



USAID/Bolivia

R4

RESULTS REVIEW AND RESOURCES REQUEST

FY 2001

- . THE ATTACHED RESULTS INFORMATION IS FROM THE FY 2001 RESULTS REVIEW AND RESOURCE REQUEST (R4) FOR BOLIVIA AND WAS ASSEMBLED AND ANALYZED BY USAID/BOLIVIA.
- . THE R4 IS A "PRE-DECISIONAL" USAID DOCUMENT AND DOES NOT REFLECT RESULTS STEMMING FROM FORMAL USAID REVIEWS. ADDITIONAL INFORMATION ON THE ATTACHED CAN BE OBTAINED FROM FRANK ALMAGUER, MISSION DIRECTOR, USAID/BOLIVIA.
- . RELATED DOCUMENT INFORMATION CAN BE OBTAINED FROM:

USAID DEVELOPMENT EXPERIENCE CLEARINGHOUSE
1611 N. KENT ST., SUITE 200
ARLINGTON, VA. 22209-2111
TELEPHONE: 703-351-4006, EXT. 106
FAX: 703-351-4039
EMAIL: DOCORDER@DEC.CDIE.ORG
INTERNET: [HTTP://WWW.DEC.ORG](http://WWW.DEC.ORG)

Please Note:

The attached FY 2001 Results Review and Resource Request ("R4") was assembled and analyzed by the country or USAID operating unit identified on this cover page.

The R4 is a "pre-decisional" USAID document and does not reflect results stemming from formal USAID review(s) of this document.

Related document information can be obtained from:

USAID Development Experience Clearinghouse
1611 N. Kent Street, Suite 200
Arlington, VA 22209-2111
Telephone: 703/351-4006 Ext. 106
Fax: 703/351-4039
Email: docorder@dec.cdie.org
Internet: <http://www.dec.org>

Released on or after Oct. 1, 2001



UNITED STATES GOVERNMENT
memorandum

SOS-M-022/99

Date: March 15, 1999
From: Frank Almaguer, Director, USAID/Bolivia
Subject: USAID/Bolivia's FY 1998-2001 R4
To: Mark Schneider, AA/LAC

I am pleased to submit USAID/Bolivia's FY 1998-2001 Results Review and Resource Request (R4) for the LAC Bureau's consideration. The preparation of this document was truly a team effort, resulting from many hours of dedicated work by USAID/B staff in close concert with our development partners. As requested in the R4 guidance, we are summarizing below issues which we feel merit your personal attention.

I. Resource Request

A. Operating Expenses (OE) Funding: Over the years, the mission's OE budget has continuously declined in nominal and real terms. Proposed straight-lining for FY 99 through FY 01 adversely impacts the mission's ability to manage its program. Urgent AID/W action is needed to minimize the impact of the proposed levels. Otherwise, significant modifications to the program will have to be considered.

Specific Actions Requested:

1. Funding Source Policy Approval in FY 99 to Resolve FY 00 OE Shortfall: An AID/W draft Funding Source Policy was distributed in November 1998 which would permit switching certain OE-funded employees to program funding. The OE request and workforce plan in USAID/B's R4 assumes that the draft funding policy will be implemented in FY 99.

Action Requested: That LAC advocate vigorously for adoption of this new policy. If approval is not received in FY 99, at least \$180,000 in additional OE resources per year must be provided by the Bureau in FYs 2000 and 2001.

2. Replacement of Trust Fund Shortfall by OE Dollar Resources Beginning in FY 01: USAID/B's Local Currency Trust Fund for many years has supplemented the mission's OE funding levels. In FY 01, the remainder of the Trust Funds will be depleted.

Action Requested: That LAC fully fund OE requirements for FY 01 and beyond, providing an additional \$800,000 per year to cover the loss of Trust Funds. Otherwise, the mission will have to take drastic measures beginning this year, including staff cuts and/or possible curtailment of Strategic Objectives (SOs) in its approved Strategic Plan. Even greater OE resources in the out years will be needed to maintain present program levels.

3. OE Relief for Unfunded Severance Liability: After transferring funds provided by USAID/W in FYs 1997 and 1998, USAID/B still has an unfunded liability of FSN voluntary severance benefits totaling \$700,000 for which no resources are available.

Action Requested: That LAC assist, as it has in the past, by providing \$350,000 per year for FY 00 and FY 01 to resolve this material weakness.

B. Program Funding:

1. Democracy Issues:

a) LAC committed to provide \$3.0 million in ESF starting in FY 00 to expand Administration of Justice (AOJ) activities to new areas that cannot be financed with International Narcotics Control (INC) resources.

Action requested: USAID/Bolivia urgently needs LAC confirmation that it will allocate these funds so that activity planning can commence.

b) In early FY 99, the Department of Justice terminated its ICITAP funding for police training in Bolivia. This and other considerations suggest that USAID could provide improved, more focussed training in this area. Within the Embassy, discussions have begun on the possibility of the Democracy SO conducting police training to prepare the police for its role under the new Code of Criminal Procedures (CCP). This would help to ensure the success of USAID's efforts to assist Bolivia in implementing the CCP. The mission believes that training to police investigators could be included under current AOJ prosecutor training programs in areas such as crime scene management, investigation, and oral procedures.

Action requested: LAC guidance is requested on this issue. USAID/B is investigating the authority it may have to conduct this activity. If such a program were to be supported, a restructuring of the AOJ Intermediate Result would need to occur. There are also important OE, staff, and program funding implications to consider prior to a final decision.

2. Counternarcotics Funding Issues:

a) The GOB recently made a case in Washington for significantly increased counternarcotics funding. Arising from those high level conversations may be an expectation that USAID begin a separate "Yungas Development Program" under the Counternarcotics Special Objective (SpO) to address alternative development needs in this coca-growing region.

Action requested: None requested at this time; however, if such a program is to be supported by USAID, there are serious OE and program funding implications that will require LAC action in the future. If carried out, this would also require an amendment to the mission's Counternarcotics SpO to expand its scope.

b) To achieve anticipated results in the Chapare coca-growing region, the mission's counternarcotics-related activities require a minimum funding level of \$26 million in FY 00 and \$23 million in FY 01. LAC control levels provide for only \$16 million in INC resources in each of FYs 2000 and 2001. In FY 00, \$13.4 million is slated for Alternative Development (AD) activities and Balance of Payments (BOP) program support. Since INC-funded Administration of Justice (AOJ) activities will end after FY 00, the entire \$16 million will be allocated to AD and BOP in FY 01. In the FY 01 CP, USAID/B requested total INC resources of \$28.6 million for FY 00 (AD \$18 million, BOP \$8 million and AOJ \$2.6 million).

Action requested: That LAC engage State/INL at every possible opportunity on this serious funding issue to increase INC levels to a minimum of \$26 million in AD and BOP support for FY 00, and a minimum of \$23 million in AD and BOP support for FY 01. If minimum funding is not provided, then planned results (and hence the Special Objective) would have to be reformulated. USAID/B stands ready to provide LAC with any back-up information that it may require when addressing these issues with INL.

3. Health SO Funding Issue:

LAC has proposed that population funds for FYs 2000 through 2002 be reduced over FY 99 levels by approximately \$6.4 million total over that three-year period. If these cuts are implemented, the Health SO will have to curtail support to several important activities (e.g., adolescent reproductive and sexual health [RSH] activities, contraceptive social marketing, improvement of quality of RSH care in GOB facilities, decentralization of health care planning, and the planned 2002 Bolivia DHS survey), seriously affecting our ability to achieve the results anticipated in our management contract.

Action requested: That LAC make every effort to restore our population funding to FY 99 levels at a minimum. The mission understands the Bureau's population funding difficulties. If population funds are not available to meet 100 percent of our request, we ask that they be supplemented with LAC reserve Child Survival (CS) funds. Although the mission will make every attempt to cover part of the population shortfall with additional CS funds, it is

becoming increasingly difficult to do so since a number of our activities were already shifted to cover past population shortfalls.

4. Economic Opportunities (EO) SO Funding Issue:

The mission's approved Strategic Plan required that \$9.0 million in microenterprise earmarked DA and \$10.4 million in unrestricted DA be provided over the life of the SO to achieve anticipated EO results. To date, all funding under this SO has been microenterprise earmarked DA. The mission now requires unrestricted DA to begin its new poverty alleviation activity in FY 99. LAC budget control figures show an additional \$450,000 in unrestricted DA in both FYs 2000 and 2001, which the mission welcomes.

Action requested: That LAC make every effort to keep the additional \$450,000 per year as unrestricted DA and not replace these resources with earmarked DA. Failure to do so would jeopardize results achievement under the poverty alleviation Intermediate Result (IR2.)

II. Longer Term Strategic Concerns

A. Implications of Strategy End Period (FY 02) on Program:

All of USAID/Bolivia's Strategic Objectives and supporting activities are scheduled to end in FY 02. This end date suggests that all SO and IR level results will be achieved by FY 02. It also implies that the mission must simultaneously conduct future strategic planning, designs, amendments to implementation mechanisms, bilateral negotiations, etc., in a narrow window of time if we are to extend current activities and SOs, or commence new ones. Over the past few years we have learned that strategic planning and indicator refinement are iterative processes that are constantly evolving as we gain new insights. Specific examples are presented in the attached R4. In the Environment SO, major activities are coming to an end in FY 00 and new plans and achievement mechanisms must be created and approved. In the Economic Opportunities SO, activities are now being planned which may not have a significant measurable impact until after the current strategy period ends. Given the present health situation in Bolivia, it is likely that USAID will provide additional support to the health sector beyond 2002. Under the Democracy SO, significant change in citizen attitude is a longer term transformation that is being pursued. However, because many important activities (e.g., justice reform, popular participation), are only just beginning, it is becoming clear that results achievement will take longer than originally contemplated in the Strategic Plan. Extension of the existing strategy end date would permit longer-term strategic planning.

Actions Requested: A supportive set of planning and operating principles are urgently needed from PPC to ensure that continued longer-term results are planned for, achievement processes already underway are not disrupted, and impact on workload is minimized. New strategic planning policies should clearly address the bridging of current strategy periods with the need for longer-term resource and results planning and transition issues such as the design of new activities and extension of bilateral agreements and contracting and assistance instruments.

Until such policies are issued by PPC, USAID/B seeks LAC authorization to extend the planning horizon of four of the mission's SOs (Democracy, Economic Opportunities, Health, and Environment) an additional two to three years beyond the current FY 98-02 strategy period. By granting this authorization, the mission fully recognizes that the Bureau has not approved resources beyond the current planning period, and that USAID/B would need to fully justify in its next strategic planning process any activities and strategic objectives that extend beyond the mission's current five-year planning period.

III. Summary of Enhancements to Existing Strategic Objective Statements and Changes in Performance Measurement/Indicators

A. Revisions to Results Frameworks:

Minor revisions have been made in two of the Mission's SO results frameworks (Democracy and Environment) to more clearly reflect, and accurately depict the results planned under each SO. For Democracy, Annex "E" reflects a summary of the changes made to the results framework and fully justifies the changes as minor. For the Environment SO, the wording of the strategic objective statement has been modified slightly to the following: "Reduced Degradation of Forest and Water Resources and Biodiversity Conserved." This does not reflect a substantive change to the SO, nor to our development hypothesis.

B. Changes in Performance Measurement Plan:

Over the coming year, the mission will begin to eliminate indicators that are of marginal value for results management. With the exception of Democracy (see Annex "E"), indicators presented in the R4 reflect minor adjustments that were made to wording, planned targets, and description. A complete description of the changes made to each of the performance measurement plans is contained in the Results Review narrative and/or performance data tables in Part II of the R4. The indicators selected reflect those that most accurately tell the story of each SO and are considered useful to the mission for results management.

TABLE OF CONTENTS

	Page
ACRONYMS	
I. OVERVIEW AND FACTORS AFFECTING PROGRAM PERFORMANCE	1
II. RESULTS REVIEW BY STRATEGIC OBJECTIVE	6
A. DEMOCRACY	6
1. SUMMARY	6
2. KEY RESULTS	6
3. PERFORMANCE AND PROSPECTS	6
4. POSSIBLE ADJUSTMENTS TO PLANS	8
5. OTHER DONORS	8
6. MAJOR CONTRACTORS AND GRANTEES	8
7. PERFORMANCE MEASUREMENT TABLES	9
B. ECONOMIC OPPORTUNITIES	13
1. SUMMARY	13
2. KEY RESULTS	13
3. PERFORMANCE AND PROSPECTS	13
4. POSSIBLE ADJUSTMENT TO PLANS	15
5. OTHER DONORS	15
6. MAJOR CONTRACTORS AND GRANTEES	15
7. PERFORMANCE MEASUREMENT TABLES	16
C. HEALTH	20
1. SUMMARY	20
2. KEY RESULTS	20
3. PERFORMANCE AND PROSPECTS	20
4. POSSIBLE ADJUSTMENT TO PLANS	22
5. OTHER DONORS	22
6. MAJOR CONTRACTORS AND GRANTEES	22
7. PERFORMANCE MEASUREMENT TABLES	23
D. ENVIRONMENT	27
1. SUMMARY	27
2. KEY RESULTS	27
3. PERFORMANCE AND PROSPECTS	27
4. POSSIBLE ADJUSTMENT TO PLANS	29
5. OTHER DONORS	29
6. MAJOR CONTRACTORS AND GRANTEES	29
7. PERFORMANCE MEASUREMENT TABLES	30

E.	COUNTERNARCOTICS	34
1.	SUMMARY	34
2.	KEY RESULTS	34
3.	PERFORMANCE AND PROSPECTS	34
4.	POSSIBLE ADJUSTMENT TO PLANS	36
5.	OTHER DONOR	36
6.	MAJOR CONTRACTORS AND GRANTEES	36
7.	PERFORMANCE MEASUREMENT TABLES	37
III.	RESOURCE REQUEST	41
IV.	WORKFORCE AND OPERATING EXPENSE	54

ANNEXES:

ANNEX A:	Environmental Impact
ANNEX B:	Updated Results Framework
ANNEX C:	Global Climate Change
ANNEX D:	Cross Cutting Themes: Donor Coordination
ANNEX E:	Refinement of Democracy Results Framework

LIST OF ACRONYMS

AD	Alternative Development
ADP	Automated Data Processing
ADRA	Adventist Development & Relief Agency International
AIDS	Acquired Immunodeficiency Syndrome
AOJ	Administration of Justice
BOD	Biochemical Oxygen Demand
BOLINVEST	Export and Investment Promotion Entity
BOLFOR	Sustainable Forestry Management Project
BSP	Biodiversity Support Program
CABI	Capitanía del Alto y Bajo Izozog
CADEX	Cámara de Exportadores
CAI	Information Analysis Committees
CARE	Cooperative for American Relief Everywhere
CCH	Community and Child Health Project
CCP	Code of Criminal Procedures
CCT	Court of Constitutional Tribunal
CERES	Centro de Estudios de la Realidad Social
CFV	Certificación Forestal Voluntaria
CFR	Code of Federal Regulations
CG	Consultative Group
CI	Conservation International
CICON	Legislative Support Services Center
CIDOB	Confederación Indígena del Oriente, Chaco y Amazonía Boliviana
CIES	Center of Education, Investigation and Services
CIMAR	Centro de Investigación y Manejo de Recursos Naturales
CITES	Convention on International Trade in Endangered Species of Wild Fauna & Flora
CML	Congressional Modernization Committee
CN	Counternarcotics
CNF	Cámara Nacional Forestal
CONCADE	Consolidation of Alternative Development Efforts
CORDEP	Cochabamba Regional Development Program
COSUDE	Swiss Development Agency
CS	Child Survival
CS	Cooperating Sponsors (Title II)
CSO	Civil Society Organizations
CV	Civil Society
CY	Calendar Year
CYP	Couple Years of Protection
DA	Development Assistance
DAC	Development Assistance Committee
DDCP	Democratic Development and Citizen Participation
DFID	British Development Agency
DGB	GOB's Biodiversity Directory

DHS	Demographic and Health Survey
DIRECO	Directorate of Agriculture Reconversion
DOS	Department of State
DVS	Democracy Values Survey
EA	Environmental Assessment
EAI	Enterprise for the Americas Initiative
ENV	Environment
EO	Economic Opportunities
EP3	Environmental Pollution Prevention Project
ESTFOR	Escuela Técnica Superior Forestal
EU	European Union
EXO	Executive Office
FAN	Fundación de Amigos de la Naturaleza
FAO	Food and Agricultural Organization
FFP	Private Financial Fund
FNDH	Foreign National Direct Hire
FNPSC	Foreign National Personal Service Contract
FONAMA	Fondo Nacional del Medio Ambiente
FSC	Forest Stewardship Council
FSN	Foreign Service National Employee
FTE	Full Time Equivalent
FTPP	Forest Trees & People Programme
FUNDFORMA	Fundación para el Desarrollo de la Formación Forestal y Medio Ambiente
FY	Fiscal Year
GCC	Global Climate Change
GDP	Gross Domestic Product
GFS	Global Field Support
GG	Good Governance
GOB	Government of Bolivia
GTZ	German Aid Agency
HA	Hectares
HAPC	Health HIV/AIDS Prevention & Control
HH	Household
HIPC	Highly Indebted Poor Countries
HIV/AIDS	Human Immunodeficiency Virus/Acquired Immune Deficiency Syndrome
HPN	Health Population and Nutrition
IBTA	Bolivian Institute for Agricultural Technology
ICASS	International Cooperative Administrative Support Services
ID	Infectious Disease
IDB	International Development Bank
IDI	International Development Intern
IEE	Initial Environmental Examination
IMT	Information Monitoring Tool

INC	International Narcotics Control Fund
INE	Instituto Nacional de Estadística
IPDP	Indigenous People's Development Plan
IR	Intermediate Results
IT	Information Technology
ITTO	International Tropical Timber Organization
IVG	International Gateway
JC	Judicial Council
LAC	USAID's Latin America and Caribbean Bureau
LAN	Local Area Network
MCH	Maternal and Child Health
MDSP	Ministry of Sustainable Development and Planning
MHNNKM	Museo de Historia Natural Noel Kempff Mercado
MOH	Ministry of Health
MPP	Mission Performance Plan
MSD	Management Science for Development
NAS	Narcotics Affairs Section
NGO	Non-Governmental Organization
NHIS	National Health Information System
NIC	National Implementation Commission
NPOA	National Plan of Action
OE	Operating Expenses
OECD	Organization of Economic Cooperation and Development
OYB	Operating Year Budget
PAA	Previously Approved Activities
PAHO	Pan-American Health Organization
PD	Participatory Democracy
PDAR	Proyecto de Desarrollo Alternativo Regional
PDO	Project Development Officer
PL 480	Public Law 480
POA	Plan of Action
POP	Population
PP	Popular Participation
PPL	Popular Participation Law
PROCOSI	Coordinated Programs for Integrated Health
PRODEM	Microenterprise Development Program
PROSALUD	Asociación, Protección a la Salud
PROSIN	Programa de Salud Integral
PVO	Private Voluntary Organization
R & R	Rest and Recuperation
R4	Results Review and Resource Request
RF	Results Framework
RSH	Reproductive and Sexual Health
RSSA	Resources Support Services Agreement
SAFCO	Public Administration Law
SBDA	Sociedad Boliviana de Derecho Ambiental

SF	Superintendencia Forestal
SM	Social Marketing
SNIS	National Health Information System
SO	Strategic Objective
SOAG	Strategic Objective Agreement
SpO	Special Objective
SPIA	Strategic Plan for International Affairs
STD	Sexually Transmitted Disease
TA	Technical Assistance
TCN	Third Country National
TGN	Tesoro General de la Nación
TNC	The Nature Conservancy
UNDCP	United Nations Drug Control Program
UNDP	United Nations Development Program
USAID/B	United States Agency for International Development Mission to Bolivia
USDA	United States Development Assistance
USDH	United States Direct Hire
USG	United States Government
USPSC	U.S. Personal Services Contractor
VC	Vigilance Committees
VSC	Voluntary Surgical Contraception
WCS	Wildlife Conservation Society
WRI	World Resources Institution
WWF	World Wildlife Fund
Y2K	Year 2000

I. OVERVIEW AND FACTORS AFFECTING PROGRAM PERFORMANCE

Over the last year, USAID/Bolivia continued to achieve excellent development results. Most of the mission's targets were either met or exceeded. Strong program results bode well for the achievement of longer-term goals incorporated in the Mission Performance Plan (MPP), the Development Assistance Committee's (DAC) "21st Century Framework," and the Summit of the Americas Agenda Plans I and II. Further, USAID's results were influenced positively by several external factors. The Government of Bolivia (GOB) continued to pursue key sector reforms and played a major, supportive role in donor coordination (see Annex D.) In 1998, with a five-year planning horizon in the GOB's National Plan of Action (NPOA), the GOB set new records in net coca eradication, spurred economic growth (4.7%) and reduced inflation to a near 30-year low of 4.4%. While uncertainty lingers on the pace and magnitude of central government support for other USAID supported reforms (popular participation, environment, and poverty alleviation), USAID delivered solid results in the areas of democracy, economic opportunities, health, environment, and counternarcotics.

