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BOLIVIAN NATIONAL COMMUNITY DEVELOPMENT SERVICE

and

USAID/BOLIVIA

by

BETO BRUNN  
REGIONAL ADVISOR RRNA/DAI ORURO

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Oruro, April 1978

## I N D E X

PREFACE

INTRODUCTION

- I. COORDINATION WITH THE ADVISORY GROUP
- II. ASSISTANCE TO THE NCDS IN ADMINISTRATIVE MATTERS
  1. PLANNING
  2. RESTRUCTURING AND DECENTRALIZING THE NCDS
  3. INFORMATION AND EVALUATION SYSTEMS
- III. TRAINING
  1. NCDS PERSONNEL
  2. SMALL FARMERS AND THEIR ORGANIZATIONS
- IV. THE COOPERATIVE DEVELOPMENT PROGRAM
  1. COORDINATION WITH OTHER AGENCIES AND THE REGIONAL CROFOC CREDIT COMMITTEE
  2. THE CROFOC CREDIT RULES
  3. OTHER FORMS
  4. THE SYSTEM
  5. ZONAL OFFICES
  6. HANDICRAFTS
- V. THE WOMEN'S PROGRAM
- VI. SUMMARY OF RECOMMENDATIONS

## P R E F A C E

It's not easy for me to leave such an interesting and challenging job as this when the prospects of success are just starting to look good. Unfortunately the fact that there is still much to do tends to color a final report like this with an emphasis on what needs to be done and the problem involved therein, rather than the problems and obstacles already surmounted. Thus, it is important here, at the outset, to note that the current team of regional technicians, and especially the Regional Chief, have distinguished themselves as enthusiastic and generally efficient colleagues.

I would like to acknowledge the constant support given me which facilitated my efforts to help in the successes and momentum achieved to date. First, my counterpart, Jose Soto Fernandez, a NCDS official who deserves more support and credit for our successes than he has received. Second, Richard Griscom, who more than anyone recognized and attempted to turn about the isolation of Oruro by the national office. Finally, special thanks and acknowledgement go to Mrs. Ivonne Ballón de Chavarría, my dedicated and efficient Bilingual Executive Secretary, who seems to have worked without a pause for these 20 months.

Finally, I am grateful for the opportunity to have worked with the NCDS people, many of whom have distinguished themselves in their cooperative development efforts. Given that often few realize which field works are outstanding, I am going to take advantage of this opportunity to cite the good work of the following:

SERAPIO RAMOS	Zonal Chief Llica
EZEQUIEL CHAMBI	Coop Credit Agent Llica
CARLOS PEREZ	Zonal Chief Uncia
FELIPA AGUILAR	Women's Specialist Uncia
SYLVIA HUAYLLANI	Promotion Agent Uncia
GUILLERMINA ACHOCALLA	Promotion Agent Uncia
EMILIA PEREZ	Promotion Agent Challapata
BERNARDO NAVARRO	Regional Research Assistant and worthy candidate for either the position of Sociologist or Project Analyst.

In summary, aware that I have learned much while have taught and helped some, I am grateful for having had the opportunity to participate in the first phase of an important effort. I wish the NCDs, and especially my Oruro colleagues continued success in what will undoubtedly an even more challenging future.

BETO BRUNN  
ORURO-REGIONAL ADVISER  
26 JULY/76 - 30 APRIL/78

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## INTRODUCTION

Before the reader reviews this Final Report, it is necessary first to set forth some points of reference to clarify the orientation of my efforts and job as a whole and to establish generally the environment in which this took place.

FIRST, there is no doubt that Oruro has been, until these last weeks, a regional mere that ignored, forgotten. Not only have supervisory visits by high ranking La Paz NCDS officials been less than 10 in these twenty months, but there has also been a certain resistance, albeit occasionally, to consult with the Regional Chief in matters of cooperative development policy and even about the administration of the regional office, especially with regard to personnel decisions. Fortunately this resistance reflects more the personalities of the officials involved than the meaning implicit in the guidelines and procedures established by the National Director of the NCDS.

SECOND, the Cooperative Development Program in many of its phases has been stimulated primarily by the availability of credit funds, and the consequent necessity of disbursing them. This frequent urgency has led to a belief on the part of some that cooperative promotion is not very important and that the inclusion of the small farmers in the elaboration of the procedures and rules of a program to benefit them is not necessary at all. Consequently the emphasis especially at the zonal level has been on the establishment of small farmer organizations to receive credit. What has been forgotten or ignored is that organizing small farmers ought to be an instrumental activity facilitating the achievement of goals at least felt by the target group. The difference is that the latter is a path while the former is a goal in itself.

My experience, and that of many who have really participated in this process in the field, is that a dynamic small farmer organization principally arises and develops from the identification and growth of concrete activities of immediate benefit to the individual members of the group. While it is ordinarily true that credit facilitate exactly this process, the weakness of the actual program lies in its reluctance to trace out the medium term path. Given the added national level aversion to zonal and/or regional initiatives to develop multicommunity SFOs, the consequences are that zonal credit agents and occasionally even whole zonal teams, restrict their activi

ties to the strict supervision of a credit project in a single community, rather than involving themselves in the more complex development of SFO's do not bear fruit precisely because the organization has not received the attention given to the potatoe crop, for example. These organizations are then "dropped" and August witnesses a mad frenzy to find other SFO's willing to receive credit, justifying the presence, if not the work, of the zonal teams. Thus inevitably much of my work has been devoted to "giving life" to a few, selected SFOs, as models, by helping them clarify and implement their goals and strategies.

