

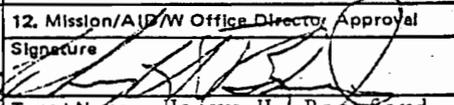
PROJECT EVALUATION SUMMARY (PES) - PART I

1. PROJECT TITLE P. L. 480 Title III			2. PROJECT NUMBER 511-0522	3. MISSION/AID/W OFFICE USAID/Bolivia
5. KEY PROJECT IMPLEMENTATION DATES			4. EVALUATION NUMBER (Enter the number maintained by the reporting unit e.g., Country or AID/W Administrative Code, Fiscal Year, Serial No. beginning with No. 1 each FY) 84-2 GOB PL 480 Title III Executive Secretariat <input type="checkbox"/> REGULAR EVALUATION <input type="checkbox"/> SPECIAL EVALUATION	
A. First PRO-AG or Equivalent FY 78	B. Final Obligation Expected FY 84	C. Final Input Delivery FY 85	6. ESTIMATED PROJECT FUNDING (\$000) A. Total \$ 150,000 B. U.S. \$ 75,000	
			7. PERIOD COVERED BY EVALUATION From (month/yr.) 10/81 To (month/yr.) 11/82 Date of Evaluation Review 02/83	

8. ACTION DECISIONS APPROVED BY MISSION OR AID/W OFFICE DIRECTOR

A. List decisions and/or unresolved issues; cite those items needing further study. (NOTE: Mission decisions which anticipate AID/W or regional office action should specify type of document, e.g., airgram, SPAR, PIO, which will present detailed request.)	B. NAME OF OFFICER RESPONSIBLE FOR ACTION	C. DATE ACTION TO BE COMPLETED
<p>Given the methodology used in carrying out this evaluation, the standard PES form has not been utilized. A summary of the evaluation report is attached herein.</p> <p>The RD Division project manager will be responsible for verifying that the specific recommendations included in the evaluation report be taken into consideration during the implementation of ongoing sub-projects described in the evaluation report.</p>	T.D. Johnston (USAID/RD)	Continuing

1/ Wheat sales generations utilized for policy reform and development projects.

9. INVENTORY OF DOCUMENTS TO BE REVISED PER ABOVE DECISIONS			10. ALTERNATIVE DECISIONS ON FUTURE OF PROJECT		
<input type="checkbox"/> Project Paper	<input checked="" type="checkbox"/> Implementation Plan e.g., CPI Network	<input type="checkbox"/> Other (Specify)	A. <input type="checkbox"/> Continue Project Without Change		
<input type="checkbox"/> Financial Plan	<input type="checkbox"/> PIO/T		B. <input type="checkbox"/> Change Project Design and/or		
<input type="checkbox"/> Logical Framework	<input type="checkbox"/> PIO/C	<input type="checkbox"/> Other (Specify)	<input checked="" type="checkbox"/> Change Implementation Plan		
<input checked="" type="checkbox"/> Project Agreement Amendment	<input type="checkbox"/> PIO/P		C. <input type="checkbox"/> Discontinue Project		
11. PROJECT OFFICER AND HOST COUNTRY OR OTHER RANKING PARTICIPANTS AS APPROPRIATE (Names and Titles)			12. Mission/AID/W Office Director Approval		
Evaluation: GOB P.L.480 Title III Executive Secretariat Summary: DP:Saranibar			Signature:  Typed Name: Henry H. Bassford Director		
Clearances: DP:WJGarvelink DP:RLeón de Vivero RD:TDJohnston DD:DACohen (Subs)			Date: April 24, 1984		

1/

SUMMARY: P. L. 480 TITLE III PROGRAM EVALUATION
FY 1982

A. BACKGROUND AND SUMMARY

In accordance with Project Agreement requirements under the P.L. 480 Title III Program, the GOB P.L. 480 Title III Executive Secretariat submitted its annual report for FY 1982, which is based, in part, on the findings of the December 1981 evaluation carried out by the Rural Development Services (RDS) consulting firm.

The P.L. 480 Title III Program was initiated in March 1979 under very unfavorable conditions due to political, economic and social problems which became more critical in 1982. Among the main problems were the accelerated internal inflation rates, the drastic devaluation of the Bolivian peso, and the establishment of two exchange rates which complicated program implementation. While the GOB used its official rate of \$b. 44 per dollar, the P.L. 480 Title III program received payments in pesos and converted them into dollars at the "floating" exchange rate which reached the level of \$b. 268.79 per dollar in September 1982. This resulted in a loss of over \$ 15.0 million in program funds (see below). Funds originally allocated to carry out project activities became insufficient and it became necessary to reduce the scope of implementation of certain sub-projects to increase financing for others.

The original Agreement called for wheat imports during five years of up to \$ 75.0 million. However, following the July 1980 coup, the U. S. Government suspended shipments for FY 1981 and FY 1982. In September 1982, in view of the imminent installation of a democratic government in Bolivia, an agreement was signed which authorized wheat shipments in the amount of \$ 10.0 million, bringing the total percentage of shipments to 65.5 percent of the amount originally established in the Agreement.

Summary of P.L. 480 Title III Program Deposits as of September 30, 1982
(\$US)

Deposited in Program Account		38,391,998.64
Disbursed for Project Activities	21,352,302.72	
Adjustments due to devaluation ^{1/}	15,948,508.01	
Balance	<u>1,091,187.91</u>	
Total ^{2/}	\$38,391,998.64	\$38,391,998.64

To avoid future losses due to peso devaluations, the Project Agreement of the Title III program has been modified to clarify the rate at which pesos are deposited into the Special Account. (A detailed description of this and other proposed project modifications is contained in La Paz 6083 dated 10.9.82).

^{1/} Represents the difference between official and floating exchange rates.

^{2/} Totals do not include the \$10.0 million tranche provided in late FY 1982.

Under the 13 main projects established under the program, twelve additional sub-projects were approved during FY 1982 as follows:

<u>Project</u>	<u>Sub-Project</u>	<u>Location</u>	<u>Implementing Agency</u>
Rural Development	Trout Production	Cochabamba	CORDECO
	Pocona Pilot Project	Cochabamba	CORDECO
	Banana Production	Cochabamba	CORDECO
	Land Rehabilitation	Tarija	Programa Ejecutivo de Rehabilitación de Tierras (PERTT)
Community Conservation	Forestation	Tarija	CODETA
Mini-Irrigation	Pantipampa	Tarija	CODETAR
	Cañas Chaguaya	Tarija	CODETAR
	Guadalupe	Oruro	CORDEOR
	Paco Pampa	Oruro	CORDEOR
	Tachachía	La Paz	CORDEPAZ
Rural Dev. Studies	Production Feasibility	Chapare	CORDECO/PRODES
	MACA Reorganization	La Paz	MACA
	Tropical Products	Chapare	P.L.480 Title III
	Processing Plant	Chapare	P.L.480 Title III
	Industrial Dehydration Plant	Chapare	P.L.480 Title III

Of the 13 projects currently financed by the P.L. 480 Title III program, at least nine have been implemented at a regular pace during this reporting period. The most successful sub-projects are those being implemented by the Departmental Development Corporations (DDCs) due to a more expeditious and efficient process and because those sub-projects respond to the real needs of the DDCs.

B. PROJECT SPECIFIC CONCLUSIONS AND RECOMENDATIONS

1. Wheat Collection Centers

The objective of this project is to mitigate potential adverse effects caused by the importation of wheat under the P.L. 480 Title III program on domestic wheat production through the construction of collection centers which will purchase domestically produced wheat at a fair price.

During this reporting period, four new centers were constructed. Although the centers have been managed poorly and handling and storage facilities need improvement, wheat farmers have had little difficulty marketing their products. As the demand for locally produced wheat greatly exceeds supply, it has been decided not to construct more centers in the future, but to make the existing centers more efficient. Important

recommendations related to the collection centers are: (a) to transfer management of the centers to decentralized government or private sector entities to obtain improved services, (b) to adapt the centers to handle grains beside wheat, and (c) to promote the increased availability of quality seeds.

2. Development of Integral Cooperatives

This project complements the financial support provided under USAID/Bolivia's Small Farmers Organizations project (511-T-055). Title III has provided management assistance and operating subsidies to three cooperatives under this project. The purposes of the Title III support are to strengthen existing cooperatives, create new integrated cooperatives, and establish a Cooperative Federation.

The evaluation recommends that this project continue to be supported but at an expanded level. In addition, it recommends that credit to cooperatives be provided through the local banking system using Title III funds; that operating start-up subsidies to cooperatives be eliminated and that a rotating fund be established for this purpose; and that a technical assistance system be established to be financed by the cooperatives or by funds generated from part of the interest earned on the credit provided to small farmers.

3. Colonization Roads

This project provided funding for the improvement of the Chané-Pirai road in the Department of Santa Cruz. Construction began in 1979 but stopped when the contractor hired for the job went bankrupt, leaving the project partially completed. It also provided funds to build a bridge across the Chané-Pirai River. Because of increased construction costs, however, Title III postponed the project until its activities could be completed with funding from other donors and/or projects.

The bridge is now under construction with the participation of Title III as the financing entity (funds allotted for road construction have been transferred to the bridge construction component), the National Colonization Institute (INC) as the administrator and the National Road Service (SNC) as the technical supervisor. The estimated completion date is the first quarter of FY 1983.

The report recommends that the Chané-Pirai road construction continue in a similar fashion with the participation of INC and SNC when additional funding becomes available.

4. Agricultural Service Centers

This project aims at strengthening public agricultural service outreach through the construction of 90 farm service centers and the reorganization of the Ministry of Campesino Affairs and Agriculture (MACA). The two main activities of the project are the design and the construction of the centers.

This project is dependent upon the reorganization of MACA and the continuation of the center construction is subject to the completion of the reorganization scheme. Once the MACA reorganization plan is completed, the report recommends that the construction activities should continue under a more expeditious contract bidding process on the part of MACA.

5. Pesticide Control and Plant Quarantine

This project supports MACA's Plant Sanitation Division in the implementation of its plant quarantine program, pest control effort, and its pesticide quality control activities.

Project activities carried out during FY 1982 included equipping a pesticide analysis laboratory, providing technical assistance to small farmers, and carrying out training and phytosanitary campaigns. The Government of Bolivia (GOB) recently agreed to finance the salaries of all project personnel through its regular budget beginning with CY 1983. Because the sub-project has just begun, the report has not offered any recommendations.

6. Rural Development Project

This project complements the efforts of USAID/Bolivia's Rural Development Planning project (511-0471), which assists the Ministry of Planning and Coordination (MPC) in providing the DDCs with technical assistance in regional planning, project design and program administration.

Most of the sub-projects under this project are implemented by the DDCs and constitute the most successful activities of the entire program. Implementation of the sub-projects by the DDCs is twice as fast as the rest of the other sub-projects being implemented by other participating agencies. Another particularly important feature of this activity is that the counterpart provided by the DDCs to the sub-projects is generally higher than Title III funding. During the period 1979-1982, 28 sub-projects were financed under this Title III program with a total funding of \$ 10.0 million, of which \$ 6.0 million corresponded to the DDCs' contribution.

During FY 1982, some of the sub-projects faced the risk of cancellation due to Bolivia's economic crisis, especially the projects of the DDCs which did not generate any funds (CODEBENI, CORDEPANDO and CORDECO). For this reason, the evaluation recommends that Title III provide more financial support during the implementation phase of the sub-projects in areas such as personnel training and procurement of specific high priced items.

The report also recommends the establishment, through a Project Implementation Letter (PIL), of a more expeditious mechanism to carry out procurement, bidding and contracting activities under the Title III program.

7. Community Conservation

The project finances four conservation sub-projects of which two are implemented by the DDCs and the other two are implemented by one of MACA's dependencies (Centro de Desarrollo Forestal). The sub-projects under the DDCs are far more advanced than the ones carried out by MACA, due to administrative and financial constraints.

Despite delays the DDC-run nursery plant production sub-project surpassed the original FY 1982 goals and showed a 30 percent increase over FY 1981 figures. The number of plants produced to date in these projects will serve to reforest approximately 1,335 hectares of land (2,000 plants per hectare). Future activities under this project are planned in soil conservation and water management. In general, this is a successful project with the DDCs showing greater dynamism than MACA. The report recommends that future sub-projects be implemented through the DDCs, to the extent possible.

8. Small Irrigation Systems

This project is financing the construction of 14 irrigation systems in rural areas of Bolivia which will benefit approximately 2,442 families and will provide irrigation to approximately 2,800 hectares of cultivated land. Beginning in 1982, the DDCs as well as the National Community Development Service (NCDS) will provide design assistance in the construction of the irrigation systems. The program plans to complete 25 additional systems by the end of FY 1984.

Despite certain delays, the project is successful and receives strong community support. The evaluation recommends that the DDCs be incorporated into the projects as full implementing agencies. Among other benefits, this will require less financing by the Title III program because of the larger contributions offered by the DDCs.

Training of technical personnel in system planning and implementation is another activity which should be incorporated into the project, according to the report. The study also recommends that because of the high priority given to this project, funding should be increased to allow its expansion.

9. Expanded Small Farmer Program

This project aims at supporting activities carried out by the Small Farmer Credit Program (PCPA), which is implemented by the Bolivian Agricultural Bank (BAB).

As a result of the July 1980 military coup, this project was suspended and since that date, it has been operating with funds generated from previous loans. Its full reactivation is subject to the reorganization of the BAB. Because the BAB has not undergone a reorganization, the pilot agro-credit insurance program supported by the project has not been expanded

as planned, since it would primarily benefit the farmers already participating in the PCPA. Nevertheless, the agro-credit insurance program did introduce three new modalities in FY 1982: the agricultural credit insurance plan, the cattle growers credit insurance plan and the agro-credit life insurance program. The report recommends that future program disbursements be oriented toward specific agricultural activities presently being supported by the Title III program.

10. Campesino Scholarship Fund

This project provides scholarships to poor campesino children who otherwise would not be able to continue their education. During this reporting period, nine schools participated in the project, supporting 463 children. Title III funds also will be utilized to remodel and/or improve the schools participating in the program. The report recommends that this project continue to receive priority funding because of the benefits it offers to poor campesino farmers.

11. Rural Development Studies

This project finances studies required to design or modify ongoing sub-projects and investigate other priority GOB programs. In 1982, feasibility studies for projects to be carried out in the Chapare and technical assistance to reorganize MACA were financed by the Title III program.

Future plans under this project include the financing of studies required under specific sub-projects. The report recommends that a global amount of money be assigned to the project in lieu of the present practice which assigns funds to studies already identified by USAID/Bolivia and the Secretariat.

12. Communicable Disease Control

This project supports various GOB vertical disease control and immunization programs (e. g. malaria, tuberculosis, chagas disease, yellow fever). The report concludes that this is a successful project in that it serves to reduce the prevalence of several major communicable diseases, which mainly affect campesino workers. The report recommends that the GOB contribution to the project be increased especially in the areas of salaries, medicines, vaccines, and laboratory equipment.