In democracy, significant strides were made toward increasing citizen acceptance of democratic values. A national survey was designed and conducted for the first time (Annex E) to measure attitudinal change on tolerance toward democratic culture. USAID focused GOB attention on the importance of Popular Participation (PP) and assisted with legislation that will build upon that initiative. At the central government level, support for PP has suffered from a lack of national priority and qualified staff. As a result, GOB services to its municipalities weakened. However, there are increasing signs that the central government, under donor pressure, accepts PP as a permanent feature of Bolivian democracy. In spite of these issues at the central level, USAID is succeeding locally. Municipal governments are now organizing associations and replicating participatory planning techniques in a large number of municipalities. USAID assistance enabled eighteen municipal governments to carry out action plans that respond effectively to citizen needs. Grants to associations and NGOs reached over 116 municipalities. In justice, delays in the passage of the Code of Criminal Procedures (CCP) were experienced due to high level debate, instigated partly by USG concerns on specific CCP provisions. Passage of this reform will transform the judicial process from written inquisitorial to oral adversarial, increase transparency, improve efficiency, and help to reduce the number of prisoners without a sentence. USAID remains a key player in supporting this major reform and final passage is expected shortly.

USAID worked to resolve a number of constraints related to increasing the incomes of the poor in targeted areas. The *El Niño* weather system adversely impacted incomes as the drought caused crop losses (potatoes, corn, barley, beans and quinoa) of 40-70 percent in the Altiplano and Valles regions of the country (high food insecure areas where USAID is working.) Through its Title II Cooperating Sponsors (CS), the mission took measures to minimize the impact of *El Niño*. For the GOB, early promises to articulate a coherent national poverty alleviation plan remain to be fulfilled. A national dialogue took place (which led to the creation of the NPOA) while the Consultative Group (CG) process maintained poverty alleviation as a top priority. In the meantime, complying with the Highly Indebted Poor Countries (HIPC) initiative, GOB public investment in health, education, sanitation, and housing continued to rise from 19% of the total investment budget in 1988 to

43% in 1998. In spite of *El Niño* and other factors which negatively affected overall performance, results were noteworthy. Through USAID-funded micro-finance activities, average income levels for the client population of the peri-urban poor increased nearly 10% over one year to \$1,955 in 1998. The number of active low-income borrowers increased 105% over 1997 levels. Increases in access to technology and marketing services for production units exceeded targets. Title II programs enhanced productive infrastructure in 458 rural communities, with a total of 836 kilometers of improved farm-to-market roads and 884 hectares of land brought under irrigation.

In the environment sector, outstanding results were achieved in reducing the degradation of forest and water resources and conserving bio-diversity. At the policy level, the GOB resolved the issue of forestry management responsibility. Donors provided a unified front in focusing the GOB's attention on environmental issues. Through active policy dialogue with USAID and other donors, the GOB has taken serious steps toward defining the future of the National Environment Fund (FONAMA) and is starting to develop a coherent approach on environmental concerns. Significant progress was made in charting a new course for the Enterprise for the Americas Initiative (EAI), independent of FONAMA. Within the SO, over one million hectares of forests have been certified to be under sustainable management. A massive increase in eco-certified products for export was also registered (\$1 million in 1998 versus \$196,000 in 1997.)

The health of the Bolivian people continues to improve. National data from Bolivia's third Demographic and Health Survey (DHS), completed in late 1998, documented continued declines in infant and child mortality and a significant increase in the use of modern contraceptives. The USAID program contributed to these achievements by influencing changes in health behavior, increasing quality and coverage of health services, and supporting a decentralized health system. Nutrition remains an area of concern aggravated by the *El Niño* weather phenomenon which clearly affected results in 1998. USAID experienced delays in implementation of its new Strategic Objective Agreement with the GOB due to an unexpected change of Ministers and a related Ministry of Health reorganization. In 1998, national health authorities focussed on health sector reform, based on an expansion of an earlier maternal and child health (MCH) "insurance" program. USAID remains concerned about program sustainability and advocates the importance of addressing financial and administrative weaknesses prior to its expansion.

Outstanding performance was also reflected in the joint GOB-USG efforts to eliminate illicit coca production. A net total of 8,001 hectares of coca were eradicated in 1998 representing a 17% reduction of all illegal coca, dramatically exceeding eradication achieved in previous years. Further, through 1998, 8,491 families pledged to eradicate all existing coca while forsaking any future cultivation -- a 232 percent increase over 1997 levels. In addition to providing alternatives for coca producers to adequately maintain themselves and their families, the success of the mission's alternative development program has permitted the GOB to gain public support to conduct increasingly successful interdiction and coca eradication campaigns.

Longer term success across USAID/Bolivia's program hinges upon a number of factors. These include: the provision of sufficient program and operating expense resources and resolution of long term strategic planning concerns that are addressed in the cover memo. External factors include the continued determination of the GOB to eliminate illicit coca; even greater coordination between donors and the GOB; priority setting for limited GOB counterpart resources; the pace of GOB restructuring in support of USAID health and counternarcotics bilateral agreements; the political willingness of the GOB to pass the CCP; the rate of recovery from the effects of *El Niño*; and clear GOB support for a number of initiatives (popular participation, poverty alleviation, and environment.)

USAID's program fully supports the USG's, the GOB's, and the donor community's efforts as set forth in other strategic planning documents. The following table of Common Objectives summarizes goals/objectives and targets of USAID/Bolivia's strategic framework, the NPOA, the MPP, the DAC, and Summit of the Americas Plans.

Common goals and strong donor coordination are keys to meeting Bolivia's continued longer term development needs. In its second year of government, the Banzer administration has set the foundation for steady progress in the remainder of its five-year term. Significant progress has been made to date on its NPOA, despite recent gloomy economic performance in neighboring countries. Prospects for continued near-term results achievement appear favorable. In counternarcotics, accelerated eradication, increased requests for alternative development assistance and increased production of licit crops are expected. Steady gains are foreseen in the number and size of loans to the poor. In the environment, dramatic increases are anticipated in certified forest management and the management of timber/non-timber forest resources. Continued improvements in the health of the Bolivian people are also expected. Finally, the GOB is expected to pass the CCP - a landmark achievement. USAID is proud of its numerous 1998 achievements and looks forward to continued strong performance in FY 1999.

COMMON OBJECTIVES

USAID/BOLIVIA - HEALTH STRATEGIC OBJECTIVE Improved health of the Bolivian population			
MPP Goal	Summit of the Americas	DAC Goals	GOB NPOA
- Improve the health of the Bolivian population	<ul style="list-style-type: none"> - Equitable access to basic health services - Health technologies for the benefit of all - Water, basic sanitation and solid waste management 	<ul style="list-style-type: none"> - A reduction by two-thirds in mortality rates for infants and children under age 5 by 2015 - A reduction by three-fourths in maternal mortality by 2015 - Access through the primary health-care system to reproductive health services for all individuals of appropriate ages as soon as possible and no later than year 2015. 	<p>EQUITY</p> <ul style="list-style-type: none"> - Improve health indicators - Increase health coverage - Improve basic social services
USAID/BOLIVIA - ENVIRONMENT STRATEGIC OBJECTIVE Reduced degradation of forest and water resources and biodiversity conserved			
MPP Goal	Summit of the Americas	DAC Goals	GOB/NPOA
- Promote the conservation and sustainable use of biodiversity, including forest and water resources, in Bolivia.	<p>SUSTAINABLE DEVELOPMENT & CONSERVATION OF NATURAL RESOURCES</p> <ul style="list-style-type: none"> - Partnership in biodiversity - Partnership for pollution prevention - Cooperation in science and technology - Invigorating society/community participation 	<ul style="list-style-type: none"> - The current implementation of national strategies for sustainable development in all countries by 2005, to ensure that current trends in the loss of environmental resources are effectively reversed at both global and national levels by 2015. 	<p>OPPORTUNITY</p> <ul style="list-style-type: none"> - Increase sustainable economic growth rates - Environmental protection - Environmental policy improvement - Biodiversity
USAID/BOLIVIA - COUNTERNARCOTICS SPECIAL OBJECTIVE Illicit coca eliminated from the Chapare			
MPP Goal	Summit of the Americas	DAC Goals	GOB/NPOA
- Eliminate the production and export of coca and cocaine products from Bolivia through the elimination of illicit coca, increased interdiction, and greater effectiveness in the prosecution and conviction of narcotics crimes.	<ul style="list-style-type: none"> - Prevention and control of illicit consumption and trafficking of drugs 	No DAC Goal	<p>DIGNITY</p> <ul style="list-style-type: none"> - Counternarcotics plan - Improve law enforcement - Alternative development - Drug awareness - Rid Bolivia of coca-cocaine production and trafficking by year 2002

II. RESULTS REVIEW BY STRATEGIC OBJECTIVE

A. DEMOCRACY

1. SUMMARY

As a longer term result, USAID seeks to increase citizen support for the Bolivian democratic system. Through technical assistance (TA) and policy dialogue, USAID helped shape the legal reform process, and reinforced Bolivia's decentralization process. It is clear, nevertheless, that the institutional and cultural changes attempted by this SO will require more time than was originally anticipated. Steps have been taken to focus our interventions to increase civil society participation and provide greater support for the democratic system.

2. KEY RESULTS

Accomplishments in 1998 included the approval in principle of the Code of Criminal Procedures (CCP) by the Lower House and the Senate Committee on the Constitution, with enactment expected in March 1999; improvement of Popular Participation (PP) at the local level; and, an increased number of USAID supported municipalities (from 11 to 18). In addition, 116 other municipalities strengthened their citizen participation and management capacity through TA and other mission supported activities. The mission led the organization of a large, cohesive delegation to the Vital Voices Conference in Uruguay which is leading to a follow up series of regional and national women's conferences aimed at improving women's participation and leadership. Further, a first-ever nationwide Democracy Values Survey (DVS) was completed which establishes a baseline to measure citizen support for the democratic system and provides one of several sources of information to measure progress towards results.

3. PERFORMANCE AND PROSPECTS

As noted above, changing citizen acceptance of democratic values is a longer term goal beyond the current strategic period. Following last year's Management Contract, 1998 was expected to be a year of SO refinement using the DVS and IR level data. Accordingly, SO and IR2 baselines are just now being set. Significant progress was made under IR1 and the IR3 target was exceeded. The RF includes one survey indicator at the SO level (Table DEM-1), and three non-survey indicators corresponding to the three IRs (Tables DEM-2, administration of justice; DEM-3, Congressional representation, and DEM-4, municipal governance). Annex D describes the refined RF and the indicators being used; and, justifies that the refinement is minor.

IR1: Key elements of rule of law become more transparent, efficient, effective, and accessible - In 1998, IR1 focussed on the redrafting and passage of the CCP, the most important reform of the Bolivian judiciary. The law will provide the framework for an improved administration of justice, which is expected to result in a reduced number of people

in prison without proper trials, reduced chances for corruption, and individual constitutional rights. Though USAID kept the CCP high on the GOB agenda, the delay of its enactment was due, in part, to late inclusion of several anti-narcotics provisions of high priority to the USG (e.g., use of informants, controlled deliveries and plea bargaining). USAID, in close coordination with other Embassy units, assisted in redrafting the CCP, facilitated Committee discussions, and is preparing for the two year phase-in to equip key judicial institutions to use the new procedures correctly and efficiently.

For this IR, a proxy indicator is used to reflect significant measurable progress (Table DEM-1). The CCP is expected to pass with an implementation plan approved in early to mid 1999. In 2000, a second qualitative milestone "Key justice institutions adapt their Annual Operations Plans to the new legal reform" will show continued progress towards objectives.

IR2: Single-member district representatives are more responsive to constituent demands. As IR2 contracts closed, the IR focus was narrowed to foster critical citizen participation in Bolivian legislative processes by focusing on single-district Congressional representation. USAID will help create mechanisms in 15 districts, where representatives can learn about citizen demands while improving their representatives' capacity to manage/influence legislative processes. In 1999, a pilot program seeks to increase the interaction between single-district and municipal constituencies, and among the single-district representatives themselves. We expect that two-thirds of jointly agreed upon "action agendas" will be completed (Table DEM-3). Based on the results of this pilot, a decision will be made to expand, continue, or discontinue this IR.

IR3: Local governments in DDCP municipalities effectively respond to citizen needs and demands - In 1998, under steady pressure from both the donor community and the municipalities, the GOB has indicated its acceptance of PP as a permanent feature of the Bolivian political system. The PP Law automatically distributes 20% of the national revenue to 312 municipalities, and establishes mechanisms of local control and participation. Local progress for PP looks very promising.

With USAID support, five municipalities are approaching graduation status. Further, eleven municipalities are now using participatory techniques to develop their annual operating plans and budgets as well as financial and administrative systems required by the public administration (SAFCO) law. Seven more are learning these systems while two others were dropped for poor performance and will be replaced. In addition, eleven municipalities succeeded in implementing more than 80% of planned investments during 1998, showing their improved capacities to deliver the services demanded by their citizens (See Table DEM-4). Future estimated targets take into consideration municipal elections and the inclusion of additional municipalities in the program.

In response to weak central government support for PP, USAID made a tactical shift toward greater emphasis on policy reform and support to municipal organization. In this way, the impact of USAID's investment is extended well beyond the 20 municipalities initially

planned. Critical TA was provided to drafting the Organic Municipality Law which builds upon the PP Law by requiring public council meetings and preventing arbitrary personnel changes. Using Participation Support Funds, four *mancomunidades* (economic partnerships) were organized and 32 municipalities assisted 116 municipalities to replicate the techniques, disseminate information, and strengthen local participation. Included in the 116 are 58 municipal governments in two departments that have organized departmental associations. As discussed in the Resource Request, the EU plans to launch a \$3 million program in support of PP to benefit over 30 municipalities not participating in DDCP. USAID/B plans to contribute with expanded support to associations, mancomunidades, replication, policy dialogue and research. TA for revenue-generation and training through NGOs and associations may also be explored.

Expected Progress: Despite internal differences within the GOB, its democracy policies are beginning to take form. GOB support to rule of law is generally strong and PP is accepted as permanent. Continued results achievement is expected at the IR level. However, the mission foresees a longer term transformation in changing citizen attitudes because of the enormity of the task, delays experienced in passing the CCP, the complexity of its implementation phase and passive support by the GOB for PP.

4. POSSIBLE ADJUSTMENTS TO PLANS

Significant changes in citizen attitudes and support for the democratic system is a longer term objective pursued by the mission. The objectives of the democracy sector are ambitious and involve profound institutional changes as well. Results achievement will take longer due to delays in CCP passage and implementation of the PP and Decentralization laws. Our immediate concerns are that we plan at least one major contracting action next year in support of IR1 and the expansion of IR3, activities that will require extending the existing strategy period by at least three years to permit longer term strategic planning. During 1999, some adjustments in program orientation may also be necessary. Upon assessment of pilot activities under IR2 (Table DEM-3), further activities may be undertaken to reach more single-district representatives.

5. OTHER DONORS

Popular Participation was a priority agenda item at the local donor community CG meeting and will be addressed at the main CG meeting this year. USAID works closely with the World Bank and GTZ in its justice sector program. As discussed in Part III, the EU initiative has had serious delays in launching its \$3 million program in PP. If begun this year, the combined efforts will broaden the impact of the DDCP. USAID chairs a group of donors and GOB representatives concerned with governance and rule of law.

6. MAJOR CONTRACTORS AND GRANTEEES

USAID implements its democracy activities through two institutional contractors: Management Sciences for Development (MSD) and Chemonics International, Inc.