THIRD, these efforts become difficult when the coop administration and accounting systems developed by the NCDC for Integral Coops are not adequate for the mini-coops dealt with in Oruro. Thus, when not even small farmer leaders understand double entry accounting systems, the goal of the NCDS appears to be to organize small farmers under a system that only the NCDS can run.

In summary, the program lacks not conceptual bases but well defined procedures and especially strategy. The initial situation has been well described, and the long term goal, the Integral Coop as a model is clear. Unfortunately there is a fear at the national level of regional and/or zonal initiative, as demonstrated by their reactions in Punata early in 1977 and lately in Llica. This has led to an insistence by the SFO Department of NCDC in La Paz that they are the only ones capable of, and responsible for, setting policy and progress guidelines, eventhough they have effectively shirked that responsibility.

FOURTH, for the initial stages of the project in Oruro that corresponded generally to my twenty months, emphasis had to be placed on strengthening the Oruro NCDS Regional Office as an institution capable of administering the CROFOC credit program and promoting coop development. I believe that, especially in the first area, progress has been significant. Now the principal task for the Oruro office, and those who wish to help them, is to draw up and execute a global cooperative development program for each zonal office, and later for the region as a whole. Since, this is about to be done in Challapata, it is necessary to assure that the regional and zonal personnel will be able to have continued advisory support.

FIFTH, as both advisory and field agent, methodologically. I have depended on informal discussions supported by practical demonstrations.

SIXTH, the lack of direction has been bothersome to all of us who have had to work face to face with the Altiplano's small farmers. It is easy for people tied to a desk to measure progress, or evaluate their activities, by the movement of papers or the elaboration of documents. For field agents, on the other hand, in a cooperative development program progress is felt via the enhanced enthusiasm and participation of the beneficiaries, which is achieved facilitating the attainment of their own goals through the improved utilization of the available resources and talents, themselves augmented with our help.

Thus, to properly evaluate my work, one must focus on the augmentation process sighted above with regard to UCDS personnel, small farmers and their leaders, and its effects, in light of the little support and direction given me and Oruro. To facilitate this evaluation effort, I present this Final Report.

## I. COORDINATION WITH THE ADVISORY GROUP

As a member of the Advisory Group, I was fortunate to receive support from my colleagues, and facilitate the availability of the same to Oruro. Furthermore, I participated in many informative and analytical meetings, albeit sporadically held, of the Advisory Group. Eventhough the Advisory Group reflected different experiences, expertises, and thus different values, it should be noted that this differences were conscienciously accommodated within the "advice" given to the NCDS, due principally to the overall cooperative spirit within the Advisory Group.

In light of the fact that almost all of the efforts of the NCDS National Office have been directed toward the organization and development of Integral Coops in other regions, the interest and support given by the rest of the Advisory Group to Oruro has been commendable.

Given that there is interest in promoting an Integral Coop in Challapata, and given that NCDS La Paz personnel are already overburdened with past due work responsibilities, I recommend that a new regional advisor for the Altiplano based in Oruro be hired immediately. Further, in the meantime, I recommend that someone from the Advisory Group attend the monthly meetings of the Oruro Regional Technical Council.

## II. ASISTENCE TO THE NCDS IN ADMINISTRATIVE MATTERS

### 1. PLANNING

#### INITIAL SITUATION

At the national level in the beginning there were doubts about the goals of the Cooperative Development Program as initially established in the loan document. Later, after establishing that the principal goal of the program would be the establishment of Integral Coops, there was still no strategy, even broadly outlined, for those parts of the country, commonly known as the rest of the country, which includes all of the Oruro region and most of the country, where there was to be no promotion of Integral Coops until 1979.

At the beginning of the period covered by this report, the assistance and supervisory plans of the Regional and Zonal Offices with respect to the coops and SFO's were clearly deficient in terms of work organization and goals. Further, in some case regional and zonal personnel were not aware of some vital areas of coop training and promotion; most thought that the purpose of the program was to disburse CROFOC funds, control their use, and eventually assure their repayment. There were few meetings of personnel involved in the CROFOC program, either at the regional or zonal level, to analyze activities and problems encountered. Worse, work reports did not permit an evaluation of personnel efforts since they mainly reflected monthly itineraries; rarely did they specify goals, problems, needs, recommendations. Consequently, the program lacked direction.

Coordination between the Women's Program (DPMC) and the coop credit program aimed at rural men did not really occur. At the zonal level, the common interrelationship was that meetings of both target groups occurred on the same day

in the same community (splitting the family), or DPMC personnel were used to notify men of their SFO meetings. At the regional level, occasionally the Women's Specialist traveled with the other regional personnel.

Finally, initially the research team, eventhough in frequent contact with the regional coop development team, devoted itself almost exclusively to preparing village socio-economic studies of marginal functional worth to program implementation.

#### PROGRESS ACHIEVED, PROBLEMS TO BE RESOLVED, AND RECOMENDATIONS

At the national level, recently there has been an attempt to identify favorable areas for the promotion of Integral Coops to provide sufficient lead time.

In Oruro, the preliminary selections were Turco, Challapata, and Llica (Salinas de Garci Mendoza). Based on a preliminary feasibility study done by the Regional Office, the Challapata area has been identified as the best in terms of economic and demographic potential. Now it is necessary that at the national level a determination of approval (or disapproval) be reached, and the corresponding PERT be elaborated for the building of this Integral Coop. Furthermore, eventhough the formation of Integral Coops is not contemplated in the rest of the Oruro region, it is still necessary to develop some guidelines for pre-Integral coop development to avoid some of the problems alluded to in the Introduction. Specifically, in areas without multicomunity coop experience, it is necessary promote the GAB system, with credit for a single agricultural activity, as a prior step to the establishment of a SFO providing multiple services like the Integral Coop. Unfortunately many NCDC La Paz officials believe that it is the representation system, that is the existence of GABs, that makes a SFO an Integral Coop, when really it is the existence of a professional management component and a cooperative infrastructure made possible by the organization's economic capacity derived from the services provided.

