



USAID
FROM THE AMERICAN PEOPLE

LAC BUREAU — POVERTY REDUCTION

Final Report

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LAC BUREAU — POVERTY REDUCTION

FINAL REPORT

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The author's views expressed in this publication do not necessarily reflect the views of the United States Agency for International Development or the United States Government.

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ACRONYMS

BBEG	Broad-based Economic Growth
BIVICAT	Biblioteca Virtual Centroamericana en Administración de Tierras
CAFTA	Central American Free Trade Agreement
CEAL	The Center for the Economic Analysis of Law
CONTIERRA	Dependencia para Resolución de Conflictos sobre Tierra (Guatemala)
DCA	Development Credit Authority
EEV	EcoLogic Enterprise Ventures
FAO	Food and Agriculture Organization
FEMICA	Federación de Municipios del Istmo Centroamericano (Guatemala)
FIG	International Federation of Surveyors
GIS	geographic information systems
GPS	global positioning system
IDB	Inter-American Development Bank
INRA	Instituto Nacional de Reforma Agraria (Bolivia)
IPSI	Virtual Office of Inter-Summit Property Systems Initiative
IQC	Indefinite quantity contract
LAC Bureau	USAID Latin America and the Caribbean Bureau

NAFTA	North American Free Trade Agreement
OAS	Organization of American States
RAISE	Rural and Agricultural Incomes with a Sustainable Environment
RSD	(Office of) Regional Sustainable Development
SCEM	Supply Chain Environmental Management
SME	small and medium-sized
SOW	Scope of Work
WB	World Bank
WEC	World Environment Center

I. INTRODUCTION

In September 2001, the USAID/Latin America and the Caribbean (LAC) Bureau began a project responding to a new poverty-reduction strategic objective aimed at “improving the access of the poor to income-earning market opportunities through improving the institutions that facilitate equitable access to key markets throughout the LAC region.”¹ In addition to using economic growth to reduce poverty, the Bureau hoped to build on work by USAID’s regional missions that helped micro- and small enterprises access property, financial, and higher-valued product markets. The strategic objective was designed to “[assess] the experiences of missions, their partners and other organizations in the region, identifying lessons learned and best practices, and sharing this information with missions and other partners and customers in the LAC region.”² The LAC Bureau relied on the rapid response of a task order issued under the Rural and Agricultural Incomes with a Sustainable Environment (RAISE) IQC contracting vehicle. The task order played a critical role by synthesizing information on ongoing initiatives, conducting assessments, and preparing case studies, all with the end goal of developing “innovative pilots and prototype models that will be useful to a number of missions.”³

The task order included several illustrative activities under three broad categories: 1) Rural Prosperity Framework; 2) Property Markets and 3) Product Markets. By dividing activities into three broad technical areas, the LAC Bureau's offices of Regional Sustainable Development (RSD) and Broad-Based Economic Growth (BBEG) could request technical assistance on important, urgent activities while allowing undefined activities to be incorporated into the existing task order scope of work. This mechanism allowed the LAC Bureau to quickly respond to changing needs and capitalize on opportunities as they arose.

The task order ended officially in March 2005. This report provides a summary of the most relevant activities implemented during the life of the project.

TASK ORDER HISTORY

“Strategies, Assessments, Lessons Learned, and Workshops” began as a relatively small task order, but eventually grew in technical services provided and by positioning the LAC Bureau to participate in increasingly broad technical discussions and effect significant change. Feeding this growth was the successful leadership provided by Dr. Jolyne Sanjak, the USAID’s Cognizant Technical Officer for the task order. Additionally, Chemonics International applied its technical expertise in filling key technical roles in the project and provided administrative backstopping, allowing the project to respond quickly and effectively to the bureau’s technical needs. The project began in September 2001 with an anticipated end date of June 30, 2003, but the success of the project led to eight task-order

¹ RAISE LAC Bureau Poverty Reduction Task Order Statement of Work.

² *Ibid.*

³ *Ibid.*

modifications and was ultimately extended to March 31, 2005. Table 1 outlines the dates and purposes of the task order’s modifications.

TABLE 1. RAISE LAC BUREAU POVERTY REDUCTION TASK ORDER MODIFICATIONS

MODIFICATION NO.	DATE	PURPOSE OF MODIFICATION
1	Jan 29, 2002	Corrected list of workdays ordered. Changed duty post from “Central America” to “Latin America and Caribbean.” Changed Authorized Geographic Code from 000 to 935.
2	July 23, 2002	Increased ceiling price by \$25,115 due to increase in SOW on Rural Economy Workshop.
3	June 11, 2003	Extended completion date to October 30, 2003.
4	Aug 14, 2003	Increased ceiling price by \$1,205,197 and obligated amount by \$1,075,000. Extended completion date to September 30, 2004. Added supplemental SOW4.
5	June 15, 2004	Increased obligation by \$130,197 to fully obligate the task order (ceiling price: \$1,900,221).
6	Sept 17, 2004	Extended completion date to December 31, 2004
7	Sept 2, 2004	Extended completion date to March 31, 2005
8	Feb 18, 2005	Unilateral modification to name new Cognizant Technical Officer, Todd Hamner.

In all its iterations, the task order allowed USAID’s LAC Bureau to contribute substantively to discussions about rural economies, access to property markets, and the increased competitiveness of rural agricultural producers. In addition, USAID used the task order to examine the region’s ability to respond to free-trade agreements. Moreover, the task order was a testing ground for work on specialty coffee in Central America and the Dominican Republic, land titling in Bolivia, and rural finance in Mexico — all of which were expanded into stand-alone development initiatives. The Task Order had a significant impact on program strategy and implementation within the LAC regional missions as well as USAID/Washington.

⁴ As noted in the original SOW, the task order was illustrative and subject to modifications. Under this proposed amended task order, the contractor will continue to support activities as outlines in the original task order and assist the LAC Bureau’s Office of Regional Sustainable Development (RSD) Broad Base Economic Growth (BBEG) with the following illustrative activities:

- Targeted technical assistance in support of USAID missions’ strategy and activity development on land policy;
- Participant travel and training on all themes
- With a focus on the Andean region support a workshop with the WB and others that will yield a white paper on youth migration and rural employment opportunities
- Contribute to a knowledge management activity within the Interagency Group on Agriculture and Rural Development;
- Support policy dialogue and related technical assistance on property markets
- Support an activity that contributes to innovative approaches to leveraging development impact from remittances
- Support case studies and technical meetings related to product market access and rural trade competitiveness
- Provide technical support and analysis services from junior and mid-level experts on property markets.

II. ENHANCING RURAL PROSPERITY

Under the auspices of LAC Bureau’s BBEG office, the task order naturally focused on strategies for increasing rural prosperity in the LAC region. The task order allowed the LAC Bureau to participate in discussions and facilitate inter-agency collaboration on approaches and best practices for removing barriers to assets, market participation, and technologies and mechanisms for effective enterprise development.

STRATEGIES FOR INCREASING RURAL PROSPERITY

Several of the task order’s activities helped USAID missions engage in rural-prosperity initiatives. In addition to cross-sectoral work, the task order involved mission-specific initiatives that identified the best ways to enhance rural-sector economic growth.