OBJECTIVE: Increased Citizen Support for the Bolivian Democratic System		Country Organization: USAID/Bolivia	
RESULT NAME: Increased citizen support for the Bolivian democratic system		DEMOCRACY SO IND2	
INDICATOR: Increased system support/trust in the Judicial Institutions		TABLE DEM-1	
UNIT OF MEASURE: Index score from 0 to 100		YEAR	PLANNED
SOURCE: Democratic Values Survey (DVS) * National sample **DDCP municipalities sample		1995	
INDICATOR DESCRIPTION: This is an index score derived from three survey questions. The national score for the sample as a whole is 40. The interpretation would be that "on a scale from 0-100, the overall level of system support for judicial institutions is 40". Targets show two trends, one for the DDCP municipalities, to be tracked every odd year, and the second one nationwide, to be tracked every even year. Data is gender disaggregated.		1996	
		1997	
		1998 M * F	Baseline 40
		1999 M ** F	4300% 40
		2000 M * F	45 43
		2001 M ** F	47 46
		2002 M * F	50 50
COMMENTS: The DVS questions used in this composite indicator are the following: 1. To which extent do you trust the Public Defense? 2. To which extent do you think that the courts guarantee a fair trial? 3. To which extent do you trust the Public Ministry or the Prosecutors?			
		LAST UPDATE	18-Mar-99 14:57

OBJECTIVE:		Country Organization:	
Increased Citizen Support for the Bolivian Democratic System		USAID/Bolivia	
RESULT NAME:		DEMOCRACY	
IR 1 Key elements of rule of law become more transparent, efficient, effective, and accessible		IR1 IND2	
INDICATOR:		TABLE DEM-2	
Code of Criminal Procedures (CCP) enacted and implementation plan approved by the National Implementation Commission (NIC)			
UNIT OF MEASURE:		YEAR	PLANNED
		1995	
SOURCE:		1996	
Ministry of Justice and Congress records, and contractor reports		1997	
INDICATOR DESCRIPTION:		1998	CCP enacted (1) passed House, enact. pending
The Code of Criminal Procedures is the centerpiece of the IR1 strategy. All efforts have been devoted to the approval of the Code during this first phase. Therefore, the most significant measure of performance is the actual enactment of the CCP, which will mark the beginning of phase two of the strategy. The second part of the indicator -i.e. implementation plan approved by the NIC- can only happen after the CCP is approved, during early phase two, as the law establishes the creation of a National Implementation Committee after passage of the Code.		1999	CCP enacted (2)
		2000	(3)
		2001	(3)
		2002	(4)
COMMENTS:			
<p>(1) Because of the complexity, high political sensitivity, the need to incorporate stronger anti-narcotics articles, and length of the CCP (500 articles), continued delays have prevented the enactment of it during 1998. However, the CCP was approved by the Lower House during 1998.</p> <p>(2) Final approval of the CCP is now expected in early 1999. The NIC is expected to be established within three months after approval of the CCP, and the implementation plan to be approved by September, 1999.</p> <p>(3) Once the two milestones included in the current indicator are achieved, performance of the next phase will be measured by the following indicator: "Key justice institutions adapt their Annual Operative Plans to the new legal reform." Targets will be developed during 1999.</p> <p>(4) For year 2002, a third phase indicator will have to be used, as the implementation period will have started. The indicator that we plan to use for this phase is the following: "Civil society groups that promote the CCP acquire the basic knowledge to promote the Code's effective implementation."</p> <p>Following our development hypothesis, support for the democratic system should increase as the CCP improves judicial performance, and allows citizen participation in the judicial system by the way of the juries.</p>			

OBJECTIVE: Increased citizen support for the Bolivian democratic system.		Country Organization: USAID/Bolivia		
RESULT NAME: IR 2 "Uninominal" (single member district) representation more responsive to constituent demands		DEMOCRACY IR2 IND3		
INDICATOR: Improved quality of contacts between "uninominales" and their constituencies in DDCP electoral districts		TABLE DEM-3		
UNIT OF MEASURE: Percentage of agreed-upon actions completed by "uninominales" in 15 districts		YEAR	PLANNED	ACTUAL
SOURCE: Contractor's reports		1995		
		1996		
		1997		
INDICATOR DESCRIPTION: This indicator attempts to measure the quality of uninominales-constituents contacts by keeping track of the number of "agendas for action" jointly agreed in the 15 districts, and the percentage of completion of these agendas. The baseline for 1998 is zero, as no actions had been jointly identified yet. It is expected that during 1999, about two thirds of the agendas will be completed.		1998	Baseline	0
		1999	66%	
		2000	(1)	
		2001	(1)	
		2002	(1)	
COMMENTS:				
<p>(1) As currently planned, IR2 ends in 1999. By the end of 1999, the Mission will evaluate and decide if further work will be undertaken. If so, we might expand to reach about half of the 68 "uninominales" nationwide, and targets would be developed accordingly. Currently, the 15 representatives whom we are working with are about 22% of the total.</p> <p>Following our development hypothesis, support for the democratic system should increase as citizens' access to the legislative is expanded, and the "uninominales" ability to respond to their constituents' demands is improved.</p>				

OBJECTIVE: Increased Citizen Support for the Bolivian Democratic System		Country Organization: USAID/Bolivia	
RESULT NAME: IR 3 Local governments in DDCP municipalities effectively respond to citizen needs and demands		DEMOCRACY IR3 IND2	
INDICATOR: A significant portion of the annual operating budget in USAID assisted municipalities is implemented		TABLE DEM-4	
UNIT OF MEASURE: Average percentage of total budget spent of municipalities receiving at least one year of technical assistance from DDCP		YEAR	PLANNED
SOURCE: Contractor's reports, Municipalities budget information		1995	
		1996	
		1997	73
INDICATOR DESCRIPTION: This indicator measures the management capacity of municipal governments by keeping track of the budget execution in the DDCP municipalities, provided that they have received at least one year of technical assistance from DDCP.		1998 (1)	60 80
		1999 (2)	7000%
		2000 (3)	70
		2001 (3)	75
		2002 (3)	80
COMMENTS:			
<p>(1) Annual operating budgets of eleven municipalities were measured in 1998.</p> <p>(2) Annual operating budgets of at least 18 municipalities will be measured in 1999.</p> <p>(3) Targets for the years 2000-2002 are being adjusted from last year's R4 report based on positive performance to date.</p> <p>An 80% execution of the budget is significantly high, taking into account how slowly other public institutions implement their budgets in the country. As a reference, the Prefecturas had implemented their budget so poorly last year, that the President himself expressed concern. The Prefectura of La Paz had spent only 7% as of mid-year. No data is available as of the end of the year yet.</p> <p>Following our development hypothesis, support for the democratic system should increase as the capacity of the municipalities to respond to citizens' demands improves.</p>			
LAST UPDATE		18-Mar-99	14:57

B. ECONOMIC OPPORTUNITIES

1. SUMMARY

The goal of the Economic Opportunities (EO) SO is to increase the income of Bolivia's poor, with a particular emphasis on targeted communities directly and indirectly assisted by USAID. Despite a decade of macroeconomic stabilization, economic growth rates in Bolivia are still insufficient to enable a significant reduction of poverty levels that currently affect 70% of the Bolivian population. A persistent income gap, along remarkably well defined ethnic lines, continues to isolate the majority indigenous population. In addition, Bolivia's rural areas were hit hard in 1998 by the *El Niño* drought. Ministry of Agriculture statistics show crop losses approached 40% in the *Altiplano* and *Valles* and as high as 60-70% in some communities. Lack of forage and surface water also affected livestock. The EO strategy is designed to address four key constraints that perpetuate rural and urban poverty: a) limited access to financial services for small borrowers and savers; b) limited access to markets and technology; c) lack of productive infrastructure, and d) insufficient levels of education and training.

2. KEY RESULTS

The average income of 80,000 peri-urban poor increased from \$1,765 in 1997 to \$1,955 in 1998. However, rural income showed a notable decline due to drought-induced crop failures. The average income of 32,400 poor rural households in USAID assisted regions fell on average from \$1,136 in 1997 to \$759 in 1998 (Table EO-1). In spite of this drop, 97% of this year's target was met.

3. PERFORMANCE AND PROSPECTS

Overall, the EO SO has met expectations. Of the four indicators presented, two met expectations, one exceeded and one fell short. The climatic phenomenon of *El Niño* and some programmatic modifications with the GOB adversely affected achievement of some targets of an otherwise solid SO performance. Additional indicators, such as marketing assistance in poor urban and rural areas and the number of active savers in microfinance institutions exceeded and met targets but are not included as part of the four indicators presented in the following tables.

IR1: Increased access to financial services in urban, peri-urban and rural areas - USAID micro-finance activities increased the access of Bolivia's poor to financial services significantly in 1998. Active borrowers increased from 163,091 in 1997 to 189,055 in 1998. This result is 105% of the 1998 target (Table EO-2). Women borrowers accounted for 74% of this total. The number of active savers increased from 258,671 in 1997 to 276,775 in 1998 (107% of target). Other output indicators tracked by the EO SO Team show impressive results. For example, the value of combined loan portfolios of USAID-assisted microfinance institutions serving the poor increased from \$106.2 million in 1997 to \$130.3 million in 1998.

Outstanding savings also increased from \$14.1 million in 1997 to \$26.2 million in 1998. This shows increased financial sustainability and less dependence on donor support.

IR2: Increased access to technology and marketing services - USAID directly contributed to increasing the access of Bolivia's poor to technological and marketing services. A total of 5,541 production units (farms, artisans, firms, etc.) received technological services in 1998 (120% of target), as shown in Table EO-3. 2,023 production units received marketing services (142% of target). Title II activities directly account for over 74% of the increase in access to technology and 22% of marketing services. BOLINVEST was responsible for the remainder of these gains. Marketing services were provided for several new, small farmer products, including a small producer strawberry association and a freshwater shrimp facility. Over 75% of marketing services in urban and rural areas were provided by BOLINVEST and the remainder were attributable to Title II activities.

IR3: Increased access to productive infrastructure - The Title II Program benefitted 458 rural communities with productive infrastructure during 1998 (Table EO-4). 836 kilometers (approximately 522 miles) of farm-to-market roads were improved; and, given persistent drought conditions, increased emphasis was placed on access to micro-irrigation infrastructure resulting in 884 ha (2,210 acres) of land being brought under irrigation. While these achievements are significant they reflect only 80% of the target being met. This is attributable mostly to the fact that one of the four CSs (CARITAS) left the program early in the reporting period and there have been unforeseen delays in finding a replacement. Hence, there were only three CSs contributing to the results of this indicator.

IR4: GOB reform of education sector - The grade completion rate for both genders rose slightly from 89% in 1997 to 90% in 1998. For girls, the grade completion rate remained high at 90%. According to Ministry of Education figures for participating schools, the drop-out rate for both genders fell from 7% in 1997 to 4%, exceeding the 1998 target of 6%. Although overall IR4 performance is attributed to the GOB's Education Sector Reform Program, over 137,000 students participated in the school breakfast program in 1998 providing incentives to stay in school.

Expected Progress - Micro-finance activities should continue to expand steadily with the number and size of loans expected to steadily increase over the next few years. Given the severity of the *El Niño* drought and the accompanying decapitalization of rural households and distress sales of productive assets, full recovery of the rural economy may take longer than one crop cycle. However, the income target for rural households is still projected to be met. Other indicator targets are also likely to be met with the exception of "cumulative number of communities with infrastructure constraints resolved". A decision was made to exclude Title III performance from this indicator and the out-year targets will need to be adjusted downward to reflect this change. Finally, despite incentives to stay in school provided by the Title II school breakfast program, the World Bank Educational Reform Program continues to have implementation problems. These problems do not, however, directly affect the achievement of IR results.

4. POSSIBLE ADJUSTMENT TO PLANS

The GOB continues to proclaim poverty alleviation as its first priority, but there remains a lack of clarity regarding its much vaunted "Poverty Alleviation Plan". USAID and the GOB's Ministry of Agriculture are working closely to develop a major DA-funded "Market Access and Poverty Alleviation" activity which will concentrate in addressing rural poverty. This 5-8 year activity is expected to be initiated early in FY 00. In order to achieve a longer term significant impact it is anticipated to run at least three years beyond the strategy period.

Additionally, because the Technical Support for Policy reform activity has been stagnant for some time, funds were not disbursed during the previous months. The GOB has informed USAID/Bolivia that the remaining balance will be reprogrammed for IR2 to support activity design and policy reform. The EO SO Team will carry out this reprogramming exercise in conjunction with a SOAG amendment.

5. OTHER DONORS

USAID works closely with the donor working committee on microfinance which includes representatives from Germany, Belgium, the IDB, Canada, Denmark, Sweden, Switzerland, the Netherlands, Spain, and the EU. The group meets periodically to coordinate efforts on microfinance activities and has issued policy papers for GOB consideration. In 1998, USAID, with support from the GOB and other donors, sponsored a regional seminar on rural financial services that attracted more than 240 government and private sector participants. In coordination with the Ministry of Agriculture, USAID also works with the IDB, British Development Agency (DFID) and the Swiss (COSUDE) in the design of the Market Access and Poverty Alleviation Activity.

6. MAJOR CONTRACTORS AND GRANTEES

Major contractors, grantees, and implementors for IR1 activities include the World Council of Credit Unions, Chemonics International, ACCION International, the Foundation for the Promotion and Development of Microenterprises, the Center for Economic Initiatives, Banco Solidario, Agrocapital, Pro-Mujer, the Superintendent of Banks and Financial Entities, the Foundation for Production, Instituto Boliviano de Estudios Empresariales, and Crecer. BOLINVEST a local institution, provides marketing assistance under IR2. Three Title II Cooperating Sponsors, the Adventist Development and Relief Agency, Project Concern International, and Food for the Hungry International, also provide significant support to IR2 and exclusive support for IR3.

OBJECTIVE: Increased Income for Bolivia's Poor with Emphasis on Targeted Communities Directly or Indirectly Assisted by USAID		Country Organization: USAID/Bolivia	
RESULT NAME: Increased income for Bolivia's poor with emphasis on targeted communities		ECONOMIC OPPORTUNITIES SO IND 2	
INDICATOR: Average annual income of rural households in USAID assisted communities.		TABLE EO-1	
UNIT OF MEASURE: US Dollars		YEAR	PLANNED
SOURCE: Title II program, survey data from cooperating sponsors. (3 cooperating sponsors; data from 2)		1995	
INDICATOR DESCRIPTION: The indicator includes sales of all agricultural-related goods, services, imputed value of own consumption and gifts. Off-farm remittance and government payments are not included.		1996	Baseline 713
		1997	749 1,136
		1998	786 759
		1999	825
		2000	807
		2001	910
		2002	955
COMMENTS: This data is calculated based upon a representative sample of Title II households involved in the agricultural productivity program. A uniform questionnaire has been developed that is used by all cooperating sponsors. ADRA results are not included because of concerns of data reliability. Results reflect 32,400 beneficiary households. (1) During 1997, Bolivia had an exceptionally good year in the agricultural sector. In future years, the Mission will change the methodology to include a three-year moving average and minimize the effect of climatic conditions in the measurement of this indicator. In 1998, results reflect the El Niño drought effects which is discussed in the narrative.			
		LAST UPDATE	18-Mar-99 14:57

OBJECTIVE: Increased Income for Bolivia's Poor with Emphasis on Targeted Communities Directly or Indirectly Assisted by USAID		Country Organization: USAID/Bolivia		
RESULT NAME: IR 1 Increased access to financial services in urban and rural areas		ECONOMIC OPPORTUNITIES IR1 INDI		
INDICATOR: Number of outstanding loan clients		TABLE EO-2		
UNIT OF MEASURE: Persons		YEAR	PLANNED	ACTUAL
SOURCE: USAID supported microfinance institutions		1995		
INDICATOR DESCRIPTION: Number of clients with outstanding credit obligations at the end of every calendar year.		1996	Baseline	130,040
		1997	150,000	163,091
		1998	180,000	189,055
		1999	220,000	
		2000	275,000	
		2001	300,000	
		2002	325,000	
COMMENTS: USAID-assisted microfinance institutions continued to exceed projected growth rates in 1998, especially in rural areas. While the growth rate of clients in urban areas grew by only 11%, expansion of clients in rural areas grew by 28% in 1998. Several institutions opened up new offices in rural areas in 1998, including BancoSol and PRODEM. PRODEM now has 50 offices, mostly in rural areas of Bolivia, giving this institution the largest financial network of branch offices in the country. The value of combined loan portfolios increased more significantly - from \$106 million in 1997 to \$130 million in 1998.				
		LAST UPDATE		14:57
		18-Mar-99		

OBJECTIVE: Increased Income for Bolivia's Poor with Emphasis on Targeted Communities Directly or Indirectly Assisted by USAID		Country Organization: USAID/Bolivia		
RESULT NAME: IR 2 Increased access to technology and marketing services		ECONOMIC OPPORTUNITY IR2 IND1		
INDICATOR: Number of production units receiving technological services		TABLE EO-3		
UNIT OF MEASURE: Production Units		YEAR	PLANNED	ACTUAL
SOURCE: Fundación Bolinvest, 3 Title II cooperating sponsors and other USAID supported institutions		1995		
INDICATOR DESCRIPTION: "Receiving technological services" is understood as services provided to production units as requested by them or identified as needed by the organization that provides technical assistance. "Production Units" are farms, artisans, firms and other production units of work. Annual Percentage increases are shown in brackets.		1996	Baseline	1,430
		1997	3,570	5,388 (276%)
		1998	4,620 (29%)	5,541 (3%)
		1999	5,122 (11%)	
		2000	5,711 (12%)	
		2001	8,007 (40%)	
		2002	9,200 (15%)	
COMMENTS: Of the three Title II cooperating sponsors, data of only two are being reported because of concerns of data reliability. Fundacion Bolinvest will report results through September 30, 1999 (PACD). The Marketing and Poverty Alleviation Activity will provide results starting 2001. In spite of the termination of Fundacion Bolinvest, results for 2000 will continue to be achieved under Title II activities.				
		LAST UPDATE		14:57
		18-Mar-99		

OBJECTIVE: Increased Income for Bolivia's Poor with Emphasis on Targeted Communities Directly or Indirectly Assisted by USAID	Country Organization: USAID/Bolivia		
RESULT NAME: IR 3 Improved productive infrastructure in rural areas	ECONOMIC OPPORTUNITIES IR3 INDI		
INDICATOR: Cumulative number of communities with productive infrastructure constraints resolved	TABLE EO-4		
UNIT OF MEASURE: Number of communities	YEAR	PLANNED	ACTUAL
SOURCE: Title II (PCI, FHI, ADRA)	1995		
	1996	Baseline	130
	1997	288	297
INDICATOR DESCRIPTION: Number of communities that benefit from one or more productive infrastructure works that eliminate a critical bottleneck in production and marketing. Infrastructure works include road construction and improvement and micro-irrigation projects. "Cumulative" means additive in the sense that each year's result is added to the previous year's total.	1998	571	458 (1)
	1999	620	
	2000	735	
	2001	800	
	2002	870	
COMMENTS: The selection of productive infrastructure projects which eliminate a critical bottleneck is a three stage process. In the first phase, the Cooperating Sponsor (CS) initiates an exploratory investigation process with the relevant municipality. The municipality is asked to define its needs in terms of the most critical infrastructure constraints. If there is a "match" between the needs of the municipal residents and the capabilities of the CS, the project is further developed. In the second phase, the CS undertakes a simple benefit-cost analysis of the project, comparing with and without project benefits. If the project meets the minimum criteria set forth by the CS, the negotiation phase begins. In the third phase, the CS negotiates the amount of counterpart contribution the municipality can provide. If there is agreement, the municipality includes the project in their annual municipal action plan and the CS includes it in their Previously Approved Activities (PAA).			
(1) Since Title III was excluded from FY1998 figures due to reprogramming and close-out of activities, the actual figure falls short of meeting the 1998 target. Targets for 1999 to 2002 will be adjusted based on an analysis of Title III activities.			
LAST UPDATE		18-Mar-99	14:57

C. HEALTH

1. SUMMARY

The Health SO's purpose is to improve the health of the Bolivian population through improving health practices, improving quality and coverage of community health care and supporting a decentralized and participatory health system. The ultimate customers are primarily children under the age of five and women of reproductive age. Particular attention is given to the peri-urban and rural poor who remain disadvantaged in terms of access to modern health care and have the worst health indicators.

2. KEY RESULTS

The 1998 Demographic and Health Survey (DHS) findings were encouraging: infant mortality dropped to 67 per 1000 live births, an 11% decrease from the 1994 DHS, and a 36% reduction from 1989; child mortality dropped from 116 per 1000 in 1994 to 92 in 1998, a 21% reduction; and, use of modern contraceptives was 25%, an increase of 41% from 1994, and a doubling since 1989. This latter result is largely attributable to USAID assistance which supplies nearly two-thirds of all modern contraceptives in Bolivia. USAID support to public sector reproductive and sexual health (RSH) programs also contributed to a shift in the reported source of modern contraceptives, with 42% of 1998 DHS respondents obtaining contraceptives from the public sector, up from 33% in 1994.

Nutritional status improved, but remains an area of concern. Children with moderate or severe malnutrition (height-for-age, children 3-35 months) was still 26% in 1998 (DHS), down from 28% in 1994, and 38% in 1989. In 1998, 67% of children under three and 27% for women of childbearing age (DHS) suffered from anemia (first national survey on anemia). USAID supports efforts to decrease anemia through iron supplements, iron fortification of flour, education (particularly for rural populations in food insecure areas) and research.

3. PERFORMANCE AND PROSPECTS

The most recent DHS, financed by eight national and international donors and the GOB, was completed in December 1998. The Bolivian National Health Information System (SNIS) and USAID's Information Monitoring Tool (IMT) continued to improve the quality and reliability of health data at national, departmental and municipal levels, where USAID-assisted activities are currently located. 1998 data clearly document achievements in improving the health status of poor Bolivians as well as areas for improvement. Of the four indicators presented, two exceeded expectations, one met expectations, and one established a new 1998 baseline and planned estimates. These indicators were chosen because they represent USAID-attributable achievements under each IR, data will be available on an annual basis to ensure continuity and to minimize future changes. In some cases, planned estimates were updated, based on progress to date. The wealth of information available this year through the DHS,

the SNIS and the IMT is included in the text for a more comprehensive picture of the Bolivian health situation, focusing on results attributable to USAID.

