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TO - WASHINGTON ROAD A - 072

511-457

FROM - LA PAZ
E.O. 11652: M/A

SUBJECT - Rural Roads I Evaluation

REFERENCE -

FOR NO/PAV

Attached herewith are two copies of Project Evaluation for
Project #511-T-056, Rural Roads I.

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Atts. to Mail Room Blueprint Desk 4/20/78.

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DRAFTED BY: DPE:EMontano/eba	OFFICE DPE	PHONE NO. 366	DATE 4/6/78	APPROVED BY: AD:CJStockman
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AID AND OTHER CLEARANCES DPE:Rveith	UNCLASSIFIED CLASSIFICATION
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PROJECT EVALUATION SUMMARY
(Submit to MO/PAV after each project evaluation)

1. <u>Mission or AID/W Office Name</u> USAID/Bolivia			2. <u>Project Number</u> 511-T-056		
3. <u>Project Title</u> Rural Roads I					
4. <u>Key project dates (fiscal years)</u>				5. <u>Total U.S. funding-life of project</u>	
a. Project Agreement Signed: 9/20/76		b. Final Obligation: 6/6/80	c. Final input delivered: 12/6/80		\$8,500,000
6. <u>Evaluation number as listed in Eval. Schedule</u> 77-6		7. <u>Period covered by this evaluation</u> From: 9/76 Month / Year		TO: 2/78 Month / Year	
9. Action Decisions Reached at Evaluation Review including items needing further study. Update Critical Path Network			10. Officer or Unit Responsible for follow-up. EID	11. Date Action to be completed. July 1978	

12. Signatures:

Signature:

Project Officer

Signature:

Mission of AID/ Office Deputy Director

Robert D. Adams

Charles J. Stockman

Typed Name

Robert D. Adams

Typed Name

Charles J. Stockman

Date: 3/16/78

Date:

4/4/78

13. SUMMARY -

The purpose of the Project is to increase agricultural production and off-farm sales of agriculture/livestock production in the Cochabamba Department and in selected areas of the Departments of Chuquisaca, La Paz and Santa Cruz through the provision of all-weather access roads.

A sub-purpose of the Project is the establishment of a capacity within the Bolivian National Highway Service (SNC) to improve and maintain rural access roads in the Project areas.

The target outputs are twofold. A minimum of 1,200 kilometers of all-weather access roads is expected to be completed, linking an estimated 15,000 small farm families to market centers on a year-round basis. In addition, the SNC will develop the capacity-through the creation of a rural access roads division - to continue an effective rural access roads program within the Project's target area. This capacity will include a capability for road and equipment maintenance approximately 70 beneficiary communities.

Applications have already been received from 36 communities for eligible roads in the four target areas, indicating some 600 kilometers of access roads for which improvement to project standards is sought. The National Community Development Service and the SNC economist are working to obtain data on the first target section of these roads. The construction program will begin on these roads in June-July 1978.

Progress has been made in the senior areas and is continuing on structuring and staffing the new SNC division responsible for rural roads. A technical advisor in administration was employed October 1977 and efforts are underway to employ a technical advisor on heavy equipment beginning 1978.

Procurement of heavy equipment is well advanced with the major portion due for shipment in March 1978. The procurement of hand tools, explosives and drainage culverts is similarly well advanced and synchronous with the construction schedule.

The project is six months behind schedule due to problems in procurement procedures of the GOB and AID. These problems have largely been resolved. The GOB has also experienced difficulties in finding candidates for the proposed two technical advisors to the SNC and utilizing them within the SNC hierarchy. These difficulties are being strongly addressed by the SNC and USAID.

14. **EVALUATION METHODOLOGY -**

This was a regular evaluation conducted between personnel from Servicio Nacional de Caminos (SNC) and USAID/Bolivia..

Ing. Domingo Marquez	-	Manager Rural Roads Department, SNC
Mr. Robert D. Adams	-	ETD/USAID/B
Mr. Gover Carranza	-	ETD/USAID/B
Mr. Edward Smith	-	DR/USAID/B
Mr. Marcelo Miranda	-	DPE/USAID/B

The information utilized for the evaluation was provided by Ing. Marquez from SNC documents and by ETD from monthly project reports and other project related documents.

