

### B. Gender

We believe, in part thanks to TDYs from LAC and G Bureau WID coordinators, that this R4 submission adequately reflects the reality on the ground for all USAID-funded programs in Bolivia, a reality that includes gender considerations in all aspects of design, implementation, and evaluation of USAID activities. We consider attention to gender issues fundamental to the success of our programs, and those of other donors, our NGO/PVO partners and the Government of Bolivia. For this reason, USAID consistently seeks positive gender impact in all aspects of our own programming and insists that our customers, partners, and stakeholders keep gender issues on the front burner at all stages of the development planning process. For example, USAID insistence that girls' and women's education be a major focus of the GOB's Education Reform effort is finally being taken seriously by the World Bank and IDB-led initiative.

Through specialized technical support, the Mission has helped the GOB develop serious socioeconomic information systems with national coverage and disaggregation by sex and ethnic group. This represents an excellent decisionmaking tool to the central and local governments in their public investment and action plan decisions. Bolivia is now in an excellent position to improve its reforms and incorporate women and ethnic groups into the development process of Bolivia.

These information systems were complemented by studies and pilot projects demonstrating the usefulness of the information, with emphasis on girls' school attendance and accessibility in direct support to the Education Reform. Similar recommendations were made in the areas of health, housing and basic services, with special attention to women and ethnic groups.

At the Mission level, a Gender Resources Team was formed with the purpose of gathering and sharing information about gender, identifying areas in each of the SOs where gender is or should be a consideration, and to work with each SOT to plan, implement and monitor activities in such a way that gender is incorporated into results and all activities.

#### C. New Partnership Initiative (NPI)

USAID/Bolivia moved quickly to comply with the Agency's New Partnership Initiative announced by Vice President Al Gore only a year ago on March 12, 1995, and communicated to field missions in late June. In July, USAID drafted a USAID-PVO/NGO consultation plan and began immediate implementation. The plan called for the creation of an ad hoc NGO Assessment Team (NAT) made up of Mission personnel to study and make recommendations pertaining to a six point program (described below) to lead to better USAID-PVO/NGO relations.

Whereas the Agency reported that 27.7 percent of development assistance funding worldwide was through PVOs/NGOs (including Cooperating Agencies) using FY 1994 as a base, USAID/Bolivia reported PVO/NGO involvement in more than 53 percent of its development assistance funding for the same year. The Agency NPI goal is 40 percent. USAID/Bolivia is obviously well ahead of most missions in supporting and collaborating with PVOs/NGOs.

The ad hoc NAT initially met weekly to discuss the NPI prospectus and to prepare the groundwork for a mission-wide USAID-PVO/NGO consultation process. As an operating assumption, the NAT considered its deliberations to be consistent with and complementary to the Mission's reengineering efforts, and fully expected its findings and recommendations to feed into the overall reengineering roadmap. As a key input to the reengineering training effort, the NAT felt it important to help the Mission's Core Strategic Objective Teams to define both the

audience and the agenda for meetings with NGO/PVO partners. These assumptions proved correct, and the work of the ad hoc NAT was soon transferred to the Mission's four SO teams for continuity and follow up.

The results of the USAID's initial NPI deliberations are summarized as follows.

(a) Criteria was developed to assist the Mission's core SOTs better evaluate the institutional strengths and comparative advantages of U.S. PVOs and local NGOs in planning and implementing development objectives.

(b) A comprehensive and tentative listing of PVOs/NGOs was identified to assist core SOTs in planning and implementing its development activities in Bolivia.

(c) Guidance was developed to assist in the oral presentations on reengineering, strategic objectives and development planning issues eventually presented to partner PVOs/NGOs.

(d) Assistance was provided to all four SOTs in organizing meetings of the expanded SOTs, which brought many NGOs/PVOs into USAID's strategic planning process for the first time.

(e) Recommendations were made, again at the SO level, on how to go about selecting NGOs for in-depth consultations and full membership in USAID's strategic planning process.