IR1 - Improved health practices - An overall improvement in health knowledge, attitudes and practices of USAID target populations was achieved in 1998. In CY 98, total couple years of protection based on USAID-supported contraceptive distribution reached 229,415 (a 2% decrease over actual 1997 - see comment section under HPN-1), 137% of the planned estimate (Table HPN-1) thus exceeding the 1998 target. USAID-assisted contraceptive social marketing (SM) activities account for 30% of the total. Future year estimates were revised upward for 2000 and beyond since this is the fourth year that planned results were exceeded.

Knowledge about HIV/AIDS improved, with 94% of women in 1998 (DHS) believing that AIDS is preventable (up from 72% in 1994). However, those who know that using condoms helps prevent AIDS only increased from 45.4% to 45.7%, leaving additional work to be done. In 1998, 76% of participants in USAID-assisted STD/HIV prevention programs reported using condoms in their last sexual encounter. This will be the baseline for future year comparisons.

Title II Cooperating Sponsors (CS) improved child survival through growth monitoring, nutrition education for mothers, and better health care and targeted food rations for malnourished mothers and children. Title II 1998 results were affected significantly by the El Niño-induced drought. Household (HH) food supplies decreased in most areas. For example, only 61% (from 66% in 1997) of children under two enrolled in growth monitoring programs gained weight, with a slight increase from 55% to 58% of children 2-4 years. The percentage of pregnant mothers in Title II communities who had at least one pre-natal visit increased to 45% from 40% in 1997. Malnutrition data in food insecure areas were collected for the first time since the 1996 baseline. In 1998, 46% of children aged 24-60 months had moderate or severe malnutrition as measured by height-for-age, only a small drop from 52% in 1996.

Out of 215,000 households in target areas, 41% had access to safe water in 1998 (up from 37% in 1997) as a result of interventions by Title II CSs in alliance with municipalities and community groups. The percentage of households with access to latrines or sewage disposal systems grew from 28% in 1997 to 32% in 1998.

IR2 - Improved quality and increased coverage of health care - Significant improvements were achieved in the quality of health care services, as well as increased coverage for low income populations as a result of USAID work in 1998. Births attended by trained personnel reached 44% (SNIS) in 1998 (Table HPN-2) up from 37% in 1996 and 43% in 1997, meeting the planned estimate. Table HPN-3 shows that 44% of infants 0-11 months of age received the third dose of DPT at USAID-assisted sites in rural areas. New planned estimates beginning in 1999 were developed to include an expanded population base. 1998 DHS results for this indicator show coverage of only 41%, while GOB SNIS data report over 60%. In 1999, USAID will work with the SNIS to improve the reliability of this indicator. In 1998, the number of new acceptors of modern contraceptive methods in USAID-supported facilities rose to 161,300 from 136,500 in 1997, an 18% increase.

IR3 - Decentralized and participatory health care system - In 1998, decentralization of health services was strengthened by USAID support to municipalities and USAID's observations on the MOH insurance program improved design of the expanded program. The number of municipalities with formal agreements providing a cash or in-kind counterpart contribution to USAID-assisted NGOs reached 59, exceeding the planned estimate by 64% (Table HPN-4). Future estimates have been revised upwards. The gains were due in part to USAID-assistance in helping communities better allocate resources based on an understanding of the importance of health. In 1998, USAID projects worked in over half of Bolivia's 312 municipalities, providing training in health issues, budget planning, and resource allocation.

Expected Progress - USAID developed a new infectious disease (ID) component in 1998. Restructuring in the Ministry of Health (MOH) and resulting organizational changes in PROSIN (umbrella activity under five-year SOAG) may affect near term results. USAID plans to expand HIV/AIDS Prevention and Control (HAPC) activities, begin the ID program, expand municipal support to new areas, and consolidate RSH activities. Over the medium term, USAID will emphasize sustainability in the health sector through transfer of the contraceptive SM program to a local NGO, creation of a local NGO for communication, strengthening another local NGO focussing on behavior change, completion of financing, and the beginning of implementation of the PROSALUD endowment.

4. POSSIBLE ADJUSTMENT TO PLANS

In 1998, there were no changes in the Health SO or any of the IRs, and no significant changes to the SO/RF are contemplated at this time. Given the present health situation in Bolivia, it is likely that USAID assistance will continue to be needed beyond 2002.

5. OTHER DONORS

Multilateral donors such as the World Bank, the IDB, the Pan American Health Organization, UNICEF, the United Nations Population Fund, the World Food Program, and the European Community; and bilateral partners such as Germany, Britain, Japan, Belgium, Canada and Holland provide assistance to the health sector and meet periodically in inter-institutional groups chaired by the MOH to coordinate financing and national-level work plans. A major donor coordination effort has been underway for the last year in the context of the yearly CG meetings in Paris, and USAID participates actively in the GOB's health sector reform plans.

6. MAJOR CONTRACTORS AND GRANTEEES

Major USAID-financed partners in the health sector include the GOB, local and international NGOs such as CIES (RSH programs for women and adolescents), PROSALUD (a cost-recovery, primary health care service provider), PROCOSI (umbrella NGO network supporting integrated health care services), CARE (RSH programs in rural areas), and Population Services International (contraceptive SM). TA was provided under several GFS mechanisms.

OBJECTIVE:	Country Organization:		
Improved Health of the Bolivian Population	USAID/Bolivia HEALTH, POPULATION & NUTRITION IR1 INDI		
RESULT NAME:			
IR 1: Improved child survival and reproductive & sexual health practices by Bolivian women, men, boy & girl adolescents, and children			
INDICATOR:	TABLE HPN-1		
Total number of couple years of protection (CYPs) for modern contraceptives by USAID-assisted activities			
UNIT OF MEASURE:	YEAR	PLANNED	ACTUAL
Couple years of protection (CYPs)			
SOURCE:	1994	Baseline	89,587
Information Monitoring Tool , Commodities Management Tool, National Health Information System, social marketing sales reports & projections, and Contraceptive Procurement Tables	1995	94,962	158,289
	1996	100,660	209,572
	1997	152,761	233,431
	1998	168,038	(1) 229,415
	1999	240,886	(2)
	2000	252,930	(3)
	2001	265,577	(3)
2002	278,856	(3)	
INDICATOR DESCRIPTION:	The estimated protection provided to couples by modern contraceptive methods obtained from USAID-assisted family planning services during a 1 year period. Modern methods include condoms, oral contraceptives, IUDs, vaginal foaming tablets, injectables, and voluntary surgical contraception.		
COMMENTS:	<p>Couple years of protection (CYPs) is an annual indicator that is used to measure the trend in modern contraceptive use in Bolivia. Beginning in CY1996, the actual figures for CYPs in the R4 have been calculated from data collected from USAID-assisted NGOs, the Ministry of Health and social marketing activities. All CYPs are based on dispensed-to-user statistics, except socially marketed products, which are based on sold-to-distributor statistics.</p> <p>1) Because the CY1997 actual (i.e. 242,710) in last year's R4 included estimated data for the fourth quarter, this figure has been revised to include actual fourth quarter data for CY1997. It should be noted that the revised figure exceeded planned estimates by 53%.</p> <p>(2) The actual figure for CY1998 includes actual data for the first three quarters of CY1998 and estimated data for the fourth quarter. Fourth quarter estimates were calculated using the quarterly average of the data available from the first three quarters of CY1998. In next year's R4, this figure will be updated to represent actual CYP data for CY1998. The apparent 2% decrease from CY 1997 and CY 1998 may represent a combination of factors including underestimated 4th quarter calculations decrease in purchase of social marketing products by the public, possibly due to the negative economic impact of El Niño, tremendous increase in CYP's for the past 3 years which may be leveling off, and increased promotions of socially marketed products in CY 1997 which decreased the need for orders in 1998. We are monitoring this indicator closely so that we can better understand the determinants of the decrease and better focus our future activities.</p> <p>(3) Due to the success in exceeding the planned estimates established in the 1997 Strategic Plan, planned figures have been revised beginning in CY1999 to reflect expected performance. The revisions were calculated using three methods: social marketing sales projections for 1999 - 2002; a logistics-based forecast of MOH contraceptive distribution for 1999 - 2002, with projections based on actual performance in 1997-1998; and an estimate of contraceptive distribution through 2002 for social security and USAID-assisted NGOs based on these agencies' projections for 1999 - 2000, and USAID/Bolivia projections for 2001 - 2002. An overall estimate of CYP trends for USAID-assisted activities from 1999 - 2002 was determined using a combination of all three projections. This global estimate resulted in increases of approximately 10% per year during the out years. This projection was compared with actual performance for 1997 - 1998, which showed a 2% decrease in CYPs during that period. Given the range of out year planned estimates and actual performance figures, a five percent annual increase in CYPs represents a realistic planned increase.</p>		

OBJECTIVE: Improved Health of the Bolivian Population	Country Organization: USAID/Bolivia HEALTH, POPULATION & NUTRITION IR2 INDI TABLE HPN-2		
RESULT NAME: IR 2: Improved quality and increased coverage of community health care by local governments & NGOs			
INDICATOR: Percent of births attended by trained birth attendants in Bolivia			
UNIT OF MEASURE: Percent	YEAR	PLANNED	ACTUAL
	1995		32
SOURCE: Births attended: National Health Information System (SNIS) No. of expected births: National Statistical Institute (INE) projections	1996		37 (1)
	1997	39	43 (1)
INDICATOR DESCRIPTION: Number of births attended by a trained birth attendant in Bolivia/ Total number of expected births in Bolivia x100. This is a national level indicator. Note: Trained birth attendants include midwives, auxiliaries, nurses and physicians	1998	42	44 (2)
	1999	45 (3)	
	2000	47 (3)	
	2001	48 (3)	
	2002	49 (3)	
COMMENTS: This IR2 indicator tracks targeted efforts to improve maternal and neonatal health and promote safe motherhood. This indicator was formerly used as a proxy indicator for Maternal Mortality Ratio. Since obstetrical complications have been shown to be the cause of the majority of maternal deaths in Bolivia, numerous USAID activities focus on increasing the percentage of births attended by trained personnel. The SNIS national-level data reflect MOH, social security and NGO activities. Private sector hospitals and clinics are not included, as they do not report to the SNIS at this time. Consequently, these data represent public sector and NGO performance and account for approximately two thirds of all births attended in Bolivia (1998 DHS). (1) Because the CY 1996 and CY 1997 actual figures (i.e. 36% in 1996 and 47% in 1997) in last year's R4 included estimated data for the fourth quarter, these figures have been revised to include actual fourth quarter data for these years. The denominator used in calculating this indicator has also been revised to utilize the new official estimates of expected births from the National Statistical Institute (INE), developed during 1998. (2) The actual figure for 1998 includes national-level data for the first three quarters of CY 1998 and estimated data for the fourth quarter. The fourth quarter estimate was calculated using the quarterly average of the data available from the first three quarters. In next year's R4, this figure will be updated to represent actual data on assisted births for CY 1998. (3) Planned estimates for this indicator were revised beginning in CY 1999 based on the rate of change from CY 1997 to CY 1998. Given the substantially lower rate of increase compared with earlier years, and the fact that this is a national-level indicator which is influenced by multiple factors, planned estimates based on this rate of change are reasonable.			

OBJECTIVE: Improved Health of the Bolivian Population		Country Organization: USAID/Bolivia HEALTH, POPULATION & NUTRITION IR2 IND2 TABLE HPN-3	
RESULT NAME: IR 2: Improved quality and increased coverage of community health care by local governments and NGOs			
INDICATOR: Percent of infants less than 1 year of age who received the third dose of DPT in USAID-assisted activity sites			
UNIT OF MEASURE: Percent		YEAR	PLANNED
		1995	
SOURCE: USAID/Bolivia's Information Monitoring Tool (IMT)		1996	
		1997	
INDICATOR DESCRIPTION: Number of infants less than one year of age (0-11 months) who received the third dose of DPT vaccine before their first birthday / Total number of children less than one year of age (0-11 months) in USAID-assisted activity sites x 100.		1998	44
		Baseline	(1)
		1999	46
		(2)	
		2000	48
		(2)	
		2001	50
		(2)	
		2002	53
		(2)	
COMMENTS:			
<p>This IR2 indicator tracks targeted efforts in improving child survival. Although the denominator for this indicator increased this year, this indicator was previously used as a proxy indicator for the S.O. level indicator of Infant Mortality. It reflects both outreach activities and improved health-seeking behavior by caregivers.</p> <p>USAID-assisted activities for this indicator are focused in rural areas which are difficult to reach and have the lowest coverage rates in Bolivia. Data from urban areas which receive USAID assistance have not been included for this indicator because the presence of multiple service providers (i.e. MOH, private sector) makes clear identification of the population base served by each clinic problematic.</p> <p>Vaccination coverage rates vary widely depending on the data source consulted. For example, the 1998 DHS showed 41% of children under one receiving the DPT3 vaccine, while the National Health Information System (NHIS) showed a 69% coverage rate. As a result of these discrepancies, USAID/Bolivia will continue to monitor and improve data quality of contributors for this and all other IR indicators.</p> <p>While cognizant that the PAHO regional standard is a 90% coverage rate, this target is overly optimistic for what could be reasonably achieved, especially in difficult to reach rural areas, within the strategic planning period.</p> <p>(1) This year's actual figure includes data from the Community and Child Health Project (CCH), the USAID-MOH joint project, which ended in December 1998. Beginning in 1999, the new USAID-MOH joint project, PROSIN/UEDESCO, will also report on this indicator.</p> <p>(2) Planned estimates were recalculated for CY 1999 through CY 2002, and include figures for current USAID-assisted activities. Figures for out years may be adjusted next year to incorporate the planned estimates established for PROSIN/UEDESCO and revised planned estimates for other agencies which currently report on this indicator.</p>			

OBJECTIVE:		Country Organization:		
Improved Health of the Bolivian Population		USAID/Bolivia HEALTH, POPULATION & NUTRITION IR3 INDI		
RESULT NAME:		TABLE HPN-4		
IR 3: Decentralized and participatory health care system				
INDICATOR:				
Number of municipalities with formal agreements with USAID-assisted NGOs that have provided a cash or in-kind counterpart contribution.				
UNIT OF MEASURE:		YEAR	PLANNED	ACTUAL
Municipality				
SOURCE:		1995		
USAID/Bolivia's Information Monitoring Tool (IMT) This indicator is not cumulative		1996		12
INDICATOR DESCRIPTION:		1997	24	65
This indicator demonstrates direct USAID support to local government units, which under the Popular Participation Law (PPL), are responsible for the administration of primary health care services at the local level. This indicator shows the extent to which municipalities and USAID-funded NGO health care providers are responding to incentives created by the PPL to establish public and private partnerships in pursuit of improved local primary health care. The indicator also shows the extent to which municipalities are willing to contribute their own counterpart resources to USAID resources to provide better health services to their local populations.			(1)	
		1998	36	59
		1999	70	
		2000	(2) 80	
		2001	(2) 85	
COMMENTS:		2002	(2) 90	
<p>Unanticipated changes in central, departmental or municipal government policy influence the number of current agreements with municipal governments at any particular time. For instance, the GOB's 1997 decision to cancel its existing national-level agreement with CARE resulted in the cancellation of 14 agreements with municipalities during 1998, pending renegotiation of the national-level pact. This substantially reduced the actual figures for this indicator for CY1998. Such occurrences affect the overall number of NGO-municipal agreements.</p> <p>Currently, six USAID-assisted NGOs are reporting on this indicator. There are 312 municipalities in Bolivia but USAID assisted health NGO's are not currently working in all of them. It is anticipated that additional NGOs will contribute to this indicator in CY1999. In addition, field visits will be conducted in CY1999 to verify the quality of the data that have been submitted for this indicator. These factors may result in revisions of the actual figures as well as in the planned estimates for next year's R4.</p> <p>(1) Because the CY1997 figure reported in last year's R4 included estimated data for the second semester, this figure has been revised to include all final reported data for CY1997.</p> <p>(2) For the past two years, the actual data for this indicator have exceeded the planned estimates that were established in the Strategic Plan. Thus, as indicated in last year's R4, planned estimates beginning in CY1999 have been revised to reflect performance based on agreements to be signed with municipalities in new target areas of USAID-assisted NGOs.</p>				

D. ENVIRONMENT

1. SUMMARY

USAID seeks to safeguard the environment by helping Bolivia improve natural resources management, conserve biodiversity, and reduce industrial pollution. With USAID assistance, over five million hectares of natural habitats that are “regionally outstanding in biological value” (as determined by the Biodiversity Support Program) will be well managed, either through sustainable forestry or protected area management.

2. KEY RESULTS

Progress continues to be excellent, with all SO and IR targets met or exceeded. Key results include: a) sustainable forestry practices were implemented in 1.18 million hectares; b) the exports of certified forest products grew from \$200,000 to \$1 million in CY 98; c) the capacity of local institutions responsible for forest and park management were strengthened with USAID assistance; and d) recent GOB changes will facilitate biodiversity conservation, especially through the creation of an independent National Park Service and the GOB’s emphasis on municipal forest management -- a USAID focus in 1999.

3. PERFORMANCE AND PROSPECTS

Performance at the SO level exceeded targets by approximately 12% because of better than expected progress by private companies and local communities in the application of 12 key sustainable forestry practices over an area of 1.18 million hectares (Table ENV-1).

IR1 - Sustainable forest and wildlife management in target areas - Bolivia is at the forefront of voluntary certification in the tropics with the largest area of certified tropical forests in Latin America and the second largest in the world (after Zambia). Nearly 450,000 ha of natural forest were certified and another 380,000 ha evaluated and awaiting final determination (Table ENV-2). The Bolivian Council for Voluntary Forest Certification, created and supported by USAID, was recognized by the Forest Stewardship Council. It has the first approved regional standards in the tropics, and is leading the process to establish certification standards for non-timber forest products.

Another measure of the rapid growth of certified forestry is the tremendous increase in the exports of certified forest products, which grew five-fold to \$1 million between 1997 and 1998 (Table ENV-3). Given the previously limited capacity of local organizations to produce these products, this welcome increase was unforeseeable a year ago. Targets for this indicator in coming years have been substantially increased.

In 1998, USAID/Bolivia paid increased attention to municipalities and small-scale producer associations. The new Bolivian forestry law empowers both to manage their forests. This past year, USAID worked with 12 municipalities and 21 local social groups to identify

municipal reserves on over 1.6 million hectares of land while also organizing and training local groups to manage these reserves. USAID also worked with the national agencies responsible for both certifying that the areas are public lands and that the local groups comply with all legal requirements. While final approval is still pending, we expect that over 800,000 ha of municipal forest reserves will be approved in early 1999.

USAID expanded its activities with four indigenous groups to improve management on over 300,000 ha of forest. In the long-term, these four groups could control upwards of 3 million forested hectares if the GOB respects their land claims. Under recent changes in the Forestry and Land Reform Laws, indigenous groups will likely gain control of a total of 11 million hectares, or 20% of the tropical forest in Bolivia. USAID played a key role in the national dialogue over indigenous forest management. With the growing recognition of the potential of forest management to both consolidate indigenous lands and promote long-term economic development, the demand on USAID-supported services to indigenous groups has increased.

The WCS/CABI Kaa-Iya Chaco Protected Area Activity completed the first draft of its management plan in 1998. Once completed the management plan will guide the development and conservation of the 3.4 million hectares protected area. Its key feature is a zoning proposal based on the conservation requirements of the Protected Area, the potential for sustainable use of key natural resources, and the actual and potential threats to the area. Seven stand-alone reports on the regional biodiversity, land tenure situation, and production systems will be used to begin implementation of the plan, once approved by the GOB. The GOB's Biodiversity Directorate is interested in applying the methodological lessons learned to prepare management plans for other protected areas.