13. Nutrition Improvement

This project complements activities carried out under USAID/Bolivia's recently completed National Nutrition Improvement grant project (511-0468), which supported studies on the causes, magnitude and location of major nutritional problems in Bolivia. Funding for this project on the part of Title III terminated in late 1981. The report recommends that additional funds should be made available by the GOB to the National Institute of Nutrition (INAN) to follow up on activities initiated under the project.

THE FOOD FOR DEVELOPMENT PROGRAM

P.L. 480 TITLE III

CHAPTER I

GENERAL PROGRAM REPORT

A. INTRODUCTION

The Food for Development Program (F.D.P.), more commonly known as "P.L. 480 Title III", has been promoted since March of 1979 under disadvantageous circumstances arising from the critical economic, political and social situation which has marked the Bolivian society and which has become more severe during the present term.

After a relatively stable period of more than seven years (1972-1978), the Bolivian nation began to face a period of political instability which coincided with the creation of the P.L. 480 Title III Program in Bolivia. In fact, during the short lapse of four years (1978-1982) the country had six military presidents, one military junta and two presidents elected by the Parliament. Although this fact in itself is an accurate reflection of the nation's political instability, the situation at the level of public sector and governmental authorities was even more acute, since two or more changes of cabinet ministers, undersecretaries

and decentralized public sector authorities took place in each government. As a result, the Program's own activities were continuously interrupted and, in some cases, even suspended for long periods of time. In turn, this political instability limited the Program's normative organization, the Joint Commission for Rural Development, to taking a less-than-effective part, since soon after becoming familiar with F.D.P. activities members were removed from their posts.

It can be asserted that the strongest influence on the Program was the severe economic crisis which arose from the continuous deterioration of the economy from 1977 on. Growth of the Gross Domestic Product (GDP) was quite satisfactory during the 1973-1976 period, with rates higher than 6%, but it gradually declined to negative during the last two years.

GROWTH RATES OF THE GDP

<u>YEARS</u>	<u>%</u>
1973	6.8
1974	6.1
1975	5.1
1976	6.8
1977	3.4
1978	3.1
1979	2.0
1980	0.6
1981	(0.6)
1982	(0.6) *

* Preliminary

Concurrent with the economic contraction an accelerated internal inflation took place, along with a steady increase in the fiscal deficit, the continuous decline in international currency reserves, an increase in unemployment and the loss of purchasing power of salaries (producing declining demand). This situation and the drastic devaluations of the Bolivian peso affected to a great extent the development of the F.D.P., especially during 1982. The executing agencies, ministries and decentralized public institutions suffered heavy budget restrictions which impeded the normal development of their activities and their contribution to F.D.P. projects. The program, in turn, underwent a strong decline in its available funds because of variations in the exchange rate. As a consequence of the 1979 and 1982 devaluations and the introduction of the floating exchange rate, the Program's special account shrank by approximately 16 million dollars. By the middle of 1982, the F.D.P. barely reckoned with around 1.5 million dollars to support its schedule of projects (in January of that year it had almost 18 million dollars). Besides this, the financing programmed for the present year for each F.D.P. project became inadequate in view of the rapid rise in prices (about 600% between January and September), thereby making it necessary to curb or suspend the carrying out of certain projects and to increase the financing of others.

Despite these adverse circumstances, the implementation of the majority of F.D.P. projects was continued, and under conditions which were, though not the best, at least acceptable. This F.D.P. activity can be considered a success, considering the magnitude of the problems as well as the political, social and, above all, economic factors which affected its performance.

Furthermore, the return to democracy presently underway in Bolivia, plus the favorable environment abroad towards the solution of the country's economic problems, make more ideal conditions foreseeable for the Program's greater success, along with tangible benefits for farmers and the inhabitants of rural areas, to whom the F.D.P. is preferentially directed.

B. FINANCIAL REPORT

During the 1979-1982 period, the implementation of F.D.P. projects was financed with part of the resources generated by wheat imports for 1978, 1979 and 1980 under the "Agricultural Products Sales Agreement". Originally, this Agreement covered financing for five years of wheat imports up to the amount of 75 million dollars; however, due to the military take-over of the government on July 17, 1980, the U.S. Government suspended financing for the 1980 and 1981

imports. Although this unanticipated occurrence also affected the normal development of the F.D.P., the situation has now been partially overcome by the signing of new Diplomatic Notes between both governments for the import of wheat in the amount of 10 million dollars which was shipped at the end of September. It is to be hoped that this important accomplishment will result in additional shipments until the originally established 75 million dollars have been fulfilled. The U.S. Government financing of wheat imports for 1978, 1979 and 1980 reach U.S.\$ 39,159,608.18, which corresponds to the disbursements made by the Commodity Credit Corporation (C.C.C.) as seen in Chart No. 1.

The total C.C.C. disbursements, representing an F.O.B. value of approximately 263,272 metric tons of wheat during these three years, make up 52% of the amount initially agreed upon in the Agricultural Product Sales Agreement.

The Bolivian Government, in fulfillment of its accepted obligations, deposited the equivalent of U.S.\$ 38,391,998.64 in the Program's special account. These funds derived from the sale of wheat flour on the local market. The particulars of the partial deposits made and the exchange rates used are shown in Chart No. 2.

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CHART N° 1

DISBURSEMENTS BY THE C. C. C.

(in U.S. \$)

<u>DATE</u>	<u>P.A.</u>	<u>\$ U.S.</u>
7-25-78	7007	801,060.-
7-27-78	7007	1,359,912.36
8- 9-78	7007	862,584.37
8-10-78	7007	2,742,725.37
9-18-78	7007	3,081,053.84
11-10-78	7008	<u>1,392,865.85</u>
	1978 Shipments	10,240,201.79
7-2-79	7009	4,546,377.45
8-3-79	7009	868,218.92
8-10-79	7009	1,386,776.13
8-10-79	7009	868,515.57
9-4 -79	7009	<u>4,165,485.87</u>
	1979 Shipments	11,835,373.94
1-24-80	7010	2,414,489.66
1-25-80	7010	2,560,051.81
5-27-80	7011	3,937,588.50
6- 4-80	7011	2,168,663.41
6- 6-80	7011	891,080.02
6-19-80	7012	1,231,803.86
8-8-80	7012	970,118.08
8-15-80	7012	1,940,119.03
8-22-80	7012	<u>970,118.08</u>
	1980 Shipments	17,084,032.45
	Total	<u>39,159,608.18</u>

CHART No. 2

GENERATION OF FUNDS

DEPOSITS IN THE PROGRAM'S
ACCOUNT

<u>DATE</u>	<u>BOLIVIAN PESOS</u>	<u>EXCHANGE RATE</u>	<u>U.S.\$.</u>
3-9-79	17,579,469.46	20.40	861,738.70
4-26-79	42,700,530.54	20.40	2,093,163.26
4-30-79	46,415,000.--	20.40	2,275,245.10
7-19-79	61,535,000.--	20.40	3,016,421.57
8-22-79	29,688,000.--	20.40	1,455,294.12
9- 6-79	204,000.--	20.40	10,000.--
10-5-79	9,032,386.94	20.40	442,764.07
1-17-80	<u>1,554,512.64</u>	25.--	<u>62,180.51</u>
1978 Shipments	208,708,899.58		10,216,807.33
2-29-80	114,677,764.76	25.--	4,587,110.59
3-25-80	61,035,569.65	25.--	2,441,422.79
2-16-81	80,869,564.50	25.--	3,234,782.58
7-23-81	<u>33,736,165.48</u>	25.--	<u>1,349,446.62</u>
1979 Shipments	290,319,064.39		11,612,762.58
10-23-80	34,265,687.06	25.--	1,370,627.48
11-27-80	53,617,665.29	25.--	2,144,706.61
2-29-81	21,305,437.72	25.--	852,217.51
7-23-81	<u>304,871,928.18</u>	25.--	<u>12,194,877.13</u>
1980 Shipments	414,060,718.25		16,562,428.73
TOTAL °	<u>913,088,682.22</u> =====		<u>38,391,998.64</u> =====

Thus, the Bolivian Government still owes the equivalent of U.S.\$ 767,609.54. It is presumed that this amount was not deposited opportunely in the special account because of the Government's critical financial situation, dealing as it does with the subsidy for imported wheat. At any rate, the deposits by the Bolivian Government extend to 98% of its obligations.

As for the Program, it had spent the equivalent of U.S.\$ 21,352,302.72 out of the special account up to September 30, 1982, for the implementation of F.D.P. projects, as shown in Chart No. 3; the decreasing rate of expenditures, due to the previously noted factors, is also evident in this Chart. The record of these expenditures is made by using the different exchange rates in force at the time of each disbursement. In the present case, where there is an official exchange rate of 44 pesos per dollar as well as another, floating rate, the latter is being employed because it is considered to accord with the stipulations of the Agreement.

Unavoidably, the Program's resources were considerably reduced because of the application of the floating exchange rate, which entailed an increase of more than 600% in the price of the dollar.

Actually, by September 30, 1982, the floating exchange rate was 268.79 pesos to the dollar, and the balance in the special account on that date was 293,300,397.30 pesos, or the equivalent of U.S.\$ 1,091,187.91. This sum, plus the disbursements realized, amounts to U.S.\$ 22,443,490.63 which, compared with the deposits made by the Bolivian Government to the special account, shows a difference of U.S.\$ 15,948,508.01, which is the loss due to the modification of the exchange rate. (Chart No. 3).

Deposits in special account		US\$ 38,391,998.64
Disbursements to projects	US\$ 21,352,302.72	
Balance in special account	" 1,091,187.91	
Devaluation adjustment	" 15,948,508.01	
Total:	US\$ 38,391,998.64	US\$ 38,391,998.64

C. PROGRAM ADMINISTRATION

Administration of the Program was relatively normal throughout 1982. Evaluation, supervision, control and follow-up of projects, which are the particular tasks of the Executive Secretariat of the Joint Commission for Rural Development, were performed satisfactorily. On the other hand, the Joint Commission did not take an active part in the Program because of the impermanence of its members. Nevertheless, this condition had no effect on the development and results of the projects.

CHART N° 3

P.L. 480 TITLE III PROGRAM
DISBURSEMENTS FOR THE IMPLEMENTATION
OF PROJECTS
(In U.S.\$)

PROJECTS	1979	1980	1981	1982 (*)	TOTAL
1. Wheat Storage Centers	562,259.80	661,466.50	730,795.--	-	1,954,521.30
2. Development of Integral Co-operatives	50,563.20	556,690.80	250,806.37	44,826.03	902,886.40
3. Roads for Colonization	588,235.29	483,730.97	-	53,186.35	1,125,152.61
4. Agricultural Service Centers	24,071.03	82,000.--	40,000.--	98,487.01	244,553.04
5. Pesticide Control and Plant Quarantine	213,493.63	300,000.--	317,794.01	64,987.71	896,275.35
6. Rural Development Projects	328,212.60	1,913,309.57	1,570,512.98	183,587.02	3,995,622.17
7. Communal Conservation Projects	-	279,734.60	145,646.13	30,681.82	456,062.55
8. Micro-Irrigation Systems	56,915.39	264,444.13	535,361.93	82,967.86	939,689.31
9. Credit for Small Farmers	1,518,031.52	3,422,400.--	-	-	4,940,431.52
10. Campesino Scholarship Fund	1,000.--	163,600.--	134,689.19	146,635.21	445,924.40
11. Rural Development Studies	-	32,155.15	23,154.82	30,051.45	85,361.42
12. Contagious Disease Control.	1,230,151.62	1,178,074.88	894,385.10	435,719.13	3,738,330.73
13. Improvement of Nutrition	245,538.63	331,905.02	228,094.98	-	805,538.63
14. Program Administration	268,248.35	204,003.20	232,000.--	117,696.74	821,948.29
Total	5,086,721.06	9,873,514.82	5,103,240.51	1,288,826.33	21,352,302.72

September 30, 1982

1. The Joint Commission for Rural Development

The Joint Commission, composed of the five Undersecretaries from the Ministries of Finance (presiding); Industry, Commerce and Tourism; Agriculture and Rural Affairs; Planning and Coordination; and Public Health and Social Welfare, met on two occasions during the present year. Both meetings were mostly of an informational nature due to the complete change of the Commission's members between the first and the second meeting. However, the Executive Secretariat maintained close contact with the President of the Joint Commission, since this proved to be the aptest means for the taking of opportune decisions and for keeping the Central Government informed of the Program's progress.

2. Activities of the Executive Secretariat

The Executive Secretariat continued to evaluate projects presented for financing under the Program and to approve them in accord with the availability of funds. This undertaking was comparatively smaller than in previous years. At any rate, the following twelve sub-projects were approved:

SUBPROJECTS APPROVED IN 1982

Rural Development Projects

- | | |
|-------------------------|-----------|
| 1. Trout Fish Culture | (CORDECO) |
| 2. Pocona Pilot Project | (CORDECO) |
| 3. Dried Bananas | (CORDECO) |
| 4. Land Rehabilitation | (PERTT) |

Communal Conservation

- | | |
|-----------------------|-----------|
| 5. Tarija Forestation | (CODETAR) |
|-----------------------|-----------|

Micro-Irrigation

- | | |
|-------------------|----------|
| 6. Pantipampa | (Tarija) |
| 7. Cañas Chaguaya | (Tarija) |
| 8. Guadalupe | (Oruro) |
| 9. Paco Pampa | (Oruro) |
| 10. Tachachía | (La Paz) |

Rural Development Studies

- | | |
|--|------------------|
| 11. Feasibility Studies for El Chapare | (CORDECO-PRODES) |
| 12. Re-organization of the Ministry of
Agriculture and Rural Affairs. | (M.A.C.A.) |

As standard procedure for the Executive Secretariat, the technical personnel participated closely in the elaboration of some of the projects, given the lack of specialized personnel in the executing agencies.

Furthermore, continuous supervision of project work was kept up. The Secretariat has determined a general policy of visiting each project twice a year, once at the beginning of the year in order to program the particular activities of each project, and again around mid-year to supervise results. During 1982 this schedule was fulfilled to a degree of almost 80%.

Along with the above-mentioned activities, the personnel of the Executive Secretariat did studies of evaluation on the impact of two projects: the Tuti Mayu Irrigation Project in the Cochabamba Valley, and the Yellow Fever Project in the Santa Cruz area. Both reports are in the process of being written up and are planned for publication in October. These are the first of such studies the Secretariat has undertaken, and it expects to continue with them with greater frequency in the following years, thus fulfilling the stipulations of the Agreement.