At the regional level, there are now twice monthly meetings of the Regional Technical Council, one of which is attended by the Zonal Chiefs. This has helped clarify and remove major intraregional differences in program implementation procedures and goals, but the analysis of problems is still somewhat superficial due to the following:

- a. In some instances, particularly Challapata and Patacamaya, the Zonal Chiefs are not very knowledgeable about the on going details of the program in their zones.
- b. Priority is generally given in these meetings to NCDS administrative problems
- c. These reunions are attended by some people who have little to do with the coop development effort.
- d. In some instances, given the lack of Regional guidelines and goals, some Zonal Chiefs (Patacamaya and Challapata) have no real interest in program progress or evaluation and thus fail to assure the completion of reports and an adequate supervision of credit agents or disbursed funds.

A monthly meeting of Zonal Chiefs with the regional coop development team is recommended as well as an insistence by the regional team in the fulfillment of their recommendation by the corresponding zonal personnel.

At the zonal level no Office is really taking advantage of the potential of monthly in house meetings. This is due to many factors. First, there is a certain resistance to "confess" problems before cohorts and the Zonal Chief. Second, some members of the zonal teams assigned to a community, frankly have no interest, and little need to be interested, in the work of the other 'team' members; this is especially true with respect to the inter-relationship between coop credit agents and promotion of women. Third, rarely do regional personnel attend these meetings. It is thus recommended that at least one member of the regional coop development team, including the Women's Specialist, attend each monthly meeting in each zonal office. Further, the analysis and recommendations that these meetings engender

should be presented to the Regional office in writing as part of the Zonal Office's monthly report and it should be used at the regional level as the base for meetings there.

At the zonal level there is now more communication, although still insufficient, and some coordination between male and female personnel.

New evaluative informative reporting forms for use within the Oruro region, together with a more frequent and improved backup of regional personnel, has given better direction to the coop development program and has particularly broaden the vision of the credit agents as to areas of coop promotion. Remaining to be done is the insistence on the punctual completion of these reporting forms permitting their timely use at the regional level.

These forms and their evaluation were developed jointly by the regional coop development team, the regional research team, and myself. This type of activity, combined with an improved and closer physical location of all regional personnel, has lead to a research component more oriented toward evaluation and thus more meaningful to the on-going program efforts with a consequently more efficient coop development effort.

Further the broadened regional coop development team now more systematically meets and plans. This effort would be considerably improved if field transportation were more active. I recommend that two days at the beginning of each month be used by this broadened regional team to evaluate zonal reports and meetings as well as to plan their own activities for the coming month.

## 2. RESTRUCTURING AND DECENTRALIZING THE NCDS

### INITIAL SITUATION

If decentralization is to succeed, the following three conditions must be met:

- a. The National Office must provide ample scope within what the Regional Office can develop and execute its programs within National guidelines.
- b. The regional and zonal personnel have to be professionally capable to do this.
- c. The regional and zonal personnel have to take the initiative available to them.

Referring exclusively to the coop development program initially none of these three conditions held. National guidelines were strict and developed with the participation of the Regional Offices; some NCDS employees were not qualified for their positions and Regional and Zonal offices tended not to take the initiative in the few areas available to them.

### PROGRESS ACHIEVED, PROBLEMS TO BE RESOLVED

National goals, but not procedures or strategy, are well defined although not always timely disseminated. Consequently, the areas of possible initiative, although narrow are well established. The improved professional capability of the current primary members of the regional coop development team relative to former regional personnel is much improved. There is thus a greater willingness to take initiative and a greater probability of success in these activities. Unfortunately, the NCDS still maintains on its payroll some employees whose work is clearly unsatisfactory.

One final obstacle to decentralized initiative is the presence in some national NCDS officials of a paternalistic hostile attitude. Such seems to be the case of the Head of the SFO Department in La Paz who, for example, almost routinely presents summaries of the Oruro late credit payments without including the most recent information, thus presenting Oruro in a less favorable light. In addition, this same official, who has visited Oruro, and just the Regional Office, three times in the twenty months I have been there, recently criticized the Regional Office, and especially the Regional Chief, for supervising from his desk.

#### RECOMMENDATIONS

1. Include Regional and Zonal Office representation in the development of strategy and procedured guidelines for the cooperative development program.
2. Hire and keep within the NCDS only those employees qualified for their positions.
3. Insist on the formalization in writing of a tentative Regional coop development plan for the rest of 1978
4. Improve the interchange, and relations, between the Regional Chief and the National Head of the SFO Department.
5. Promote more visits by NCDS La Paz officials to the zonal offices in Oruro.

### 3. INFORMATION AND EVALUATION SYSTEMS

#### INITIAL SITUATION

There were no coop development work plans at the zonal level much less an evaluation system for the activities carried out. Consequently, it was not possible to determine the optimal balance between number of SEOs, number of small farmers, and the participation of rural women. The only universally accepted evaluation criteria was the long term goal of affecting positively the greatest number of rural men and women.

Evaluation was obviously impossible without somewhat clear idea of what should be achieved in the short run covered by this report. The lack of a progressive cooperative development strategy combined with an administrative emphasis on the control of credit funds tended to distort reports toward information relating amounts and use of disbursed funds relative to what had been programmed, complemented by statistical reports on numbers of small farmers and hectares covered by the credit program. Consequently, evaluation served primarily to assure that the program in general was going in a direction in line with the wishes of the high ranking NCDS officials, USAID, and the Advisory Group.