(f) Advice was offered to core SOTs and reengineering trainers on the development of structured consultation mechanisms and methods for the longer term relationship.

#### D. PL 480 Title II Cooperating Sponsor R2 Submissions

As instructed by BHR/FFP on December 8, 1995 the four PL 480 Title II Cooperating Sponsors (Food for the Hungry (FHI), Project Concern International (PCI), the Adventist Development and Relief Agency (ADRA), and CARITAS Boliviana prepared detailed R2 reports in conformance with USAID/W's Food Security Policy Paper, the GOB's draft Food Security Strategy and the Mission's Strategic Objectives. The Cooperating Sponsors took this task seriously and expended considerable effort in developing quality R2 reports which demonstrate the impact obtained through the utilization of Title II resources in combination with Mission funds, USAID/W funding, other donor programs, and their own resources. In anticipation of submitting the R2 report to USAID/W, the Mission conducted a formal review of the R2 reports with each of the Cooperating Sponsors. Subsequent to these reviews, the Cooperating Sponsors addressed the Mission's concerns in their final R2 reports, translated them into English and resubmitted

them to USAID/B. Although the Mission was advised by BHR/FFP on February 16, 1996 that these reports were no longer required by USAID/W, most of the results of the Title II R2 reports were integrated into the Mission's R4 Report under the Family Health and Economic Opportunity SOs. The following table summarizes the results achieved under the Mission's Title II Program during FY 1995.

**PL-480 TITLE II PROGRAM**

**FAMILY HEALTH STRATEGIC OBJECTIVE**

INTERVENTION	NO. OF BENEFICIARIES			RESULTS	BASELINE	ACTUAL
	Mothers	Pre-School Children	Total		1994	1995
CHILD SURVIVAL	16,628	26,381	43,009	1. Infant Mortality (Death of Infants 0-12 months per 1,000 Live Births)	126	104
				2. Prevalence of malnutrition in Children under Five.	35%	30%
BASIC SANITATION	Number of Families Benefitted		73,983	Reduction in incidence of intestinal diseases within sample of 11,400 households	-	4%

**ECONOMIC OPPORTUNITIES STRATEGIC OBJECTIVE**

INTERVENTIONS	TARGET POPULATION	PLANNED 1995	ACTUAL 1995	RESULTS	BASELINE 1994	ACTUAL 1995
Municipal Community Development (FFW)	Temporary jobs created in person months	232,260	393,100	Increase in Value of Community Infrastructure	-	\$23 m.
School Feeding	Number of Children Served	212,096	200,000	Drop Out Rate	10%	3%
Agricultural Production	Number of Families Benefitted	22,000	25,000	Annual Family Income*	\$250	\$470

\* The benefits resulting from agriculture production are a result of diverse and overlapping intervention such as: crop production, micro irrigation, and access roads. The increases in family income reported here are due to crop production only.

Source: Food for Hungry, Project Concern International, Adventist Development and Relief Agency, and CARITAS R2 Submissions, February 1996.

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INFO OFFICE(S): AAG AALA BHR FFP FVPP GAPS GC GPP ICIS IG  
IGII IRMO LADP LASA LBEG LENV LRSD MB OFDA  
OPA OPCC OPE OPOD OPPI OPTR POP PPDC PPSF  
PVC STAG STN  
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INFO LOG-00 AGRE-00 ARA-01 INL-02 TEDE-00 /003R