IR2 - Industrial pollution reduced in targeted areas - The Environmental Pollution Prevention Program (EP3) met both targets for 1998 and continues to provide leadership on "brown" environmental issues in Bolivia. Nineteen major companies have adopted pollution-reduction practices recommended by EP3 audits (Table ENV-4). The biophysical results were dramatic, including a 70% reduction in the Biological Oxygen Demand levels of factory effluents.

Expected Progress - In 1999, more than 700,000 ha will be under certified forest management, and an additional 500,000 ha will be in the process of certification. With USAID technical assistance, the GOB will evaluate and approve one million hectares of municipal reserves. USAID will directly support six local social groups to prepare forest management plans on nearly 250,000 ha of forest for the corresponding approval by the Forest Superintendency.

Indigenous groups will gain legal access to forests and increase their capacity to manage forest resources. Plans for two communities (200,000 ha) will be submitted to the Forest Superintendency for approval. These communities will develop contractual and working relationships with outside interests (companies, investors, NGOs) to develop the necessary capital and technical and human resources to carry out forest management. Both communities will serve as models for other ethnic groups that control 11 million hectares of forest lands.

Management of timber and non-timber forest resources in the Pando will improve. Working with the International Tropical Timber Organization (ITTO), USAID will improve the capacity of local companies, municipal and departmental governments, municipal producer groups, indigenous groups, and local offices of the Forest Superintendency. USAID forestry assistance to the Pando is critical because, although this tropical Amazonian region still retains 96% forest cover, it is rapidly being developed for timber exploitation. USAID TA will help local groups increase timber production while maintaining long-standing socio-economic benefits of non-timber products. In addition, USAID will continue to work with the Brazil nut industry, which employs 70% of the local population and serves as a powerful incentive to conserve forests that might otherwise be converted to agriculture (Brazil nuts can only be collected from intact forests.) USAID will help Brazil nut producers to meet tough new standards for aflatoxin levels, now used by the European Union, the destination of most of Bolivia's nut exports. Failure to meet these standards would put the industry at risk.

Accomplishments in 1999 in the management of the Gran Chaco National Park will include: a) the communities of the Kaa-Iya Protected Area will finalize the zoning proposed in the draft management plan; b) the management plan will be submitted to and approved by the Government; c) a consolidated administrative system will be established within the Ivi-Iyambae Foundation responsible for overseeing park management; c) the design of the applied research program will be completed, and it will include activities to be carried by Izoceños; d) pilot natural resource management activities will be defined, and implementation by Izoceño communities will begin; and, e) the IPDP will be successfully implemented.

4. POSSIBLE ADJUSTMENT TO PLANS

With several major components ending over the next two years, USAID will undertake a strategic planning exercise in 1999 to chart the future of the mission's environmental program. For example, the EP3 program came to a close in 1998. An IR2 (industrial pollution) strategy and project design process is already underway, in close collaboration with the LAC Clean Production Strategy for the Andean Region.

5. OTHER DONORS

USAID has been a driving force in bringing together donors from Canada, Germany, Switzerland, the Netherlands, the United Kingdom, the World Bank, IDB, Denmark and UNDP to assess the GOB's policies and programs related to environmental issues. GOB direct contribution to USAID dollar-funded activities in FY 99 is \$1.375 million. The EAI receives \$2.2 million/year from the GOB, and has received more than \$11 million to date.

6. MAJOR CONTRACTORS AND GRANTEEES

USAID-financed environmental activities are implemented by Chemonics Int'l, Wildlife Conservation Society, Conservation Int'l, the Nature Conservancy, Tropical Research and Development, RCG/Hagler-Bailly, the Worldwide Fund for Nature and two local NGOs.

OBJECTIVE: Reduced Degradation of Forest and Water Resources and Biodiversity Conserved	Country Organization: USAID/Bolivia		
RESULT NAME: Reduced degradation of forest and water resources and biodiversity conserved	ENVIRONMENT SO INDI		
INDICATOR: Total area in USAID-priority ecoregions conserved	TABLE ENV-1		
UNIT OF MEASURE: Combined area (hectares) under sustainable forestry or adequate protected area management.	YEAR	PLANNED	ACTUAL
SOURCE: BOLFOR, WCS/CABI, GOB, forest certifiers, Parks in Peril Program.	1995		
INDICATOR DESCRIPTION: The SO level indicator combines areas under sustainable forestry (implementing 12 key practices) and protected areas with adequate management (defined below). USAID-priority regions defined as "Regionally Outstanding in Biological Value" are in accordance with USAID assessment through the Biodiversity Support Program. (BSP, CI, TNC, WCS, WRI and WWF, 1995. A Regional analysis of Geographic Priorities for Biodiversity Conservation in Latin America and the Caribbean. Washington, D.C: BSP for USAID) The reporting period is the calendar year.	1996	100000	400000
	1997	600000	864695
	1998	1050000	1177023
	1999	1845000.00	
	2000	2,045,000	
	2001	5,445,000	
	2002	5,850,000	
COMMENTS: Only protected areas which have achieved "adequate management," as defined by the LAC Bureau, will be counted. The criteria are: (a) immediate conservation threats deterred; (b) long-term management plan being developed; (c) LAC NGOs strengthened to implement and/or assist in the management of selected parks and reserves; (d) long-term financial plan in progress and funding ensured for recurrent operation costs; and (e) local constituency actively participating in park protection. The 12 key management practices are: 1. Approved management plan that defines long-term objectives and actions for the overall area under management; 2. Forest mapping at appropriate scales; 3. Forest inventories that provide baseline information for planning; 4. Planning of logging or silvicultural activities at the stand level and preparation and implementation of operational plans based on commercial censuses; 5. Selection and marking of trees to be cut, respecting diameter limits; 6. Minimize repeated entries into the same stand; 7. Access to markets for the most abundant commercial species; 8. Extraction rates correspond to the growth rates of tree species and are established based on best local information available; 9. Implementation of best industrial practices which contribute to improved product quality; 10. Concrete action to ensure the efficient and integrated use of the forest and forest products, both during harvest and during processing; 11. If conflicts on forest resource use exist, actions are taken towards solving them; 12. Hunting prohibited in forests under management. Targets for FY99-02 have been refined, using this definition of adequate protected area management. The targets for 2002 assume that gains made under the BOLFOR project up to the end of CY 2000 will be maintained.			

OBJECTIVE: Reduced Degradation of Forest and Water Resources and Biodiversity Conserved		Country Organization: USAID/Bolivia		
RESULT NAME: IR 1 Sustainable forest and wildlife management in target areas		ENVIRONMENT IR1 IND1		
INDICATOR: Area of forest independently certified to be well managed		TABLE ENV-2		
UNIT OF MEASURE: Number of hectares (cumulative)		YEAR	PLANNED	ACTUAL
SOURCE: BOLFOR, Certifiers, GOB		1995		52,000
INDICATOR DESCRIPTION: This indicator only counts forests which have been independently certified to meet the Forest Stewardship Council's strict ecological, social, and economic criteria of forest management. The reporting period for this indicator is the calendar year.		1996	52000	52000
		1997	170000	226098
		1998	340000	447912
		1999	700000.00	
		2000	1,000,000	
		2001	(1)	
		2002	(1)	
COMMENTS: Targets have been raised for 1999 (from 600,000 to 700,000) and for 2000 (from 900,000 to 1,000,000) because of strong performance. (1) The BOLFOR Sustainable Forestry Activity is scheduled to finish at the end of CY 2000. The Mission will report in the R4 next year on whether work in this area will be continued in 2001 and 2002 and, if so, what the planned targets will be.				
		LAST UPDATE		18-Mar-99 14:57

OBJECTIVE: Reduced Degradation of Forest and Water Resources and Biodiversity Conserved		Country Organization: USAID/Bolivia	
RESULT NAME: IR 1.3 Real and perceived value of forest and wildlife increased		ENVIRONMENT IR1_3 IND2	
INDICATOR: Value of certified forest products exported.		TABLE ENV-3	
UNIT OF MEASURE: US\$ (cumulative)		YEAR	PLANNED
		1995	
SOURCE: BOLFOR with verification from the GOB/Customs Service, Forest Superintendency			N/A
		1996	10000
		1997	50000
		1998	500000
INDICATOR DESCRIPTION: Includes only forest products produced using sustainable techniques. Sustainable management is defined according to certification norms, forestry legislation and CITES specification. Forest products include wood and non - wood products (e.g. plants, animals and/or forest derivatives). The reporting period for this indicator is the calendar year.		1999	6000000.00
		2000	15,000,000
		2001	(1)
		2002	(1)
COMMENTS: The products are targeted at new markets, which are small but rapidly growing. Given the impressive results in 1998 due to the excellent work of BOLFOR in convincing the Bolivian private sector of the value of the market for certified forest products, we are raising the 1999-2000 targets as follows: from 1,000,000 to 6,000,000 in 1999 and from 1,500,000 to 15,000,000 in 2000. (1) The BOLFOR Sustainable Forestry Activity is scheduled to finish at the end of CY 2000. The Mission will report in the R4 next year on whether work in this area will be continued in 2001 and 2002 and, if so, what the planned targets will be.			
		LAST UPDATE	18-Mar-99 14:57

OBJECTIVE: Reduced Degradation of Forest and Water Resources and Biodiversity Conserved		Country Organization: USAID/Bolivia	
RESULT NAME: IR 2.1 Pollution prevention practices adopted		ENVIRONMENT IR2_1 INDI	
INDICATOR: No. of companies which have adopted pollution prevention practices. / Number of companies evaluated.		TABLE ENV-4	
UNIT OF MEASURE: Number of companies		YEAR	PLANNED
		1995	0
SOURCE: EP3, Evaluated companies		1996	9
		1997	18
INDICATOR DESCRIPTION: The types of companies assisted by EP3 included: food processing, breweries, meat packing, tannery, and textile industries, among others. Among the prevention practices adopted are: reducing the discharge of chemical solutions in the effluents, fixing water leaks, improving energy efficiency, improving production processes with small investments. The reporting period for this indicator is the calendar year.		1998	20
		1999	
		2000	(1)
		2001	(2)
		2002	(2)
COMMENTS: A list of companies and the pollution prevention practices that they have adopted is available upon request. Adoption of these practices has led to a 70% reduction in the Biochemical Oxygen Demand (BOD) of factory effluent for key participating companies. (1) EP3 funding finished in September 1998. (2) An IR2 strategy and activity design process is now underway, in close collaboration with the LAC Clean Production strategy for the Andean region. A new program and indicators will be prepared for the period 2000 - 2002 and presented in the R4 next year.			
		18-Mar-99	14:57

E. COUNTERNARCOTICS

1. SUMMARY

The Counternarcotics (CN) Special Objective (SpO) is part of a multi-pronged GOB/USG effort which encompasses eradication, interdiction, alternative development (AD) and drug prevention/awareness. It directly supports the USG's major policy interest to eliminate coca-cocaine production and trafficking, as well as the GOB's National Plan of Action to rid Bolivia of all illegal coca by 2002. USAID-funded assistance is essential to provide the GOB with the political will and public acceptance to conduct aggressive interdiction and coca eradication campaigns. Results in 1998 clearly demonstrate that Chapare farm families now have viable and sustainable means to support themselves without the need to cultivate coca.

2. KEY RESULTS

Key 1998 results include: the GOB's successful net coca eradication of 8,001 ha of coca in the Chapare -- highest annual net reduction ever; the number of families participating in coca free areas increased by 232%; the number of businesses operating in and serving the Chapare increased by 36%; and, the wholesale value of licit produce increased by 14%.

3. PERFORMANCE AND PROSPECTS

AD activities are aimed at consolidating the licit agriculture and infrastructure network in the Chapare. USAID directly contributed to net coca eradication in 1998 by conditioning AD assistance to Chapare farm communities that signed zero-coca agreements. A large number of requests for AD assistance was registered in 1998, and the number of "zero-coca" agreements signed more than tripled that of 1997 even though many negotiations did not result in signed agreements due to limited AD resources; new negotiations were deferred until receipt of 1999 funds. Overall performance is rated outstanding with eight of nine indicators meeting or exceeding targets. The following indicators were selected because they adequately and broadly reflect SpO progress. The mission will continue to track all current indicators.

SO Level Indicator - Annual net coca eradication - The GOB's aggressive 1998 coca eradication campaign resulted in a best-ever gross eradication of 11,621 ha and 8,001 ha net reduction. Cumulative net eradication is now at 10,301 ha - 14% higher than the 1998 target of 9,000 ha (Table CN-1). Hence, Bolivia experienced a nationwide net reduction of nearly 17% and a Chapare net reduction of 25%, including over 67,500 square meters of seedbeds destroyed, 5,156 ha of new coca plantings eliminated and an undetermined number of families, living illegally in the Isiboro Secure National Park, had all their coca forcibly eradicated. Further, the production of cocaine hydrochloride was reduced from 142 metric tons in 1997 to 106 metric tons.

IR3.1 - Number of farm families participating in coca-free zones - In 1998, an additional 5,937 families (cumulative 8,491 families) pledged to eradicate all existing coca and prohibit

further coca cultivation on the 88,675 ha of land under their control -- 232% over 1997 when only 2,554 families participated in coca free areas -- 6% over the 1998 target (Table CN-2). Since May 1998, USAID has restricted AD assistance exclusively to families who signed zero coca agreements with the GOB. With 56 new agreements signed, USAID made a direct and significant (only 17 agreements signed in 1997) contribution to net coca eradication. The main factors influencing increased participation are negotiations conducted by PDAR, an aggressive GOB eradication campaign and elimination of individual compensation payments.

IR4.2 - Number of sustainable businesses operating and serving the Chapare, utilizing licit products or supply licit agro-industries - USAID-funded TA, marketing, and investment promotion activities were crucial in establishing a favorable climate for new licit businesses in the Chapare. There are now 45 agro-businesses operating and serving the Chapare with a combined investment of nearly \$17 million in agriculture and agro-processing activities. (This excludes energy investments of petroleum, gas, and electricity which amount to another \$50 million.) This exceeds the 1998 target of 40 and is a 36% increase over 1997 (Table CN-3). Sixteen of the businesses are private firms, 15 are producer associations and two are government-funded private businesses located in the Chapare. Twelve businesses are located outside the Chapare. The increase is largely ascribed to USAID assistance in encouraging private sector investment and improving access to markets. For example, in 1998, USAID assistance improved 54 km of roads, stone paved 17 km of roads, maintained over 285 km of roads, installed 95 km of cableways, constructed 5 concrete bridges (159 meters), 10 small bridges and 16 packing centers, and installed 51 km of medium tension and 44 km of low tension electrical lines with an estimated power of 755 KVAs.

IR4.3 - Wholesale value of licit produce leaving the Chapare - The Black Sigatoka disease reduced the production of bananas by 26% and plantains by 16% compared to 1997 levels. Despite this, the value of licit domestic wholesale market production increased 14% from \$36 million in 1997 to \$41 million (Table CN-4). Improved quality of Chapare licit produce reached a retail value of approximately \$73 million, indicating that farm management and improved cultural practices are being adopted by Chapare farmers. Concomitantly, the number of hectares of licit produce increased 9% from 96,300 in 1997 to 105,000 in 1998. The average farm gate price of USAID-promoted priority crops increased 19%. The actual increases are considerably higher since the data does not reflect produce consumed within the Chapare, field and post-harvest losses, nor the wholesale value of logs (\$11 million) leaving the Chapare.

Expected Performance - There exist inherent difficulties in the signing of zero-coca agreements with communities which have had their coca forcibly eradicated; and, it is inevitable that as more coca is eliminated, it will become increasingly harder to convince resisters to cross over to AD methods. Nevertheless, the mission foresees accelerated requests for AD assistance conditioned to signing zero-coca agreements with the consequential acceleration of eradication, increased licit production and continued progress against all four IRs. SO activities will continue to address road infrastructure maintenance; the need for economic incentive laws for private investment in the Chapare; and the

strengthening of local institutions. Issues which could negatively impact progress include limited GOB counterpart funding and the reorganization of the Vice Ministry of Alternative Development which is delaying the GOB's compliance with the conditions precedent for disbursement of funds for the Counternarcotics Consolidation of Alternative Development Efforts (CONCADE) activity.

4. POSSIBLE ADJUSTMENT TO PLANS

A performance-based contract will be awarded to a U.S. contractor to implement CONCADE in FY 99 as a follow-on to the Cochabamba Regional Development Project (CORDEP). Adjustment is expected to the RF and some indicators to show greater emphasis on long-term sustainability and the gradual elimination of subsidies. USAID will revise IR4.1, Annual number of hectares of licit crops planted in the Chapare, along with out-year baselines and targets, to include banana production -- one of the most important crops promoted under AD; and, IR4.2 to include non-agro businesses -- such as hotels and lumber companies -- which have investments exceeding \$3 million. Critical assumptions to successfully implement AD efforts over the next 2-4 years include continued GOB fervor to eradicate all illicit coca; GOB ability to meet its counterpart contributions; increased coordination between donors and the GOB; and, substantially increased donor support and participation by private businesses, farmer associations, chambers and municipalities.

5. OTHER DONORS

The GOB decision that all donor AD assistance contribute to net coca reduction positively influenced the success of conditioning AD assistance to signing zero-coca agreements. There is adequate donor coordination among CORDEP institutions and others working with counternarcotics in the Chapare (European Union, Spanish, United Nations Drug Control Program/FAO, etc.). Additionally, two encouraging visits to observe counternarcotics efforts in the Chapare, were made by 21 Ambassadors to Bolivia in 1998. The visits gained important anti-coca allies that will hopefully bring funding commitments at the 1999 CG meeting. Without further donor support, the GOB's ability to respond to requests for AD assistance will be limited. The GOB plans to submit a funding proposal at the CG to address its established \$700 million need for AD through 2002. Of this amount, the GOB so far has only \$139 million -- pledges from USAID (\$64 million) and the EU, UNDCP, Germany and Spain (combined \$44 million), plus \$31 million in its own resources.

6. MAJOR CONTRACTORS AND GRANTEEES

In 1998, USAID worked with three GOB partner-grantees: the Alternative Development Regional Program, the Bolivian Institute for Agriculture Research, and the National Road Service. USAID also works with Development Associates, Inc. (CORDEP), Planning Assistance, three local NGOs, over 60 farmer associations. The two member USAID-PDAR Executive Committee was replaced by a six-member Implementation Committee. This is

significant because USAID works closely with this committee and the GOB to resolve implementation and policy issues.