RURAL PROSPERITY WHITE PAPER

Under the first category: “Rural Prosperity Framework,” the objective of the task order was to “provide the LAC Bureau with a mechanism that will assist it in transforming its ‘Improving Rural Prosperity’ concept paper into a white paper for USAID internal use.”⁵ The Rural Prosperity White Paper would then inform a broader rural prosperity strategy to “undertake assessments, develop pilots, and share information and lessons learned with respect to property formalization, land markets and the markets for higher valued final products, which help smallholders.”⁶

The Rural Prosperity White Paper was an attempt to rethink the USAID LAC Bureau’s approach to rural economic development so as to have a greater effect on poverty and prosperity. The paper provided a framework and guidelines to develop “new-era” approaches to attack a complex problem. The paper was not developed as a strategy or to provide answers, but rather to provide a framework for identifying priorities and the most important questions about rural economies and how to solve these problems given actual and emerging circumstances. The central focus of the paper was to identify and discuss the issues that contribute to pervasive poverty and old and new methods to address them.

The white paper was written by Clemence Weber and contributors David Bathrick, Eugenio Diaz Bonilla, David Franklin, Jim Riordan, Douglas Southgate, and Clarence Zuvekas. Dr. Sanjak provided extensive comments on the paper, which drew heavily from two bureau documents: the

⁵ *Ibid.*

⁶ *Ibid.*

self-authored “Rethinking the Rural Economy” concept paper and “LAC 2001 Trends Analysis: Economic Growth Goal Areas” written by Roberta Van Haeften. Each author or contributor produced a stand-alone essay that was incorporated into the white paper by Mr. Weber: access to assets, vulnerability management and economics, rules of trade and economic governance, science and technology, economic governance, vulnerability management and environmental shocks, and economic governance and enterprise development.

RURAL ECONOMY WORKSHOP

The Rural Prosperity White Paper served as the foundation for the Rural Economy Workshop, held on February 4-6, 2002, at the Hilton Washington Embassy Row hotel in Washington, D.C.⁷ The workshop marked the reemergence of agriculture and rural prosperity at the fore of the agency’s development work, and resulted in the first gathering in more than 10 years of the agency’s LAC agricultural officers. More than 140 attendees, guests, and speakers participated in finding new strategies to deal with persistent poverty in Latin America. Speakers included Dr. Janet Ballantyne, counselor for USAID; George Carner, Guatemala mission director; and Mike Deal, senior deputy assistant administrator for LAC. Participants included members of 12 LAC missions and USAID/Washington, D.C.; the U.S. Department of Agriculture; and representatives from the Inter-American Development Bank, the Instituto Interamericano de Cooperacion para la Agricultura, and the World Bank (WB). Private companies (Boot Coffee, Green Mountain Coffee Roasters), think tanks (International Food Policy Research Institute), and universities (Michigan State University, University of Wisconsin, University of California – Berkeley, University of Maryland) sent representatives, and several private consultants and experts attended as well.

The white paper served as the point of departure for the conference. Its sections were developed into panels, and there were stand-alone sessions on the coffee crisis (by Roberto Bendaña, an advisor to the Nicaraguan government), remittances (by Manuel Orozco of Inter-American Dialogue), and an overview of strategies on poverty and the current economic situation.

One of the task order’s modifications called for a Web site to complement the conference. A full-service Web site, www.ruralprosperity.com (now dismantled), housed conference presentations and papers and allowed for registration and evaluation.

The workshop resulted in a strategic framework and examples of successful strategies and projects for poverty alleviation.

NICARAGUA RURAL ECONOMIC DEVELOPMENT STRATEGY

In December 2001, USAID/Nicaragua requested the task order’s assistance on the Nicaragua Rural Economic Development Strategy. At USAID/Nicaragua’s request, David Bathrick proposed a strategic framework for the USAID country mission to address persistent rural poverty. The report gave an overview of the new administration in Nicaragua, the U.S. government’s agenda, and a history of USAID involvement in the country. It summarized systemic hindrances to rural economic growth and sector-specific considerations, and outlined a series of steps that need to be taken before any rural economic strategy could be implemented: commitment of high-level government leadership, restructuring of roles and responsibilities in public-sector institutions, and an in-depth review of current and projected program investments for a program matrix.

The report enumerated nine potential components of a rural economic development strategy: competitive grants for export promotion, introduction of market-driven technologies, expanded use of improved seed, rural knowledge centers, policy and regulatory guidance, alternative strategies for

⁷ At the request of USAID/LAC senior staff, the conference was moved from a small town in Guatemala to Washington, D.C., which may explain the significant increase in attendance from 50-70 in previous years to more than 140.

vulnerable producers, establishment of a capital base, development of specialty coffee, and improved professional and vocational skills.

MEXICO RURAL STRATEGY

In March 2004, the task order sent David Bathrick, Dr. Claudio Gonzalez-Vega, and Dr. Tom Reardon with Dr. Jolyne Sanjak to Mexico to assist with a proposed action plan “to more effectively contribute to rural economic development within the framework of the current country program under the USAID regional strategy for Mexico and Central America.” The strategy would address how the United States and its private-sector firms could promote rural economic development in Mexico. The team provided a series of recommendations on:

- How to augment and refine activities, particularly within the ongoing natural-resource management program, to enhance income-earning opportunities for Mexico’s poorer rural households. The team focused on environmental/agro-forestry and related niche markets, small farmers, non-farm employment, and policy issues.
- How the mission can build on an ongoing microfinance program to complement multilateral development bank-supported efforts.
- How to reduce issues concerning property rights and land markets, which keep poorer households from market opportunities and negatively affect the finance and investment environment.⁸

Each technical specialist was assigned a technical area: Mr. Bathrick to enterprise development focusing on environmental/natural resource-based enterprise and links to agriculture and trade; Dr. Gonzalez-Vega to stronger microfinance institutions and remittances and financial market perspectives on property issues; and Dr. Reardon to connecting smaller farmers into the supply chain for domestic and international commerce (supermarket demand) and exploring agribusiness alliances to expand jobs and demand for small-farm produce.

Three short technical papers resulted and were used by USAID/Mexico in developing its strategy. In addition, RSD/BBEG — in coordination with USAID/Mexico — organized a Rural Competitiveness Roundtable to disseminate the findings on strengthening agricultural trade-related competitiveness in Mexico’s rural sector. This began a dialogue within the Partnership for Prosperity about a new vision for competitiveness and poverty reduction. The roundtable was comprised of an open session that included the consultants debriefing U.S. government officials on the recently completed USAID/Mexico Rural Assessment, and a second, internal USAID session closed to the consultants.

TRADE AND RURAL COMPETITIVENESS

Trade and competitiveness have become primary considerations for development, particularly in light of new free-trade agreements affecting the region. The North American Free Trade Agreement and the Central American Free Trade Agreement (CAFTA) now play a significant role in dialogue about increasing the competitiveness of the rural sector.

AGRICULTURAL SECTOR TRANSITION UNDER FREE TRADE

As part of refreshed talks on rural competitiveness, the LAC Bureau provided a scope of work for case studies comparing how governments around the world have adjusted national policies to help rural producers compete under free-trade agreements. The comparison study examined the

⁸ Rural and Agricultural Incomes with a Sustainable Environment (RAISE)/LAC Bureau Poverty Reduction Task Order Statement of Work.

agricultural sector and rural development strategies in six countries — Mexico, Chile, Spain, Portugal, South Korea, and Taiwan — to identify similarities and differences and uncover lessons useful for other countries seeking to expose their agricultural sectors to the forces of markets and competition. Host-country representatives in the ministries of agriculture and trade across LAC (especially in Central America), USAID missions, and donor agencies used these case studies during discussions about Latin American free-trade agreements. These talks helped to shape donor strategies and interventions and leverage donor efforts in rural diversification programming. Mauricio Perea, an agricultural-sector development specialist with expertise in transition of agricultural markets, operational evaluations, market research, export promotion, identification of strategic partners, and financial markets was selected to carry out this assignment.