DRAFTED BY: AID/LAC/SPM:GBERTOLIN:GB:BOL\95APDAC8.CAB  
APPROVED BY: AID/AA/SPM:MLSCHNEIDER  
AID/LAC/SPM:ERUPPRECHT AID/LAC/DPB:DCHIRIBOGA (DRAFT)  
AID/LAC/SAM:WTATE (DRAFT) AID/DAA/LAC:EZALLMAN  
STATE/INL/A:RBUCK (DRAFT) AID/DAA/LAC:RDAUBON  
AID/LAC/RSD:WNILSESTUEN (DRAFT) STATE/ARA/AND:TTORRANCE(DRAFT)  
AID/LAC/DPP:RMEEHAN (DRAFT) DATE: 4/03/95  
AID/GC/LAC:SALLEN (DRAFT) DATE: 3/27/95  
AID/PPC/PC:VCUSUMANO (DRAFT) DATE: 4/26/95  
AID/G/PDSP:GSTANDROD (DRAFT) DATE: 3/31/95  
AID/BHR/FFP:RKRAMER (DRAFT) DATE: 5/03/95  
AID/M/B:BGREENE (DRAFT) DATE: 4/28/95

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TAGS:  
SUBJECT: FY 96-97 ACTION PLAN FOR BOLIVIA

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1. THE FY 96-97 ACTION PLAN FOR BOLIVIA WAS REVIEWED ON MARCH 23, 1995. THE DAEC WAS CHAIRED BY AA/LAC MARK SCHNEIDER. IN ATTENDANCE WERE REPRESENTATIVES FROM BHR, M, STATE/INL, THE PEACE CORPS AND ALL APPROPRIATE LAC OFFICES. THE AA/LAC COMPLIMENTED THE MISSION ON THE QUALITY OF THE ACTION PLAN. THE USAID ACTING DIRECTOR, LEWIS LUCKE, AND STAFF MEMBERS OLIVIER CARDUNER AND GENE SZEPESEY PRESENTED THE ACTION PLAN. THE ACTION PLAN WAS APPROVED BY THE BUREAU, SUBJECT TO THE GUIDANCE PROVIDED BELOW.
2. CORRUPTION. CONCERN WAS EXPRESSED WITH THE PERVERSIVE PROBLEM OF CORRUPTION AND ITS POTENTIAL NEGATIVE IMPACT ON THE SUCCESS OF USAID-SUPPORTED PROGRAMS. THE MISSION CATALOGUED THE WIDE RANGE OF ANTI-CORRUPTION ACTIVITIES THE MISSION IS SUPPORTING. IT WAS AGREED THAT THE MISSION IS DOING MUCH IN THE ANTI-CORRUPTION AREA. THE MISSION WAS ENCOURAGED TO INVESTIGATE POSSIBILITIES OF PUBLIC AWARENESS CAMPAIGNS TO INCREASE PUBLIC DEMAND FOR ACCOUNTABLE, RESPONSIVE AND "CLEAN" GOVERNMENT. THE MISSION WAS ALSO ASKED TO REPORT ON PROGRESS IN THE ANTI-CORRUPTION EFFORT IN THE NEXT ACTION PLAN. CONSIDERATION OF AN ANTI-CORRUPTION ACTIVITY WAS SUGGESTED.

3. MALNUTRITION AND FOOD SECURITY. CONCERN WAS NOTED THAT MALNUTRITION AMONG CHILDREN AGED 3-36 MONTHS HAS INCREASED FROM 1989 TO 1994. THIS RAISED THE LARGER QUESTION OF FOOD SECURITY. THE MISSION WAS INSTRUCTED TO ASSESS THE