#### PROGRESS ACHIEVED AND PROBLEMS TO BE RESOLVED

At the national level, the NCDS still has no system which permits an adequate program planning and evaluation. At the regional level, a quarterly coop development plan by organization has been insisted on, permitting a more effective evaluation. Nevertheless, this system has not been extended to the totality of zonal activities which would force a more logical productive interrelation of activities within each zone attended by the NCDS. Lacking this, the regional cooperative development efforts seen as a whole still have no consistency.

**RECOMMENDATIONS**

1. Develop at the national level a comprehensive system of coop development program planning and evaluation.
2. Improve the utility of the socio-economic studies for project execution and program improvement.
3. At the regional level, broaden the planning evaluation system to include the totality of zonal and regional activities.

### III. TRAINING

#### 1. NCDS PERSONNEL

##### INITIAL SITUATION

The zonal credit agents generally had no training for credit evaluation or coop accounting. They as well as zonal women's specialists and promoters did not know how to strengthen SFOs. At the regional level evaluation and planning were superficial. Finally the coordination with the Pillayi Training Center was terrible.

##### PROGRESS ACHIEVED AND PROBLEMS TO BE RESOLVED

The first step has been taken in the training of the credit agents through short courses, one on the preparation of feasibility studies, the other on the use of a special coop accounting system. A large part of my activities have been devoted to providing follow up for this training.

Now the credit agents can, more or less, provide adequate accounting services to the SFOs. The principal areas of problems are:

- a. Dividing (member) sub loan payments between the two interest accounts.
- b. Timely annotation of accounting entries.
- c. Completion of auxiliary accounting books, especially "general expenses".
- d. Adequate use of member booklets.
- e. SFO official reluctance to finance the system.
- f. Lateness in the preparation of accounting reports.
- g. Difficulties in explaining the system to SFO members and leaders, much less in convincing them of its need.
- h. Training SFO leaders to use the system.

- i. Preparation of end-of year balances.
- j. Timely and correct review at the regional level of accounting reports.

As far as the preparation of feasibility studies is concerned the problems revolved around the credit agents underestimation of the time and difficulties involved. This is complicated by some requirements in study presentation which are not realistic such as the preparation of a marketing study.

Zonal women's specialists and promotion agents, and recently men's promotion agents, have been trained in strengthening SFOs by means of short courses and discussion groups. Further, in Oruro a joint information-evaluation system for the zonal team has been implemented which has helped to integrate in a better and more logic form the work in each village. However, often the principal interest of the zonal team still remains the supervision of the credit project narrowly seam, rather than a broad development of the SFO.

Finally during these twenty months. the Director of The Pillari Training Center visited us twice once apparently to join us for lunch and a second time to help give some the basic short courses to small farmers in a couple of villages. We are still awaiting the evaluations of those short courses and the follow-up recommendations. Luckily the interest and assistance given us by the current Head of the Training Department and the corresponding Advisor have been very valuable.

## RECOMMENDATIONS

### A. Regarding the cooperative accounting system

1. Adapt it for the mini-cooperatives, reducing the size of the pages, using only one double-purpose sheet for basic accounting anotations, and making anotations in the Libro Mayor General quarterly. (This simplified method has been implemented successfully in Turco).
2. Promote a more frequent supervision of the credit agents.
3. Improve SFO member and leader awareness of the value and simplicity of this (modified) system by including them in its implementation.
4. Include in the second quarter 1978 Regional plans, assistance in the preparation of 1977 balances and follow up in accounting training for the credit agent.
5. The Regional SFO Department should routinely meet monthly to evaluate zonal reports and elaborate their own monthly plans including necessary and timely follow-up in training.

B. Regarding the improvement of feasibility studies, their preparation should be anticipated and the corresponding regional personnel should provide more timely assistance to the credit agents. (see IV.4)

C. To broaden the perspective of the zonal personnel, the zonal teams should be made more functional, at the level of both program implementation and program supervision.

D. To improve the support of the Training Department, the Pillapi Director should visit Oruro more and should especially participate in the preparation of the quarterly regional plan.

## 2. SMALL FARMERS AND THEIR ORGANIZATIONS

### INITIAL SITUATION

Training concentrated on the theoretical presentation of what is cooperativism. Little effort was devoted to training SFO leaders in the administration and development of the organization; rather credit agents were generally the big chief of the SFO, directing the meetings, keeping the minutes of the meetings, often controlling the SFO's purchases.

### PROGRESS ACHIEVED AND PROBLEMS TO BE RESOLVED

Formal Training is still very deficient: the Pillapi Training instructors have not even been able to tell us what we should expect from small farmers and their organizations after having received Pillapi-sponsored short courses. Unfortunately, even if these courses provided some benefit they were not given in all villages with SFOs receiving NCD's zonal support. Further often the instructors did not speak aymara and/or made little use of visual aids or teaching methods other than a speech.

Informal training has been variable depending on the capabilities of the credit agent and the time available. Often we have managed to train SFO leaders to make initial accounting entries. Now almost universally the SFO secretary keeps the minutes. Generally credit agents participate only in the pertinent parts of meetings. Still to be done is to teach the SFO members the benefits of increasing membership and reducing initial membership payments. Also, the superior value of the new farm inputs obligatorily included in the credit projects to make them profitable (and thus acceptable) has not always been convincingly demonstrated.

RECOMMENDATIONS

1. Make formal training more meaningful and effective, utilizing methodologies more appropriate for the rural setting and with more concrete objectives.
2. Make more meaningful the Vigilance and Credit Committees, thus broadening member participation.
3. Emphasize in the SFO training programs the benefits of increased membership and alternatives for profit distribution.
4. To the extent possible, adapt the SFO administration and accounting systems, imposed by the NCPS to the capabilities of the small farmers themselves, avoiding in this manner the mystification of the bureaucracy.