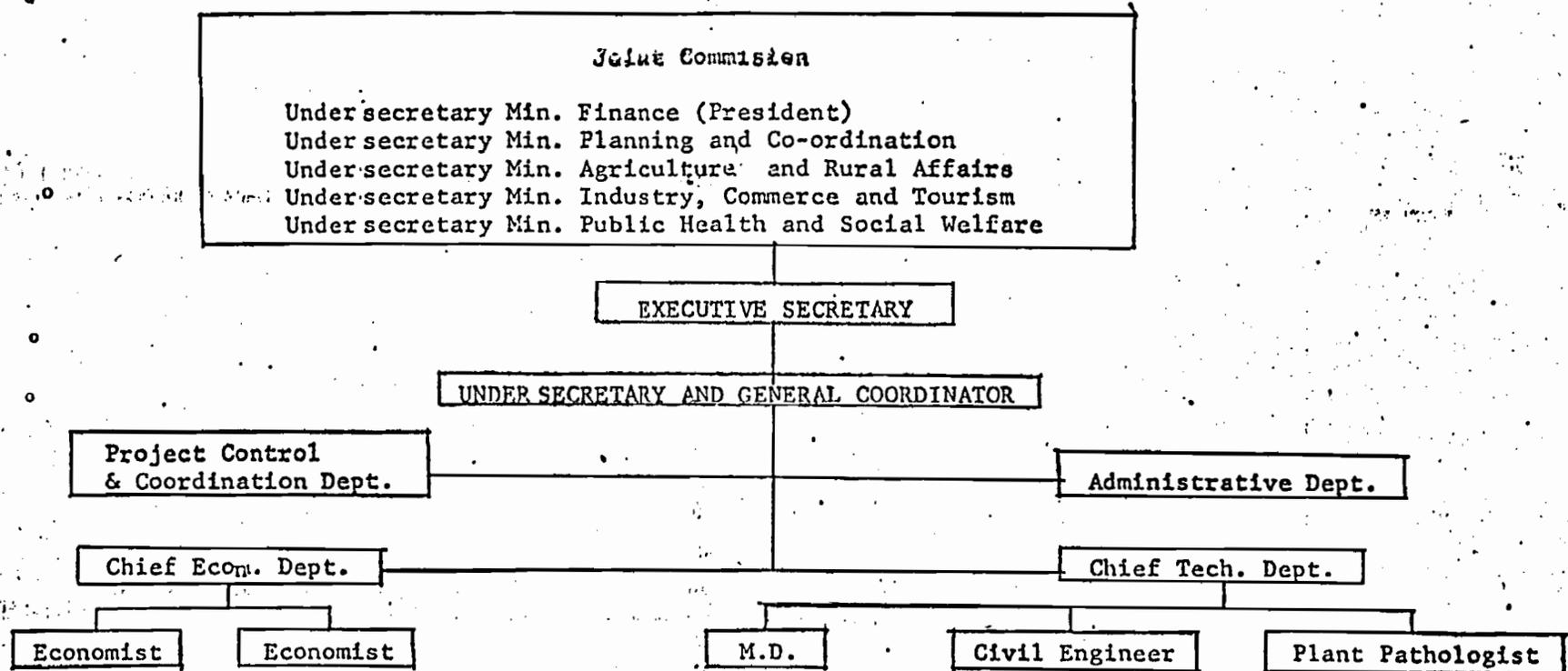
An active contribution was also made in the elaboration of the El Chapare Studies, an action within the framework of the strategy for substitution of the coca crop. In effect, the Executive Secretariat was in charge of the total process of bids, judgement and awarding of two project studies: "The Multiple Processor of Tropical Products" and "The Industrial Dehydrating Plant." At present, both studies are being carried out by a national consulting firm (CAEM, LTD.).

Ever concerned with improving the Program's administration, the Executive Secretariat undertook a new evaluation of its internal organization and, as a result, suggested some change in the structure and in the work manual, all of which were approved by the U.S.A.I.D./Bolivia Mission by way of Letters of Implementation No. 15 and No. 17. The most significant change was the creation of the post of Executive Subsecretary, with the purpose of assisting the Executive Secretary in the tasks of management and co-ordination. The post of Executive Subsecretary is now held by Mr. José Sanjinés M., the previous Chief of the Economics Department. It should be mentioned that this change neither increased nor reduced the number of personnel. The new structure of the Secretariat is, therefore, that reflected in the attached organizational chart.

At the beginning of December, 1981, the Secretariat incorporated into its technical personnel a specialist in business administration, Mr. Germán Uriarte, thus filling the vacancy left when a previous Economist resigned during 1981.

Finally, it should be mentioned that all the personnel of the Executive Secretariat co-operated fully in the task of the evaluation of the F.D.P., which was carried out by the Rural Development Services (R.D.S.) consulting firm throughout January of 1982, by request of the U.S. Government.

ORGANIZATIONAL CHART- P.L. 480 TITLE III PROGRAM



The evaluation report rated the P.L. 480 Program in Bolivia as very successful, and to a certain extent was responsible for hastening the resumption of financing for the import of new wheat shipments.

Soon after the R.D.S. evaluation report showing the virtues of the Program, the U.S.A.I.D. Mission in Costa Rica invited the Executive Secretariat to offer advice on the organization of the P.L. 480 TITLE I Program in Costa Rica. The Executive Secretary, Engineer Fadrique Muñoz Reyes, the Executive Subsecretary, Mr. José Sanjinés M., and the Program Accountant, Felipe Contreras, travelled to that country for this purpose.

D. POLITICAL COMMITMENTS

In the last three annual reports, mention was made of the gains obtained in the fulfillment of the Bolivian Government's commitments within the Food for Development Program. With respect to this, it could be said that little or no progress was made. This situation, however, was to be expected since some of these political commitments were not in harmony with the economic and political conditions which the Bolivian nation is undergoing. Indeed, the Bolivian Government was unable to increase public investment to the agricultural sector by the agreed-upon percentages, or to maintain the pace of financing of the 1974-1977 years for the health sector, during a period

in which problems in the balance of payments, in fiscal deficit, economic recession and the alarming domestic inflation are becoming ever more severe.

Political instability has also been a factor in the "non-fulfillment" of political commitments. For example, the re-organization of the M.A.C.A. (Ministry of Agriculture and Rural Affairs) ran into the problem of a lack of political decision-making due to the constant changes of ministers and undersecretaries. During the four years of the Program's existence there were no less than eight changes of Undersecretaries of Agriculture. However, with financing from the P.L. 480 Title III Program, the task of re-organizing the M.A.C.A. was initiated around mid-1982.

The Ministry of Agriculture and Rural Affairs set up a Re-organization Commission which, with the aid of private professionals and after three months of reviewing the different documents available on the matter, presented a re-organization proposal at the end of September. This same proposal will be implemented in November, also with financing from the Title III Program.

It is probable that the conditions and circumstances of the immediate past will be overcome with the country's return to democracy, however the solution to the economic crisis

may require much more time. For this reason, it can be asserted that if the same requirements are upheld, the Bolivian Government will not satisfactorily fulfill its political commitments to the Program.

It is with this discernment of the situation and with a pragmatic outlook that the U.S.A.I.D. Mission in Bolivia has suggested modification of these political commitments by eliminating those which involve economic efforts on the Government's part and by substituting practical measures or actions which can aid toward a solution of the existing socio-economic difficulties.

The Executive Secretariat, at least, is convinced that the U.S.A.I.D./Bolivia Mission's proposal will be accepted by both governments. With this in mind, the present Annual Report will make no more reference to the former political commitments.

CHAPTER II

PROJECT IMPLEMENTATION

A. INTRODUCTION

Overall, at least nine of the Program's thirteen projects have maintained a normal rate of progress throughout the period of the F.D.P.'s existence (1979-1982).

Project No. 6, Rural Development Projects (under the direction of the Departmental Development Corporations), is the most successful of all, due to greater efficiency and celerity in project implementation and, basically, because its sub-projects were conceived, developed and implemented by regional agencies in response to the pre-eminent requisites of the respective department. To date, there are 28 sub-projects with an average funding of U.S.\$ 150,000 each by P.L. 480 Title III.

Eighty percent of these sub-projects are production oriented, with a short-term impact of two or three years for their beneficiaries who are, in general, small farmers. All operational costs (wages, salaries, fuel, etc.), as well as a significant contribution to the investment, are handled by the Corporations.

Also prominent are the Micro-Irrigation, Campesino Scholarships and Contagious Disease Control projects; the first because of its tangible and direct benefits for farmers. According to the preliminary results of the evaluation of the Tuti Mayu irrigation project, 86% of the farmers were able to increase their irrigated areas by more than 100%, making it possible at least to double their agricultural production. Although the rate of irrigation-operations implementation was not what had been hoped because of the bureaucratic hindrances to which the chief executing body, the National Community Development Service (S.N.D.C.), is presently subject, significant progress has been made with the aid of the Departmental Development Corporation. There are fourteen irrigation operations financed with Title III funds, which benefit 2,500 families and irrigate approximately 3,000 hectares.

The Campesino Scholarship project, whose benefits will obviously be long-term, is financing the education of around 400 students, the children of poor rural people who would otherwise have had to delay their elementary education and who are now being shaped into able individuals for the nation's future. Also, as part of this project, financing is offered for improving the overall educational conditions of eight of the nine schools involved. Response from

students and teachers alike has been positive and beyond prior expectations.

The Contagious Disease Control project has shown successful results in its short period of implementation. The alarming rates of various diseases (yellow fever, malaria, etc.), observed at the start of 1979, were drastically reduced. The project's success is a result of good management by the Ministry of Public Health and Social Welfare, as the executing agency, and of the Program's contribution in terms of personnel and other categories of financial assistance.

The Loans to Small Farmers project was suspended at the end of 1980 by order of the U.S.A.I.D. Mission/Bolivia in response to the refusal to re-organize the Agricultural Bank of Bolivia (Banco Agrícola de Bolivia - B.A.B.). The Roads for Colonization project was also suspended at the end of 1980 as a consequence of the bankruptcy of the construction company which was carrying out that work, but in 1982 the project was reinstated with the construction of a bridge over the Chané River. Improvement of the Chané-Piray Road, previously planned for financing with Program funds, is to be done with financing from the World Bank. The building of agricultural service centers was maintained for only four of the seventy centers programmed, the rest being deferred until re-organization of the M.A.C.A. has taken place. Four wheat storage

centers were installed in 1982, but because of the poor administration and deficient implementation of this project, it was decided not to authorize the installation of any additional centers of this kind.

In order to interpret the true dimensions of what has been accomplished in each of the Program's projects, it is necessary not only to take into account the political and economic circumstances described in the first chapter of this report, but also to consider the specific problems of each project, ranging from the unwieldy mechanisms for government acquisitions to the indifference or negligence of some authorities in assisting the implementation of projects, as will be described further on.

Still, the most serious real limiting factor has without doubt been the financial problem. Chart No. 4 demonstrates, in fact, that of an initial programmed amount of U.S.\$ 75,000,000, the projects could rely on only U.S.\$ 22,442,000 during the four years of activity, since out of the U.S.\$ 39,100,000 produced, close to U.S.\$ 15,900,000 was lost through devaluation and U.S.\$ 800,000 is still owed by the Bolivian Government. On the average, only 30% of the originally allocated amounts was actually programmed for each project. Unquestionably, if the availability of funds reached only 30% of what was programmed, it is logical to suppose that the goals stipulated

should be measured correspondingly. However, a general assessment of all projects shows that nearly 50% of these goals were fulfilled with 30% of the funds programmed.

DETAILS OF PROJECTS

1. Wheat Storage Centers Project

a) Introduction

This project suffered from notable deficiencies in implementation and operation up through 1981, as pointed out in particular in the evaluation report by specialists from Kansas State University (KSU) and in the evaluation of the Food for Development Program in Bolivia (P.L. 480 Title III) done by Rural Development Services. These deficiencies grew worse in 1982 due to several factors, the most serious being the lack of political resolve to set the price of domestic wheat. To this was added the rise in the price of wheat flour on the open market, where a price five times higher than the official price was paid during certain months. This situation was obviously a result of the Government's adoption of measures of devaluation and the flotation of the national currency with relation to the dollar at the start of 1982.

For this reason all the storage centers, including the four new centers built with Title III funds, were relatively inactive.

It is evident that the main cause of the center's inactivity can not be attributed to the project, since the setting of

prices is the sole concern of the Central Government's economic policy. Notwithstanding, there has also been no evidence of a willingness on the part of the executing agency (the Ministry of Industry, Commerce and Tourism) to solve problems of a technical and financial nature.

According to the objectives set forth in Amendment No. 6 of the Agreement (1980), by the end of 1982 there should have been nineteen storage centers in existence, of which twelve were to have been built with Title III funds. Nevertheless, a joint decision was made by the Secretariat and U.S.A.I.D./Bolivia to authorize only the construction of four centers with a storage capacity of 1,200 metric tons each. Subsequently the KSU specialists reaffirmed this decision and suggested that no additional centers be built until the project had been reoriented.

b) Project Progress

Four basic activities were programmed for this year:

i) conclude the installation of the four storage centers financed with Title III funds; ii) operate with a storage capacity of 9,112 metric tons (7 centers with 616 metric tons of wheat, and 4 centers with 1,200 metric tons) and store up 10,584 metric tons of wheat; iii) do civil engineering works for offices, warehouses, and housing at the four new

centers, fence in all the centers with olympic wire mesh, overhaul and equip them adequately in accordance with the recommendations of the KSU specialists, and iv) set forth a medium-term plan for reorienting the project on the basis of the KSU report's suggestions. The progress of each of these tasks is the following:

i) Installation of New Centers

This operation, which should have been finished in July of 1981, was just concluded in mid-1982. The delay has caused an increase in the cost of the installations in Bolivian pesos because the Ministry of Industry and Commerce agreed to contract installation in terms of dollars. Although the Program paid out 100% of the amount when the exchange rate was 25 Bolivian pesos to the dollar, the Ministry only paid 90% of the amount, retaining 10% as a guarantee. By the conclusion of the work (mid-1982), the dollar was valued at about 200 pesos. This situation signified that the 10% retention (U.S.\$ 74,160.90) now represented 80% of the total original cost in Bolivian pesos. The Program is withholding authorization of the payment of the 10% until it has all the legal documentation.

ii) Wheat Storage

The wheat harvest for the year 1982 started in April; however, up to the time of the writing of this report the process of purchasing from farmers had not begun at the storage centers. The basic problem is the setting of the price for domestic wheat, as this involves the determination of government subsidies, as well as for imported wheat. At present, the official sales price of one ton of imported wheat (in terms of flour) is about U.S.\$ 37.50 on the local market, and the total import cost is U.S.\$ 330.00, meaning that the subsidy is around U.S.\$ 292.50 per metric ton of wheat (88%). If the Government were to set the price of domestic wheat at the same level as the cost of imported wheat, it would have to authorize a subsidy of U.S.\$ 292.50 per metric ton of domestic wheat. Although this is a fair measure, the Government does not authorize it, claiming financial problems in the General Treasury of the Nation (Tesoro General de la Nación). Therefore, the programmed storage objectives have not been met, as shown by the following figures:

WHEAT STORAGE

<u>YEARS</u>	<u>PROGRAMMED</u>	<u>ACHIEVED</u>	<u>%</u>
1978	5,844	1,885	32
1979	5,844	2,372	40
1980	4,924	375	7
1981	4,682	2,055	43
1982	10,584	-	-

The most crucial difficulty is that since the centers are not operating (due to the lack of officially-set prices), resources are being kept idle which, besides not offering any social benefit to the country, involve a social cost to the State, which has to pay the salaries of project personnel and forfeit the alternative of using the rotating fund, which was originally as much as U.S.\$ 560,000 and is now only U.S.\$ 56,000 because of the shifting of the exchange rate.

iii) Civil Works Construction and Provisioning

The construction of offices, warehouses and housing at the four new storage centers was planned, but was begun at only two centers. The financing programmed at the beginning of the year for this purpose is now out of date because of the rapid increase in prices, thus making it impossible to initiate such work at the other two centers.