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FOOD SECURITY SITUATION IN ORDER TO ASSURE THAT FOOD ASSISTANCE MECHANISMS AND APPROACHES ARE APPROPRIATELY TARGETED, INTER ALIA, TO ADDRESS BOLIVIA'S MALNUTRITION PROBLEMS, INCLUDING THE GEOGRAPHIC AREAS IN GREATEST NEED OF FOOD ASSISTANCE. THE MISSION WILL DRAW ON THE RESOURCES OF LAC/RSD-BBEG AND BHR, PVOS AND THE GOB TO CONDUCT THIS ASSESSMENT WHICH IN LARGE PART CAN BE BASED ON THE SUBSTANTIAL DATA ALREADY AVAILABLE TO THE MISSION ON THE SUBJECT. THE ASSESSMENT WILL THEN INFORM MISSION AND WASHINGTON JUDGMENTS/APPRISALS OF TITLE II DPPS CURRENTLY BEING PREPARED BY SPONSORING AGENCIES AND MAY RESULT IN SOME REFOCUSING OF FOOD ASSISTANCE STRATEGY IN CERTAIN REGIONS AND TOWARD DIFFERENT ASSISTANCE MODALITIES. ONE POSSIBLE AVENUE TO BE EXPLORED INCLUDES DEVOTING A PORTION OF THE TITLE II RESOURCES TO MCH PROGRAMS. THE MISSION, LAC AND GIS OFFICE OF HEALTH AND NUTRITION WILL ALSO INVESTIGATE WAYS TO BETTER INTEGRATE THEIR PROGRAMS TO COMBAT THIS PROBLEM.

CONCERN WAS ALSO EXPRESSED THAT THE MISSION SHOULD BE ABLE TO SHOW MORE EXPLICITLY THE RESULTS OF THE USG'S FOOD ASSISTANCE ON FOOD SECURITY. THE MISSION SHOULD ESTABLISH SOME FOOD SECURITY PERFORMANCE TARGETS. IN THIS WAY THE MISSION SHOULD BE ABLE TO DESCRIBE THE PROGRAM'S IMPACT ON FOOD SECURITY MORE FULLY IN FUTURE ACTION AND STRATEGIC PLANS. THE MISSION SHOULD ALSO REPORT ON WHAT THE GOB AND OTHER DONORS ARE DOING IN THIS SECTOR. IN SUMMARY, THE AA/LAC ASKED THAT THE MISSION SEEK TO (1) ESTABLISH A TIMELINE OF PERCENTAGE AND FUNDING IN REAL TERMS OF GOB RESOURCES FLOWING TO THE MOST VULNERABLE AREAS AND GROUPS;

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(2) SYNTHESIZE BETTER THE INFORMATION IT ALREADY HAD; AND  
(3) WITH TECHNICAL SUPPORT FROM USAID/W FOCUS MORE EXPLICITLY ON FOOD SECURITY AND MALNUTRITION.

SUBSEQUENT TO THE DAEC, BHR ADVISED THAT THEY AND PPC ARE DEVELOPING GUIDANCE FOR MISSIONS WISHING TO MAKE A CASE FOR SUSTAINED USE OF TITLE II AND TITLE III RESOURCES. THE IMPLEMENTATION GUIDANCE EMANATING FROM THE AGENCY'S NEW FOOD AID AND FOOD SECURITY POLICY PAPER IS EXPECTED TO REQUIRE A FOOD SECURITY OBJECTIVE AS PART OF A MISSION'S STRATEGIC PLAN.

4. G BUREAU BUDGETING AND FIELD SUPPORT. THIS YEAR HAS SEEN THE BEGINNING OF NEW AND SOMETIMES DIFFICULT PROCEDURAL, PROGRAMMATIC AND BUDGETARY WORKING ARRANGEMENTS WITH THE G BUREAU. IT WAS NOTED THAT SOME SUCH DIFFICULTIES ARE TO BE EXPECTED WITH A NEW ORGANIZATIONAL STRUCTURE. G BUREAU PERSONNEL AND THE MISSION REPRESENTATIVES MET DURING ACTION PLAN WEEK TO DISCUSS AND TRY TO PROVIDE A FIELD PERSPECTIVE OF THE EFFECTS OF THESE DIFFICULTIES.

5. STAFF LEVELS. SUPPLEMENTARY ACTION PLAN GUIDANCE ASKED THE MISSIONS TO SHOW THE IMPACT OF REDUCING THEIR STAFFING LEVELS TO 160 OVER THE NEXT TWO YEARS, THE MISSION MADE IT CLEAR THAT IF THIS REDUCTION IS REQUIRED, THERE WILL BE SERIOUS IMPLICATIONS FOR THE PROGRAM, INCLUDING THE TERMINATION OF AT LEAST ONE STRATEGIC OBJECTIVE AND A NEGATIVE IMPACT ON REGIONAL SUPPORT FROM LA PAZ.