#### IV. THE COOPERATIVE DEVELOPMENT PROGRAM

##### 1. COORDINATION WITH OTHER AGENCIES AND THE REGIONAL CROFOC CREDIT COMMITTEE/

##### INITIAL SITUATION, PROGRESS ACHIEVED, AND PROBLEMS TO BE RESOLVED/

In general at first there was barely good communication, much less coordination, with IBTA. The establishment of CICAQ, an inter-institutional committee attempting to coordinate development efforts in Oruro, has improved measurably the hope for an effective inter-institutional coordination. Unfortunately the frequent personnel changes in the position of Regional Agronomist, the NCDS representative to CICAQ, has made it difficult to translate this hope into reality. In the field, coordination between IBTA and the NCDS has varied, principally depending on the human relations between the two field agents.

Regional coordination with INALCO has tended to be oriented toward accommodating INALCO rather than a mutual pooling of efforts. Thus the primary interest of INALCO seems to be the presentation of balances, with NCDS assistance, without really getting their hands dirty fixing up the SFO bookkeeping.

Coordination with the State Bank has been most variable given that the Bank official in charge of CROFOC matters has been changed four times. Each official has his own style and interpretation of CROFOC rules.

Finally, the Regional CROFOC Credit Committee meets only to consider credit applications, and thus effectively there are meetings during only two or three month period each

year. During the rest of the year, no evaluative or descriptive information on program progress is provided to these organizations in a systematic way.

### RECOMMENDATIONS

1. Hold a short course at the regional level for IBTA personnel to inform them of what the program is all about and why their collaboration is necessary.
2. Try to get included in CICAQ's Coordinated Rural Development Plan the development of Integral Coops.
3. Present monthly reports, preferably more evaluative than descriptive, to the institutions preferably in a meeting of the Credit Committee.
4. Make a formal presentation to the regional heads of these institutions of the tentative quarterly regional coop development plan.
5. Try to include representatives of these institutions in regional field trips each quarter.

## 2. CREDIT RULES

### INITIAL SITUATION, PROGRESS ACHIEVED AND PROBLEMS TO BE RESOLVED/

The Credit Rules were adequate for the first year when projects were principally restricted to a single agricultural activity. Two aspects of the Rules bother me: first, they are drawn up without the participation of the people responsible for implementing them; and second, they are very restrictive even though much of the available funds are unused. For example, medium term projects are restricted and purely commercialization projects tend to be frowned upon. On the other hand, in some instances, credit agents do not believe it is necessary to comply

with the rules, and thus delay projects until requirements are fulfilled.

### RECOMMENDATIONS

1. Request an evaluation of the Credit Rules by the Regional Offices.
2. Based on this evaluation, submit the Credit Rules and recommendations for amendments to the National Technical Council including Regional Chiefs for consideration and approval.
3. Continue to insist on compliance with the Rules.

### 3. OTHER FORMS

#### INITIAL SITUATION, PROGRESS ACHIEVED, AND PROBLEMS TO BE RESOLVED/

Initially the only form used at the regional level was the CROFOC purchase order.

The first year I prepared and implemented forms to control disbursements and facilitate the evaluation of requested disbursements in light of what had been approved. These were not utilized during the crop year 1977-78 since the National Office provided similar forms. Additionally I simplified some accounting forms for SFOs now being used principally in Turco. And, I was the extra official source of accounting forms for the SFOs since no official source existed. Finally, with my help, forms have been developed for the annual CROFOC evaluation, the establishment of quarterly goals, and monthly zonal team reports. We have seen that an annual evaluation based on information

collected at only one point in time is not very valuable due partially to the problem of determining retroactively aspirations and partially to the lack of goals established in the beginning.

The forms for the elaboration of goals are worth while but the regional personnel must learn to use them better. The zonal credit agents have been more consistent in using the forms to good advantage.

#### RECOMMENDATIONS

1. Continue to use the simplified accounting forms for mini coops.
2. Establish an official source for SFO accounting forms within the Regional Office.
3. Make more uniform criteria and procedures for the annual coop development program evaluation.
4. Base program supervision and evaluation on feasible comparisons between established quarterly goals and the corresponding real situation.
5. Improve the capacity of Regional personnel to use to good advantage periodic evaluation forms.

#### 4. THE SYSTEM

##### A. FEASIBILITY STUDIES

The majority of the feasibility studies are prepared in the following manner:

1. The credit agent determines what are the principal crops to be subject to credit applications.
2. If some new crop inputs appear to the credit agent to be profitable, he arbitrarily includes them.

3. If the CROFCC Credit Rules require an auxiliary support credit activity, such as crops to justify the purchase of oxen, it is included.
4. A feasibility study is prepared and reworked until each component is profitable.
5. Generally the repayment schedule has no relation to the marketing plan, but rather reflects the SFO's and credit agents' desires to pay in lumps related to components, such as 50% of the potatoe credit in each of two payments. And there is a preference of almost all SFOs to request the maximum repayment period (and pay as soon as possible).
6. The narration of the project is very weak and superficial.

At the regional level, project evaluation concentrates on assuring that all the complementary documents are included and that the calculations are replicable and correct. Additionally, for coops the previous years' balance is prepared for IUALCO. The consequence of the missing documents, bad arithmetic, and time to prepare balances is that Regional credit approval generally occurs very much after the first program of disbursement date.

The evaluation of projects at the national level concentrated on the three occasions we experienced it this year, on the marketing-repayment relationship, on shortening the repayment period regardless of the results of the feasibility study, and analyzing estimated harvest figures in the light of experiment station results. This year the experience was faster and better organized.