The summary report highlighted the keys to successfully preparing the rural sector for free trade: macroeconomic stability, clear property rights, effective education systems, support for rural institutional networks, and funding and credit delivery.

TRADE LIBERALIZATION AND RURAL COMPETITIVENESS ACTIVITY

An April 2004 task order requested a series of deliverables to help the LAC Bureau provide technical leadership and support to countries seeking increased agricultural trade competitiveness and broad rural development.

Rural Competitiveness Virtual Network. In June 2004, the ministries of agriculture and trade of five Central American countries, subject-matter specialists, and donor representatives met in San José, Costa Rica. The group held a planning workshop that identified the need for more opportunities for Central American stakeholders to discuss a strategic vision, framework, and program for trade liberalization and rural competitiveness. To this end, the task order team worked with USAID, the IDB, and the WB to develop virtual chat rooms organized by technical area and moderated by technical specialists. The Rural Competitiveness Virtual Network/Discussion Forum allowed for the exchange of ideas on trade liberalization, agricultural policies, and technology change systems between decision makers from Central America, Panama, and the Dominican Republic, subject matter specialists, and the international donor community. Findings from the forum discussions were summarized by moderators and presented at the 2005 conference.

Trade Liberalization and Rural Competitiveness in Central America Conference. The task order, in conjunction with the IDB and the WB, called for coordination of all aspects of the “Trade Liberalization and Rural Competitiveness in Central America” conference, which was held at the Camino Real in Guatemala City on February 21-22, 2005. The conference advanced national responses to new-era, market-led opportunities and challenges by helping frame reforms and investments that will facilitate the transition to free trade.

The conference agenda included a wide range of topics about the transition to free trade, all focused on promoting in-depth discussion of the regional and national setting, public policy responses, and the roles of the public and private sectors. Specific topics included:

- Trade liberalization and rural competitiveness
- Country overviews from Guatemala, Nicaragua, Honduras, El Salvador, Costa Rica, Panama, and the Dominican Republic
- Policies and strategies supporting transition to free trade
- Institutional reforms for rural competitiveness and poverty reduction

- Trade law and enforcement
- Animal and plant inspection services
- Productive rural infrastructure
- Environmental regulations
- Social and support services
- Promoting foreign direct investment in the Central American rural sector
- Financing the rural economy
- Technology change in agriculture and agro-industry
- Marketing of agricultural and agro-industrial products.⁹

Sessions helped countries interact with donors so assistance can be more effectively targeted to needs during transition. Through plenary presentations and small group discussions, participants discussed the needs and opportunities arising from trade liberalization in the Central American agricultural and rural economies and how appropriate strategies, policies, and programs could assist the rural sector — especially agriculture — in becoming more competitive.

DEVELOPMENT CREDIT AUTHORITY

The task order supported an economic and financial analysis of EcoLogic Enterprise Ventures' (EEV) "green fund," making recommendations on EEV's qualifications as a partner with the Development Credit Authority (DCA). The task order developed a portfolio guarantee for EEV, a nonprofit that operates as a "green" loan fund, offering affordable financing to eco-enterprises in environmentally sensitive areas of Latin America. The activity complemented the LAC Bureau's promotion of rural prosperity through innovative financial services.¹⁰

Paul Watson completed this assignment and delivered his final report, "Financial and Economics Viability Analysis for the Development Credit Authority (DCA) Portfolio Guarantee for Ecological Enterprise Ventures," which was reviewed and approved by Gabriel Grau at DCA.

⁹ *Ibid.*

¹⁰ Development Credit Authority Scope of Work (SOW).

III. INCREASING PARTICIPATION IN PROPERTY MARKETS

Access to property markets is critical to a prosperous rural sector in the LAC region. The task order incorporated dual aims in this area: regional property-focused workshops, and technical assistance and travel support under the Summit of the Americas mandate on the property market.¹¹

LAND TENURE IN BOLIVIA

The task order conducted a number of country-specific assessments of the existence of functional property markets. In Bolivia, the task order's work played a critical role supporting mission programs that strengthen the country's land-administration system.

LAND ADMINISTRATION ASSESSMENT

One of the task order's first property-related scopes of work examined the land-administration system in Bolivia. Rafael Diez began work on the assessment in November 2002, using his experience in land tenure and administration to:

- Provide a summary situational analysis of land tenure in Bolivia, including the agrarian reform law, relationship with forestry and protected-areas regimes, and proposed government actions.
- Outline implications of the land-tenure situation as it relates to: sustaining an alternative economy in the fight against illegal coca, promoting the Bolivian democratic system, fostering broad-based economic growth through increased income for the poor, increasing trade and competitiveness, improving the health of the Bolivian people, and managing natural resources for sustained economic growth.
- Review donor involvement, interests, and plans. The review outlined the project's objectives, status of implementation, geographical scope, and institutional partners.

Mr. Diez developed an overview of donor investments which included the World Bank, the Government of Denmark, the Nordic Fund, the European Union, the Government of the

¹¹ LAC Bureau Task Order Statement of Work.

Netherlands, and the Fondo Internacional de Desarrollo Agrícola (FIDA).¹² At the time of implementation of this activity, a Conflict Vulnerability Assessment for Bolivia was being carried out by the USAID/Washington Conflict Office. As such, a copy of Mr. Diez's draft report was sent to Eduardo Gamarra of Florida International University for comment. In addition, a possible collaboration between the two activities was discussed.

The land-tenure report and the geomatics workshop detailed below provided targeted technical assistance to USAID's land-policy strategy and activities in Bolivia.

GEOMATICS WORKSHOP

Chemonics provided technical assistance and logistical support for a geomatics workshop in La Paz, Bolivia, on July 10-12, 2003. The workshop allowed Latin American land administrators to share their experiences with and build a consensus on the latest advancements in surveying, mapping, and geographic information technology for cadastral surveying and data management.

The workshop brought together regional cadastral engineers and international experts in advanced geographic positioning systems (GPS), geographic information systems (GIS), and remote sensing technologies. These experts discussed the technical benefits of and difficulties with these technologies.

The workshop agenda included four main activities: technical presentations, field-based demonstrations, a demonstration of office-based processing of field data, and a roundtable discussion.¹³

LAND CONFLICT RESOLUTION

Conflict over land tenure often arises when land-administration systems are ineffective. The task order provided technical assistance to several land-conflict resolution efforts.

CASE STUDIES

In preparation for the Alternative Dispute Resolution Roundtable, USAID requested land-conflict resolution case studies for Bolivia, Brazil, and El Salvador. The task order called for each study to "analyze a relevant identified land conflict resolution experience in the country, analyzing the context, the characteristics of methodologies used, the way the stakeholders were participating in the resolution of the conflict and the results."¹⁴ Specifically, the case studies described and analyzed:

- The conflict and its stakeholders.
- Social, cultural, economic, and political factors affecting the conflict.
- The legal framework for resolution of the conflict.
- Methodologies used to resolve the conflict.
- Local or national institutions working with these methodologies.
- The resolution experience and its importance to land tenure and land-rights security and recognition.¹⁵

¹² Bolivia Land Administration SOW.

¹³ Bolivia Geomatics Workshop SOW.

¹⁴ Bolivia Land Conflict Resolution Case Study SOW.