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6. STRATEGIC PLAN. BOLIVIA WILL BE REQUIRED TO SUBMIT A NEW STRATEGIC PLAN NEXT YEAR UNDER THE REENGINEERED OPERATING SYSTEM. CONCERNS WERE RAISED ABOUT PRESENT ENVIRONMENTAL INDICATORS, THE ABSENCE OF GENDER-

DISAGGREGATED PERFORMANCE REPORTING AND DISCUSSION OF \ CROSS-LINKAGES, THE NEED FOR INTERIM PROXY INDICATORS IN PHN, AND LIMITED PEOPLE-LEVEL IMPACT REPORTING. THE MISSION WILL TAKE THESE CONCERNS INTO CONSIDERATION IN

PREPARING NEXT YEAR'S SUBMISSION.

7. BUDGET. USAID/BOLIVIA MADE THE CASE THAT IT IS FINDING IT INCREASINGLY DIFFICULT TO IMPLEMENT ITS LONG-TERM STRATEGY IN SUSTAINABLE DEVELOPMENT IN THE FACE OF SIGNIFICANT REDUCTIONS IN FUNDING LEVELS IN THE PAST FEW YEARS, THE INCREASING DEGREE OF RESTRICTIONS ON FUNDS THAT ARE AVAILABLE AND THE DAMAGE DONE TO ONGOING PROGRAMS BY SHORTFALLS IN LOCAL CURRENCY GENERATIONS FROM BALANCE OF PAYMENTS (BOP) SUPPORT PROGRAMS AND ELIMINATION OF THE TITLE III PROGRAMS. AA/LAC COULD OFFER NO IMMEDIATE SOLUTION TO THESE DIFFICULTIES, BUT DID SAY THAT BOLIVIA IS A HIGH PRIORITY FOR RECEIPT OF ADDITIONAL RESOURCES IF THE GOB MEETS COCA ERADICATION TARGETS. THE MISSION WAS ALSO ADVISED THAT THERE MAY BE SOME HOPE FOR RESTORING SOME PORTION OF THE TITLE III PROGRAM AND THAT IT SHOULD CONSIDER DEVELOPING SOME HIGH IMPACT PROPOSALS.

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8. COUNTERNARCOTIC FUNDING. THE INL REPRESENTATIVE EXPRESSED THE INL OFFICE'S SUPPORT FOR ALTERNATIVE DEVELOPMENT. INL CURRENTLY HAS DOLS 60 MILLION IN FY96 FUNDS BUDGETED FOR BOLIVIA OF WHICH IT PLANS TO TRANSFER

DOLS 30 MILLION TO USAID IF THESE FUNDS ARE APPORTIONED TO INL.

9. NEW ACTIVITY DESCRIPTIONS. THE FOLLOWING NEW ACTIVITY DESCRIPTIONS WERE REVIEWED BY THE DAEC.

PROJECT NUMBER	PROJECT NAME	LOP AMOUNT (DOLS 000)	RECOMMENDED ACTION
FY96 511-0638	INDIGENOUS RESOURCE MANAGEMENT AND BIODIVERSITY	5,000	APPROVE/DELEGATE
511-0639	BALANCE OF PAYMENTS	15,000	APPROVE/USAID/W
N/A	PL480 TITLE II	60,000	APPROVE/USAID/W
511-0607	SELF-FINANCING PRIMARY HEALTH CARE II AMENDMENT UNCLASSIFIED	10,500	APPROVE/DELEGATE
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511-0626	BOLIVIA ADMINISTRATION OF JUSTICE	14,000	APPROVE/DELEGATE
FY 97 511-0640	BALANCE OF PAYMENTS	23,000	APPROVE/USAID/W
511-0620	CHILD SURVIVAL PVO NETWORK II AMENDMENT	12,000	APPROVE/DELEGATE

