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F.O. 11652: N/A  
SUBJ: FAMILY CARE PROJECT 511-11-190-439

REF: STATE 114278

1. ORIGINAL ALLOTMENT OF \$40,000 REQUESTED IN JULY 1975 WAS NOT FOR SUPPORT OF CLINICS BUT FOR OTHER PURPOSES. CLINICS WERE FINANCED THROUGH THE END OF CALENDAR YEAR 1975 AFTER WHICH IT WAS EXPECTED THAT NON-AID FINANCING WOULD BE AVILABLE FOR THEM. IN JANUARY AND FEBRUARY WE WERE STILL HOPEFUL THAT THE GOR WOULD, WITH SOME UNFPA HELP FOR PER DIEM AND TRAVEL REQUIREMENTS, PICK UP THE CY 1976 FINANCING BEFORE USAID SUPPORT FUNDS RAN OUT. (FORTUNARELY, THE USAID FUNDS PREVIOUSLY PROVIDED WERE PROVING SUFFICIENT TO CONTINUE FOR A TIME THE OPERATION OF THE CLINICS.) IN LATE MARCH, WHEN THE GOR 1976 BUDGET WAS FINALIZED, IT BECAME CLEAR THE THE CLINICS WOULD NOT BE ABLE TO OBTAIN ANY MONEY FROM THAT SOURCE. IT WAS ALSO CLEAR THAT EVEN LIMITED HELP WOULD NOT BE AVAILABLE FROM THE UNFPA FOR SOME TIME TO COME.

2. MEANWHILE WE WERE PROCEEDING WITH AN EVALUATION OF THE FAMILY CARE PROJECT, AND WERE NOT REPEAT NOT WILLING TO CONSIDER FURTHER FUNDING FOR THE CLINICS UNTIL WE WERE SURE THAT OTHER FUNDING SOURCES WERE NOT IN FACT AVAILABLE, AND THAT OUR EVALUATION INDICATED THAT OUR CONTINUED SUPPORT WAS JUSTIFIED BY THE MINISTRY'S PROPOSED PROGRAMS FOR THE CLINICS. USDDENLY ON APRIL 30 WE WERE NOTIFIED BY THE GOR THAT THE CLINICS WOULD BE CLOSED ON MAY 1. AS SOON AS WE WERE INFORMED OF THIS WE NOTIFIED YOU.

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PAGE 02 LA PAZ 04023 251634Z

BASED ON OUR EVALUATION AND EXAMINATION OF FUNDING ALTERNATIVES WE DECIDED THAT THE ONLY PRACTICAL APPROACH WAS TO PROVIDE FURTHER INTERIM FUNDING FOR THE CLINICS THROUGH THE END OF THE CALENDAR YEAR, THE EARLIEST TIME THAT THE GOB, EVEN WITH UNFPA HELP, COULD TAKE OVER THE FINANCING. OUR REQUEST FOR AN INCREASED ALLOTMENT WAS FOR THAT PURPOSE.

3. PREVIOUSLY, IN FEBRUARY, AID/W NOTIFIED US THAT EVEN THOUGH THERE WAS AN APPROVED PROP THROUGH FY 1977, INCLUDING FUNDING OF \$62,000 FOR FY 1976, FOR THE FAMILY CARE PROJECT AND EVEN THOUGH AID/W HAD INCLUDED \$250,000 FOR FY 1976 AND \$350,000 FOR FY 1977 IN THE FY 1977 CONGRESSIONAL PRESENTATION FOR THE PROJECT, NO FURTHER ALLOTMENT WOULD BE MADE UNTIL THE MISSION SENT IN THE FAMILY CARE SUPPLEMENTAL CHAPTER TO THE HEALTH SECTOR ASSESSMENT. WE THEN REQUESTED TDY ASSISTANCE TO HELP US COMPLETE THE CHAPTER. THIS HELP WAS DENIED.

4. MOST OF THE FUNDS PREVIOUSLY ALLOTTED WERE REQUIRED TO MEET OUR COMMITMENTS TO CENAFI WITH WHICH NEGOTIATIONS WERE ALREADY AT AN ADVANCED STAGE. WE THOUGHT IT WOULD HAVE BEEN UNWISE AND IMPRUDENT TO DIVERT THESE FUNDS TO THE CLINICS, WITH NO ASSURANCE THAT SUFFICIENT FUNDS WOULD BE AVAILABLE FROM AID/W TO COVER CENAFI'S REQUIREMENTS. (GIVEN THE AID/W HARD LINE -- I.E., NO HELP, NO MONEY -- WE HAD NO REASON TO EXPECT A QUICK OR CERTAIN RESTORATION OF ANY FUNDS SO DIVERTED.)

5. CURRENT SITUATION IS AS FOLLOWS:

- A. THE FAMILY CARE PAR WAS POUCHED TO AID/W ON MAY 10.
- B. A PROAG IS WITH THE MINISTRY OF HEALTH FOR SIGNATURE WHICH COVERS THE COSTS OF THE CLINICS THROUGH THIS CALENDAR YEAR AND CONTAINS A COMMITMENT BY THE GOB TO USE ITS BEST EFFORTS TO FUND THEM THEREAFTER AND WHICH PROVIDES FUNDS TO CENAFI WHICH, TOGETHER WITH RESOURCES FROM OTHER POTENTIAL SOURCES, SHOULD BE ENOUGH TO CARRY ITS ACTIVITIES THROUGH THIS CALENDAR YEAR.
- C. WE WILL DO AS MUCH AS WE CAN ON THE FAMILY CARE CHAPTER IN THE ABSENCE OF ANY HELP FROM AID/W AND POUCH IT AS SOON AS POSSIBLE.
- D. WE DO NOT PLAN TO REQUEST ADDITIONAL FUNDS IN FY 1976, OR THE 10 FOR THE PROJECT.
- E. WE SHALL NOT REQUEST FUNDS FOR THE PROJECT IN FY 1977 WITHOUT FIRST PRESENTING A PROJECT PAPER TO AID/W MODIFYING THE EXISTING

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PAGE 03 LA PAZ 04023 251634Z

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6. DECONTROL FOLLOWING MAY 30, 1977.  
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