Acquisition of complementary equipment such as sifters, humidity gauges, and hectoliter scales has been limited due to the excessively slow and complicated process of governmental purchasing.

The recommendations by the KSU specialists with respect to the reconditioning of equipment at the 616 metric ton centers were not followed due only to the executing agency's desinterestedness.

iv) Program for Project Reorientation

One of the most important recommendations of the KSU specialists was the need to reorient the project and to establish certain general guidelines for this purpose. Nevertheless, the Ministry of Industry and Commerce, after almost a year, has shown no interest in preparing such a program. Moreover, the Work Program for 1982 was just made known in mid-August, and contains notable defects, as well as out-of-date prices.

c) Financial Report

During this year no expenditures were made for this project because the program of activities and the funding requirements were not presented until August. Also, the Ministry did not

observe the work standards stipulated in the program, such as rendering accounts on time (they only presented vouchers for 26% of two million dollars). For this reason, financial activity shows some slight differences with respect to the previous year.

FINANCIAL EXECUTION

(in thousands of U.S.\$)

I T E M S	Programmed 1979-1982 *	Expenditures 1979-1982**	% of Exe- cution
Rotating Fund	2,767	629	22
Construction of Centers	1,357	1,024	75
Operational Costs	245	18	7
Vehicles	631	285	45
	5,000	1,956	39

* According to Ammendment No. 6 (1980)

** Up to September 30, 1982

It should also be reiterated that by joint decision of the Secretariat and U.S.A.I.D./Bolivia construction of other centers besides the four approved was not authorized and, therefore, funds for construction were not disbursed.

d. Conclusions and Recommendations

Different evaluations have shown that this project involves more costs than benefits to the country due to its incorrect orientation (outlined long before the existence of the

P.L. 480 Title III Program) and its defective system of administration.

The proof of this is that the cost of wheat storage is twice that of the price paid to the farmer.

The most fitting recommendation is the proposal of Rural Development Services to transfer the silos to other decentralized government agencies and to use them also for grains other than wheat. Transference of the silos to the private sector should not be discarded as a possibility.

At present, the Secretariat is outlining a program to reorient the functioning of the project, basically designed to seek integration of the different links necessary to provide an effective policy for the development of wheat production.

These links comprise everything from genetic research on varieties of wheat, production and multiplication, to the commercialization of certified seed, storage and commercialization of wheat.

2. Development of Integral Co-operatives

a) Introduction

This project is, from the Title III standpoint, nothing but a financial aid to another project of greater breadth called

the "Organization of Small Farmers", which has been operating since 1975 under A.I.D. Loan Agreement No. 511-T-055. Thus, decisions on the project must be adopted in harmony with other agencies which are in charge of administering the T-055 loan. Since the beginning of 1981 a Project "Consulting Committee" has existed which is made up of representatives from the U.S.A.I.D. Mission in Bolivia, the Secretariat and the B.A.B., which manages CROFOC and FENACRE resources. This committee meets regularly to discuss different project concerns and recommend specific actions to improve performance.

Title III's participation is limited to the financing of part of the technical assistance provided by ONCICOOP and to supplying financial support for the co-operatives' administrative costs. The essential element of the co-operatives' functioning is credit, an ingredient provided for by the T-055 loan. For this reason the project's orientation is based on the objectives and goals of the Organization of Small Farmers project.

b) Project Progress

Three main activities were established for this project in accordance with the stipulations of the F.D.P.: i) strengthening of the existing co-operatives, ii) creation of new integral co-operatives, and iii) creation of the Federation

of Co-operatives. For the purpose indicated in i), Title III grants financing for the co-operatives' administrative costs for the first three years of operations, as well as for technical assistance through ONCICOOP.

i) Strengthening of the Co-operatives

This is the only action which has been developed since 1979. Nevertheless, after three years of giving technical assistance and subsidies for the administrative costs of three existing co-operatives (the Tawantinsuyo Co-operative was dropped from the Program at the end of 1979), one co-operative is economically solvent, but still shows deficiencies in its managerial ability. The others are presently on their way to achieving both objectives.

The U.S.A.I.D. Mission in Bolivia has planned to do an evaluation of the SFO project in the last trimester of 1982, the results of which will be vital for future project activities and will give a more precise view of the co-operatives' comportment.

The technical assistance was full of defects in the past and is apparently mastering these problems and acquiring the firmness to give more effective assistance. Still, the ONCICOOP group has a marginal relationship with Title III, since it deals first and foremost with the

Organization of Small Farmers project. Title III therefore has no periodic and consistent information on the evaluation and comportment of the co-operatives, and for this reason it is not included in this report.

ii) Creation of New Co-operatives

This course of action was deferred by the express recommendation of outside consultants contracted by the Organization of Small Farmers project. The recommendation was based on the idea that there should be prior positive indicators on the success of the adopted model. This criterion was shared by the Title III administration and the U.S.A. I.D. Mission in Bolivia.

Nevertheless, during 1982 two already formed co-operatives were added to the project: Caranavi and Monteagudo. The first carried out a successful coffee export operation during 1982, with technical assistance from ONCICOOP and funds supplied by CROFOC. Considering these results, outside consultants contracted by the Mission are presently elaborating a project of greater proportions and over a broader area. The Monteagudo Co-operative was recently incorporated into the project.

d) Conclusions and Recommendations

The main decisions on the comporment of the project are made by the administrators of the Organization of Small-Farmers project, into which the Integral Co-operatives project of Title III was absorbed.

This project has continued to be carried out on the basis of the recommendations issued by the evaluations which have been done. No new integral co-operatives have been created and the formation of the Federation of Integral Co-operatives has been cancelled. There do exist, however, some positive aspects worthy of mention. According to qualitative evidence, certain improvements in the situation of the three integral co-operatives are perceptible. ONCICOOP assistance is becoming more effective and steady. Finally, two already formed co-operatives were incorporated into the project in 1982 and one of them carried out a successful coffee export operation during the year.

Socio-economic development of the Bolivian rural area through the formation of co-operatives is a feasible and proven alternative. Endeavors of this nature should therefore continue to be financed, though from the standpoint of Title III the following modifications should be instituted:

- Greater Title III participation in decision-making on project implementation.

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- Eliminate the subsidy for co-operative start-up expenses and, instead, create a line of credit for this purpose in the form of a rotating fund.
- Establish a system of technical assistance to be financed by the co-operatives themselves or by a margin of the interest rate on the credit.

3. Roads for Colonization

a) Introduction

The financing allotted for this project was assigned to the improvement of a 60 km. stretch of the Chané-Piray Road in the Department of Santa Cruz. The cost was estimated at U.S.\$ 1,500,000 and the job was begun in 1979 by a construction company which went bankrupt at the beginning of 1980, leaving the work unfinished.

On the other hand, the U.S.A.I.D. Mission/Bolivia and the Executive Secretariat gave favorable consideration to a request by the National Institute of Colonization (I.N.C.) to build a bridge over the Chané River with Title III funds assigned to the Chané-Piray Road.

b) Project Progress

i) Improvement of the Chané-Piray Road

As a result of the bankruptcy of the construction company and the suspension of operations, the I.N.C. took a series of steps of a legal nature to rescind the contracts. These proceedings were brought to an end at the start of 1982 and the undertaking of the construction work, to be administered directly by the I.N.C., was authorized by Supreme Decree.

Despite this, work on the road was not reinitiated because of financial problems in the Title III Program; costs rose to around U.S.\$ 3,000,000 due to the incorporation of works in relation with the 511-T-050 loan, such as the building of a bridge over the Chané River and the completion of the Chané-Piray Road, which were suspended on August 17, 1980. This new demand was not within Title III's financial means and was therefore postponed until additional funds were generated.

Construction of the Bridge

ii) Faced with the impossibility of continuing with the work contemplated in the Agreement, and recognizing the prime necessity of building the Chané River Bridge,

the Executive Secretariat and the U.S.A.I.D. Mission/ Bolivia authorized the use of approximately U.S. \$150,000 from the funds assigned for the road's improvement in order to build this bridge. The decision to do so was made because the bridge could benefit some 7,000 families of the San Julián zone by facilitating the transport of their agricultural produce.

Construction of the bridge is being carried out under direct administration of the I.N.C. and the technical supervision of the National Roads Service (S.N.C.) since July of 1982. At present, 90% of the 78-meter-long job is done, and it is anticipated that by November the rest will be completed.

c) Financial Report

Obviously, during the present year no disbursements were made for the Chané-Piray Road, and the bridge alone received funds. Moreover, bridge construction was begun with money already paid out to the I.N.C. for the improvement of the road and these funds were used for the bridge by authorization from the U.S.A.I.D. Mission in Bolivia.

FINANCIAL EXECUTION

(in thousands of U.S.\$)

ITEMS	PROGRAM- MED *	EXECUTED 1979-1982**	% OF EXE- CUTION
- Improvement of Chané-Piray	1,500	1,011	67%
- Construction of Chané Bridge	-	114	-
TOTAL:	1,500	1,125	75%

* According to Ammendment No. 6 (1980).

** Up to September 30, 1982.

d) Conclusions and Recommendations

The main undertaking of the project has been suspended since mid-1980, due exclusively to the construction company's bankruptcy. The executing agency, I.N.C., has demonstrated that it is able to execute works of this magnitude with technical supervision by the S.N.C., as in the case of the Chané River Bridge. Accordingly, once Title III's financial problems are overcome, work on the road should be continued and completed under the direction of the I.N.C. and the S.N.C.

4. Agricultural Service Centers

a) Introduction

Implementation of the Agricultural Service Centers was affected by factors foreign to the project. Conclusively, the designing of

new centers, as well as the building of other centers besides the four already under construction, has been suspended until the plan for re-organization of the Ministry of Agriculture and Rural Affairs (M.A.C.A.) is known. Up to now it has been impossible to accomplish this task of re-organization.

At the present time, the project's activities are limited to finishing the plans begun before the adoption of the measure to suspend further design, and to supervising construction of the four centers. Consequently, the goals established in the F.D.P. are to a great extent unfulfilled.

Another factor which has helped to bring about this situation is the excessively bureaucratic role played by the M.A.C.A. The truth is that the tracts of land for these centers were practically never opportunely obtained. M.A.C.A.'s handling of the bidding competition and the awarding of the contract for the construction of the four centers took more than a year.

b) Project Progress

Two basic activities are carried out within this project:

i) preparation of the designs of the centers, and ii) their construction.

i) Preparation of Designs

This activity is handled by two architects, one civil engineer and a draftsman. In 1980 and 1981 this technical team finished sixteen projects of which only four were built. Starting in 1982, the rate of design work was cut back by order of the Executive Secretariat after consultation with the U.S.A.I.D. Mission/Bolivia, since it was decided that having a lot of designs was not justified if construction was suspended. Consequently, this project's technical personnel is assisting closely in the work of evaluation and supervision of other Title III Program projects, besides continuing to supervise the jobs presently under construction.

ii) Construction of Centers

Only four service centers are under construction: two in the Department of Santa Cruz (Vallegrande and San José de Chiquitos), one in Potosí (Villazón) and another in Chuquisaca (Monteagudo). The four centers will all be completed by December; the San José de Chiquitos job was finished at the end of September.

The designed plans for these jobs were executed in 1980 and the proceedings of approval, bidding and awarding handled by the M.A.C.A. took from April of

1981 until May of 1982, at which time construction was actually begun.

Authorization of further center construction was held up until such time as the M.A.C.A. should define the re-organization of the Ministry, as this might involve different locations and dimensions of the centers.

c) Financial Report

The economic activity of this project was relatively small during 1982, since extrinsic construction costs were covered by 25%. It is estimated that between October and December there will be larger disbursements.

FINANCIAL EXECUTION

(in thousands of U.S.\$)

ITEMS	PROGRAMMED*	DISBURSED 1979-1982**	% OF EXECUTION
- Design and Supervision	500	172	34
- Construction of Centers	7,000	72	1
- Outfitting of Centers	700	-	-
TOTAL:	8,200	244	3

* According to Ammendment No. 6 (1980).

**Up to September 30, 1982

d) Conclusions and Recommendations

The advance of this project is hardly significant in relation

to the programmed goal of building 70 centers. Nevertheless, the suspension of operations is of a temporary nature based on circumstances, until the M.A.C.A. is re-organized.

At any rate, the overly-awkward bidding proceedings managed by the M.A.C.A. should be eliminated once the M.A.C.A. problem is solved. According to the technical judgement of the architects, direct administration of construction is possible, which implies lower costs and higher quality.

5. Pesticide Control and Plant Quarantine

a) Introduction

This project's objectives are to guide the proper use and application of agro-chemical products, particularly within the small farmer sector, and to reduce or avoid the introduction of plagues and diseases through the import of vegetable produce. The project is being appropriately implemented, though with considerable delays with respect to what was programmed. The precarious economic situation of the country and the budget limitations have been the principal causes of these delays.

b) Project Progress

During the 1979-1981 period, the Office of Vegetable Hygiene Control (Dirección de Sanidad Vegetal) was re-organized, new control posts were installed and almost all supplementary

personnel were hired. Training of the department heads and of the chemical analyst, as well as the training of technical personnel, was carried out within the programmed schedule. As regards the furnishing of an infrastructure, the construction of a pesticide analysis laboratory was completed, part of the equipment for this laboratory was acquired, as well as almost all the control post equipment, and thirteen vehicles were purchased.

Other infrastructure activities programmed for the project, such as housing and offices, greenhouses and fumigation chambers, were postponed due to Title III financial difficulties.