OBJECTIVE: Illegal Coca Eliminated from the Chapare		Country Organization: USAID/Bolivia		
RESULT NAME: Illegal coca eliminated from the Chapare		COUNTERNARCOTICS SO INDI TABLE CN-1		
INDICATOR: Annual Net Coca Eradication				
UNIT OF MEASURE: Hectares		YEAR	PLANNED	ACTUAL
SOURCE: Annual USG satellite monitoring		1995		
INDICATOR DESCRIPTION: Cumulative net hectares eradicated annually		1996	Baseline	500
		1997	3,500	2,300
		1998	9,000	10,301
		1999	17,301	
		2000	20,000	
		2001	25,500	
		2002	31,000	
COMMENTS: According to the Center for Narcotics Control, the December 1998 estimate for the area under coca cultivation in the Chapare is 23,500 hectares. Planned targets are adjusted each year in discussions between the GOB and USG as part of the counternarcotics certification process. The annual target for 1999 net eradication has been adjusted to 7,000 hectares based on negotiations held by the GOB-USG Binational Counter-narcotics Commission in December 1998. During 1998 the GOB eradicated 11,621 hectares of coca of which 8,001 hectares were net reduction. This contributed to a 17% net reduction nationwide and a 25% net reduction in the Chapare. Several factors affect program performance including: a) level of donor support and financial commitment; b) the GOB's political will and degree of law enforcement; c) availability of GOB's counterpart funding; and d) degree of coordination among donor-assisted eradication and alternative development agencies.				
		LAST UPDATE		18-Mar-99 14:57

OBJECTIVE: Illegal Coca Eliminated from the Chapare		Country Organization: USAID/Bolivia	
RESULT NAME: IR 3.1 Farmers accept eradication conditionality		COUNTERNARCOTICS IR3_IND1	
INDICATOR: Number of farm families participating in coca-free zone		TABLE CN-2	
UNIT OF MEASURE: Cumulative Number		YEAR	PLANNED
SOURCE: CORDEP Database		1995	
INDICATOR DESCRIPTION: The indicator tracks the cumulative number of farm families that have accepted the eradication conditionality by signing agreements with the GOB to voluntarily eliminate all of their coca and prevent new coca plantings on their land in the future.		1996	
		1997	3,000 (baseline)
		1998	8,000
		1999	12,000
		2000	18,000
		2001	22,000
		2002	25,000
COMMENTS: From June through December 1997, the first 17 coca-free agreements were signed between the GOB and Chapare communities. In 1998, 56 new coca-free agreements were signed which are directly attributable to negotiations undertaken by the USAID-funded alternative development program. Achievement of results is based on the assumption that there will be significant additional contributions from the donor community; and greater institutional coordination and capacity among implementing entities. Targets for 1999 through 2002 have been adjusted based on the GOB's assumption that at least 5,000 families will be moved out of the Chapare as a result of relocation/migration programs. Therefore, the cumulative target for 2002 was reduced from 30,000 to 25,000 families.			
		LAST UPDATE	18-Mar-99
			14:57

OBJECTIVE: Illegal Coca Eliminated from the Chapare		Country Organization: USAID/Bolivia	
RESULT NAME: IR 4.2 Sustainable market linkages established		COUNTERNARCOTICS IR4_2 IND1	
INDICATOR: Number of sustainable businesses operating and serving the Chapare, utilizing licit products or supplying licit agro-industries.		TABLE CN-3	
UNIT OF MEASURE: Number of businesses		YEAR	PLANNED
SOURCE: CORDEP Database		1995	
INDICATOR DESCRIPTION: A sustainable business for this purpose is one with capital at risk operating consistently on its own resources for a minimum of one year with no indication of ceasing substantial operations.		1996	Baseline 15
		1997	25 33
		1998	40 45
		1999	55
		2000	65
		2001	75
		2002	80
COMMENTS: During 1998, a total of 45 sustainable businesses were operating or serving the Chapare: 16 agroindustrial firms, located in the Chapare with an estimated \$7.1 million invested; 2 originally government-funded subsequently privatized businesses with \$350,000 invested; 12 businesses located outside of the Chapare, but buying and processing Chapare produce; and 15 producer associations, each with over \$200,000 in crop sales (excluding infrastructure and land value), with a total of \$9,447,800 invested. All 45 businesses have a combined total investment of over \$16.6 million in the Chapare. This excludes firms involved in tourism, gas, oil, electricity and lumber. Although there are over 60 legally established and registered producer associations in the Chapare, it was decided to consider only those with over \$200,000 in crop investments, leaving us with 6 banana associations, 3 pineapple, 5 palm heart, and 1 black pepper growers association. This indicator will be adjusted next year to include non-agro businesses which are supporting alternative development activities in the Chapare.			
		LAST UPDATE	18-Mar-99 14:57

OBJECTIVE: Illegal Coca Eliminated from the Chapare	Country Organization: USAID/Bolivia		
RESULT NAME: IR 4.3 Sustainable market demand established	COUNTERNARCOTICS IR4_3 IND1		
INDICATOR: Wholesale value of licit produce leaving the Chapare.	TABLE CN-4		
UNIT OF MEASURE: Millions of U.S. Dollars	YEAR	PLANNED	ACTUAL
SOURCE: CORDEP Database and Transport Survey	1995		
INDICATOR DESCRIPTION: Wholesale value of licit produce is calculated by multiplying the average wholesale price obtained in at least 4 markets provided by INE, by the quantity of licit products contained in trucks and other transportation vehicles leaving the Chapare.	1996		
	1997	Baseline	36
	1998	43	41
	1999	52	
	2000	64	
	2001	74	
Note: the number of markets may vary from crop to crop	2002	91	
COMMENTS:			
<p>The wholesale value of licit produce leaving the Chapare for 1998 is based on a transport study managed by Development Alternatives Inc. The wholesale value excludes the value of logs leaving the Chapare and the value of licit produce consumed or wasted in the Chapare. This result is consistent with an increase in the area of licit production by 9% from 96,300 hectares in 1997 to 105,000 hectares, and actions to improve access to markets in 1998. During the reporting period, USAID improved 54 kilometers of roads, stone paved 17 kilometers of roads, installed 95 kilometers of cable ways, constructed 5 concrete bridges (159 meters), 10 small bridges and 16 packing centers, maintained over 285 kilometers of roads and installed 51 km of medium tension and 44 km of low tension electrical lines with an estimated power of 755 kilovolts.</p> <p>In 1998, 123,743 MTs of fruit left the Chapare, primarily bananas (53% of the total with 65,571 MTs), plaintains (25,078 MTs), pineapples (17,277 MTs) and oranges (12,918 MTs). Besides these 900 MT of other fruit were sold and transported out of the Chapare in 1998, watermelon (305 MTs), avocado (258 Mts), passion fruit, grapefruit, custard apple, pacay, mango, lime, lemon, apple and palm heart seed. Final destination of all the Chapare licit production during 1998 was Cochabamba with 70.4%, Santa Cruz with 22.5%, Argentina with 0.5% and other cities of Bolivia with 6.6%.</p>			

III. RESOURCE REQUEST

With about 86 percent of the mission's budget earmarked, there is little room to shift scarce unrestricted DA between SOs. Since most targets have been met or exceeded, the mission maintained planned unrestricted DA funding levels for FYs 99-01. To support the planned program, critical staffing issues are highlighted in the R4 Cover Memo and Part IV. To achieve the results discussed in Part II above, the mission needs a minimum of \$34 million DA each year in FYs 99-01; \$3 million ESF each year in FYs 00-01; \$25 million INC each year in FYs 99-00 and \$23 million INC in FY 01 and a total of \$66.4 million in Title II resources in FYs 99-01. Detailed breakouts by fiscal year and SO are provided in the attached tables and narrative below. Any cuts in program or OE levels will adversely impact results and cause the mission to lose credibility with the GOB and donor community. A discussion of each SO (by sector) and IRs (by major activity) is set forth below.

SO1 Democracy - To ensure achievement of IR1, Administration of Justice (AOJ), IRs 2 and 3, Popular Participation (PP), SO1 needs: DA -- \$4 million/FY 99, \$4.5 million/FY 00 and \$4.5 million/FY 01; INC -- \$2 million/FY 99 and \$2.6 million/FY 00; and ESF -- \$3 million each year in FYs 00-01. IR1 has been funded entirely with INC funds since 1997 and carries a considerable, temporary pipeline due to delays in the passage of the Code of Criminal Procedures (CCP). With passage of the CCP, expected in early 1999, IR1 activities will begin Phase II implementation and the pipeline will be drawn down quickly. In spite of the high INC pipeline, IR1 must have ESF funds in FYs 00-01 in order to support Phase II activities (training, dissemination, indigenous justice, and civil society participation) which are not eligible for INC funding. The pipeline for PP activities (IRs 2 and 3) is at the higher limit of Agency forward funding guidelines at 18-20 months. Expenditures for IR2 will continue to be low since activities with Congress were narrowed to limited assistance to single-member district representatives, but expenditures for IR3 will rise in FY 99 and beyond with the expansion of PP activities to associations of municipalities, replication, policy dialogue and research. Further, if the mission is to co-fund the EU PP activity, an additional \$2.7 million DA is needed per last year's management contract. This amount is not included in the budget request tables.

SO2 Economic Opportunities - To continue achieving results under IR1 microfinance activities and to design and implement the Market Access and Poverty Alleviation Program (IRs 2 and 3), SO2 needs \$3.3 million DA in FY 99, \$4.45 million in FY 00 and \$4.45 million in FY 01. This includes a minimum of \$1.1 million unrestricted DA in FY 99 and \$2.3 million each year in FYs 00-01 and takes into account the additional \$450,000 unrestricted DA each year in FYs 00-01 as provided in the most recent LAC control levels. IR1 is funded entirely with DA microenterprise earmarks in FYs 99-01 with a current pipeline of \$7.2 million which exceeds Agency forward funding guidelines, but FY 99 expenditures are estimated to be about \$4.7 million, including three equity investments and TA which will reduce the pipeline to less than 12 months. IR2, funded with Title II and unrestricted DA, ends its Export Promotion activity this year and the new Market Access and Poverty Alleviation activity is currently being designed. IR3 is funded only with Title II.

SO3 Health - To support ongoing and planned activities to improve health practices (IR1), to improve the quality and coverage of health care (IR2) and to work with the GOB to decentralize the health care system (IR3), SO3 needs: \$21.4 million in FY 99 and \$20 million per year in FYs 00-01 in CS (including AIDS and ID) and POP DA funds. This total request includes \$1.9 million in FY 99 and \$2.2 million each year in FYs 00-01 to support the Agency's new ID Initiative. Total POP funds needed to support IR1 for FYs 00-02 were cut \$6.4 million from FY 99 levels. These reduced levels were set in FY 97 to correct a high POP pipeline caused by underestimated accruals and late receipt of FY 96 POP metering funds which were not received until late FY 97. Current POP activity pipelines are below Agency forward funding guidelines at six months. If these cuts are enforced, the mission will no longer be able to support activities for adolescent reproductive and sexual health (RSH), contraceptive social marketing, improvement of quality RSH care in GOB facilities, training of rural RSH providers, decentralization of health care planning, and the 2002 Bolivia Demographic and Health Survey. POP funds are required for some of these activities, but additional CS funds could be substituted for part of the \$6.4 million shortfall. CS activities' pipelines are within Agency forward funding guidelines.

SO4 Environment - To achieve results in sustainable forestry management activities (IR1), including certification of over a million hectares of municipal forests, putting 11 million ha of tropical forest under control of indigenous groups, and expanding BOLFOR activities to the Beni and Pando Departments to ensure implementation of new forestry laws; and, in pollution prevention activities (IR2), SO4 needs \$5.3 million unrestricted DA in FY 99, \$5 million unrestricted DA each year in FYs 00-01. Pipelines are within Agency forward funding guidelines. To avoid losing progress made under the mission's highly acclaimed pollution reduction (EP3) activity, the mission decided to reduce funding to certain IR1 activities and put it into IR2. Of the requested amount, at least \$1.1 million is needed to support other IR2 Global Field Support (GFS) activities; and an additional, \$3.3 million is needed for several GFS activities in support of both IRs and to design FY 00 new start activities.

SpO5 Counternarcotics - SpO5 is entirely dependent on INC funding. To achieve planned alternative development (AD) results and to continue the Balance of Payments (BOP) program, SpO5 needs a minimum of \$23 million INC in FY 99, \$26 million in FY 00 and \$23 million in FY 01. The mission expects to receive \$23.0 million in FY 99 for AD and BOP, but the FY 00 Congressional Presentation control numbers show an FY 00 INC request of only \$13.4 million for AD/BOP. The FY 01 level is set at \$16 million. Consequently, FYs 00-01 R4 budget request tables show all funds going to AD activities and nothing to BOP. The FY 99 BOP is conditioned on investigation of alleged human rights violations -- a high USG priority in Bolivia. Elimination of the BOP program in FYs 00-01 will not give the proper recognition to the GOB's accelerated eradication efforts. Even with the deletion of the BOP program in FYs 00-01, the severe INC funding level reductions leaves an AD funding shortfall. The mission needs LAC to intercede with State/INL to restore planned funding levels to ensure that results are achieved. The pipeline stands at about \$8.6 million or ten months.

FY 1999 Budget Request by Program/Country

09-Apr-99
07:00 AM

Program/Country: BOLIVIA
Approp Acct: DA/CSD
Scenario

S.O. # , Title	FY 1999 Request														Est. S.O. Expenditures	Est. S.O. Pipeline End of FY 99
	Bilateral/Field Spt	Total	Micro-Enterprise	Agriculture	Other Economic Growth	Children's Basic Education (*)	Other HCD	Population	Child Survival (*)	Infectious Diseases (*)	HIV/AIDS (*)	Other Health	Environ	D/G		
SOO1: Increased Citizens Support for the Bolivian Democratic System																
Bilateral	3,950													3,950	3,897	4,375
Field Spt	50													50	50	0
	4,000	0	0	0	0	0	0	0	0	0	0	0	0	4,000	3,947	4,375
SOO2: Increased Income for Bolivia's Poor with Emphasis on Targeted Communities Directly or Indirectly Assisted by USAID																
Bilateral	3,296	2,200		1,096											4,659	5,686
Field Spt	0															
	3,296	2,200	0	1,096	0	0	0	0	0	0	0	0	0	0	4,659	5,686
SOO3: Improved Health of the Bolivian Population																
Bilateral	13,296						7,886	2,450	2,160	800					18,125	6,829
Field Spt	8,084						6,979	1,080	25	0					9,109	5,372
	21,380	0	0	0	0	0	14,865	3,530	2,185	800	0	0	0	27,234	12,201	
SOO4: Reduced Degradation of Forest and Water Resources and Biodiversity Conserved																
Bilateral	3,965												3,965	4,615	3,888	
Field Spt	1,335												1,335	1,335	0	
	5,300	0	0	0	0	0	0	0	0	0	0	0	5,300	5,950	3,888	
SOO5 Illicit Coca Eliminated from the Chapare																
Bilateral	0															
Field Spt	0															
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SO 6:																
Bilateral	0															
Field Spt	0															
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SO 7:																
Bilateral	0															
Field Spt	0															
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SO 8:																
Bilateral	0															
Field Spt	0															
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Bilateral	24,507	2,200	0	1,096	0	0	7,886	2,450	2,160	800	0	3,965	3,950	31,296	20,778	
Total Field Support	9,469	0	0	0	0	0	6,979	1,080	25	0	0	1,335	50	10,494	5,372	
TOTAL PROGRAM	33,976	2,200	0	1,096	0	0	14,865	3,530	2,185	800	0	5,300	4,000	41,790	26,150	

FY 99 Request Agency Goal Totals	
Econ Growth	3,296
Democracy	4,000
HCD	0
PHN	21,380
Environment	5,300
Program ICASS	7
GCC (from all Goals)	5,300

FY 99 Account Distribution (DA only)	
Dev. Assist Program	33,975
Dev. Assist ICASS	6
Dev. Assist Total:	33,981
CSD Program	1,105
CSD ICASS	1
CSD Total:	1,106

Prepare one set of tables for each appropriation Account
Tables for DA and CSD may be combined on one table.
For the DA/CSD Table, columns marked with (*) will be funded from the CSD Account
Note: INC funding for SO1 and SO5 are not included in this DA table.

FY 2000 Budget Request by Program/Country

09-Apr-99
07:00 AM

Program/Country: BOLIVIA
Approp Acct: DA/CSD
Scenario

S.O. # , Title	FY 2000 Request														Est. S.O. Expenditures	Est. S.O. Pipeline End of FY 00	
	Bilateral/Field Spt	Total	Micro-Enterprise	Agriculture	Other Economic Growth	Children's Basic Education (*)	Other HCD	Population	Child Survival (*)	Infectious Diseases (*)	HIV/AIDS (*)	Other Health	Environ	D/G			
SOO1: Increased Citizens Support for the Bolivian Democratic System																Year of Final Oblig: 2002	
Bilateral	4,450													4,450	3,850	4,975	
Field Spt	50													50	50	0	
	4,500	0	0	0	0	0	0	0	0	0	0	0	0	4,500	3,900	4,975	
SOO2: Increased Income for Bolivia's Poor with Emphasis on Targeted Communities Directly or Indirectly Assisted by USAID																Year of Final Oblig: 2002	
Bilateral	4,450	2,200			2,250											5,880	4,256
Field Spt	0	0			0												
	4,450	2,200	0	0	2,250	0	0	0	0	0	0	0	0	0	5,880	4,256	
SOO3: Improved Health of the Bolivian Population																Year of Final Oblig: 2002	
Bilateral	13,926						8,043	2,940	2,143	800					15,310	5,445	
Field Spt	6,047						4,957	950	140	0					8,074	3,345	
	19,973	0	0	0	0	0	13,000	3,890	2,283	800	0	0	0	23,384	8,790		
SOO4: Reduced Degradation of Forest and Water Resources and Biodiversity Conserved																Year of Final Oblig: 2002	
Bilateral	3,250												3,250	3,940	3,198		
Field Spt	1,750													1,750			
	5,000	0	0	0	0	0	0	0	0	0	0	0	5,000	5,690	3,198		
SOO5 Illicit Coca Eliminated from the Chapare																Year of Final Oblig: 2002	
Bilateral	0																
Field Spt	0																
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
SO 6:																Year of Final Oblig:	
Bilateral	0																
Field Spt	0																
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
SO 7:																Year of Final Oblig:	
Bilateral	0																
Field Spt	0																
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
SO 8:																Year of Final Oblig:	
Bilateral	0																
Field Spt	0																
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Total Bilateral	26,076	2,200	0	0	2,250	0	8,043	2,940	2,143	800	0	0	3,250	4,450	28,980	17,874	
Total Field Support	7,847	0	0	0	0	0	4,957	950	140	0	0	0	1,750	50	9,874	3,345	
TOTAL PROGRAM	33,923	2,200	0	0	2,250	0	13,000	3,890	2,283	800	0	0	5,000	4,500	38,854	21,219	

FY 00 Request Agency Goal Totals	
Econ Growth	4,450
Democracy	4,500
HCD	0
PHN	19,973
Environment	5,000
Program ICASS	8
GCC (from all Goals)	5,000

FY 00 Account Distribution (DA only)	
Dev. Assist Program	33,922
Dev. Assist ICASS	7
Dev. Assist Total:	33,929
CSD Program	1,090
CSD ICASS	1
CSD Total:	1,091

Prepare one set of tables for each appropriation Account
Tables for DA and CSD may be combined on one table.
For the DA/CSD Table, columns marked with (*) will be funded from the CSD Account