A. AA/LAC COMMENTED ON THE INTEREST EXPRESSED BY VP GORE IN THE INDIGENOUS RESOURCE MANAGEMENT AND BIODIVERSITY PROJECT.

B. DURING THE DISCUSSION OF PROSALUD'S SUCCESS IN THE SELF-FINANCING OF PRIMARY HEALTH CARE PROJECT, AA/LAC

ASKED THE MISSION TO TRY TO IDENTIFY WAYS LESSONS FROM THE PROSALUD EXPERIENCE COULD BE TRANSFERRED TO PUBLIC SECTOR HEALTH AGENCIES.

C. WHILE NO PROJECT-SPECIFIC ISSUES WERE RAISED ON THE PROPOSED AOJ AMENDMENT, CONCERN WAS EXPRESSED THAT THE GOB PROVIDE SUFFICIENT BUDGET SUPPORT (THE TARGET IS 3 PERCENT OF THE NATIONAL BUDGET) TO THE JUSTICE SECTOR TO FINANCE  
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KEY INSTITUTIONS AND PROGRAMS ON A SUSTAINABLE BASIS.  
COORDINATED DONOR ACTION IS NEEDED TO MAKE THIS HAPPEN.  
WHILE USAID/BOLIVIA RELATIONS WITH THE IDB ARE EXCELLENT

ON THIS AND OTHER ISSUES, MISSION REPRESENTATIVES ACKNOWLEDGED THAT LAC COULD USEFULLY INTERVENE WITH THE WORLD BANK TO ENCOURAGE ITS MORE EFFECTIVE COORDINATION WITH USAID ON ITS SUPPORT TO THE JUSTICE SECTOR.

D. ALTHOUGH THE MISSION HAS THE AUTHORITY TO PROCEED WITH DEVELOPMENT OF NEW BOP PROGRAMS, THEY WERE CAUTIONED THAT FINAL DETERMINATION OF CN RESOURCES WILL DEPEND ON FUNDS AVAILABILITY AND BOLIVIAN ERADICATION PERFORMANCE.

E. IN ADDITION TO THE NADS APPROVED AT THE ACTION PLAN REVIEW, THE MISSION WAS ADVISED THAT IT SHOULD PREPARE AND SUBMIT AN OUT OF CYCLE NAD FOR AMENDMENT OF THE DRUG AWARENESS AND PREVENTION PROJECT NUMBER 511-0613. ALTHOUGH THE CURRENT GUIDELINES ON PROJECT DEVELOPMENT DO NOT SPECIFICALLY REQUIRE A NAD IN THIS CASE, PREPARATION OF A NAD FOR THIS AMENDMENT WAS DISCUSSED AT THE DAEC AND IS WARRANTED GIVEN THE FUNDING SOURCE

10. BASED ON DISCUSSIONS AMONG LAC/RSD, G AND MISSION PERSONNEL OUTSIDE THE FORMAL REVIEW PROCESS, THE FOLLOWING CLARIFICATIONS WERE PROVIDED AND ADJUSTMENTS WILL BE MADE

TO PERFORMANCE MEASUREMENT INDICATORS.  
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A) FAMILY PLANNING INDICATORS. THE MISSION AGREED TO MOVE THE NEW ACCEPTORS AND CYP INDICATOR TO THE PO LEVEL. THIS WILL ENHANCE THE LOGICAL FLOW OF THE STRATEGIC OBJECTIVES FRAMEWORK, WITH NEW ACCEPTORS AND CYP'S CLEARLY CONTRIBUTING TO THE ACHIEVEMENT OF CONTRACEPTIVE PREVALENCE INDICATORS.

B) CHILD MORTALITY INDICATOR. TO AVOID CONFUSION IN TRANSLATION AND FROM DIFFERENT DATA SOURCES, THE NAME OF THE CHILD MORTALITY INDICATOR WILL BE CHANGED TO "UNDER 5 MORTALITY RATE" AND THE DEFINITION CHANGED TO "DEATHS OF CHILDREN 0-4."