For 1982, the following course of action was programmed:

i) to complete the outfitting and to start up functioning of the pesticide analysis laboratory; ii) to continue the task of fiscalizing and technical assistance; iii) training of technicians; iv) to launch seven plant hygiene campaigns, and v) to transfer personnel paid by Title III to the General Treasury of the Nation. The progress of each of these tasks is the following:

i) Functioning of the Pesticide Analysis Laboratory

To date, the outfitting of the laboratory is 95% completed, but some indispensable items are still lacking, like reagents, and will be obtained on the local market. The

difficulty of actually making these acquisitions, the prices for which vary from day to day, make early functioning of the laboratory unlikely. Furthermore, the existing equipment still needs to be installed, as it is in the process of being checked over and inventoried since its receipt around mid-year.

- ii) The procedure of fiscalizing the Office of Vegetable Hygiene Control has improved and enlarged its coverage considerably. The import and commercialization of agro-chemicals, as well as the import of vegetable produce, are to a great extent carried out in fulfillment of the legal dispositions. Still needing improvement is the fiscalizing of agro-chemicals at small agricultural and rural fairs, as well as small-scale smuggling of vegetable products.

The Office of Vegetable Hygiene Control offers direct technical assistance to the small farmer in response to local requests and consultations, and it consists of practical demonstrations, short courses, diagnostics and recommendations. At various control posts the work of the Vegetable Hygiene Inspector is little more than that of an agricultural extension worker. It is evident that there is still no central planning nor any co-ordination of the activities to be performed at the different control posts.

iii) Training

During this year, eleven Vegetable Hygiene specialists attended two training courses, one in Bolivia and one in Venezuela. A course programmed at the national level with the collaboration of the International Society for the Protection of Crops (C.I.P.C.) was postponed until 1983 because of C.I.P.C. economic difficulties. The Director of the Office of Vegetable Hygiene Control represented Bolivia at two international meetings.

iv) Plant Hygiene Campaigns

Of the seven campaigns (fruit flies, Sigatoka, scavenging birds, small spiders, plant lice, citric cankerworms and coffee plant red blight, the only one being carried out is the coffee plant red blight campaign, which has its own funds for personnel, equipment and material. The other campaigns have still not been carried out due to budget restrictions by the General Treasury of the Nation (TGN).

v) Transfer of Personnel

According to the Agreement, starting this year 72% of the permanent functionaries of Vegetable Hygiene Control

(24 employees) should have been paid with T.G.N. funds, in comparison with the 39% (12 employees) it was responsible for in 1981. Faced with the impossibility of financing these employees with T.G.N. funds, the Ministry of Rural Affairs and Agriculture requested that the Secretariat continue to pay the salaries (initially for the first trimester, and afterwards for the whole year of 1982) of the 20 functionaries it was responsible for (61%). The Secretariat accepted, but reiterated that starting in 1983 the General Treasury of the Nation would have to finance 100% of this personnel.

Starting in June, 1982, the Government decreed a general raise in salaries for civil service employees, thereby obligating Title III to increase the salaries of the personnel under its control. However, the decision was taken to reduce the number of this personnel and to go ahead with the salary increase with the savings produced by this personnel reduction.

c) Financial Report

The disbursements made during the 1979-1982 term for this project are among the highest percentages for the whole Title III Program. As previously stated, approximately 30% of the initially programmed amounts comprises the actual disbursements

to projects (Chart No. 4), while around 60% of the programmed amount was allotted to this project.

FINANCIAL EXECUTION

(in thousands of U.S.\$)

ITEMS	PROGRAMMED *	DISBURSED 1979-1982 **	% OF EXECUTION
- Salaries	338	295	87
- Construction of Lab.	150	92	61
- Diverse Operational Expenses	432	90	21
- Lab Equipment & Control Posts	330	271	82
- Vehicles	180	136	76
- Training	70	12	17
TOTAL:	1,500	896	60

* According to Amendment No. 6 (1980).

** Up to September 30, 1982.

The Bolivian Government, for its part, contributed the sum of U.S.\$ 354,000 during the 1981-82 period for the payment of wages and salaries, mainly for non-permanent personnel, and for some operational expenses. According to the Agreement, the Government's yearly contribution for both years should have been U.S.\$ 210,000.

d) Conclusions and Recommendations

Implementation of this project is adequate, but behind schedule with respect to what was programmed. Accordingly, it is premature

to consider fulfillment of its objectives. Once the laboratory is operating and analyzing residual levels of pesticides and activities and campaigns are planned and executed, procuring statistical data, then it will be possible to judge the impact of Vegetable Hygiene on domestic agriculture.

On the basis of technical reports by Vegetable Hygiene, and in a qualitative manner, it is noticeable that technical assistance to the small farmer is carried out over limited areas, in small groups and without regard to supervision. Still, given these conditions, the results are generally positive.

The restriction of financial resources is notably detrimental to Vegetable Hygiene's endeavors and, consequently, to domestic agriculture. It is therefore necessary that the Government, through the General Treasury of the Nation, grant the resources necessary to fulfill its obligations under the Agreement and facilitate the normal performance of Vegetable Hygiene's activities.

Implementation of the project as a whole is continuously hurt by bureaucratic obstacles and a lack of vehicles, since the latter are in some cases requisitioned for use by higher authorities for activities other than those of the project.

6. Rural Development Projects

a) Introduction

The Rural Development Sub-projects, the majority of which are carried out by the Regional Departmental Development Corporations (CRDD), are without doubt the most successful of all F.D.P. projects. This is not to say that 100% of these projects are successful, as there do exist some problematic ones, however, at least 80% deserve this valuation.

Three positive aspects have characterized the greater number of these sub-projects: rapid implementation, the Corporations' financial contribution (which has been in some cases, even larger than Title III's), and their being profitable, production projects with short-term benefits for a significant number of small farmers.

It is evident from experience that in Bolivia the process of investment in the public sector is too sluggish because of the complicated and unwieldy mechanisms of bidding, acquisitions and transactions in general. In spite of this, the Corporations have proven very dynamic and swift in their conduct of all legal procedures. Consequently, it can be said that a project investment handled by the Corporations is carried out in half the time ordinarily required by other public institutions.

Furthermore, when the Corporations request financing from the P.L. 480 Title III Program, they pledge to invest their own resources jointly with Title III and, in practice, their contribution is much more than the financing.

Of the twenty-eight sub-projects financed, at least nineteen are production operations with a short maturation period, signifying rapid benefits to a large number of beneficiaries.

Also, these projects were approved on the basis of their profitability, in order to avoid social costs to the State and to contribute towards efficient designation of resources.

All of the production sub-projects, of which the prominent ones are livestock (sheep and swine) and fruit orchards (apple trees and "Coimata" fruit orchards), are creating other, complementary investment needs, embracing everything from technical assistance requirements and demand for credit up to irrigation measures and soil improvement. Unfortunately, some Corporations have few trained personnel who can grasp these new investment possibilities and manifest them in feasibility studies which could easily be financed not only by the Title III Program, but by other financial institutions, as well.

b) Project Progress

In the 1979-82 period, twenty-eight sub-projects were approved and financed for a total expenditure of U.S.\$ 10,023,584 (see Chart No. 5). The executing agencies (CRDD) pledged almost 6 million dollars in financing and Title III put up around 4 million dollars.

Only four projects (indicated by (a) in Chart No. 5) were approved in 1982, because of the Program's uncertain financial situation.

The twenty-eight approved projects seek to benefit around 43,804 families. The average investment per family is about U.S.\$ 225. The benefits per family vary according to the characteristics of each sub-project. Some sub-projects give only technical assistance, so that these benefits are not easily quantifiable, while others are of a production nature and show quantitative benefits running from U.S.\$ 50.- to U.S.\$ 200.- annually per family.

Though implementation of these sub-projects dates back to 1980, they did not start operating until 1981. At present, there are eighteen projects in operation out of the twenty-eight approved (see Chart No. 5), seven of which have been operating for less than one year. Due to the brief period of operation, the Secretariat has not yet evaluated the

CHART N° 5
RURAL DEVELOPMENT PROJECTS
GENERAL INDICATORS

PROJECTS	LOCATION	INTERNAL RATE OF RETURN	START-UP DATE	IN OPERATION	N° OF FAMILIES	TOTAL COST	P.L. CONTRIBUTION	EXECUTING AGENCY CONTRIBUTION
1.- Well Drilling	Beni	NA	SEPT. 1980	16	1,863	941,611	431,189	510,422.--
2.- Swine Breeding Building	Beni	35	MAY. 1981	10	100	124,108.--	80,905.--	43,203.--
3.- Cacao and Coffee	Beni	44	MAY. 1981	17	250	66,756.--	54,518.--	12,238.--
4.- Trinidad Horticulture	Beni	49	MAY. 1981	14	45	90,492.--	39,108.--	51,384.--
5.- Guayaramerin Horticulture	Beni	54	MAY. 1981	10	25	45,385.--	17,534.--	27,851.--
6.- Fish Culture (Trout) (a)	CBBA	27	DEC. 1981	Implem.	620	287,194.--	60,111.--	227,083.--
7.- Dried Bananas (a)	CBBA	43	JULY. 1982	Implem.	50	21,200.--	21,200.--	-
8.- Integrated Agricultural Development (a)	CBBA	19	AUG. 1982	Implem.	12	186,406.--	20,004.--	166,402.--
9.- Agricultural Training Center	CHUQUISACA	NA	JULY. 1979	Implem.	-	28,490	17,690.--	10,800.--
10.- "Corralón Mayo" Ovine Center	CHUQUISACA	19	AUG. 1979	Implem.	148	592,505.--	369,714.--	222,791.--
11.- Rural Fish Culture (Carp)	CHUQUISACA	43	JUNE. 1980	12	2,224	231,423.--	176,362.--	55,061.--
12.- Apple Tree Production	CHUQUISACA	19	MAY. 1981	Implem.	700	683,398.--	312,700.--	370,698.--
13.- Apple Tree Nursery	LA PAZ	36	SEPT. 1980	Implem.	400	194,456.--	101,424.--	93,032.--
14.- Artificial Insemination	LA PAZ	NA	SEPT. 1980	2	1,250	323,522.--	106,562.--	216,960.--
15.- Livestock Hygiene	LA PAZ	NA	SEPT. 1980	2	15,000	128,000.--	29,999.--	98,001.--
16.- Community Water Supply	ORURO	NA	JUNE. 1980	16	1,522	415,189.--	263,189.--	152,000.--
17.- "El Choro" Ovine Center	ORURO	18	MAY. 1981	Implem.	4,548	753,512.--	276,416.--	477,096.--
18.- Road Construction and Maintenance	PANDO	NA	JULY. 1980	17	3,600	451,477.--	206,000.--	245,477.--
19.- Technical Assistance Center	PANDO	44	JULY. 1981	12	170	302,491.--	128,891.--	173,600.--
20.- Sheep Production Development	POTOSI	21	JUNE. 1981	Implem.	5,000	665,426.--	301,984.--	363,442.--
21.- Agricultural Development	STA. CRUZ	9	MARCH 1980	24	116	194,113.--	77,645.--	116,468.--
22.- Construction of water tanks	STA. CRUZ	NA	MARCH 1980	26	2,900	381,883.--	152,754.--	229,129.--
23.- Manual Corn Cultivation	STA. CRUZ	43	MARCH 1980	24	1,000	193,025.--	50,829.--	142,196.--
24.- Integrated Aviculture Program	TARIJA	NA	AUG. 1979	15	60	202,660.--	202,660.--	-
25.- Potable Water System Improvement	TARIJA	NA	OCT. 1979	19	-	162,689.--	66,689.--	96,000.--
26.- "Coimata" Fruit Orchards	TARIJA	27	JAN. 1980	19	725	681,917.--	126,389.--	555,528.--
27.- Land Conservation and Rehabilitation (a)	TARIJA	NA	DEC. 1981	9	1,476	1,061,200.--	151,247.--	909,953.--
28.- ERTS Program	*	NA	JULY. 1979	*	-	613,086.--	271,546.--	341,540.--
					43,804	10,023,584.--	4,115,259.--	5,908,325.--

(a) - Projects approved during 1982

* = Integrated Natural Resources Study in the Department of La Paz, Cochabamba, Chuquisaca, Potosi and Tarija.

NA= Not Applicable

CBBA=Cochabamba

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impact of these projects, but plans to do so starting in 1983. During 1982 some of these sub-projects ran into serious difficulties, and the danger of being suspended, because of the economic crisis affecting the executing agencies, in particular the Corporations having no resources of their own, such as CODEBENI, CORDEPANDO and CORDECO. Title III, in turn, was itself limited in its ability to service the demand for funds.

In addition, the constant alteration in prices and the regulations for acquisitions by the public sector became serious difficulties for the normal unfolding of these projects. There were cases in which it was necessary to wait more than six months between finally obtaining quotations and transacting the issuance of a check in order to purchase some building material. In another case, an attempt to import plants was abandoned because it was impossible to fulfill the legal requirements and the suppliers' demands at one and the same time.

c) Financial Report

Undoubtedly, the capacity of investment by means of sub-projects under the direction of the Departmental Development Corporations could have been much greater than it actually was. Concern over the Program's financial situation and

CHART N° 6
RURAL DEVELOPMENT PROJECTS
FINANCIAL EXECUTION UP TO 9/30/82
(In U.S. \$)

PROJECTS	APPROVED FINANCING	DISBURSEMENTS				BALANCE *
		1979	1980	1981	1982	
1. " Corralu"Ovine Center	540,714.68	102,074.80	267,638.68	-	-	-
2. Agricultural Training Center	17,689.66	19,593.82	-	(1,904.16)	-	-
3. Rural Fish Culture	176,361.51	-	170,787.--	3,757.02	-	1,817.49
4. Apple Tree Production Nursery	312,700.--	-	-	281,000.--	-	31,700.--
5. Well Drilling Beni	431,189.24	-	268,789.24	162,400.--	-	-
6. Swine Breeding Building	80,905.01	-	58,710.--	-	22,915.01	-
7. Cacao and Coffee	54,518.25	-	35,380.--	-	19,138.25	-
8. Trinidad Horticulture	59,108.09	-	16,090.--	-	23,018.09	-
9. Guayamerin Horticulture	17,533.79	-	16,174.92	-	-	-
10. Fish Culture-Trout (CORDECO)	60,111.32	-	-	49,520.--	-	1,358.87
11. Pocona Pilot Project	20,004.40	-	-	-	-	10,591.32
12. Dried Bananas	21,200.21	-	-	-	11,786.20	8,218.20
13. Apple Tree Production	101,424.15	-	90,196.--	-	12,336.54	8,263.67
14. Artificial Insemination	106,562.--	-	106,562.--	-	11,228.15	-
15. Livestock Hygiene	29,998.38	-	30,000.--	(1.62)	-	-
16. Well Drilling (Oruro)	263,189.24	-	263,189.24	-	-	-
17. "El Choro"Ovine Center	276,415.95	-	-	257,790.58	-	-
18. Road Construction and Maintenance	206,000.--	-	206,000.--	-	-	18,625.37
19. Farmers Technical Assistance Center	128,891.10	-	-	122,256.40	-	-
20. Mulatos River Ovine Center	301,983.83	-	-	268,096.12	24,416.45	6,634.70
21. San Javier Agricultural Development	77,645.16	-	50,148.04	27,352.96	-	9,471.26
22. Cordillera Water Tanks	152,753.44	-	60,343.--	80,000.--	9,934.08	144.16
23. Mariana Corn Cultivation	50,829.40	-	50,735.--	-	-	2,476.36
24. Integral Aviculture Development	202,659.70	119,254.09	65,277.--	16,452.--	-	94.40
25. Potable Water System Improvement	66,689.24	37,778.48	28,910.76	-	-	1,676.61
26. Coimata Fruit Orchards	126,389.28	-	26,500.--	99,889.28	-	-
27. PERTT Project	151,247.33	-	-	128,144.40	17,153.49	5,949.44
28. ERST Project	271,545.89	49,511.41	101,878.69	75,760.--	32,380.76	12,015.03
TOTAL	4,115,259.05	328,212.60	1,913,309.57	1,570,512.98	183,587.02	119,636.88

* In Bolivian Pesos at the exchange rate of \$b. 268.79 per dollar.