FY 2001 Budget Request by Program/Country

09-Apr-99
07:00 AM

Program/Country: BOLIVIA
Approp Acct: DA/CSD
Scenario

S.O. # , Title	FY 20001 Request														Est. S.O. Expenditures	Est. S.O. Pipeline End of FY 01	Future Cost (POST-2001)	
	Bilateral/Field Spt	Total	Micro-Enterprise	Agri-culture	Other Economic Growth	Children's Basic Education (*)	Other HCD	Population	Child Survival (*)	Infectious Diseases (*)	HIV/AIDS (*)	Other Health	Environ	D/G				
SOO1: Increased Citizens Support for the Bolivian Democratic System																Year of Final Oblig: 2002		
Bilateral	4,450													4,450	4,200	5,225	3,930	
Field Spt	50													50	50	0	50	
	4,500	0	0	0	0	0	0	0	0	0	0	0	0	4,500	4,250	5,225	3,980	
SOO2: Increased Income for Bolivia's Poor with Emphasis on Targeted Communities Directly or Indirectly Assisted by USAID																Year of Final Oblig: 2002		
Bilateral	4,450	2,200			2,250										5,000	3,706	4,000	
Field Spt	0	0			0										0	0	0	
	4,450	2,200	0	0	2,250	0	0	0	0	0	0	0	0	5,000	3,706	4,000	4,000	
SOO3: Improved Health of the Bolivian Population																Year of Final Oblig: 2002		
Bilateral	14,313						8,390	3,090	2,033	800					15,390	4,368	22,948	
Field Spt	5,660						4,610	800	250	0					5,955	3,050	9,152	
	19,973	0	0	0	0	0	13,000	3,890	2,283	800	0	0	0	21,345	7,418	32,100	32,100	
SOO4: Reduced Degradation of Forest and Water Resources and Biodiversity Conserved																Year of Final Oblig:2002		
Bilateral	3,700												3,700	4,755	2,143	11,000	11,000	
Field Spt	1,300												1,300	1,300	0	4,000	4,000	
	5,000	0	0	0	0	0	0	0	0	0	0	0	5,000	6,055	2,143	15,000	15,000	
SOO5 Illicit Coca Eliminated from the Chapare																Year of Final Oblig:2002		
Bilateral	0																	
Field Spt	0																	
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
SO 6:																Year of Final Oblig:		
Bilateral	0																	
Field Spt	0																	
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
SO 7:																Year of Final Oblig:		
Bilateral	0																	
Field Spt	0																	
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
SO 8:																Year of Final Oblig:		
Bilateral	0																	
Field Spt	0																	
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Total Bilateral	26,913	2,200	0	2,250	0	0	8,390	3,090	2,033	800	0	3,700	4,450	29,345	15,442	41,878		
Total Field Support	7,010	0	0	0	0	0	4,610	800	250	0	0	1,300	50	7,305	3,050	13,202		
TOTAL PROGRAM	33,923	2,200	0	2,250	0	0	13,000	3,890	2,283	800	0	5,000	4,500	36,650	18,492	55,080		

FY 01 Request Agency Goal Totals	
Econ Growth	4,450
Democracy	4,500
HCD	0
PHN	19,973
Environment	5,000
Program ICASS	9
GCC (from all Goals)	5,000

FY 01 Account Distribution (DA only)	
Dev. Assist Program	33,922
Dev. Assist ICASS	8
Dev. Assist Total:	33,930
CSD Program	1,050
CSD ICASS	1
CSD Total:	1,051

Prepare one set of tables for each appropriation Account
Tables for DA and CSD may be combined on one table.
For the DA/CSD Table, columns marked with (*) will be funded from the CSD Account

FY 1999 Budget Request by Program/Country

Program/Country: BOLIVIA
 Approp Acct: INC
 Scenario

09-Apr-99
 07:35 AM

S.O. # , Title	FY 1999 Request														Est. S.O. Expenditures	Est. S.O. Pipeline End of FY 99
	Bilateral/Field Spt	Total	Micro-Enterprise	Agri-culture	Other Economic Growth	Children's Basic Education (*)	Other HCD	Population	Child Survival (*)	Infectious Diseases (*)	HIV/AIDS (*)	Other Health	Environ	D/G		
SOO1: Increased Citizens Support for the Bolivian Democratic System																
Bilateral	2,000													2,000	1,351	3,754
Field Spt	0													0	0	0
	2,000	0	0	0	0	0	0	0	0	0	0	0	0	2,000	1,351	3,754
SOO2: Increased Income for Bolivia's Poor with Emphasis on Targeted Communities Directly or Indirectly Assisted by USAID																
Bilateral	0															
Field Spt	0															
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SOO3: Improved Health of the Bolivian Population																
Bilateral	0															
Field Spt	0															
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SOO4: Reduced Degradation of Forest and Water Resources and Biodiversity Conserved																
Bilateral	0															
Field Spt	0															0
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SOO5: Illicit Coca Eliminated From the Chapare																
Bilateral	23,000				23,000										21,559	14,218
Field Spt	0				0										0	0
	23,000	0	0	0	23,000	0	0	0	0	0	0	0	0	0	21,559	14,218
SO 6:																
Bilateral	0															
Field Spt	0															
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SO 7:																
Bilateral	0															
Field Spt	0															
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SO 8:																
Bilateral	0															
Field Spt	0															
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Bilateral	25,000	0	0	0	23,000	0	0	0	0	0	0	0	0	2,000	22,910	17,972
Total Field Support	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL PROGRAM	25,000	0	0	0	23,000	0	0	0	0	0	0	0	0	2,000	22,910	17,972

FY 99 Request Agency Goal Totals	
Econ Growth	23,000
Democracy	2,000
HCD	0
PHN	0
Environment	0
Program ICASS	6
GCC (from all Goals)	0

FY 99 Account Distribution (INC only)	
Dev. Assist Program	25,000
Dev. Assist ICASS	0
Dev. Assist Total:	25,000
CSD Program	0
CSD ICASS	0
CSD Total:	0

Prepare one set of tables for each appropriation Account
 Tables for DA and CSD may be combined on one table.
 For the DA/CSD Table, columns marked with (*) will be funded from the CSD Account

SO05 includes \$8.0 million for BOP

FY 2000 Budget Request by Program/Country

36,259
36,259

Program/Country: BOLIVIA
Approp Acct: INC
Scenario

S.O. # , Title	FY 2000 Request														Est. S.O. Expenditures	Est. S.O. Pipeline End of FY 00	
	Bilateral/Field Spt	Total	Micro-Enterprise	Agri-culture	Other Economic Growth	Children's Basic Education (*)	Other HCD	Population	Child Survival (*)	Infectious Diseases (*)	HIV/AIDS (*)	Other Health	Environ	D/G			
SOO1: Increased Citizens Support for the Bolivian Democratic System																Year of Final Oblig: 2002	
Bilateral	2,600													2,600	2,000	4,354	
Field Spt	0													0	0	0	
	2,600	0	0	0	0	0	0	0	0	0	0	0	0	2,600	2,000	4,354	
SOO2: Increased Income for Bolivia's Poor with Emphasis on Targeted Communities Directly or Indirectly Assisted by USAID																Year of Final Oblig: 2002	
Bilateral	0																
Field Spt	0	0			0												
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
SOO3: Improved Health of the Bolivian Population																Year of Final Oblig:2002	
Bilateral	0																
Field Spt	0																
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
SOO4: Reduced Degradation of Forest and Water Resources and Biodiversity Conserved																Year of Final Oblig:2002	
Bilateral	0																
Field Spt	0																
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
SOO5: Illicit Coca Eliminated From the Chapare																Year of Final Oblig:2002	
Bilateral	13,400				13,400										15,000	12,618	
Field Spt	0				0									0	0	0	
	13,400	0	0	0	13,400	0	0	0	0	0	0	0	0	15,000	12,618		
SO 6:																Year of Final Oblig:	
Bilateral	0																
Field Spt	0																
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
SO 7:																Year of Final Oblig:	
Bilateral	0																
Field Spt	0																
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
SO 8:																Year of Final Oblig:	
Bilateral	0																
Field Spt	0																
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Total Bilateral	16,000	0	0	0	13,400	0	0	0	0	0	0	0	0	2,600	17,000	16,972	
Total Field Support	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
TOTAL PROGRAM	16,000	0	0	0	13,400	0	0	0	0	0	0	0	0	2,600	17,000	16,972	

FY 00 Request Agency Goal Totals	
Econ Growth	13,400
Democracy	2,600
HCD	0
PHN	0
Environment	0
Program ICASS	6
GCC (from all Goals)	0

FY 00 Account Distribution (INC only)	
Dev. Assist Program	16,000
Dev. Assist ICASS	0
Dev. Assist Total:	16,000
CSD Program	0
CSD ICASS	0
CSD Total:	0

Prepare one set of tables for each appropriation Account
Tables for DA and CSD may be combined on one table.
For the DA/CSD Table, columns marked with (*) will be funded from the CSD Account

FY 2001 Budget Request by Program/Country

Program/Country: BOLIVIA
 Approp Acct: INC
 Scenario

36,259
 36,259

S.O. # , Title	FY 20001 Request														Est. S.O. Expenditures	Est. S.O. Pipeline End of FY 01	Future Cost (POST-2001)		
	Bilateral/Field Spt	Total	Micro-Enterprise	Agri-culture	Other Economic Growth	Children's Basic Education (*)	Other HCD	Population	Child Survival (*)	Infectious Diseases (*)	HIV/AIDS (*)	Other Health	Environ	D/G					
SO01: Increased Citizens Support for the Bolivian Democratic System																	Year of Final Oblig:2002		
Bilateral	0															1,100	3,254		
Field Spt	0															0	0		
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1,100	3,254	0	
SO 2: Increased Income for Bolivia's Poor with Emphasis on Targeted Communities Directly or Indirectly Assisted by USAID																	Year of Final Oblig:2002		
Bilateral	0																		
Field Spt	0	0			0														
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
SO03: Improved Health of the Bolivian Population																	Year of Final Oblig:2002		
Bilateral	0																		
Field Spt	0																		
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
SO04: Reduced Degradation of Forest and Water Resources and Biodiversity Conserved																	Year of Final Oblig:2002		
Bilateral	0																		
Field Spt	0																		
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
SO05: Illicit Coca Eliminated From the Chapare																	Year of Final Oblig:2002		
Bilateral	16,000				16,000											15,000	13,618	14,000	
Field Spt	0				0											0	0		
	16,000	0	0	0	16,000	0	0	0	0	0	0	0	0	0	0	15,000	13,618	14,000	
SO 6:																	Year of Final Oblig:		
Bilateral	0																		
Field Spt	0																		
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
SO 7:																	Year of Final Oblig:		
Bilateral	0																		
Field Spt	0																		
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
SO 8:																	Year of Final Oblig:		
Bilateral	0																		
Field Spt	0																		
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Total Bilateral	16,000	0	0	0	16,000	0	0	0	0	0	0	0	0	0	0	16,100	16,872	14,000	
Total Field Support	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
TOTAL PROGRAM	16,000	0	0	0	16,000	0	0	0	0	0	0	0	0	0	0	16,100	16,872	14,000	

FY 01 Request Agency Goal Totals	
Econ Growth	16,000
Democracy	0
HCD	0
PHN	0
Environment	0
Program ICASS	7
GCC (from all Goals)	0

FY 01 Account Distribution (INC only)	
Dev. Assist Program	16,000
Dev. Assist ICASS	0
Dev. Assist Total:	16,000
CSD Program	0
CSD ICASS	0
CSD Total:	0

Prepare one set of tables for each appropriation Account
 Tables for DA and CSD may be combined on one table.
 For the DA/CSD Table, columns marked with (*) will be funded from the CSD Account

FY 1999 Budget Request by Program/Country

36,259
36,259

Program/Country: BOLIVIA
Approp Acct: ESF
Scenario

S.O. # , Title	FY 1999 Request														Est. S.O. Expenditures	Est. S.O. Pipeline End of FY 99
	Bilateral/Field Spt	Total	Micro-Enterprise	Agri-culture	Other Economic Growth	Children's Basic Education (*)	Other HCD	Population	Child Survival (*)	Infectious Diseases (*)	HIV/AIDS (*)	Other Health	Environ	D/G		
SO01: Increased Citizens Support for the Bolivian Democratic System																
Bilateral	0													0	112	0
Field Spt	0													0	0	0
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	112	0
SO02: Increased Income for Bolivia's Poor with Emphasis on Targeted Communities																
Bilateral	0															
Field Spt	0															
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SO03: Improved Health of the Bolivian Population																
Bilateral	0															
Field Spt	0															
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SO04: Reduced Degradation of Forest and Water Resources and Biodiversity Conserved																
Bilateral	0															
Field Spt	0															
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SO05: Illicit Coca Eliminated From the Chapare																
Bilateral	0															
Field Spt	0															
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SO 6:																
Bilateral	0															
Field Spt	0															
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SO 7:																
Bilateral	0															
Field Spt	0															
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SO 8:																
Bilateral	0															
Field Spt	0															
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Bilateral	0	0	0	0	0	0	0	0	0	0	0	0	0	0	112	0
Total Field Support	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL PROGRAM	0	0	0	0	0	0	0	0	0	0	0	0	0	0	112	0

FY 99 Request Agency Goal Totals	
Econ Growth	0
Democracy	0
HCD	0
PHN	0
Environment	0
Program ICASS	0
GCC (from all Goals)	0

FY 99 Account Distribution (ESF only)	
Dev. Assist Program	0
Dev. Assist ICASS	0
Dev. Assist Total:	0
CSD Program	0
CSD ICASS	0
CSD Total:	0

Prepare one set of tables for each appropriation Account
Tables for DA and CSD may be combined on one table.
For the DA/CSD Table, columns marked with (*) will be funded from the CSD Account

FY 2000 Budget Request by Program/Country

36,259
36,259

Program/Country: BOLIVIA
Approp Acct: ESF
Scenario

S.O. # , Title	FY 2000 Request														Est. S.O. Expenditures	Est. S.O. Pipeline End of FY 00	
	Bilateral/Field Spt	Total	Micro-Enterprise	Agri-culture	Other Economic Growth	Children's Basic Education (*)	Other HCD	Population	Child Survival (*)	Infectious Diseases (*)	HIV/AIDS (*)	Other Health	Environ	D/G			
SOO1: Increased Citizens Support for the Bolivian Democratic System																Year of Final Oblig: 2002	
Bilateral	3,000														3,000	0	3,000
Field Spt	0														0	0	0
	3,000	0	0	0	0	0	0	0	0	0	0	0	0	0	3,000	0	3,000
SOO2: Increased Income for Bc																Year of Final Oblig:2002	
Bilateral	0																
Field Spt	0				0												
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SOO3: Improved Health of the Bolivian Population																Year of Final Oblig:2002	
Bilateral	0																
Field Spt	0																
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SOO4: Reduced Degradation of Forest and Water Resources and Biodiversity Conserved																Year of Final Oblig:2002	
Bilateral	0																
Field Spt	0																
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SOO5: Illicit Coca Eliminated From the Chapare																Year of Final Oblig:2002	
Bilateral	0																
Field Spt	0																
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SO 6:																Year of Final Oblig:	
Bilateral	0																
Field Spt	0																
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SO 7:																Year of Final Oblig:	
Bilateral	0																
Field Spt	0																
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SO 8:																Year of Final Oblig:	
Bilateral	0																
Field Spt	0																
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Bilateral	3,000	0	0	0	0	0	0	0	0	0	0	0	0	0	3,000	0	3,000
Total Field Support	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL PROGRAM	3,000	0	0	0	0	0	0	0	0	0	0	0	0	3,000	0	3,000	

FY 00 Request Agency Goal Totals	
Econ Growth	0
Democracy	3,000
HCD	0
PHN	0
Environment	0
Program ICASS	1
GCC (from all Goals)	0

FY 00 Account Distribution (ESF only)	
Dev. Assist Program	3,000
Dev. Assist ICASS	
Dev. Assist Total:	3,000
CSD Program	0
CSD ICASS	
CSD Total:	0

Prepare one set of tables for each appropriation Account
Tables for DA and CSD may be combined on one table.
For the DA/CSD Table, columns marked with (*) will be funded from the CSD Account

FY 2001 Budget Request by Program/Country

Program/Country: BOLIVIA
 Approp Acct: ESF
 Scenario

36,259
 36,259

S.O. # , Title	FY 20001 Request														Est. S.O. Expenditures	Est. S.O. Pipeline End of FY 01	Future Cost (POST-2001)
	Bilateral/Field Spt	Total	Micro-Enterprise	Agri-culture	Other Economic Growth	Children's Basic Education (*)	Other HCD	Population	Child Survival (*)	Infectious Diseases (*)	HIV/AIDS (*)	Other Health	Environ	D/G			
SOO1: Increased Citizens Support for the Bolivian Democratic System														Year of Final Oblig: 2002			
Bilateral	3,000													3,000	1,500	4,500	0
Field Spt	0													0	0	0	0
	3,000	0	0	0	0	0	0	0	0	0	0	0	0	3,000	1,500	4,500	0
SOO2: Increased Income for Bolivia's Poor with Emphasis on Targeted Communities														Year of Final Oblig:2002			
Bilateral	0																
Field Spt	0		0		0												
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SOO3: Improved Health of the Bolivian Population														Year of Final Oblig:2002			
Bilateral	0																
Field Spt	0																
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SOO4: Reduced Degradation of Forest and Water Resurces and Biodiversity Conserved														Year of Final Oblig:2002			
Bilateral	0																
Field Spt	0																4,000
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	4,000
SOO5: Illicit Coca Eliminated From the Chapare														Year of Final Oblig:2002			
Bilateral	0																
Field Spt	0																
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SO 6:														Year of Final Oblig:			
Bilateral	0																
Field Spt	0																
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SO 7:														Year of Final Oblig:			
Bilateral	0																
Field Spt	0																
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SO 8:														Year of Final Oblig:			
Bilateral	0																
Field Spt	0																
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Bilateral	3,000	0	0	0	0	0	0	0	0	0	0	0	0	3,000	1,500	4,500	0
Total Field Support	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	4,000
TOTAL PROGRAM	3,000	0	0	0	0	0	0	0	0	0	0	0	0	3,000	1,500	4,500	4,000

Econ Growth	0
Democracy	3,000
HCD	0
PHN	0
Environment	0
Program ICASS	1
GCC (from all Goals)	0

Dev. Assist Program	3,000
Dev. Assist ICASS	
Dev. Assist Total:	3,000
CSD Program	0
CSD ICASS	
CSD Total:	0

Prepare one set of tables for each appropriation Account
 Tables for DA and CSD may be combined on one table.
 For the DA/CSD Table, columns marked with (*) will be funded from the CSD Account

Accessing Global Bureau Services Through Field Support and Buy-Ins

Objective Name	Field Support and Buy-Ins: Activity Title & Number	Priority *	Duration	Estimated Funding (\$000)					
				FY 2000		FY 2001			
				Obligated by:		Obligated by:			
Operating Unit	Global Bureau	Operating Unit	Global Bureau						
Degradation of Forest, Water, and Biodiversity Protected SO004									
	Parks in Peril 598-0782	High	2001		200		200		
	FRM II 936-5556	Medium-high	2001		300		300		
	Conservation Biodiversity/Conservation International 936-5554	Medium-High	2000		250		0		
	Energy IQC/CPTS 936-5741	High	2001		500		300		
	Biodiversity RFAs	Medium	2001		500		500		
GRAND TOTAL.....					1,750		1,300		

* For Priorities use high, medium-high, medium, medium-low, low

Accessing Global Bureau Services Through Field Support and Buy-Ins

Objective Name	Field Support and Buy-Ins: Activity Title & Number	Priority *	Duration	Estimated Funding (\$000)			
				FY 2000		FY 2001	
				Obligated by:		Obligated by:	
Operating Unit	Global Bureau	Operating Unit	Global Bureau				
Improved Health of the Bolivian Population S.O. 3	936-3038.02 JSI/Family Planning Logistics Management	medium-high	2002		75		200
	936-3062 JHU/Population Communications Services	medium-high	2000		350		0
	936-3054 Michigan Univ/International Population Fellows Program	medium-high	2002		100		100
	936-3055 MSH/Family Planning Management Services	high	2001		400		400
	936-3057 Central Contraceptive Procurement	high	2002		0		500
	936-3062 Pathfinder/Family Planning Services	high	2002		935		800
	936-3086 Population Council/Frontiers	medium high	2003		350		350
	936-3068 AVSC	medium	2003		125		0
	936-3069 JHPIEGO/Training in Reproductive Health	medium-high	2001		350		260
	936-3070 Public Health Inst/Population Leadership Fellows Program	high	2002		300		300
	936-3078 The Futures Group/Policy Project	medium	2001		200		0
	936-3084.02 CAREMorr	high	2002		1,272		1,200
	936-3083.01 Macro/Measure	high	2002		0		250
	936-3092 JHPIEGO/Maternal and Newborn Health	medium-high	2003		850		750
	936-3096 TASC/EDC	medium-low	2003		0		0
	936-3096.01 Child Survival Flagship Activity (BASICS II)	high	2003		200		200
	936-5122 ISTI/MOST	medium	2001		100		100
936-5974 Abt Associates/Partnerships in Health Reform Project	medium-high	2000		100		0	
936-5994.08 Environmental Health/CDC	medium-high	2002		340		250	
GRAND TOTAL.....					6047		5660

* For Priorities use high, medium-high, medium, medium-low, low

h:\sos\per\jvc\fldsupoo.wk4

IV. WORKFORCE AND OPERATING EXPENSE

USAID/Bolivia has had available and used \$1.5 million per year of OE Trust Funds over the past several years. This Trust Fund comes to an end in FY 01 when the last \$700,000 will be used. At that point, the resulting OE shortfall must come from appropriated funds for the mission to achieve the results and development objectives laid out in the strategic plan. While the OE resource tables show that the mission will be able to operate within the target OE levels, it must be noted that this is contingent upon approval of the Agency's draft Funding Source Policy (dated 11/13/98) which will allow the mission to switch the funding source of several employees from OE to program funds where appropriate. This change in policy (if approved) and the subsequent reduced demand on OE resources (reflected in the Workforce and Operating Expense tables), together with extremely prudent management, will allow USAID/B to operate on its \$4.8 million straight-lined budget through FY 01.