¹⁵ *Ibid.*

Legal, social, and economic specialists with country-specific experience performed the case studies. Sonia Arellano studied the Capitania de Alto y Bajo Izozog conflict in Bolivia; Antonio Buainain traveled to Campo Grande, Campinas, and Brasilia for his report about Brazilian land conflicts; and Antonio Alvarez used the case study report on the Programa de Transferencia de Tierras (1992-1999) for his report on El Salvador.

CASE STUDIES OF LAND CONFLICT MANAGEMENT SYSTEMS IN LATIN AMERICA/SCOPING STUDY

Manuel Morales prepared and delivered a scoping paper for the Alternative Dispute Resolution Roundtable. His report featured case studies of countries with non-judicial conflict mediation such as Ecuador, Guatemala, Mexico and Brazil and examined relevant literature. The case studies identified lessons learned and provided policy and program recommendations.

ALTERNATIVE DISPUTE RESOLUTION ROUNDTABLE

On July 24-26, 2003, USAID and the Food and Agriculture Organization (FAO) held a roundtable in Ecuador's Ministry of Agriculture that assembled policy, practice, and research experts to discuss regional efforts to comply with the 1998 Summit of the Americas mandate on property rights, which calls for the hemisphere's governments to implement alternative mechanisms for dispute resolution. In the LAC region, there are several innovations aimed at reducing land conflict that seem to be working, but there has been little systematic review or discussion of alternatives. In many countries, though, there is no enabling environment for non-judicial resolution of land conflicts, and violence stemming from irregular property rights and limited land access is rising throughout the region.

In addition to the previously mentioned scoping study and case studies on Bolivia, Brazil and El Salvador, the task order provided logistical support and travel services for several roundtable participants. The Centro sobre Derecho y Sociedad was the roundtable's logistical coordinator. Javier Molina was the supervising representative from the FAO and Zenaida Choque provided logistical support.

COLOMBIA LAND-CONFLICT RESOLUTION

While Bolivia struggles with an inconsistent cadastral survey and registration and titling system, Colombia suffers from political unrest and armed conflict, resulting in colossal internal displacement.

UNIVERSIDAD DE LOS ANDES — PHASE I

Thousands of Colombians are internally displaced, and their numbers continue to grow. Before there can be restitution or adjudication, the nature and magnitude of the problem must be understood. The task order provided Dr. Ana María Ibáñez to support research at Colombia's Universidad de los Andes. "Access to Land and Forced Displacement in Colombia" studied the link between land tenure and forced displacement and established factors influencing desire to return.

The research unearthed an apparent link between expulsion of the civilian population and land tenure: A high percentage of displaced households had access to small pieces of land in their areas of origin. Contrary to the premises on which current policy is established, illegal, armed groups were not discouraged from appropriating land from its legal owners.

UNIVERSIDAD DE LOS ANDES — PHASE II

Though the above-mentioned study was encouraging, it left unanswered major questions:

- What policies would most effectively assist different segments of the displaced population?
- What is the impact of displacement on productivity and land concentration?
- What is the impact of displacement on the welfare of different groups?

- Why is there such low desire to return, and what can be done to increase it?
- Are there policies that can strengthen tenure security and thereby prevent displacement?

Answering these questions required longitudinal data, so the task order — in collaboration with the WB — entered into a second stage with Universidad de los Andes, gathering a longitudinal data set from a sample of displaced households in the Conferencia Episcopal database.

Analysis of the longitudinal data informed policies to prevent displacement, support resettlement, and promote return to origin. To that end, the team:

- Assessed the impact of the different types of assistance provided to displaced people, determining if impact varies across target groups or by when it is made available.
- Quantified the underutilization of land left behind, thereby estimating associated productivity losses and foregone income due to displacement.
- Analyzed the dynamics of displacement and land loss to identify whether specific interventions — including the heightened tenure security envisioned under Decree 2007 — can reduce the probability of displacement or prevent complete asset loss, thus improving the welfare, and possibly the willingness to return, of the displaced.
- Identified individual and community determinants that make return more likely and successful. The team determined scenarios that would increase the probability of return for some groups.
- Determined welfare losses associated with displacement and calculated the need to target the displaced population over and above the poor in general.¹⁶

In-depth fieldwork determined appropriate content and presentation of the questionnaire for target audiences, and case studies provided qualitative analysis.

Phase I and II revealed important points on donor assistance, the dynamics of displacement, underutilization of abandoned lands, and welfare losses, and helped USAID/Colombia develop future strategies.

DATA PROCESSING AND EDITING

USAID’s collaboration with the WB on land-conflict issues in Colombia identified a need for “establishing a consistent municipal-level dataset from the different sources (Departamento Nacional de Planeación, Controlaria, University of Los Andes, land inequality based on the analysis undertaken by L.C. Hillon and N. Offstein, etc.) that will contain key elements of municipal spending and revenue collection, incidence of different types of violence, land use intensity, agricultural potential (land use classification), income and poverty levels, and the Gini coefficients for the rural land distribution.”¹⁷

The task order contracted Norman Offstein to “produce descriptive statistics on these variables across Colombia’s major regions and in addition perform regression analysis to identify determinants

¹⁶ Universidad de los Andes, Phase II proposal.

¹⁷ Colombia Land: Data Processing SOW.

of (i) unsustainable land use; (ii) the level of municipal-level investment and its variation over time; (iii) the number of displaced people over time; and (iv) the incidence of violence.”¹⁸

In addition, the task order called for helping the WB edit and condense several written reports on conflict resolution in Colombia, highlighting:

- The extent and consequences of land-ownership inequality in Colombia;
- Legal and institutional issues with past land-reform implementation;
- Land-market performance and its policy implications;
- Successful examples of overcoming the gap between large- and small-land holdings;
- Land tenure, displacement, and desire to return;
- Land reform from a local perspective;
- Establishing links to “Planes de Ordenamiento Territorial” (POTs, or land use plans); and
- Policy conclusions and next steps.¹⁹

Based on her experience in rural development and policy research, Diana Grusczyński was selected for the assignment. Ms. Grusczyński’s summaries and data and results from Mr. Offstein’s analysis were integrated into the WB’s report to policymakers, “Colombia Land Policy in Transition.”

PROPERTY TAXES

The task order also requested an analysis of “the obstacles that impede the adequate functioning of property taxes in rural areas, and propose policies and measures necessary to overcome these, taking into consideration successful international experiences which could be adapted to the situation in Colombia.”²⁰ Examples of successful policies and mechanisms might include “rule of law projects, regulatory decrees, administrative decisions, the creation of fiscal incentives for the municipalities, technical assistance for the collection property taxes, etc.”²¹ With the assistance of Jaime Vazquez, Hernando Garzón carried out the following tasks:

- Evaluated the cadastral system and property taxes in the rural sector;
- Evaluated measures such as the Unidades Agrícolas Familiares, homogenous areas, and rural stratification, and their applicability as property taxation tools. The evaluation included an analysis of obstacles to these instruments, such as limitations in legal documentation of land tenancy;
- Detailed policy recommendations to improve the efficiency of the property taxation system in a manner that will improve land markets, adequate use of land, and financing of rural development;

¹⁸ *Ibid.*

¹⁹ Colombia Land: Editing SOW.

²⁰ Colombia Taxes: Hernando Garzon’s SOW.

²¹ *Ibid.*

- Identified the legal processes and administrative steps necessary to the recommended measures;
- Projected income under various scenarios of cadastral updating;
- Evaluated case studies of the link between property-tax income and central-government transfers, so as to propose policies to stimulate tax collection;
- Participated in a workshop to analyze conclusions and recommendations and a seminar to review and discuss the final report; and
- Briefed USAID and the WB on qualitative results.