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uncertainty as to the continuance of funds generation limited to a large extent the approval and financing of new projects.

In Chart No. 6, the financing pledged to the twenty-eight sub-projects (around four million dollars) is shown, as are the annual disbursements. It should be noted that barely U.S.\$ 183,000 were disbursed in 1982, in comparison with previous years in which disbursements reached almost two million dollars. Consequently, financial execution comes to only 22% of the amount determined according to the Agreement.

FINANCIAL EXECUTION

(in thousands of U.S.\$)

ITEMS	PROGRAMMED *	DISBURSED 1979-1982 **	% OF EXE- CUTION
Implementation of Sub-projects	18,350	3,996	22

* According to Ammendment No. 6 (1980).
** Up to September 30, 1982.

d) Conclusions and Recommendations

From all standpoints, the majority of the Rural Development sub-projects within the Title III Program are successful. However, during the last year they have been facing serious limitations arising out of the critical financial situation affecting the Corporations.

Due to this circumstance, the Title III Program must give stronger support to projects in the implementation stage (financing even certain items which the Corporations were responsible for), as well as to new projects, including the training of the Corporations' own personnel in matters of project preparation.

Also, given the preferential orientation of these projects toward production activities, advantage should be taken of them in order to aid in surmounting the economic contraction of the agricultural and livestock sector.

Finally, a mechanism must be established to better expedite and facilitate acquisitions, bidding proceedings and contracts with Title III funds. It is suggested that this be accomplished by way of an Implementation Letter between U.S.A.I.D./Bolivia and the Bolivian Government.

7. Communal Conservation

a) Introduction

The four sub-projects being implemented within this project exhibit different bearings, according to the executing agency to which they correspond. In effect, two sub-projects can be considered satisfactory and even successful, and these are under the exclusive control of the Departmental Development

Corporations (CORDECO and CODETAR). The other two sub-projects whose implementation is very retarded and which have administrative and financial problems, are under the complete or shared responsibility of the Center for Forestry Development (C.D.F.), an agency of the Ministry of Agriculture and Rural Affairs. At the Huancané nursery handled exclusively by the C.D.F., the installation begun in 1980 is still not finished, signifying that the level of work is below the production objectives programmed. The Chaquí nursery in the Department of Potosí is jointly administered by the C.D.F. and the Hotosí Corporation (CORDEPO), and it was this sharing of administration which retarded its implementation; financing was approved at the end of 1980 and the nursery installation was begun practically in 1982.

1) Project Progress

The plant production programmed for 1982 was surpassed jointly by the four nurseries. However, the Potosí and La Paz nurseries, which are administered in connection with the C.D.F., were not able to cover their production goals, while the Cochabamba and Tarija nurseries amply surpassed these goals (see attached Chart).

The total number of plants of different species produced in 1982 reached 2,670,000, more than 30% above the 1981 production.

COMMUNAL CONSERVATION PROJECT

ANNUAL PLANT PRODUCTION

NURSERIES	ANNUAL PRODUCTION GOALS (1)	1 9 8 0		1 9 8 1		1 9 8 2 (E)	
		AMOUNT	%	AMOUNT	%	AMOUNT	%
o Huancané-La Paz	650,000	151,000	23	182,000	28	470,000	72
o Millu Mayu-Cbba...	650,000	1,100,000	169	1,400,000	215	1,200,000	185
o Chaquí-Potosí	650,000	15,000	2	65,000	10	200,000	31
Sidras-Tarija	650,000	*	*	400,000	61	800,000	123
	2,600,000	1,266,000	4.9	2,047,000	79	2,670,000	103

(1) According to the project approved by USAID/Bolivia.

* This subproject was begun in Sept. 1981.

(E) Estimated on the basis of partial reports.

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The number of reforested hectares, accounting for an average of 2,000 plants per hectare, comes to 1,335. The least productive nursery is the one in Potosí (Chaquí), which barely encompasses 200,000 plants because of its incomplete installations. The delay in execution is attributable to disagreements between the agencies in charge of implementation, CORDEPO and the C.D.F. For this reason, consent has been given to grant full and sole responsibility to CORDEPO starting in September of 1982.

During the three years of the project's execution, only reforestation sub-projects have been undertaken; however, starting from 1983, once additional funds generation is normalized, incorporation of other kinds of Communal Conservation sub-projects, such as those dealing with river basin management and soil conformation, is to be undertaken.

c) Financial Report

During 1982, disbursements for this project diminished notably with respect to previous years, due to the fact that fixed investments were executed between 1980 and 1981, and in 1982 mostly funds for operational expenses were granted. Furthermore, no additional sub-projects were approved during this year.

FINANCIAL EXECUTION

(in thousands of U.S.\$)

NURSERIES	PROGRAMMED *	DISBURSED 1979-.982 **	% OF EXECU- TION
Huancané - La Paz	-	129	
Millu Mayu - Cochabamba	-	151	
Chaquí - Potosí	-	114	
Sidras - Tarija	-	62	
TOTAL: 2,000		456	23

* According to Amendment No. 6 (1980).

** Up to September 30, 1982.

d) Conclusions and Recommendations

In general, this project is fulfilling its programmed objectives, but the most dynamic sub-projects are those administered by the Corporations. Accordingly, forestation sub-projects, as well as other types of conservation sub-projects, should preferably be implemented through these institutions.

8. Micro-Irrigation Systems

a) Introduction

As with the majority of projects, this one had implementation difficulties; notwithstanding, its progress has been significant. To date, there are fourteen irrigation systems either completed or under construction (see attached Chart), by

which some 2,442 families have been benefitted, and 2,853 hectares have been added to the country's total irrigated land area. These operations, in general, are relatively inexpensive with relation to the benefits they produce. The main characteristic of this project is to quickly and directly benefit small farmers. According to the studies performed, it is estimated that beneficiaries can increase their annual income anywhere from U.S.\$ 100 to U.S.\$ 400 from the first year of operation of an irrigation system.

Also, these endeavors create great expectations among beneficiaries, who spare no efforts to consolidate these operations. Local contributions of labor and materials (stone, sand, gravel), has accounted for almost 40% of Title III's financing in the fourteen jobs mentioned.

b) Project Progress

Two main activities are carried out in this project:

i) design of irrigation works, and ii) works construction.

The F.D.P. set specific goals for each activity.

i) Job Design

The design of twenty-five jobs during the 1979-1984 period is the established goal. To date there are seventeen designs completed, thirteen of which were drawn up

by the National Community Development Service (S.N.D.C.) the main executing agency, and the other four by the Regional Departmental Development Corporations (C.R.D.D.). These latter institutions just began to participate actively in the irrigation projects in 1981.

Title III finances the engineering studies performed through the S.N.D.C., but not those carried out by the C.R.D.D., which uses its own resources. Average funding for each design by the S.N.D.C. ranges from U.S.\$ 20,000 to U.S.\$ 25,000. Therefore, elaboration of studies and design by the C.R.D.D. is being especially encouraged.

Of the seventeen jobs designed, fourteen have been implemented (seven of these are completed), however some defects in the designs and inadequacy in geotechnical and soil studies have been noticed during the construction of at least four jobs. For this reason, the Secretariat of Title III considers recommendable the establishment of a short-term training program for C.R.D.D. and S.N.D.C. technical personnel.

ii) Job Construction

As previously indicated, fourteen jobs passed into the construction phase, and seven of these are finished and now in full operation. Of the seven jobs under construction,

CHART N° 7
MICRO-IRRIGATION SYSTEMS
GENERAL INDICATORS

NAME OF PROJECT	LOCATION	TYPE OF OPERATION	IRRIGATION AREA IN HECTARES	N° OF FAMILIES BENEFITED	CONTRIBUTED BY THE COMMUNITY (in U.S.\$)	OTHER CONTRIBUTIONS (in U.S.\$)	P.L.480 FINANCING (in U.S.\$)	TOTAL COST OF PROJECT (in U.S.\$)	PRESENT CONDITION OF PROJECT
1. Tuti Mayu	Cochabamba	Dem	78	170	61,928	21,276	162,323	245,527	Completed
2. Apaga Punta		Intake	579	884	27,649	-	60,579	88,228	In Construction
3. Icla	Chuquisaca	Breakwater	65	84	12,114	-	20,285	32,399	Completed
4. Tejahuasi		Intake and retaining walls	62	117	33,621	-	67,635	101,256	In Construction
5. Chuma	La Paz	Intake	107	60	5,165	-	29,475	34,640	Completed
6. Achaca		Water cause deviator	300	200	25,039	-	36,125	61,164	Completed
7. Lacayo San Antonio		Intake	233	186	14,000	-	21,412	35,412	Completed
8. Tacachí*		Intake	26	30	6,400	-	9,798	16,198	In Construction
9. Erquis**	Tarija	Water course deviator	170	212	22,218	23,565	67,748	113,531	Completed
10. Cañas Chaguaya*		Filtration tank	402	74	7,414	5,600	11,801	24,815	In Construction
11. Pantipampa*		Intake and retaining walls	400	100	3,316	10,862	16,976	31,154	In Construction
12. Finca Esquema Potosí		Filtration tank	58	63	12,579	-	28,160	40,739	Completed
13. Guadalupe*	Oruro	Breakwater	300	211	22,900	-	41,673	64,573	In Construction
14. Pacopampa*		Water course deviator	73	51	7,300	-	24,408	31,708	In Construction
T O T A L			2,853	2,442	261,643	61,303	598,398	921,344	

* Projects approved during 1982

** Projects executed by the C.R.D.D.

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five were just begun during 1982. Average construction time is about one year.

According to the F.D.P.'s programming, twenty-five irrigation jobs should be built by 1984, which means that to date 56% of this goal has been fulfilled, even though construction work was not begun until the end of 1980. Consequently, it is probable that the established goal will be met, and perhaps can even be exceeded with C.R.D.D. collaboration.

On all these construction jobs there has been a significant contribution by the benefitting communities in terms of local materials (stone, sand, etc.), labor and even hard cash. Furthermore, in the case of jobs handled by the C.R.D.D., there has been a contribution of materials by these institutions, besides their help in technical supervision.

c) Financial Report

Although advancement in terms of job construction was of the order of 56%, the funds utilized do not exceed 38% of the total, meaning that if all the funds programmed in the F.D.P. for this project were used, it would be possible to execute more jobs than provided for.

FINANCIAL EXECUTION

(in thousands of U.S.\$)

ITEMS	PROGRAMMED*	DISBURSED 1979-1982 **	% OF EXECU- TION
- Design and Supervision	550	375	68
- Job Construction	1,950	565	29
TOTAL:	2,500	940	38

* According to Amendment No. 6 (1980).

** Up to September 30, 1982.

d) Conclusions and Recommendations

Implementation of this project is unfolding more or less normally and there exist prospects of acceleration through the efforts of the C.R.D.D., which are showing great interest in executing these works.

Job construction by way of the C.R.D.D. implies less funding by Title III, since the C.R.D.D. have a part in the financing besides the part they have in the communal contribution. To a certain degree, jobs built by the C.R.D.D. are better organized and executed than those built by the S.N.D.C.

Both at the S.N.D.C. and C.R.D.D. levels, training of technical personnel is necessary as regards the elaboration and supervision of projects; this can be done with Title III funds.

Finally, it should be mentioned that this project is of the first priority in the estimation of the Secretariat, and accordingly,

it is essential to increase funds to include more projects.

9. Extended Program of Credit for the Small Farmer

a) This project was conceived to give support to the lending activities of the Credit for Small Farmers Program (P.C.P.A.), handled by the Agricultural Bank of Bolivia (Banco Agrícola de Bolivia - B.A.B.), and it developed normally from mid-1979 until the end of 1980. However, starting this year, Title III disbursements to the B.A.B. were suspended on instructions from the U.S.A.I.D./Bolivia Mission, as a result of the non-fulfillment of the re-organization of the P.C.P.A. and the B.A.B. by the Bolivian Government.

To date, re-organization of the B.A.B. has not been successful, and Title III disbursements have consequently remained suspended. This circumstance means that the goals of supplying credit to around 11,000 "campesino" families and establishing ten new regional B.A.B. agencies have fallen very far behind.

The B.A.B. problem has also limited the development of the Agro-Credit Insurance Sub-project, since agro-credit insurance is only applicable to the beneficiaries of the loans.

b) Project Progress

The three activities carried on within this project, in accord with P.D.P. stipulations are: i) credit for small farmers;

ii) opening of new provincial agencies of the B.A.B., and
iii) the Agro-credit Insurance Pilot Plan. The comportment
of each activity is the following:

i) Credit

As previously stated, Title III suspended disbursements
to the B.A.B. starting at the end of 1980. Thus, the B.A.B.
has been operating solely with funds granted in 1979 and
1980, amounting to U.S.\$ 3,500,000.

This sum made possible the granting of 1,619 loans in bene-
fit of around 2,788 farmers. Some loans are given to as-
sociations or co-operatives.

During 1981 and 1982, the B.A.B. has only been channeling
the recuperations from past loans. In turn, individual ap-
plications for credit are four or five times higher (in Bo-
livanian pesos) than previous ones, as a result of altera-
tions in the exchange rate and the high rate of inflation.
Consequently, the range of the P.C.P.A. has been notably
limited.

ii) Opening of New Agencies

According to the Agreement, the opening of ten new provin-
cial agencies of the B.A.B. was foreseen. This endeavor,
however, never got off the ground due to the lack of loan

capital; opening of new agencies made no sense if there were no funds available to run them.

iii) Agro-credit Insurance Pilot Plan

The Agro-credit Insurance Plan was hurt by the interruption of Title III disbursements to the B.A.B., since the restriction of B.A.B. loan capital caused the Bolivian Agricultural Underwriting Agency (Aseguradora Boliviana Agropecuaria - A.S.B.A.) of necessity to operate on a smaller scale, despite the expectations that the success of the insurance had produced in the first year of operations, allowing farmers, through applied technology, to obtain high yields.