## RECOMMENDATION

### A. Recommended Procedure for Project Preparation

1. Credit agents must meet with SFO leaders two months prior to project execution to flesh out proposed credit activities and determine initial crop budgets.
2. The Regional coop development team should then go to the community to review
  - a. the calculations and input-output relationships,
  - b. the relationship between the project and credit rules,
  - c. the marketing and repayment plans, and
  - d. the narrative part of the project.
3. In a meeting of the SFO the feasible project components, members should be presented, discussed, and revised if necessary.
4. Based on the approved project components, members should make their individual credit applications.
5. Finally the credit agent, preferably with the SFO leaders should prepare the project for formal presentation and regional consideration at least one month prior to the first planned disbursement.

The keys to this procedure are: anticipation, greater member participation, and more timely regional assistance which incidentally provides training follow-up.

### B. WORK ORIENTATION

As has been noted in many occasions in this report, the work of the credit agents is focused

narrowly on the supervision of the GROFOC credit projects. There is little interest in increasing member numbers or participation, training SFO leaders, and involving women more fully, or extending the geographic jurisdiction of the SFO.

Zonal women's specialists and promotion agents are concerned principally with knitting or similar handicraft projects for home use. There is little dialogue among cohorts. Finally, the supervision by Zonal Chiefs is sporadic and badly planned, similarly to regional supervision.

#### C. CREDIT CONTROLS

I recommend that disbursement procedures be modified to permit cash disbursement when a Regional Office determines that it is necessary.

### 5. ZONAL OFFICES

#### A. PATACAMAYA

The first year, the Zonal Office of Patacamaya presented the worst example of credit programming confusing number of credits with successful coon development. In addition there was barely a relationship between the coon credit and women's programs. For the second year, the selection of SFO and the geographical distribution of zonal personnel was very good. Unfortunately the consequent hopes for a substantial program success were reduced considerably with the appointment of zonal chiefs not really qualified or interested

in supervising a cooperative development program. Additional negative factors include a new drawing of zonal boundaries dividing the area of coop activity with the neighboring Challapata zonal office and the subsequent geographical dispersion of zonal personnel.

#### RECOMMENDATIONS

1. Include Quelcata (now part of the Challapata zone) in the Patacamaya zone.
2. Include in the zonal's coop development program inter-SFO contacts and eventually integration.
3. Evaluate the work performance of Humberto Sanchez (Zonal Chief), Cristina de Luque (Women's Specialist) and Victor Wayta (Credit Agent).

#### B. LLICA

The Zonal Office of Llica, in spite of the rare technical assistance received from the Regional Office or its Advisor, has developed SFO based in Florida that could easily expand into an Integral Coop. Moreover, this office has distinguished itself by presenting on time and well prepared its monthly report. They really work in teams, thus women to a greater extent than in any other zone participate in the SFOs.

#### RECOMMENDATIONS

1. To feed the enthusiasm of the SFO members in Florida and surrounding communities, an effort should be made to look for and develop projects with greater profits for this SFO.

2. Given that the support of a qualified Zonal Chief is necessary to organize a successful cooperative development program especially in this almost abandoned Zone, and in the light of the fact that the NCDS is about to name as new Zonal Chief an employee whose performance as credit agent has been unsatisfactory, complete evaluation of the work of this person as Zonal Chief should be done after three months and the appropriate decision should be made.
3. Technical assistance to Ulicia by the Regional Office should be made more frequent.

#### C. UNCIA

This zonal office spent the first year in cooperative promotion; only for the second year was it allowed to participate in the cooperative credit program. For this two good selections for the first credits were made reflecting an interest to use credit to expand the organization. A zonal team has been assigned to each of these two communities. But the coordination among male and female members could be improved, considering the very capable and enthusiastic female personnel in Uncia; this would clearly led to more significant success in involving women in the coop movement.

Referring specifically to the two communities, Banduriri a very isolated community, some 10 hours to the northeast, needs more support. Also the credit agent assigned to Cala-Cala, very close to Uncia, should spend much more time in Cala-Cala, and be seen less in Uncia. Nevertheless, I am very happy to report that there has been a considerable increase in members in Cala-Cala, but only from this community. There is clearly a potential to draw in members from surrounding

communities, thus avoiding the mistake, common on the Altiplano, of erroneously giving the impression that each community should have its own coop. That potential should clearly be exploited.

Finally, it needs to be noted that the Uncia plains, much like the Lequezana plains, present good prospects for forming a large, multicommunity coop, and later an Interregional Coop, but Uncia does not have the personnel to take advantage of this situation.

#### RECOMMENDATIONS

1. Improve the team nature of the zonal work teams.
2. In view of the fact that the credit agent assigned to distant and often inaccessible Banduriri has quit, and given that zonal supervision of Banduriri is difficult, the credit agent currently assigned to Cala-Cala should be transferred to Banduriri.
3. A third credit agent should be assigned to Uncia to help them in coop promotion and development in the plains of Uncia.

#### D. CHALLAPATA

Challapata has never had a Zonal Chief really competent to supervise a cooperative development program. Thus Challapata's program can easily be characterized as the most disorganized. Additionally two credit agents were clearly deficient. Luckily one has been fired, but it appears that, due principally to his longevity the other will be promoted to Zonal Chief in Llica.

The Turco SFO deserves special attention, and comment here, because it has the only handicraft credit in the country, and because it is to be the site of a new Zonal Office. In spite of a well thought out credit project actually developed with, rather than for, the members, this SFO is now behind in its credit payments due to poor project supervision. Interesting a beneficial side-effect of the desinterest of the (now fired) credit agent, has been that the SFO president and the NCDS promotion agent have learned to use the accounting system, simplified for them. (see IV.4). Currently the organization has to make a more concerted effort to recover the value of mattresses sold on credit (more than US \$ 2.000 and half their outstanding CROFOC credit obligation).