Based on recommendations and conclusions from the study, USAID asked Mr. Garzón to return to Colombia to guide the initial implementation of a pilot property-tax self-assessment program in four municipalities. Joining Mr. Garzón was Dr. Richard Bird, who then:

- Analyzed obstacles impeding the adequate functioning of property taxes in rural areas and proposed policies and measures to overcome these, taking into consideration successful international experiences which could be applied to Colombia. Recommendations included rule-of-law projects, regulatory decrees, administrative decisions, fiscal incentives for municipalities, and technical assistance for property-tax collection.
- Evaluated the costs and benefits of alternative cadastral policies, such as establishing a presumptive cadastre value based on the land's potential productivity value. Productivity value is in turn based on use of Unidades Agrícolas Familiares in economically homogenous areas of the Geographical Institute Agustín Codazzi, or on alternatives such as property taxation brackets, which will simultaneously guarantee rigor in the formation of cadastres.²²
- Attended a one-day seminar that presented the study's preliminary findings to stakeholders including USAID personnel and representatives from the WB and municipal government.

The most important recommendation from this analysis was that Colombia's property tax laws do not need to be rewritten. Rather, existing laws and regulations should be better implemented to ensure that they function properly in rural areas. President Uribe's comments and input supported this recommendation and will help refocus efforts to make Colombia's basic land-tax system fully functional.

LAND TENURE POLICY AND INSTITUTIONAL CAPACITY-BUILDING

The task order also mandated support to land-tenure policy work and institutional capacity-building. This component included country-specific policy research and study tours, as well as regional collaboration between donor organizations and capacity-building among public sector entities working in land-tenure and property rights.

OAS PROPERTY REGISTRATION WEB SITE

Between December 2001 and March 2002, the task order conducted a sustainability analysis of the OAS Property Registration Web site, www.property-registration.org. Casey Wolfe, Steve Rynecki, and Svend White of Edelman Communications International analyzed the site, which served as the

²² Colombia Taxes: Richard Bird's SOW.

virtual office of the Inter-Summit Property Systems Initiative (IPSI). As that USAID-funded property-rights initiative drew to a close, the LAC Bureau sought alternative funding models that could allow the site to continue to operate on a cost-recovery basis under OAS or a foundation or other appropriate organization. The scope of work comprised seven tasks:

- Interviews with pertinent USAID and OAS staff;
- Interviews with the end-user community and analysis of web-server activity logs;
- Technical review of the current site;
- Half-day presentation and discussion of initial recommendations;
- Final recommendations report;
- Feedback from field users of property-registration Web site technology; and
- Structured dialogue on integrating a proposed Biblioteca Virtual Centroamericana en Administración de Tierras (BIVICAT) site with the IPSI site.

Following the analysis, the site was moved to the LandNetAmericas site, www.landnetamericas.org. The task order funded the site's maintenance through a subcontract with Trust for the Americas (See "Trust for the Americas").

GUATEMALA INSTITUTIONAL ASSESSMENT

Since 2000, USAID/Guatemala has supported Dependencia para Resolución de Conflictos sobre Tierra (CONTIERRA) by allocating local currency for technical studies (land measurement, legal analysis) of specific land conflicts. As a first step in broadening its support of and engagement with CONTIERRA, the mission investigated an institutional assessment of the organization. Manuel Morales, a technical expert on land-tenure conflicts and related institutions, was charged with assessing the legal framework for land-conflict resolution, particularly relating to alternative or non-judicial solutions. The objectives of his report, which was submitted on November 11, 2002, were:

- Provide technical input on the judicial and legal aspects of land-conflict resolution. This work would then contribute to a broader assessment of CONTIERRA to be undertaken by a team led by UNDP/Guatemala.
- Advise USAID/Guatemala on effective use of its resources to support CONTIERRA's institutional development and sustainability.²³

GUAYAQUIL STUDY TOUR

The task order provided technical assistance to a study tour to Guayaquil, Ecuador, which took place on January 7-11, 2003. The tour allowed members of the Honduran Congressional Comisión de Dictamen and mayors from Honduras to learn from the Ecuadorian experience in territorial regulation and human settlements at the local level and the implementation of successful land-administration systems.

The group was accompanied by Joan Mac Donald, an architect specializing in urban planning, housing and housing policy development, social and municipal planning and program design,

²³ Guatemala Institutional Assessment SOW.

implementation, and evaluation. In addition to familiarizing herself with the issues facing the Honduran delegation, Ms. Mac Donald also:

- Analyzed “Proyecto de ley de ordenamiento territorial y de asentamientos humanos” and other relevant Ecuadorian legislation.
- Took follow-up trips to Honduras to meet with the Comisión de Población y Desarrollo (Comisión de Dictamen de Ordenamiento Territorial y Asentamientos Humanos) and the Comité de Ordenamiento Territorial, made up of mayors, to identify the best way to apply lessons from the Guayaquil visit to the evolving debate on the territorial regulation and human settlements bill before Congress.

INTER-AMERICAN ALLIANCE FOR REAL PROPERTY RIGHTS

Land issues have been a crucial factor affecting Latin America and the Caribbean in recent decades. At the 2004 Special Summit of the Americas, presidents of the region committed to strengthening property rights in the hemisphere. In support of this commitment USAID formed, through the LAC Bureau task order, the Inter-American Alliance for Real Property Rights to promote best practices for property registration and launch an informal alliance to advocate for improved legal frameworks and identify benchmarks for success. The alliance will also identify standards and indicators to help priority countries track progress; reach out to legal-reform constituents; and foster a partnership to help priority countries take concrete action toward the summit’s commitments on strengthened property rights.

On July 22, 2004, the alliance held an opening meeting, organized and implemented by the task order and attended by participants from thirteen LAC countries. On August 26-27, the alliance’s Consultative Group held a follow-up meeting to review documents produced at the July meeting, develop a schedule for deliverables and actions through September, clarify the process for country-specific technical assistance, and discuss technical points. Web developer Mariana Herrera, under subcontract from the Trust for the Americas project, posted the invitation, agenda, and three PowerPoint presentations from the July meeting on a temporary Web site. The meeting’s minutes and a follow-up letter were sent to alliance participants on September 9, 2004.

Under the LAC Bureau Poverty Reduction Task Order, the Alliance:

- Organized the January 19, 2005 Real Property Rights & Development in Trinidad and Tobago forum in Trinidad, including creating the forum agenda, identifying speakers, making travel arrangements, and coordinating in-country preparations with the South Trinidad Chamber of Industry and Commerce;
- Developed an outline of benchmarks /an indicator system (blueprint) to evaluate and measure real property rights and real property rights systems in a given country against common principals and standards;
- Piloted the draft blueprint through a Nicaragua desk study;
- Worked with the Consultative Group to make final changes to the blueprint for posting on the Alliance Web site;
- Drafted a SOW for the Center for the Economics Analysis of Law’s (CEAL’s) continued participation in alliance activities; and

- Prepared for an e-discussion scheduled for mid- to late January 2005.

Alliance activities continued under the RAISE LAC Bureau's Asset-Related Constraints to Broad Participation in Market Access task order.

PARAGUAY LAND ASSESSMENT

Paraguay has had historically a very unequal distribution of land. In 1963, an agrarian reform program was launched with the explicit goal of reducing such inequality. The government sold public lands and expropriated some private ones so as to establish new settlements (colonies) around the country. Still, the 1991 agricultural census (last one available) reported 307,221 land holdings, 1% of which occupied about 70% of the farm land. Inequality in land distribution persists.