Initially, the Pilot Plan only offered agro-credit insurance, but in 1982 three new aspects were introduced: agricultural loan insurance, livestock loan insurance and life insurance on agricultural loans. With these new varieties it is foreseeably possible to include a larger number of beneficiaries in the rural area, if the corresponding loan resources exist. To this effect, it should be pointed out that in September of 1982 negotiations were concluded in favor of the project's activities being instituted in the integral co-operatives (3). It has been established that the co-operatives' members will be able to take up both agricultural and livestock

loan insurance. The co-operatives with part of the differential interest rate, will in turn be able to offer their members life insurance on agricultural loans, counting on A.S.B.A. participation.

In September, 1982, the legal institutional status of the A.S.B.A. was changed by means of Supreme Decree No. 19138 from a public institution into a "Mutual Association" of a private nature.

c) Financial Report

This project's financial situation has not changed with respect to what was presented in the last report.

FINANCIAL EXECUTION

(in thousands of U.S.\$)

ITEMS	PROGRAMMED 1979-1982 *	DISBURSED 1979-1982**	% OF EXECUTION
- Installation of Agencies	150	60	40
- Cost of Operation	500	212	42
- Loan Capital	9,850	3,669	37
- Agro-credit Insurance	-	1,000	-
..TOTAL:	10,500	4,941	47

* According to Amendment No. 6 (1980).

** Up to September 30, 1982

d) Conclusions and Recommendations

The project has not developed normally in its credit operations

because of the suspension of disbursements from September of 1980 on; and is using solely its recuperations from previous loans to amplify coverage of beneficiaries. If and when the re-organization of the B.A.B. is normalized and established, new disbursements should be continued because of the positive effect that this credit has on the small farmer.

Moreover, if this financing is normalized, it is necessary that the Title III funds be more oriented toward specific activities such as credit for beneficiaries of the agro-credit insurance and for beneficiaries of projects executed with Title III funding.

10. Campeño Scholarship Fund

a) Introduction

Of all Title III projects, the implementation of this one was undoubtedly the most normal. This is as it should be, since the financing of the education and support of these scholarship holders must be continuous. Title III has taken every step in order to avoid interruption of these funds at least up to 1983, in spite of uncertainty as to future generation of funds.

As concerns teachers and students, response to Title III's efforts has been affirmative. The conduct and progress of

students have been satisfactory and teachers have participated very actively, showing their concern for the education and welfare of their pupils.

Starting in 1982, Title III began financing improvements in the schools' infrastructure, and significant advances have been made in this area, as well.

b) Project Progress

There are two main activities in this project: i) scholarships, and ii) improvement of the educational infrastructure of the schools.

1) Scholarships

Scholarships are granted to the children of poor campesinos who otherwise would lack the opportunity of an education as imparted at the national level. Scholarships are given to commuting students as well as to those requiring lodging, in which case lodging is included in the scholarship.

During the 1982 school year, the project worked with nine schools, which was one more than the previous year, due to the inclusion of the San Miguelito School in the Department of Santa Cruz. Financing was granted for 375 scholarships with lodging and 70 scholarships for students living

at home. With this funding, the schools maintain 393 scholarships with lodging and 70 non-lodging scholarships, since the Adventist School of Bolivia grants work scholarships involving contributions by the students themselves and a left-over amount which is channelled to other scholarship receivers.

Three hundred and seventy scholarships (80%) are to males and ninety-three are to females (20%), thus fulfilling one of the conditions of the F.D.P.

i3) Educational Infrastructure

Improvement of the educational infrastructure, which involves the improvement of present classrooms and construction of new ones, provision of educational materials, school desks, school supplies, etc., became a prime necessity because of the poor conditions under which the majority of the Program's educational institutions are operating. Accordingly, the U.S.A.I.D./Bolivia Mission authorized funds of \$b. 4,900,000 (Bolivian pesos) for improvements in the schools' infrastructure, at the request of the Executive Secretariat. Construction as well as purchases or acquisitions, according to the case, are taking place satisfactorily. Still, the originally allocated amount for these purposes had a much greater purchasing power than it has now at the moment of expenditure, as it was worth

U.S.\$ 196,000 at the beginning of the year, and now represents barely U.S.\$ 19,600. Thus, it will be necessary to increase the funding for this category to make up the difference between the present value and what was originally programmed.

c) Financial Report

The pace of expenditure during 1982 was greater than in previous years. In dollar terms the cost per scholarship diminished notably, though in terms of Bolivian pesos it increased at the beginning of the year by 30% (in comparison with 1981). In any case, prices for food items rose more than 500% between January and September of 1982.

FINANCIAL EXECUTION

(in thousands of U.S.\$)

ITEMS	PROGRAMMED *	DISBURSED 1979-1982**	% OF EXE- CUTION
- Scholarships	2,000	334	17
- Educational Infrastructure***	-	111	-
TOTAL:	2,000	445	23

* According to Amendment No. 6 (1980).

** Up to September 30, 1982

*** Financing for the educational infrastructure was undertaken with part of the funds allotted to scholarships.

d) Conclusions and Recommendations

This project is being adequately implemented and should be considered of the first importance due to the benefits it offers to the children of poor campesinos.

Cost of scholarships should be readjusted for 1983 in accord with cost of living levels and mounting prices. It is also recommendable to allocate additional funds for the completion of improvements in school infrastructure.

Depending on the availability of funds, one or two new establishments should be incorporated into this project.

El. Rural Development Studies

a) Introduction

In general, funds allocated for this project have been used in accordance with the guidelines established in the F.D.P., but with a certain flexibility based on preferential consideration of the Program's own requirements and exigencies. Thus, between 1979 and 1981, the following were financed: a Project Evaluation Course, in response to the lack of trained personnel at CODEBENI; a study to set up an Agricultural Education Center, in fulfillment of P.A.D. resolutions; and finally, an assessment of the wheat production and commercialization process in Bolivia, carried out by the Kansas State University

(KSU) specialists, to look into the problems faced by the Wheat Storage Centers Project.

In 1982, this same standard set the course of action, and two measures were financed: elaboration of feasibility studies for the Chapare region, and technical assistance for the re-organization of the M.A.C.A. (Ministry of Agriculture and Rural Affairs).

b) Project Progress

As just pointed out, only two actions were financed in 1982:

i) re-organization of the M.A.C.A., and ii) the Chapare Feasibility Studies.

i) Re-organization of the Ministry of Agriculture and Rural Affairs

Title III is financing technical assistance for the re-organization of the M.A.C.A. through a group of national specialists. This financing arose from the necessity to support the Bolivian Government in the fulfillment of its political commitments, and also from the understanding that this measure could aid toward the normalization of the Program.

The first phase of this technical assistance ended in September of 1982 and consisted in formulating the strategy for re-organization. The second phase begins in October

and involves the re-organization itself, also with funding from Title III.

ii) The Chapare Studies

As stated in last year's annual report, the Title III Program incorporated into its financial aid activities some measures aimed at supporting the strategy of supplanting the coca crop in the Chapare zone. Among these are funds for the working up of two feasibility studies: the Industrial Dehydrating Plant, and the Multiple Processor of Tropical Products. Both studies are being done by a private consulting firm which was awarded the work through a public bidding proceeding.

c) Financial Report.

The sole disbursements in 1982 were resources for the two above-mentioned studies.

FINANCIAL EXECUTION
(in thousands of U.S.\$)

ITEMS	PROGRAMMED*	DISBURSED 1979-1982**	% OF EXECUTION
- Cerecal Production Areas (1)	250	23	9
- Identification of Special Projects (2)	300	17	6
- Agricultural School (3)	250	16	6
- Other Studies (4)	500	30	6
TOTAL:	1,300	86	7

* According to Amendment No.6(1980).** Up to September 30, 1982

- (1) The KSU wheat study was financed in this category.
- (2) The Project Evaluation Course was financed in this category.
- (3) The Agricultural Education Center was financed in this category.
- (4) The re-organization of the MACA and the Chapare studies are being financed in this category.

d) Conclusions and Recommendations

There were no difficulties with this project, nor were many studies carried out, due to the Program's financial situation.

It is foreseeable that in the next few years other studies will be incorporated, especially those demanded by the needs of the Title III Program itself.

Accordingly, the specific allocation of funds for categories or related studies should be eliminated and an all-inclusive, general fund assigned for diverse studies which may be determined between the U.S.A.I.D./Bolivia Mission and the Executive Secretariat.

12. Contagious Disease Control

a) Introduction

Before the P.L. 480 Title III Program was in force in Bolivia, the Government promoted actions directed at diminishing mortality rates resulting from communicable diseases, mainly in areas of easier access, thus leaving a vast rural territory without this benefit.

With the introduction of the Title III Program in 1979, a Contagious Disease Control Program was established for a period of five years which was much more consistent and of greater

coverage in the rural area than previous efforts.

At present, the F.D.P. supplies funds for five sub-projects: Malaria Control and Eradication, the Extended Program of Immunization, "Chagas" Disease Research, Yellow Fever Control and Eradication, and Tuberculosis Control.

These sub-projects have progressed fairly normally, despite the critical economic and political situation of the country. Following the evaluation done in January of 1982 by Rural Development Services, the Malaria, Yellow Fever and "Chagas" sub-projects were evaluated by Dr. Robert Tonn of the Pan American Health Organization, between March and April. The results and recommendations of these assessments were carefully analyzed by the Ministry of Health, and several of these recommendations are now being followed or are programmed for implementation in the future.

The only action contemplated in the F.D.P. which could not be carried out was the building of occupational health centers. This was because their designs were not completed by the Ministry of Health, and also because of the program's financial insolvency, which made it impossible to finance them, even had the respective designs been available.

b) Progress of the Sub-projects

i) Malaria Control and Eradication

During 1982, the pace of this project's activities decreased slightly in comparison with last year, due to work-stoppage and strikes in the health sector in behalf of wage increases. Nevertheless, human and material resources remained at their previous levels. With respect to doctors and paramedical personnel, the program's assigned personnel amounted to 418 people; the availability of DDT was likewise sufficient to cover the programmed annual goals for spraying, though obviously less was used than in 1981 (about 10% less).

The program's main activity, which is the spraying of homes with 75% technical-grade DDT, fell off by about 10% compared to 1981, taking into account the figures for the first semesters of both years (1981 and 1982), and it failed to meet the programmed goals for this period by 16% (see Chart No. 8). The principal reason for this reduced activity is, as indicated above, the walk-outs and strikes in the medical sector and, to a lesser degree, the Government's harsh financial situation, making it impossible to opportunely provide the resources necessary for the project's functioning.

CHART N° 8
MALARIA CONTROL AND ERRADICATION
HOUSE SPRAYING BY DEPARTMENT
1979 - 1982

ZONES	1979			1980			1981			1982*		
	SPRAYING			SPRAYING			SPRAYING			SPRAYING		
	PROGRAMMED	PERFORMED	%	PROGRAMMED	PERFORMED	%	PROGRAMMED	PERFORMED	%	PROGRAMMED*	PERFORMED*	%
Beni	16,937	19,487	115.1	14,254	15,989	104.8	18,517	14,262	76.7	6,790	8,581	126.4
Cochabamba	13,432	12,948	96.4	22,886	20,720	90.5	24,047	24,178	100.5	9,379	9,173	97.8
Chuquisaca	16,296	15,524	95.3	16,447	11,153	67.8	16,728	16,938	101.2	11,769	9,586	81.4
La Pao	18,837	13,701	72.7	31,751	27,353	86.1	30,852	29,385	95.2	14,733	12,612	85.6
Pando	-	-	-	7,670	6,948	90.6	7,633	7,863	103.0	6,523	3,724	57.1
Santa Cruz	25,394	16,300	64.2	45,344	28,732	63.4	44,257	24,990	56.4	18,629	12,986	69.7
Tarija	19,066	18,930	99.3	20,513	23,656	115.3	27,249	19,290	70.8	10,776	9,669	89.7
TOTAL	110,878	96,890	87.4	159,865	134,551	84.2	169,363	147,454	87.0	78,599	66,331	84.4

* First Semester

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CHART N° 9
INCIDENCE OF MALARIA BY DEPARTMENT
1979 - 1982

DEPARTMENTS	1979			1980			1981			1982*		
	BLOOD SAMPLES			BLOOD SAMPLES			BLOOD SAMPLES			BLOOD SAMPLES		
	TAKEN	POSITIVE	%	TAKEN	POSITIVE	%	TAKEN	POSITIVE	%	TAKEN	POSITIVE	%
Beni	11,538	2,165	18.8	9,916	1,242	12.5	12,947	1,214	9.4	11,727	812	6.9
Cochabamba	19,397	620	3.2	21,683	1,243	5.7	27,581	543	1.9	10,632	75	0.7
Chuquisaca	20,277	2,781	13.7	31,700	3,857	12.2	40,460	2,532	6.2	17,917	636	3.5
La Paz	13,009	2,768	21.3	15,869	2,312	14.6	16,288	839	5.1	6,680	73	1.1
Pando	3,148	1,029	32.7	7,324	720	9.8	16,684	504	3.0	12,325	151	1.2
Potosí	1,636	33	2.0	4,951	370	7.5	9,021	196	2.2	2,140	17	0.8
Santa Cruz	19,817	2,311	11.7	30,079	4,084	13.6	30,207	2,302	7.6	13,035	710	5.4
Tarija	21,413	3,166	14.8	22,126	2,791	12.6	23,047	1,644	7.1	9,571	692	7.2
TOTAL	110,235	14,873	13.5	143,648	16,619	11.6	176,235	9,774	5.5	84,027	3,166	3.7

* First Semester

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In spite of these adverse circumstances, the incidence of malaria nationwide continued to decline (see Chart No. 9). With a larger number of blood samples taken than in 1979 and 1980, the percentage of positive cases has ostensibly decreased in 1981 and 1982. In 1979, the rate of occurrence of malaria was 13.5%; in 1980, it was 11.6%; and in 1981 and 1982, it was 5.5% and 3.7%, respectively. These figures are encouraging and, at the very least, reflect the program's relative success.

Though on a nation-wide level these results are satisfactory, there still exist some problematic zones which show relatively high percentages of malaria occurrence, like Guayaramerin in Beni and Gran Chaco in Tarija.

iii) Extended Program of Immunization

The pace of activities in this project also decreased with respect to 1981, however, mortality rates attributable to the five diseases dealt with in the program continued their downward trend. In Chart No. 10, the decline in deaths can be observed by comparing those registered in the first semester of 1981 with those in the same semester of 1982. Note should be taken of the drastic reduction in cases of measles and whooping cough; although in relative terms they are very significant, more important are the complete and final figures.