C) CHILDREN'S VACCINATION INDICATOR. IT WAS AGREED THAT TO SIMPLIFY REPORTING, AND BETTER BALANCE CHILD SURVIVAL INDICATORS AMONG INTERVENTIONS, THE NUMBER OF INDICATORS OF CHILDREN'S IMMUNIZATION STATUS WOULD BE REDUCED, USING ONLY DPT3. HOWEVER, IN LIGHT OF THE IMPORTANCE OF THE REGIONAL MEASLES ELIMINATION INITIATIVE, AA/LAC RECOMMENDS THAT THE MISSION TRACK TWO INDICATORS OF CHILDREN'S VACCINATION STATUS, MEASLES AND DPT3 COVERAGE.

D) EDUCATION OF GIRLS AND WOMEN (GWE). IT HAD BEEN AGREED THAT LAC/RSD/EHR AND G/HCD/PP TOGETHER WOULD BEGIN REGULAR MEETINGS WITH CONNIE CORBETT OF THE WORLD BANK, AND WITH IDB COUNTERPARTS PROVIDING LOAN SUPPORT FOR GOB

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EDUCATIONAL REFORM, TO ASSURE THAT GWE IS INCLUDED TO THE  
FULLEST EXTENT IN ACTIVITIES FUNDED. USAID/BOLIVIA  
RECOGNIZES THE IMPORTANCE OF THIS AREA AND EDUCATION  
REFORM BUT DOES NOT HAVE STAFF TO MONITOR  
EDUCATION-RELATED ACTIVITIES LOCALLY, WHICH ARE BEING  
PURSUED BY THE GOB WITH SUPPORT FROM INTERNATIONAL DONORS  
THE AA/LAC SAID THAT IN LIGHT OF THE NEW INITIATIVE FOR  
GIRLS EDUCATION, THE MISSION SHOULD LOOK AT WHAT MORE CAN  
BE DONE IN THAT AREA.

E) HUMAN CAPACITY DEVELOPMENT AND BROAD-BASED ECONOMIC  
GROWTH (BBEG). DISCUSSION OF THIS ISSUE SHOWED THAT  
USAID/BOLIVIA IS FULLY AWARE OF THE CONNECTION. IN THE  
ABSENCE OF AN EDUCATION OFFICER AT THE MISSION, IT WILL  
SEEK LAC/RSD/EHR AND G/HCD/FP SUPPORT IN SUBSEQUENT  
REPORTING AND ACTION PLANS TO EXPLAIN THE LINKAGES BETWEEN  
PLANNED PROGRAM OUTCOMES IN BBEG AND THE EFFECT OF HCD  
ACTIVITIES.

F) MISSION REPRESENTATIVES CONFIRMED THAT ALTHOUGH THE  
SIZE OF COCA EXPORTS AS A PERCENTAGE OF TOTAL OFFICIAL  
EXPORTS HAD DROPPED DRAMATICALLY OVER THE LAST SIX YEARS

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(REFLECTING WELL ON THE MISSION'S ALTERNATIVE DEVELOPMENT  
PROGRAM), PRODUCTION OF COCA ACTUALLY INCREASED BETWEEN  
1986 AND 1994.

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G) WITH REFERENCE TO P. 23, THE MISSION SHOULD CONSIDER  
REVISING UPWARD ITS TARGETS FOR JOB CREATION. IT SEEMS  
UNLIKELY THAT ALL OF THE SUBSTANTIAL INCREASE IN 1994 WAS  
A ONE-TIME-ONLY EFFECT.

H) ON PAGES 35-36, THE MISSION SHOULD RECONSIDER THE NEED  
FOR THREE SEPARATE INDICATORS FOR HECTARES UNDER IMPROVED  
MANAGEMENT AS ENVIRONMENTAL IMPACT MEASURES.