Rafael Diez was hired to conduct an assessment of the status of land tenure in Paraguay, with the aim of developing a clear understanding of the problems surrounding land conflicts. His assessment was based on a rapid appraisal of the land tenure situation through a review of existing documentation and interviews with key individuals. Mr. Diez identified the main issues (interests) behind peasant movements and main stakeholders, evaluated the Government of Paraguay land policies, other donor involvement and private actor initiatives, as well as their future plans, and provided suggestions of possible present or future activities for USAID/Paraguay on land tenure.

Mr. Diez found that tensions were building around issues of land tenure as rural communities as a result of limited alternative employment opportunities. He found that the continued dearth of alternatives would result in increasing pressure and tension in the system. Mr. Diez proposed a number of suggestions for consideration by USAID, explaining that no set of approaches would be sufficient to address the mounting tension in the short term. His recommendations included the development of a cadastre/registry at the municipal level, the strengthening planning and implementation capacity of INDERT, and the empowerment of rural communities to adopt agricultural activities. Mr. Diez also recommended the provision of support to the Government of Paraguay for the development and implementation of short- and medium-term policies related to the productive use of land resources.

GRENADA RAPID APPRAISAL

On September 7, 2004, a Category Four hurricane caused immeasurable destruction in Grenada. As a result, the task order was asked to conduct a rapid assessment "to provide USAID (and its partners) with more in-depth understanding of how land tenure and land administration issues will impede successful implementation of housing reconstruction and construction in the post-Hurricane context that Grenada faces today; and; to provide insight into effective, rapid solutions to administrative and tenure-related problems, including resolution of disputes." Required tasks included:

- Description of formal and informal tenure in damaged areas and in areas identified as relocation sites during recovery.
- Description of current processes for: land adjudication to private persons, families, or corporations by the state; land leasing by the state; use of eminent domain; regularization (clarification of irregularities, resolution of disputes, and formally recording rights with a first title); registration; and selling and leasing property rights.
- Description of any past-five-year or planned registry modernization, cadastre, or land-titling efforts, including what was or will be done, by whom, with what financing, and how.

- Assessment of potentially streamlining these processes to allow expeditious title clarification and registration for housing as part of hurricane recovery.
- Briefing USAID personnel in Jamaica on preliminary findings of the assessment.

Ruben Gomez conducted the Grenada Rapid Appraisal, which was instrumental to the USAID mission in Jamaica as it defined strategy and activity development during the reconstruction process.

WORKSHOP AND CONFERENCE SUPPORT

A significant part of the task order called for facilitation of meetings, conferences, and roundtable discussions about issues important to the LAC Bureau's mission.

ENCUENTRO DEL COMITÉ INTERAMERICANO DE CONSULTA REGISTRAL

The Encuentro del Comité Interamericano de Consulta Registral meeting took place on April 8-12, 2002, in San Salvador, El Salvador. The conference on property registries was sponsored by the WB, and the task order team worked with Garrid Safie, president and national registrar of the Centro Nacional de Registros in San Salvador to support the government of El Salvador. The team provided logistical and financial support for participants traveling from other Latin American countries. Dr. Terry Fisher of Harvard University and Dr. Luis Salas of Florida International University presented during the conference, and Dr. Fisher provided technical advisory services.

IV REUNIÓN DE LA RED CENTROAMERICANA DE LEGISLADORES

On September 24-26, 2002, the Federación de Municipios del Istmo Centroamericano (FEMICA) held the IV Reunión de la Red Centroamericana de Legisladores in Tegucigalpa, Honduras. At the workshop, legislators from the LAC region discussed decentralized land administration and property tax issues. FEMICA had requested the LAC Bureau's assistance in holding the workshop, which was jointly sponsored by the IDB, FEMICA, the Honduran host organization, and USAID.

TECHNICAL ASSISTANCE — EDGARDO MOSQUEIRA

Edgardo Mosqueira is a lawyer specializing in property rights, land policy and administration, alternative dispute-resolution mechanisms, and the role of institutions in development and performance of the market economy. Under the task order, Mr. Mosqueira:

- Drafted a workshop outline and contacted potential speakers/presenters;
- Traveled to Guatemala to discuss the workshop agenda with FEMICA;
- Traveled to Honduras to discuss the workshop with the Honduran host organization and wrote a brief assessment of pitfalls USAID should avoid during workshop implementation and coordination between FEMICA and the host;
- Submitted a final agenda and list of confirmed speakers and presenters to USAID;
- Completed specific scopes of work for presenters and panelists;
- Expanded a brief executive summary of the status of land-tenure legislation in Central and South America;
- Presented an international perspective on land-tenure issues in Central and South America at the workshop; and

- Moderated the workshop and prepared notes on the workshop presentations.

TECHNICAL ASSISTANCE — KAREN MCHUGH

Karen Mchugh is a land-reform specialist experienced in policy and institutional reform for land issues, food security, natural-resources management, and microenterprise development. Under the task order, she presented in place of the WB's Isabel Lavadenz at the FEMICA workshop. Afterward, Ms. Mchugh commented and made recommendations on constraints to the land-registry and titling processes in Central America.

REMITTANCES

Remittances are having an increasing impact on the economics of developing countries. After the task order's first experience with remittances at the February 2002 Rural Economy Workshop, where Inter-American Dialogue's Manuel Orozco presented, the task order has since coordinated two additional remittance-related activities: the Hometown Associations Workshop and the Guatemala Remittances Technical Assistance activity.

HOMETOWN ASSOCIATIONS WORKSHOP

On September 15, 2003, USAID and Inter-American Dialogue held a workshop to discuss Mr. Orozco's new report, "Hometown Associations and their Present and Future Partnership: New Development Opportunities?" The report took the first systematic look at how Mexican migrants to the United States foster change in their communities of origin as a complement to the private capital flow of individual remittances. The workshop was a tremendous success, with more than 50 people attending. The task order catered the event and supported the travel of three workshop participants.

GUATEMALA REMITTANCES TECHNICAL ASSISTANCE

In January 2004, at the Special Summit of the Americas in Monterrey, Mexico, hemisphere leaders committed to reduce the average regional remittance cost by at least half by 2008. In light of these high-level commitments, USAID/Guatemala requested assistance in understanding the remittance phenomenon in Guatemala and program options related to the mission's development strategy.

The task order sent Manuel Orozco to Guatemala twice to draft an issues-and-options paper, based on a thorough understanding of the dynamics of remittance markets, the actors involved, and local economic development and economy-wide trends. Mr. Orozco and Eve Hamilton also traveled to Guatemala to meet with the mission and local counterparts to understand the specific questions facing the mission as it contemplates including remittances within its portfolio of activities.

CENTRAL AMERICAN LAND POLICY CONFERENCE

In 2003, the WB, USAID, and other bi- and multi-lateral donors completed a major policy research report, "Land Policies for Growth and Poverty Reduction." The report summarized a wealth of information and offered general guidelines for best practices on land policy worldwide. The University of Wisconsin suggested that USAID hold an international conference to fine-tune and deliver the report's lessons to Central America. The conference would bring together the academics who contributed to the report and key policymakers from Guatemala, Honduras, Nicaragua and El Salvador, forging a regional consensus on best practices to enhance land access and the impact of growth on poor households.