CHART N° 10

CASES DETECTED

<u>DISEASE</u>	<u>1st SEMESTER 1981</u>	<u>1st SEMESTER 1982</u>	<u>% OF DE- CREASE</u>
POLIOMYELITIS	9	2	77%
DIPHThERIA	10	5	50%
TETANUS	95	50	47%
WHOOPING COUGH	1,691	739	56%
MEASLES	2,198	328	85%

In the attached Chart No. 11, the number of vaccinations against the indicated diseases can be seen for 1980, 1981 and the first semester of 1982. In the first semester of 1982 there was a 5% reduction in cases in comparison with the same period in 1981.

Starting in 1982, the immunization program included the use of BCG, the anti-tubercular vaccination previously carried out by the Division of Tuberculosis.

Strikes declared by the health-care sector were the main cause of the slower pace of activities, signifying almost 30 working days lost; limited availability of funds from the General Treasury of the Nation for this program was also a determining factor.

iii) "Chagas" Disease Research

"Chagas" disease is a parasitic infection caused by "Tripanosoma Cruzi" which induces digestive and cardiac lesions extremely dangerous to human beings.

This F.D.P. financed activity deals solely with a study of the "Chagas" disease, which is very common in Bolivia. The research involves making entomological surveys, gathering triatomas, doing surveys to determine the death rate and analysis of the infection in humans on the basis of serological and electrocardiographic studies.

Study of the disease began in mid-1980 and should have been finished by the end of 1982. However, only 70% progress has been made up to the present time.

Taking into account the previous work rate and health sector budget limitations, it is estimated that the study will not be concluded until October of 1983, including the corresponding publication of results.

iv) Yellow Fever Control and Eradication

Throughout this year, the program's activities have continued to evolve normally. Control measures, such as house spraying, focal and perifocal treatment and street spraying were carried out in accordance with what was

CHART No. 11

EXTENDED PROGRAM OF IMMUNIZATION
VACCINATIONS PER YEAR
1980 - 1982*

VACCINES	DOSE	1980				1981					1982				
		AGE GROUPS				AGE GROUPS					AGE GROUPS				
		L-1	1	2	Total	L-1	1	2	3 & up	Total	L-1	1	2	3 & up	Total
ANTI-POLIO	FIRST	13,172	5,980	11,224	30,376	81,390	36,099	34,481	46,148	198,118	35,965	15,065	12,862	13,745	77,637
	SECOND	4,942	3,983	6,628	16,553	45,375	24,797	24,614	31,833	126,619	18,834	10,251	9,201	9,447	47,233
	THIRD	2,149	2,243	4,728	9,120	27,685	21,651	20,746	34,511	104,511	11,934	10,451	9,206	15,041	46,632
DIPHTHERIA, WHOOPING COUGH,	FIRST	11,733	6,208	8,984	26,925	77,637	35,552	73,737	45,820	192,746	33,465	14,117	12,313	13,519	73,414
	SECOND	5,628	3,663	6,556	15,877	42,950	23,478	22,781	30,731	118,940	17,778	8,946	8,139	9,110	43,973
TETANUS	THIRD	1,905	1,975	2,467	6,167	26,187	18,865	16,929	28,496	90,447	11,094	9,051	7,558	12,741	40,444
ANTI-MEASLES	SINGLE	3,700	5,389	7,438	16,527	34,488	38,579	34,816	77,150	185,033	12,798	15,472	12,356	18,902	59,528
B C G	SINGLE										28,802	11,750	11,446	43,676	95,674

*First Semester

L-1 : Less than 1 year old

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programmed, although fulfillment of the established goal was approximately 75% to 95%. In the following chart the particulars of work executed in the Department of Santa Cruz are shown.

CHART N° 12

CONTROL MEASURES

1981

<u>ITEMS</u>	<u>PROGRAMMED</u>	<u>EXECUTED</u>	<u>DEGREE OF COMPLETION</u>
1. House Spraying	117,400	86,301	73.5%
2. Focal & Perifocal Treatment	121,400	115,400	95 %
3. Annual Street Spraying (blocks of houses)	2,900	2,696	93 %

Along with these control measures preventative steps were also continued. Among these, basic safety measures consisting of garbage collection and elimination handled by municipal governments and the elimination of solid wastage carried out by inspectors of the Aedes Aegypti Control Program, were maintained at the rate of the previous year, despite the many difficulties encountered. Furthermore, vaccination efforts were intensified in both rural and urban areas in the Department of Santa Cruz. It has been estimated that the population of this Department was 860,000 persons in 1982. By June of the same year, 913,580 people in all were vaccinated in

the Department. This fact suggests that the endeavor was highly successful, though it is recommended that vaccination activities in the rural area be intensified in the following years.

This program has been in operation for two and a half years. In August of the present year, the Secretariat made an evaluation of the program's functioning. Preliminary results show that control and prevention measures have had a positive effect on infestation rates. In fact, from an estimated 25% in 1979, this rate has now dropped to 6.5% in urban areas and 11.5% in rural areas, after steady and successive decreases. These indicators demonstrate that the danger of the spreading of this disease is still latent in the country. Accordingly, it is recommended that the activities of this program be continued with renewed support from the competent authorities, and Title III financial assistance.

v) Tuberculosis Control

Title III funding of this activity started in 1980, however it was not until mid-1981 that the equipment and medical supplies were acquired, making it possible to enlarge the sphere of action and specific activities such as locating cases, giving treatment and re-treatments.

In the attached Chart No. 13, the program's enlarged coverage is clearly seen. In 1980, tuberculosis control reached only 15,786 people; in 1981, this number rose to 105,599 people; and in the first semester of 1982, a total of 65,600 people were reached, which is to say that some 130,000 people may be covered during this year. The same trend is observed with respect to vaccinations, location of cases and treatments.

It is probable that in 1982 the programmed goals are not fulfilled entirely, since the pace of work has been less this year because of the previously mentioned salary problems.

c) Financial Report

According to Amendment No. 6, Title III funds allocation is broken down into four categories: epidemiological studies (fares and traveling expenses); commodities, drugs, equipment and materials; operational subsidies (additional personnel), and occupational health centers. Nevertheless, by choosing a means of programming and financial control more appropriate to the procedures of the Executive Secretariat, funds were allotted in relation to each project activity, as the re-programming presented in the 1981 annual report states.

Financial execution, in accordance with this form of allotment, is the following:.

CHART N° 13
TUBERCULOSIS CONTROL
TUBERCULOSIS ACTIVITIES BY YEAR
1980 - 1982

ACTIVITIES	1 9 8 0			1 9 8 1			1 9 8 2		
	PROGRAMMED*	PERFORMED**	%	PROGRAMMED	PERFORMED	%	PROGRAMMED*	PERFORMED**	%
A. Program Integration	158,700	15,786	9.9	176,618	106,599	60.4	185,548	65,500	35.1
B. BCG Vaccination									
1. Vaccination of New Born Babies	57,600	54,635	94.8	66,277	62,211	93.9	67,175	34,215	50.9
2. Vaccination of Children Under 15 Yrs. of Age	153,485	103,671	67.5	135,976	100,301	73.8	149,120	55,165	36.9
C. Location of Cases									
1. Bacilloscopes for Diagnosis	28,560	14,675	51.4	29,476	19,644	66.6	26,719	10,804	40.4
2. Detection of TB Cases from Diagnosis of Respiratory Symptoms	5,712	4,412	77.2	5,970	5,075	85.0	5,687	2,740	48.1
D. Treatment									
1. Ambulatory Treatment-Number of Sick Detected	5,140	4,060	79.0	5,443	4,785	87.9	4,937	2,631	53.2
2. Execution of Control Bacilloscopes	30,840	13,598	44.1	30,778	15,420	50.1	29,011	8,481	29.2
E. Re-Treatments	263	144	54.7	-	-	-	-	-	-
F. Direct Supervision	1,000	310	31.0	-	-	-	-	-	-
G. Personnel Training	1	1	100	1	1	100	-	-	-

* Programmed for the Entire Year

** Performed in First Semester

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FINANCIAL EXECUTION

(in thousands of U.S.\$)

ACTIVITIES	PROGRAMMED *	DISBURSED 1979-1982 **	% OF EXE- CUTION
Malaria Control & Eradication	6,164	2,374	39
Extended Program of Immunization	2,000	875	44
"Chagas" Disease Research	88	53	60
Yellow Fever Control & Eradication	166	167	101
Tuberculosis Control	582	269	46
Occupational Health Centers	1,000	-	-
TOTAL:	10,000	3,738	37

* According to Amendment No. 6 (1980).

** Up to September 30, 1982.

Except concerning the occupational health centers, all other sub-projects were financially executed in a normal fashion. Average application of funds in the first three years was around 70% of what was programmed for that period. F.D.P. disbursements to these sub-projects were begun in September 1979.

The building of occupational health centers was not authorized by either the U.S.A.I.D./Bolivia Mission or the Secretariat because of the lack of funds to assure completion. The Ministry of Health was also unable to finish the respective designs.

d) Conclusions and Recommendations

The implementation of this project is in every way satisfactory, since all its activities have been effective and their

outcome has been the substantial reduction of the prevalence of communicable diseases, particularly in the Malaria and Immunization programs.

Program coverage was also substantially extended to include a greater number of beneficiaries, and "problem areas" were determined where work was carried out with special priority.

These activities are being promoted in a relatively normal manner, though there are some problems of an administrative nature which can be overcome easily. The executing agency (Ministry of Public Health and Social Welfare) is responding to the exigencies presented by the administration and operation of each activity.

Obviously, Title III should continue financing these activities, however a greater contribution on the part of the Government must be required, especially with respect to salaries and wage payments to the medical and paramedical personnel. Title III should gradually reduce its contribution in salaries and increase its support to other categories such as drugs, vaccines, equipment, etc.

The administrative organization of all these health programs should be reviewed continuously, in accord with the comportment of the diseases.

13. Improvement of Nutrition

a) Introduction

This project is being executed since 1979 with U.S.A.I.D. resources by way of donation No. 511-0468. The main objective is to carry on programs and projects directed at improving the nutritional conditions of the Bolivian populace. The F.D.P. gave assistance to the project by financing the administrative costs of the National Institute of Food and Nutrition (I.N.A.N.), training programs in nutrition and agricultural production projects.

F.D.P. financing lasted for two and a half years, which was longer than stipulated in the Agreement, because the I.N.A.N. could not obtain alternative financing from the General Treasury of the Nation. Title III financing was terminated at the end of 1981, having by that time expended 81% of the funds allocated according to the Agreement.

b) Project Progress

Even when Title III stopped financing I.N.A.N. activities, this institution continued to operate with Bolivian Government resources, though with certain financial restrictions imposed by the General Treasury of the Nation. The main activities of the I.N.A.N. are directed to:

i) the elaboration of studies; ii) training and promulgation, and iii) assistance to projects.

i) Elaboration of Studies

Due to the lack of resources, only studies begun in 1981 were finished. These are: "Determination of the Nutritional Status of the Bolivian Population" and "Diagnostic of the Situation of Maternal Lactation". The study of "Minimum-Cost Regional Diets" was also concluded in three departments (La Paz, Cochabamba, Santa Cruz), the carrying out of the study in other departments is postponed until financial resources are available.

ii) Training and Promulgation

Two important activities are carried out in this area: on the one hand, the "Program of Nutritional Education in the School Curriculum", involving the preparation of a didactic guidebook and its use in primary schools, and training of rural and urban teachers in the use of the didactic guidebook and correct supervision. Evaluation of results will be made at the end of the school year (the end of December, more or less), and, on the basis of this evaluation, the guidebook is to be applied at the junior and high school levels in rural and urban

schools. On the other hand, the "Promotion and Consumption of Iodized Salt" project is being carried out in five of the country's departments, developing promotion and training activities among the inhabitants of the rural area, with marked success.

iii) Project Support

During 1980 and 1981, the I.N.A.N. aided in the financing of four production projects, with funds granted by the F.D.P. These projects are implemented by the Departmental Development Corporations of Cochabamba (three projects) and Beni (one project). When the F.D.P. stopped funds to the I.N.A.N., the latter also stopped its support to these projects.

c) Financial Report

The last disbursement to the I.N.A.N., a sum of U.S.\$ 80,000, was in November of 1981. Thus, the financial distribution is the following:

FINANCIAL EXECUTION
(in thousands of U.S.\$)

ITEMS	PROGRAMMED *	DISBURSED 1979-1982 **	% OF EXECUTION
Salaries and Wages	448	439	98
Operational Costs	114	102	89
Equipment	202	103	51
Base Studies	236	162	69
TOTAL:	1,000	806	81

* According to Amendment No. 6 (1980). ** Up to September 1982.

d) Conclusions and Recommendations

In general, the pace of I.N.A.N. activities has notably declined since the F.D.P. stopped its funding. This is because the General Treasury of the Nation has limited the granting of funds, due to the country's economic problems.

CHART N° 4
P.L. 480 TITLE III PROGRAM
FINANCIAL SITUATION UP TO SEPTEMBER 30, 1982
(In Thousands of U.S. \$)

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PROJECTS	ALLOCATION ACCORDING TO THE AGREEMENT	SECRETARIAT'S ALLOCATION	DISBURSEMENTS 1979-1982	DEGREE OF SECRETARIAT'S/ AGREEMENT ALLOCATION %	DISBURSEMENTS SECRETARIAT'S ALLOCATION
1.- Wheat Storage Centers	5,000.--	1,964.--	1,955.--	39	99
2.- Development of Integral Co-operatives	3,000.--	940.--	903.--	31	96
3.- Roads for Colonization	1,500.--	1,152.--	1,125.--	77	98
4.- Agricultural Service Centers	8,200.--	484.--	243.--	5	61
5.- Pesticide Control and Plant Quarantina	1,500.--	907.--	896.--	60	99
6.- Rural Development Projects	18,350.--	4,362.--	3,996.--	24	92
7.- Communal Conservation Projects	2,000.--	467.--	456.--	23	98
8.- Micro-Irrigation Systems	2,500.--	1,093.--	940.--	44	86
9.- Credit for Small Farmers	16,000.--	4,940.--	4,940.--	31	100
10.- Campesino Scholarship Fund	2,000.--	483.--	446.--	24	92
11.- Rural Development Studies	1,300.--	152.--	85.--	12	56
12.- Contagious Disease Control	10,000.--	3,859.--	3,738.--	39	97
13.- Improvement of Nutrition	1,000.--	806.--	806.--	81	100
14.- Program Administration	1,700.--	908.--	822.--	53	91
* SUBTOTAL	74,050.--	22,442.--	21,353.--	30	95
Bolivian Govt. Debt		768.--			
Adjustment for Devaluation	950.--	15,949.--			
TOTAL	75,000.--	39,159.--	21,353.--	52	54

- (1) Funds programmed for the five years at the U.S. \$ 75,000,000. level, according to amendment N° 6 (1980)
(2) Funds programmed by the Secretariat for 1979-1982, on the basis of available funds
(3) Up to September, 1982

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