Recently a credit agent, just hired by the NCDS, has been assigned to Turco. Since this SFO will want another credit in June to take advantage of the semi-annual fair where newly sheared (alpaca, llama, and sheep) wool is sold, it is vitally important that this new and inexperienced credit agent receive help in the elaboration of the project and its feasibility study so that it can be considered in a timely manner by both the Regional and National Offices of the NCDS. Also, since this SFO is based on attempts to convert local wool to handicraft products, and since approximately 30% of the members are women, it is high time that the Zonal Women's Specialist make Turco her center of activities; unfortunately she has not yet visited Turco in the four months she has been with the Challapata office.

Finally, the SFO faces problems in this, the last phase of its current credit project, the preparation of alpaca fabrica to be sold to those who would make men's suits out of them. First, according to the calculations made when designing

the project, this phase is profitable only if machines are used to spin the wool and if the NCDS expert in handicrafts helps supervise the project. Both conditions do not now hold. Further, the poor initial project supervision alluded to earlier has meant that the SFO does not now have the quantity of wool necessary to produce the amount of fabric programmed. This puts in some doubt their ability to pay off completely their credit much less show a profit at the end of the project.

#### RECOMMENDATIONS

1. The new Zonal Chief (formerly in Llica) should establish better criteria for SFO selection and coop development programming.
2. The work of Carlos Leon should be evaluated.
3. The Zonal Chief especially, and the Regional office, should supervise closely the new credit agent assigned to Turco.
4. The new credit agent in Turco should focus of the recuperation of debts to the coop, thus providing the means to normalize CROFOC payments.
5. The Advisor in Coop Credit, Mr. Juan Alvarez, together with the Regional Project Analyst, should go to Turco before the end of April to train the new credit agent there in the preparation of feasibility studies.
6. The Zonal Women's Specialist should move to Turco as soon as possible.
7. The assistance of the NCDS handicraft expert for Turco should be requested by the Regional Office as soon as possible.

## 6. HANDICRAFTS

In spite of its importance in the economic life of the Bolivian rural families, handicrafts have received little attention as a profitable economic activity within the CROFOC-NCDS program. For a while, I tried to find buyers for Oruro handicrafts in the US during my vacation. I realized from that experience that foreign marketing of Bolivian handicrafts is not easily done for several reasons:

1. it takes time to establish contacts;
2. very few buyers would pay even part in advance;
3. winter clothers (alpaca products) need to be shown in March for the following winter;
4. the volumen of products necessary to break into the foreign wholesale markets requires a considerable storage and "waiting" capacity for the SFOs involved; and
5. product quality and appearance, especially evenness in the stretching, is very important.

The Turco SFO has decided to produce for the national market fabric and mattresses precisely because foreign marketing is difficult. Nevertheless, if they could market their wool abroad in handicrafts products, I believe the Turco SFO would be more profitable than any other SFO or Integral Coop.

### RECOMMENDATIONS

1. Contacts should be established with international non-profit organizations concerned with handicraft marketing.
2. The NCDS handicraft expert should be better utilized.

## V. THE WOMEN'S PROGRAM

### INITIAL SITUATION

The idea of women as members with equal status within formal SFOs was never an accepted traditional idea. The women's specialists and promotion agent's capacity to help rural women to participate in these SFOs was deficient partially because they did not know how and partially because they accepted an isolated position in the villages relative to the credit agents. Finally, the value of accepting women in formal organizations was not clear to the men.

### PROGRESS ACHIEVED AND PROBLEMS TO BE RESOLVED

The NCDS women field personnel have received some formal training. The improved information evaluation systems both at the regional and national level have helped orient them more in their work.

In some SFOs, due to principally to some exceptional efforts by these field personnel, significant number of members are women. Unfortunately this is not widespread: the opposite, ie. almost no progress, is the general case. This seems to be due to a lack of much coordination among male and female NCDS personnel at the zonal level and the inability of the Regional Women's Specialist to organize and supervise effectively her people. Finally, there is little interchange of experiences among field personnel.

**RECOMMENDATIONS**

1. Improve the "team" aspect of zonal teams.
2. Insist on money making projects for each women's group.
3. Include progress in involving women in SFOs as a part of program and village evaluation.
4. Include as a routine women's group activity assistance at the SFO meetings.
5. Transfer the Regional Women's Specialist to a position not involving supervisory duties.
6. Have bi-monthly meetings of Zonal Women's Specialists with the Regional Women's Specialist and Coop Specialist.
7. As a money making (or saving) project encourage wholesale purchase of consumer articles for immediate distribution.

## VI. SUMMARY OF RECOMMENDATIONS

### I. COORDINATION WITH THE ADVISORY GROUP

1. Hire the Regional Advisor for the Altiplano as soon as possible, and make his base Oruro.
2. Until this (1) is done, at least have a member of the Advisory Group attend the monthly meeting of the Regional Technical Council with the Zonal Chiefs.

### II. ASSISTANCE TO THE NCDS IN ADMINISTRATIVE MATTERS

#### 1. PLANNING

1. Have monthly meetings with Zonal Chiefs and the broadened Regional comm development team.
2. Have the Regional team insist of compliance with their recommendations and instructions.
3. Have a member of the Regional team attend each monthly meeting of each zonal office.
4. Have the summary and conclusions of the zonal monthly meetings included as a formal required part of the monthly zonal report to the Regional Office.
5. Have the Regional team spend at least two days at the beginning of each month evaluating zonal reports and preparing their own monthly work plan.

#### 2. RESTRUCTING AND DECENTRALIZING THE NCDS

1. Include Regional and Zonal representation in the formulation of program guidelines and procedures.
2. Hire and keep in the NCDS only qualified personnel.