The task order subcontracted with the University of Wisconsin to design, organize, and deliver the Enhancing the Land Access of Poor Households to Broaden the Base of Economic Growth conference, which was held in Managua, Nicaragua, on August 30-31, 2004. The conference featured four panels:

- **The Value of Land Access to Rural Households in the Contemporary Economy.** This panel discussed policies to enhance land access, thereby broadening the base of economic growth and reducing poverty.
- **Credit Markets, Land Markets and Land Access in Contemporary Central America.** Drawing on new research, this panel reviewed interlinked credit and land markets in the wake of modernization reforms in Central America.
- **Women’s Land Rights and the Impact of Land Access.** An emerging body of research suggests that enhanced land access has its greatest impacts when women are included in the assignment of land rights.
- **Best Practice Land Policy for Central America.** The centerpiece of the conference was an extended policy discussion that included presentations on the European Commission program in Honduras, WB programs in Honduras, and USAID programs in Guatemala. In addition to detailing program structure, the presentations discussed how the programs address the policy implications raised in the other panels. Participants had a general discussion of how to improve and strengthen future land policies and initiatives.

Through the subcontract, University of Wisconsin produced the “Toward a New Generation of Policies to Enhance Land Access for Growth and Poverty Reduction in Central America and Mexico” report.

TRUST FOR THE AMERICAS

After the 1998 Second Summit of the Americas in Santiago, Chile, USAID and OAS created the IPSI virtual office, www.property-registration.org. As part of this activity, the task order subcontracted with the Trust of the Americas to develop and maintain the site, which was later relocated to www.landnetamericas.org. The new site is maintained by IPSI Project Coordinator Mariana Herrera through OAS’ Unit for Sustainable Development and Environment. Under the subcontract, Trust for the Americas was to:

- Respond to requests for information and other tasks for the IPSI project;
- Serve as guide and content manager of the LandNetAmericas site;
- Implement three subregional nodes: LandNet Caribbean, LandNet América Central, and LandNet América del Sur;
- Liaise with international organizations, donors, civil-society organizations, and private foundations to collect information on projects, events, and methods on land issues;
- Regularly update the portal with news, documents, events, links, etc.;
- Draft contracts for services to expand and maintain the portal, supervising and coordinating with: a research consultant to collect information to organize and expand the database, and a technical consultant as web developer;
- Review and approve documents submitted by subcontractors; and
- Collect recent information on projects and conferences from land experts and property-registration professionals to explain LandNetAmericas in the context of IPSI.

The LandNetAmericas site is a web-enabled community for those engaged in property-rights work and advocacy. The portal’s mission statement:

“LandNetAmericas links a growing community of practice whose efforts contribute to progress toward the Summit of the Americas goals relating to property rights systems.

LandNetAmericas evolved from the virtual office of the Inter-Summit Property Systems Initiative (IPSI) created by the US Agency for International Development (USAID) in partnership with the Organization of American States (OAS) in response to the mandates from the Summit of the Americas.

Under IPSI, USAID supports a variety of activities — including this portal — that encourage consensus-building and coordination across donors, governments and civil society in order to enable improved approaches and greater progress toward the Summit goals.

This community of practice promotes participatory processes and fosters informed decision-making. The issues are relevant to a diverse community with diverse experiences and perspectives on land policy and technical areas. As such, the views shared do not necessarily reflect with the views of USAID, the United States Government or the Organization of American States.”²⁴

Trust for the America’s LandNetAmericas initiative ensures that land-administration information is readily available to policymakers and development professionals.

²⁴www.landnetamericas.org, March 24, 2005.

IV. IMPROVING PRODUCT-MARKET ACCESS

The ability to bring one's goods to market is key for the success of rural economic enterprises. The LAC Bureau used this task order to discuss product-market access, focusing on activities with tree crops including coffee and cocoa, the “greening” of production processes, and support for the Small Business Association. In particular, the bureau sought public-private alliances as provided for under the Global Development Alliance. The original task order's SOW had three primary activities:

- A proposal concerning tree crops (coffee in particular) for the Global Development Alliance.
- An assessment of missions' and partners' past experiences in assisting small coffee farmers to access higher-valued markets.
- Design, organize, and implement a regional, two- to four-day workshop on market access for 40 to 80 participants from the private sector, rural and agricultural development, economists, and environmental and trade offices.²⁵

TREE CROPS

In addition to an institutional assessment for coffee, the task order provided a coffee-diversification assessment and an “action plan” promoting sustainable growth and development of cocoa in the Andean region.

INSTITUTIONAL ASSESSMENT FOR COFFEE

This assessment complemented ongoing IDB and other examinations of the Central American coffee sector as well as work on other small-scale coffee-production activities. Dr. Michael Schwartz, a senior agricultural and rural-development specialist and a recognized expert in the regional coffee industry, conducted an assessment of and recommendations for the institutional capacity and effectiveness of national coffee institutions in Costa Rica, El Salvador, Honduras, Guatemala, and Nicaragua. Dr. Schwartz was asked to:

²⁵ RAISE LAC Bureau Task Order Statement of Work.

- Describe each national coffee institution's strategic focus. Describe the sources, reliability, and adequacy of funding.
- Compare each national coffee institution's member services to its effectiveness and impact. This could include: research and technology transfer (production, processing); promotion to increase consumer demand; market intelligence and market links for value coffee products; financial services; organizational and capacity development (farmer groups, agribusiness); policy advocacy; fostering business partnerships; and social services.
- Describe "better practices/approaches" that contribute to competitive, economically viable, sustainable smallholder coffee producers and related coffee enterprises.
- Identify lessons learned that could enhance the effectiveness of coffee Institutions.
- Identify each institution's strategic alliances to provide effective member services.
- Recommend how each country's national coffee institution can improve its policies, services, and investments to achieve a competitive, economically viable, socially responsible, and environmentally sound coffee sector.²⁶

Dr. Schwartz's review of Central American coffee associations identified best practices to support growers during hard times. Working closely with Marsha Krigsvold and USAID missions, he concluded that channeling new projects to public-sector institutions would be ineffective. He presented his findings during a discussion on the coffee crisis at the Rural Economy Workshop mentioned previously, and later briefed USAID and the IDB on his institutional assessment. Dr. Schwartz's assessment, along with the Coffee Diversification Assessment (below), was used as an input into the development of USAID's Central America and Dominican Republic Quality Coffee Program.

COFFEE DIVERSIFICATION ASSESSMENT

Based on her significant experience in coffee, tree crops, diversification and production, work with product standards and grades, and development of management systems for production and export, Marsha Krigsvold was chosen to assess cropping options for marginal coffee production areas. Visits to Honduras, Guatemala, Costa Rica, El Salvador, and Nicaragua revealed a depth and breadth of awareness of the coffee crisis but only ad hoc responses from USAID missions and other major donors. Her assessment indicated that while there are numerous alternatives for growers, the broad-based crisis will not be solved with alternative cropping strategies: only broad-based economic growth that lifts incomes across the board will permit a significant move to alternative income-generating activities. Moreover, diversification does not mean complete substitution or departure from coffee, but is instead a risk-reduction and income-generating strategy. Ms. Krigsvold emphasized that diversification programs need robust funding and at least five to seven years to be effective. Too often, programs are set up but then go out of business before the marketing stage, which sets up beneficiaries for failure. Ms. Krigsvold gave initial findings from her assessment at the Rural Economy Workshop and briefed USAID and the IDB.

CACAO ALLIANCE

Unlike the coffee industry, cocoa production was declining while price was rising. Political unrest in the Ivory Coast and production of illicit crops in Colombia, Ecuador, and Peru further diminished the available supply of cocoa. As a result, the LAC Bureau sought a plan to reestablish sustainable production of the commodity.

²⁶ Institutional Assessment for Coffee SOW.