I) GENDER. THE MISSION AGREED TO INCLUDE SEX-  
DISAGGREGATED INDICATORS ON EMPLOYMENT, AND TO CONSIDER  
SEX-DISAGGREGATED INDICATORS ON FINANCIAL SERVICES, PUBLIC  
KNOWLEDGE OF ENVIRONMENTAL PROTECTION, EMPLOYMENT AND/OR  
INCOME FROM FOREST PRODUCTS, DEMOCRATIC PARTICIPATION AND  
RESPONSIVENESS OF MUNICIPAL GOVERNANCE. THE MISSION ALSO  
AGREED TO GIVE INCREASED ATTENTION TO IMPACT ASSESSMENT  
AND REPORTING BY GENDER.

11. PROGRAM BUDGET. THE CURRENTLY AVAILABLE DA BUDGET  
LEVELS FOR USAID/BOLIVIA INCLUDING GLOBAL FIELD SUPPORT  
ARE DOLS 30.623 MILLION IN FY 95 AND DOLS 36.645 MILLION  
IN FY 96. THESE LEVELS VARY ONLY SLIGHTLY FROM THE AP  
REQUEST. THE CN RELATED RESOURCES CURRENTLY EXPECTED TO BE  
AVAILABLE ARE DOLS 12.750 MILLION IN FY 95 AND DOLS 30

MILLION IN FY 96, AS REQUESTED IN THE ACTION PLAN.  
ANTICIPATED PL 480 TITLE II AVAILABILITY IS 19.822 MILLION  
IN FY 95 AND DOLS 17.898 MILLION IN FY 96.

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March 19, 1996

U.S. AGENCY FOR  
INTERNATIONAL  
DEVELOPMENT

MEMORANDUM

TO: See Distribution (attached)  
FROM: LAC/SPM, Janice Weber  
SUBJECT: Bolivia Results Review and Resource Request for FY 1996-1998

ISSUES DUE	March 27, 1996	COB
PERFORMANCE REVIEW MEETING	April 4, 1996	10:30 a.m.
ISSUES MEETING	April 9, 1996	2:00 p.m.
DAEC REVIEW	April 11, 1996	2:00 p.m.

Attached for your review and comment is the Bolivia Results Review and Resource Request (R4) for FY 1996-1998. Additional copies may be obtained from LAC/SPM, Room 2252 NS. Please provide all issues to Gordon Bertolin, LAC/SPM, Room 2252 NS, Extension 75252, preferably by e-mail attachment, or in writing (see instructions below).

The Issues Meeting will be chaired by Janice Weber, Director, LAC/SPM, and the R4 (DAEC) Review will be chaired by Mark Schneider, AA/LAC. The Performance Review meeting is intended to be an informal exchange to discuss and clarify concerns relating to strategic objective and intermediate results performance. Note that all meetings will be held in the conference room 2248 NS.

Please provide your issues by the due date shown above. Issues should be formulated following the format indicated below. Requests for information, clarifications or conclusions about a subject should be made directly to Mission representatives prior to the Performance Review meeting, rather than formulated as issues.

Format for submission of issues:

1. The Issue should be stated in one or two sentences.
2. The issue statement should be followed by a Discussion of no more than one paragraph which provides sufficient, but concise background for understanding the issue.
3. The issue and discussion should be framed in a way which will facilitate its resolution in the Issues Meeting without predetermining the conclusion.

Attachments:

1. R4
2. Last Year's Reporting Cable from DAEC Review

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USAID/Bolivia  
 FY 1996-98 R4  
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OMB	1	395-4605 (Phone#)	Ms. Janet Piller Office of Management & Budget New Executive Office Building Room 10025 725 17th Street, N.W. Washington, D.C. 20503
Peace Corps	1	606-3337 (Phone#)	Mr. Victor Johnson Regional Director Peace Corps 1990 K Street, N.W. Washington, D.C. 20526
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