3. Have the Regional office present shortly their coop development plan for the rest of 1978.
4. Improve the ties, and relations, between the Oruro Regional Chief and the National Head of the SFO Department.

### 3. INFORMATION AND EVALUATION SYSTEMS

1. Develop at the national level a planning evaluation system.
2. Improve the utility of village socio-economic studies for program execution.
3. Broaden the usage of the in-house Regional information evaluation system to include the totality of zonal and regional activities.

## III. TRAINING

### 1. NCDS PERSONNEL

#### A. Regarding the coop accounting system

1. Adapt it to the mini-cooperatives (see text for details).
2. Supervise the credit agents more often and closely.
3. Train SFO leaders and members in its use and utility.
4. Include in the Regional second quarter 78 work plans help in the preparation of 1977 balances.

### B. Regarding other points

1. To improve feasibility studies, start earlier and involve Regional personnel earlier.
2. To improve 'team' work at the village level, treat personnel as a team both in terms of work and supervision.
3. Include the Pillari Training Director in the formulation of quarterly work plans.

### 2. SMALL FARMERS AND THEIR ORGANIZATIONS

1. Make formal training more functional for rural Bolivia.
2. Use the SFO Vigilance and Credit Committees to increase member involvement.
3. Emphasize in training efforts the benefits of increasing members.
4. Adapt SFO accounting and administration system to member capabilities.
5. Increase inter-SFO contacts.

## IV. THE COOPERATIVE DEVELOPMENT PROGRAM

### 1. INTER-INSTITUTIONAL COORDINATION AND THE REGIONAL CROFOC CREDIT COMMITTEE/

1. Hold a short course at the regional level to orient and inform IBTA personnel.
2. Try to include in the state's Coordinated Rural Development Plan the development of Integral Coops.
3. Present monthly evaluative reports to these institutions.
4. Formally present the Regional quarterly coop development work plan to these institutions.

5. Try to include representatives of these institutions on field trips each quarter.
6. Try to involve INALCO more in the actual resolution of SFO bookkeeping problems.
7. Hold an information-orientation meeting with each new representative of the State Bank.

## 2. CREDIT RULES AND REGULATIONS

1. Have the Regional Offices evaluate the CROFOC rules.
2. Present the CROFOC rules and proposed amendments to the National Technical Council with Regional Chiefs for their consideration.
3. Continue to insist on field compliance with the CROFOC rules and regulations.

## 3. OTHER FORMS

1. Continue using simplified accounting forms for mini-coops.
2. Establish an official source to provide accounting forms to SFOs within the Regional Office.
3. Set at the national level criteria and procedures for program evaluation.
4. Base supervisory and evaluation activities on feasible comparisons of goals clearly stated beforehand and the corresponding real-world situation.
5. Improve the abilities of Regional personnel to use periodic evaluation forms.

#### 4. THE SYSTEM

##### 1. Recommended procedure for SFO project elaboration

- A. Have the credit agent flesh out with SFO leaders projects pre-selected by members, to take place at least two months before project implementation.
- B. Have the Regional Team meet with the credit agent and SFO leaders in the community to check crop budgets, recommended inputs, and compliance with CROFOC rules.
- C. Present the components preliminarily acceptable to a meeting of the SFO for members revision.
- D. Members should apply for credit according to their individual needs.
- E. The credit agent prepares, preferably with the SFO leaders, the project for presentation one month prior to the first planned disbursement.

#### 5. ZONAL OFFICES

##### 1. Patacamaya

- A. Include Quelcata (now in Challapata Zone) in the Patacamaya Zone.
- B. Include in the zonal coop development program inter SFO activities and eventual SFO integration.
- C. Evaluate the work of Humberto Sanchez (Zonal Chief), Cristina de Luque (Zonal Specialist), and Victor Wayta (Credit Agent).

2. Llica

- A. Look for and develop more profitable projects for the Florida-based SFO
- B. Evaluate completely after three months the work of the new zonal chief.
- C. Have the Regional Office provide more frequent technical assistance and support to the Llica office.

3. Uncia

- A. Improve the "team" component of the zonal work effort.
- B. Transfer the credit agent now in Cala-Cala to Banduriri.
- C. Make a concerted effort to expand the community base of the Cala-Cala group.
- D. Assign a third credit agent to Uncia.

4. Challapata

- A. The new zonal chief should set more clear and effective guidelines for SFO selection and program implementation.
- B. Evaluate the work of Carlos Leon.
- C. Provide close and frequent support to the new credit agent assigned to Turco.
- D. Focus the Turco SFO's efforts on recuperation of debts owed it.
- E. Have the Coop Credit Advisor, together with the Regional Project Analyst, help the new credit agent in the preparation of the new credit project for June 1978.
- F. Have the Zonal Women's Specialist start working in Turco as soon as possible.

- G. Have the National handicraft expert go to Turco as soon as possible.

#### 6. HANDICRAFTS

1. Make contacts with non-profit international handicraft marketing organizations.
2. Use more effectively the talents of the National handicraft expert.

#### V. THE WOMEN'S PROGRAM

1. Improve the "team" nature of zonal and regional work.
2. Focus on money-making (or saving) projects for all women's groups.
3. Include progress in women's activities as a part of overall SFO and coop development evaluation.
4. Make a routine women's group activity attendance at SFO meetings.
5. Transfer the Regional Women's Specialist to a position not involving supervisory responsibilities.
6. Have bimonthly meetings of Zonal Women's Specialists with the Regional Women's Specialist and Coop Specialist.
7. Implement, as a money making (or saving) project wholesale purchasing of consumption goods for immediate distribution.