This evaluation was in accordance with the PP with respect to timing, study and design, scope, methodology and issues as they may apply to the present situation.

15. **DOCUMENTS TO BE REVISED**

The CPI network for this loan will be updated as soon as delivery dates on project components is confirmed.

The difficulties in procurement and utilization of technical services and in procurement procedures are being carefully considered in the design of a subsequent loan for rural access roads which is being reviewed for FY 1978 authorization.

16. **Evaluation findings about EXTERNAL FACTORS -**

It is still early to determine the influence of external factors that would have an impact on the project because the equipment has not arrived and actual work has not started. Nevertheless, this delay in the initiation of the construction is due to the long-process of bidding. In the initial stages, several months of delay occurred in AID while IFB review and authorization procedures were thrashed out with LA Bureau and SER/COM.

Following receipt of bids a number of awards were delayed in dispute between the AID Mission and SNC with regard to interpretation of specifications and between SNC and other branches of the GOB with regard to Andean Pact monopolies. Ultimately Letters of Credit were delayed, awaiting issuance of a GOB Supreme Decree which was thwarted for several months by changes in the GOB cabinet.

17. Evaluation findings about GOAL/SUBGOAL

The general agricultural sector goal is to improve the relative welfare of the rural poor. The Project will contribute toward the accomplishment of this objective by addressing one of the major constraints to increased income for small farmers in selected areas of Bolivia, namely, the provision of all-weather access to agricultural marketing centers. Achievement of this goal will be measured by increased per capita income and improvement in the standard of living of the Project beneficiaries.

The construction work has not actually started, therefore, it is still too early to make any evaluation with respect to the achievement of the goal/subgoal of the project.

18. Evaluation findings about PURPOSE

1. To increase off-farm sales of agriculture and livestock production in target areas by permitting better marketing and improved crop production through improved access to markets.
2. To assist the Bolivian Highway Service (SNC) in the establishment of an institutionalized program for construction and maintenance of rural roads.

Achievement of the first purpose can be expected on the following schedule following the receipt of project inputs mid-1978

9% 1978, - 26% 1979, - 26% 1980, - 26% 1981, 19% 1982.

Progress has been made on the second purpose. The SNC sub-organization has been officially established and the major portion of its senior staff has been employed. Employment and training at operating levels is proceeding apace with receipt of project inputs.

19. Evaluation findings about OUTPUTS and INPUTS

The project proposes inputs of:

- technical assistance
- heavy equipment
- tools, explosives, drainage pipe, surveying equipment, personnel by SNC and local communities, and funds from GOB and AID for the programmed level of these inputs.

Retype

Programmed out

1. Trained SAC personnel
 - a) Equipment Maintenance
 - b) Road Maintenance
2. Road Maintenance Monitors
3. Equipment in Place
4. Kilometraje of improved roads

On the basis of experience to date, no changes in inputs or outputs are proposed.

20. Evaluation findings about UNPLANNED EFFECTS -

For the reasons stated in previous paragraphs, it is not possible at this time to evaluate unplanned effect.

21. CHANGES in DESIGN or EXECUTION

No change contemplated at this time in project design or implementation plan for the reasons stated in previous paragraphs.

22. LESSONS LEARNED -

Extra attention should be provided in the design of such a project to the possible and very probable delays originated by bureaucratic problems. For instance, a Supreme Decree is issued approving the loan as a condition precedent to signing the agreement. This Decree should include a blanket clause at that time authorizing the duty free importation of all the equipment and materials purchased with project funds. This would save considerable time because under each bidding, regardless of its value, a specific decree has to be obtained to import the corresponding equipment duty free. Another problem encountered initially was the shortage of free agents in the construction field qualified to provide technical assistance. Before preparing the budgets for TA a survey of the market should be made to get an idea of their availability. It is conceivable that the client may have to employ such individuals through a personal services contract.

These lessons are being applied
(Rural Roads II) for Bolivia.

Design of a follow on activity

23. SPECIAL COMMENTS or REMARKS

None.