Gilberto Amaya, in collaboration with B.K. Matlick of the World Cocoa Foundation, implemented the “Action Plan to Promote a Sustainable Growth and Development of Cocoa in the Andean Region.” They rapidly assessed the cocoa situation in the Andean region, including in their report:

- Primary institutions developing cocoa in the Andean region (government agencies, NGOs, donors, producer associations, farmers, and research centers);
- Existing projects promoting cocoa (production, productivity, marketing, quality), including location, project components, technical staff, source (USAID, other foreign support, national), and financing;
- Major technical and marketing obstacles that impede cocoa growth and development; and
- Recommendations and guidelines to overcome obstacles to the development of cocoa in the Andean region.²⁷

GREENING THE SUPPLY CHAIN

The Greening the Supply Chain activity was designed to capitalize on companies’ growing support for environmental-protection initiatives. Companies are increasingly responding to stakeholders’ expectations to include suppliers in their environmental efforts. Under the “greening” activity, the World Environment Center (WEC) supported pilot programs that encourage multinational corporations to promote cleaner production along their supply chains, first in select locations and eventually at operations worldwide. WEC supported a Supply Chain Environmental Management (SCEM) pilot program already underway in Mexico, as well as several SCEM pilots in Brazil, through supplier workshops on cleaner production.²⁸ WEC also worked with participating multinationals and their local subsidiaries to identify workshop participants and develop suitable workshop agendas and approaches. WEC disseminated the experiences, results, and lessons learned from its Mexican pilot programs at a conference in Mexico with representatives from five multinational corporations with significant operations in Mexico and a significant number of Mexican small and medium-sized (SME) suppliers.²⁹

On June 22-23, 2004, WEC held a training workshop in Monterrey, Mexico, to introduce cleaner production concepts and techniques to the AFL automotive company in Mexico, which employs about 31,000 workers in plants in Monterrey, Piedras Negras, Ciudad Acuña, Torreón, Juarez, and Puebla. Most of the workshop’s participants rated the workshop as “excellent” in terms of presentation content, materials, and didactic approach.

WEC then held the “Supply Chain Management Partnership Program in Mexico and Brazil: Methodology and Initial Results” conference on November 30, 2004, at the National Press Club in Washington, D.C. The assembly included officials from the public and private sectors, including Alcoa, Bristol-Myers Squibb, DaimlerChrysler, U.S. Department of Commerce, Dow Chemical, U.S. Environmental Protection Agency, General Motors, Hoffman LaRoche, Inter-American Development Bank, Kodak, Occidental, Pfizer, The Limited, Trade and Development Agency, USAID, North American Commission for Environmental Cooperation, Johnson & Johnson, and Black & Decker.

²⁷ Cocoa Rapid Assessment activity SOW.

²⁸ Greening the Supply Chain SOW.

²⁹ *Ibid.*

SMALL BUSINESS CONGRESS OF THE AMERICAS

In January 2004, the hemisphere's governments accepted a U.S. proposal to reduce the time and cost of starting a business in the LAC region. Accordingly, USAID has pledged support to the proposal through outreach activities.

As part of this support, USAID suggested a working lunch including a presentation by an expert on business registration during the SME Business Congress of the Americas in Chile. The U.S. Small Business Association agreed that it would be mutually beneficial to promote SME participation in exports. On October 5-6, 2004, Anita Campion — an economist with international experience and expertise in enterprise development, microfinance, and policy reform — gave the keynote address at the SME Congress of the Americas in Chile.

V. CONCLUSION

Overall, the Poverty Reduction Task Order successfully met the technical and logistical support needs of USAID’s LAC Bureau. While the original objective of the task order was to assist the LAC Bureau’s strategies on poverty reduction by transforming the “Improving Rural Prosperity” concept paper into the “Rural Prosperity White Paper,” the task order eventually grew to undertake a series of assessments, develop pilot programs, and facilitate donor collaboration on rural prosperity, property markets, and product-market access.

The task order served to catalyze technical and administrative support to a number of activities affecting the LAC region. In addition to extensive work in property markets, the task order provided technical assistance on assessments of rural economic development strategies, rural-sector transition under free-trade agreements, trade liberalization, and agricultural trade and rural competitiveness. The task order also supported product sectors like coffee and cocoa and activities to “green” the supply chain.

The success of the LAC Bureau Poverty Reduction Task Order spurred USAID to release a subsequent RFP to continue these activities under the Asset-Related Constraints to Broad Participation in Market Access Task Order, which was also implemented by Chemonics.

ANNEX I

Rural Prosperity White Paper

http://pdf.dec.org/pdf_docs/PNACP547.pdf

Nicaragua Rural Economic Development Strategy

http://pdf.usaid.gov/pdf_docs/PNADG993.pdf

Mexico Rural Strategy

Forming a competitiveness-based Rural Growth Program for Mexico,” by David Bathrick

http://www.dec.org/pdf_docs/PNACX471.pdf

The Rise of Supermarkets in Mexico” by Tom Reardon

http://www.dec.org/pdf_docs/PNACX470.pdf

Rural Financial Markets in Mexico: Issues and Options,” by Claudio Gonzalez Vega

http://www.dec.org/pdf_docs/PNACX472.pdf

Agricultural Sector Transition under Free Trade

http://pdf.usaid.gov/pdf_docs/PNADG988.pdf

Development Credit Authority

http://pdf.dec.org/pdf_docs/PNACX777.pdf

Bolivia Land Administration Assessment

http://pdf.usaid.gov/pdf_docs/PNADG985.pdf

Bolivia Geomatics Workshop

http://pdf.usaid.gov/pdf_docs/PNADG992.pdf

Case Studies of Land Conflict in Latin America

English

http://pdf.usaid.gov/pdf_docs/PNACX773.pdf

Spanish

http://pdf.usaid.gov/pdf_docs/PNACX778.pdf

Alternative Dispute Resolution Roundtable

Case Study Brazil

http://pdf.usaid.gov/pdf_docs/PNADG990.pdf

Case Study El Salvador

http://pdf.usaid.gov/pdf_docs/PNADG989.pdf

Universidad De Los Andes I

English

http://pdf.usaid.gov/pdf_docs/PNADG983.pdf

Spanish

http://pdf.usaid.gov/pdf_docs/PNADG984.pdf

Universidad De Los Andes II

Spanish

http://pdf.usaid.gov/pdf_docs/PNADG968.pdf

Colombia Land – Property Taxes

http://pdf.dec.org/pdf_docs/PNADA655.pdf

http://pdf.dec.org/pdf_docs/PNADE014.pdf

Guatemala Institutional Assessment

http://pdf.usaid.gov/pdf_docs/PNADG987.pdf

Honduras Study Tour

http://pdf.dec.org/pdf_docs/PDABZ898.pdf

Grenada Rapid Appraisal

http://pdf.dec.org/pdf_docs/PNADE013.pdf

Toward A New Generation of Policies to Enhance Land Access for Growth and Poverty Reduction in Central America and Mexico Report Guatemala Remittances Technical Assistance

http://pdf.dec.org/pdf_docs/PNADC215.pdf

Guatemala Remittances Technical Assistance

http://www.dec.org/pdf_docs/PNADB979.pdf

Institutional Assessment for Coffee

http://pdf.dec.org/pdf_docs/PNACP919.pdf

Coffee Diversification Assessment

http://pdf.dec.org/pdf_docs/PNACP918.pdf

Promoting Sustainable Growth and Development of Cocoa in the Andean Region Cacao Alliance

http://pdf.usaid.gov/pdf_docs/PNADA067.pdf