Nevertheless, by straight-lining OE funds through FY 01, the mission is compelled to absorb non-discretionary salary and benefits increases and other inflationary costs within the same overall funding levels over a three year span. Thus, the impact of straight-lined levels negatively and dramatically affects line items for training, site visit travel, and non-expendable and expendable supplies procurement. In our fall 1998 Partners Retreat, infrequent field visits were identified by our development partners as a significant impediment to increased team work. Additionally, the President's Department of State reorganization plan could also negatively impact OE resources if the mission is forced to purchase leasing services from ICASS due to the imperative of combined housing pools abroad. The mission estimates that such a policy change could increase ICASS costs by \$22,000 per year, with unclear benefit to USAID.

A continued straight-lined budget beyond FY 01 will be detrimental to USG development and counternarcotics interests in Bolivia. The mission is able to function within the budget level through FY 01 only if anticipated Agency change in funding source policy is approved. Beyond FY 01, however, additional OE resources will be necessary to offset normal inflation costs and maintain minimum capabilities to support the mission's Strategic Plan.

UNFUNDED SEVERANCE LIABILITY - USAID/B has an unfunded liability (discussed in previous R4 presentations) of FSN voluntary severance benefits. Transfers to the fund during the last two years have reduced the liability from approximately \$2.2 million to a remaining balance of \$700,000. The mission will not be able to reduce this liability further unless the Bureau provides OE funds beyond the target level. USAID/B is, therefore, requesting an additional \$350,000 in OE funds for both FY 00 and for FY 01 to eliminate the unfunded liability by the end of FY 01.

FSN SALARIES AND BENEFITS - In FY 99, the mission will likely be compelled to place all FSN employees not currently under the USG Civil Service Retirement system into the Bolivian National retirement plan. In accordance with Bolivian labor law, this will require a salary increase of 12.5 percent, in addition to the normal cost of living increases. Having

recently completed a 33 percent reduction in staff, the mission believes there is little room for further staff cuts during the remaining strategic plan period. While the mission is cognizant of the need to conserve wherever possible, it also recognizes the need to maintain adequate staff levels to responsibly support the program approved in the mission's Strategic Plan.

WORKFORCE - FTE allocations in the workforce tables do not take into account regional support services provided by Administrative, Strategy, Legal, Financial Management, or Regional Contracting Office personnel of USAID/B. The mission estimates that 3.5-4.0 FTE staff are dedicated to providing support to USAID Missions in Paraguay and Brazil, primarily in the financial management services and procurement areas.

Readers should note that USAID/B's program-funded U.S. Citizen workforce includes one RSSA (USDA) in SO4 and USPSCs in SO Teams 2, 3, 4, and SpO5. M/HR has confirmed the assignment of one IDI health officer to the mission beginning in late FY 99, which is included in the FTE totals of SO3 for FY 99 and FY 00. The mission has requested and is planning on the assignment of an additional IDI to SO1, estimated to be on board in FY 00 and FY 01.

The Government of Bolivia recently made a request to the United States for increased assistance with coca eradication and alternative development. While the mission fully supports this initiative, we recognize that a decision to expand these activities into the Yungas will have an immediate and dramatic impact on staff and OE resource requirements. Recent discussions also indicate that USAID may be called upon to develop activities related to police training under our Democracy SO. Those who will be making these decisions in the Bureau must take into account the increased OE and staffing needs required by USAID to fulfill an increased commitment.

YEAR 2000 INFORMATION TECHNOLOGY (IT) - With the exception of upgrades to incorporate software to be provided by USAID/W, the mission has sufficiently funded hardware and software upgrades and will be fully Y2K compliant internally by April 1999. The mission has procured and is awaiting momentary delivery of one local area network (LAN) component and telecommunications hardware and accounting software. We anticipate installation and testing to be completed by April 30. Additional upgrades for hardware and software (but that are not required to meet Y2K requirements in 1999) are included in the target budgets for FY 00 and FY 01.

The development portfolio does not seem to be at great risk due to potential Y2K problems, and the mission should not experience negative impacts on development results within its span of control. A large percentage of IT components in our development activities are dedicated to office automation, with the exception of a few database and statistical operations that will require continued close monitoring by the mission. Of concern will be contingency planning and a thorough understanding of the potential effects of external dependencies on information systems or country infrastructures outside of USAID/B's control. One example is the budget and accounting systems of the National Treasury (TGN), which distributes funds to

municipalities under Popular Participation; UNDP is working with the TGN to test their programs and establish contingency plans.

USAID/B has assumed team leadership among donors and various public and private Bolivian organizations to share information and coordinate Y2K correction efforts and contingency planning. USIS is assisting with arranging WorldNet seminars for both public and private sector entities. These efforts seem to be bringing greater awareness of infrastructure inter-dependencies, accelerated GOB efforts to assess vulnerabilities, and increased concentration on contingency planning.

BEST PRACTICES - In order to improve quality of services while reducing costs, USAID/B adopted the following practices over recent years.

Accommodating NAS in USAID Space Reduced Overhead - Between 1995 and mid-1997, the mission downsized from 235 to 149 employees. In a relatively new 6-story trust funded building, USAID/B had excess space. Conversely, the chancery was extremely crowded and the Narcotics Affairs Section (NAS) of the Department of State was allocated small, separate amounts of space throughout that building. NAS was invited to occupy one floor of the USAID/B building. Through agreement, USAID/B is responsible for structural repairs, while all maintenance, regular repair, utility, reception and security costs are shared between USAID/B and NAS. Total overhead costs to USAID are approximately \$65,000 per quarter, of which approximately \$55,000 per year is recovered from NAS.

Negotiated Travel Agreement - In the fall of 1997, USAID/B negotiated an amendment to the Department of State's (DOS) services agreement with Carlson-Wagonlit Travel Services. Customer satisfaction with the previous agent was ambiguous, and the mission was unable to secure higher discounts based on travel volume. USAID/B negotiations with Carlson provided additional services to USAID, and because of the added volume of air traffic, USAID/B obtained a two-percent discount for domestic (Bolivian) air travel for all USG agencies. With USG presence in at least five Bolivian municipalities reachable by commercial aircraft, this agreement has resulted in significant air travel savings for USAID/B and the entire USG in Bolivia. To additionally increase air traffic volume and qualify for additional discounts, USAID contractors, grantees, and partner NGOs were invited to use these services and are automatically qualified to receive the same services.

USAID/B's corporate mileage account with American Airlines resulted in a savings of \$4,000 over the twelve months ending March 1999 -- the equivalent of one family's home leave/return to post travel without additional cost to the mission. A similar account with AeroSur provided nine round trips from La Paz to other Bolivian cities served by that airline, resulting in additional OE savings.

Sharing of International Voice Gateway (IVG) Lines - In 1997, USAID/B reserved nearly \$21,000 of its scarce OE to acquire IVG capabilities for approximately 30 lines -- this amount of money would also be required annually to maintain services. Installation was delayed to May 1998, and USAID/B re-assessed its needs. With 30 lines, the mission estimated it would pay nearly \$14,000 for excess capacity. Hence, USAID/B opted to share lines that were already ordered and found it could reduce the cost of its IVG lines to about \$6,650/year -- a savings of about \$40,000 over three years (1998-2000).

Local Travel Card Program - USAID/B has negotiated a credit card program with a local bank through which local travel cards will be issued to FSN staff that travel regularly. This will allow the employee to obtain a travel advance directly from the bank cashier located in the mission facilities, instead of requesting and USAID/B processing an advance payment. This new program will reduce workload, eliminate the time factor and reduce USG costs at the mission as well as at the U.S. Disbursing Office.

Workforce

MISSION :

USAID/BRAZIL

USDH STAFFING REQUIREMENTS BY SKILL CODE

BACKSTOP (BS)	NO. OF USDH EMPLOYEES IN BACKSTOP FY 1999	NO. OF USDH EMPLOYEES IN BACKSTOP FY 2000	NO. OF USDH EMPLOYEES IN BACKSTOP FY 2001	NO. OF USDH EMPLOYEES IN BACKSTOP FY 2002
01SMG	1	1	1	1
02 Program Officer				
03 EXO				
04 Controller				
05/06/07 Secretary				
10 Agriculture				
11 Economics				
12 GDO	1	1	1	1
12 Democracy				
14 Rural Development				
15 Food for Peace				
21 Private Enterprise				
25 Engineering				
40 Environment				
50 Health/Pop.				
60 Education				
75 Physical Sciences				
85 Legal				
92 Commodity Mgt				
93 Contract Mgt				
94 PDO				
95 IDI				
Other*				
TOTAL	2	2	2	2

*please list occupations covered by other if there are any

Operating Expenses

Org. Title: USAID/BOLIVIA Org. No: 26511 OC		Overseas Mission Budgets														
		FY 1999 Estimate			FY 2000 Target			FY 2000 Request			FY 2001 Target			FY 2001 Request		
		Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total
11.1	Personnel compensation, full-time permanent	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
11.1	Base Pay & pymt. for annual leave balances - FNDH	496		496	447.8		447.8	447.8		447.8	410.8		410.8	410.8		410.8
	Subtotal OC 11.1	496	0	496	447.8	0	447.8	447.8	0	447.8	410.8	0	410.8	410.8	0	410.8
11.3	Personnel comp. - other than full-time permanent	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
11.3	Base Pay & pymt. for annual leave balances - FNDH			0			0			0			0			0
	Subtotal OC 11.3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11.5	Other personnel compensation	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
11.5	USDH	0		0			0			0			0			0
11.5	FNDH	2.2		2.2	2.2		2.2	2.2		2.2	2		2	2		2
	Subtotal OC 11.5	2.2	0	2.2	2.2	0	2.2	2.2	0	2.2	2	0	2	2	0	2
11.8	Special personal services payments	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
11.8	USPSC Salaries	0		0			0			0			0			0
11.8	FN PSC Salaries	82.1	1500	1582.1	20.3	1500	1520.3	20.3	1500	1520.3	879.8	700	1579.8	879.8	700	1579.8
11.8	IPA/Details-In/PASAs/RSSAs Salaries			0			0			0			0			0
	Subtotal OC 11.8	82.1	1500	1582.1	20.3	1500	1520.3	20.3	1500	1520.3	879.8	700	1579.8	879.8	700	1579.8
12.1	Personnel benefits	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
12.1	USDH benefits	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
12.1	Educational Allowances	158		158	153		153	153		153	171.8		171.8	171.8		171.8
12.1	Cost of Living Allowances	0		0			0			0			0			0
12.1	Home Service Transfer Allowances	4.2		4.2	2.8		2.8	2.8		2.8	4.2		4.2	4.2		4.2
12.1	Quarters Allowances			0			0			0			0			0
12.1	Other Misc. USDH Benefits			0			0			0			0			0
12.1	FNDH Benefits	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
12.1	** Payments to FSN Voluntary Separation Fund - FNDH	40.3		40.3	86.8		86.8	86.8		86.8	59.1		59.1	59.1		59.1
12.1	Other FNDH Benefits	140		140	143.5		143.5	143.5		143.5	120.3		120.3	120.3		120.3
12.1	US PSC Benefits			0			0			0			0			0
12.1	FN PSC Benefits	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
12.1	** Payments to the FSN Voluntary Separation Fund - FN PSC	323.3		323.3	280.9		280.9	630.9		630.9	329.9		329.9	679.9		679.9
12.1	Other FN PSC Benefits	121		121	126.2		126.2	126.2		126.2	140.8		140.8	140.8		140.8
12.1	IPA/Detail-In/PASA/RSSA Benefits			0			0			0			0			0
	Subtotal OC 12.1	786.8	0	786.8	793.2	0	793.2	1143.2	0	1143.2	826.1	0	826.1	1176.1	0	1176.1
13.0	Benefits for former personnel	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
13.0	FNDH	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
13.0	Severance Payments for FNDH			0			0			0			0			0
13.0	Other Benefits for Former Personnel - FNDH			0			0			0			0			0
13.0	FN PSCs	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
13.0	Severance Payments for FN PSCs			0			0			0			0			0
13.0	Other Benefits for Former Personnel - FN PSCs			0			0			0			0			0
	Subtotal OC 13.0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
21.0	Travel and transportation of persons	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		

Operating Expenses

Org. Title: USAID/BOLIVIA Org. No: 26511 OC		Overseas Mission Budgets														
		FY 1999 Estimate			FY 2000 Target			FY 2000 Request			FY 2001 Target			FY 2001 Request		
		Dollars	TF	Total	Dollars	TF	Total									
21.0	Training Travel			0		0			0			0			0	
21.0	Mandatory/Statutory Travel	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
21.0	Post Assignment Travel - to field	23.7		23.7	18		18	18		18	18		18		18	
21.0	Assignment to Washington Travel	7.2		7.2	4.5		4.5	4.5		4.5		0		0	0	
21.0	Home Leave Travel	42.3		42.3	31.4		31.4	31.4		31.4	50.5		50.5		50.5	
21.0	R & R Travel	17		17	26.5		26.5	26.5		26.5	14.1		14.1		14.1	
21.0	Education Travel	6		6	3		3	3		3	16.7		16.7		16.7	
21.0	Evacuation Travel	10		10	12		12	12		12	12		12		12	
21.0	Retirement Travel	0		0	4.5		4.5	4.5		4.5	0		0		0	
21.0	Pre-Employment Invitational Travel	0		0			0			0			0		0	
21.0	Other Mandatory/Statutory Travel	3		3	5		5	5		5	3		3		3	
21.0	Operational Travel	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
21.0	Site Visits - Headquarters Personnel	14		14	18		18	18		18	10		10		10	
21.0	Site Visits - Mission Personnel	125		125	125		125	125		125	115		115		115	
21.0	Conferences/Seminars/Meetings/Retreats	50		50	50		50	50		50	50		50		50	
21.0	Assessment Travel			0			0			0			0		0	
21.0	Impact Evaluation Travel			0			0			0			0		0	
21.0	Disaster Travel (to respond to specific disasters)			0			0			0			0		0	
21.0	Recruitment Travel			0			0			0			0		0	
21.0	Other Operational Travel	10		10	10		10	10		10	10		10		10	
	Subtotal OC 21.0	308.2	0	308.2	307.9	0	307.9	307.9	0	307.9	299.3	0	299.3	299.3	0	299.3
22.0	Transportation of things	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
22.0	Post assignment freight	125		125	85		85	85		85	80		80		80	
22.0	Home Leave Freight	43.5		43.5	40		40	40		40	33		33		33	
22.0	Retirement Freight	0		0	6		6	6		6	0		0		0	
22.0	Transportation/Freight for Office Furniture/Equip.	2		2	4		4	4		4	2		2		2	
22.0	Transportation/Freight for Res. Furniture/Equip.	5		5	6		6	6		6	3		3		3	
	Subtotal OC 22.0	175.5	0	175.5	141	0	141	141	0	141	118	0	118	118	0	118
23.2	Rental payments to others	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
23.2	Rental Payments to Others - Office Space			0			0			0			0		0	
23.2	Rental Payments to Others - Warehouse Space			0			0			0			0		0	
23.2	Rental Payments to Others - Residences	465		465	480		480	480		480	480		480		480	
	Subtotal OC 23.2	465	0	465	480	0	480	480	0	480	480	0	480	480	0	480
23.3	Communications, utilities, and miscellaneous charges	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
23.3	Office Utilities	155		155	165		165	165		165	173		173		173	
23.3	Residential Utilities	70		70	80		80	80		80	80		80		80	
23.3	Telephone Costs	96		96	103		103	103		103	110		110		110	
23.3	ADP Software Leases			0			0			0			0		0	
23.3	ADP Hardware Lease			0			0			0			0		0	
23.3	Commercial Time Sharing			0			0			0			0		0	
23.3	Postal Fees (Other than APO Mail)	1.5		1.5	1.5		1.5	1.5		1.5	1.8		1.8		1.8	
23.3	Other Mail Service Costs	0.5		0.5	1		1	1		1	0.7		0.7		0.7	
23.3	Courier Services	6		6	7		7	7		7	7		7		7	
	Subtotal OC 23.3	329	0	329	357.5	0	357.5	357.5	0	357.5	372.5	0	372.5	372.5	0	372.5

Operating Expenses

Org. Title: USAID/BOLIVIA Org. No: 26511 OC		Overseas Mission Budgets														
		FY 1999 Estimate			FY 2000 Target			FY 2000 Request			FY 2001 Target			FY 2001 Request		
		Dollars	TF	Total												
24.0	Printing and Reproduction	14		14	17		17	17		17	19		19	19		19
	Subtotal OC 24.0	14	0	14	17	0	17	17	0	17	19	0	19	19	0	19
25.1	Advisory and assistance services	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
25.1	Studies, Analyses, & Evaluations			0			0			0			0			0
25.1	Management & Professional Support Services	33		33	40		40	40		40	30		30	30		30
25.1	Engineering & Technical Services			0			0			0			0			0
	Subtotal OC 25.1	33	0	33	40	0	40	40	0	40	30	0	30	30	0	30
25.2	Other services	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
25.2	Office Security Guards	60		60	65		65	65		65	70		70	70		70
25.2	Residential Security Guard Services	30		30	32		32	32		32	34		34	34		34
25.2	Official Residential Expenses			0			0			0			0			0
25.2	Representation Allowances	1.5		1.5	1.5		1.5	1.5		1.5	1.5		1.5	1.5		1.5
25.2	Non-Federal Audits			0	10		10	10		10	5		5	5		5
25.2	Grievances/Investigations			0			0			0			0			0
25.2	Insurance and Vehicle Registration Fees	4		4	5		5	5		5	6		6	6		6
25.2	Vehicle Rental			0			0			0			0			0
25.2	Manpower Contracts			0			0			0			0			0
25.2	Records Declassification & Other Records Services			0			0			0			0			0
25.2	Recruiting activities			0			0			0			0			0
25.2	Penalty Interest Payments			0			0			0			0			0
25.2	Other Miscellaneous Services	55		55	55		55	55		55	60		60	60		60
25.2	Staff training contracts	25		25	25		25	25		25	25		25	25		25
25.2	ADP related contracts	2		2	3		3	3		3	4		4	4		4
	Subtotal OC 25.2	177.5	0	177.5	196.5	0	196.5	196.5	0	196.5	205.5	0	205.5	205.5	0	205.5
25.3	Purchase of goods and services from Government accounts	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
25.3	ICASS	148		148	162		162	162		162	175		175	175		175
25.3	All Other Services from Other Gov't. accounts			0			0			0			0			0
	Subtotal OC 25.3	148	0	148	162	0	162	162	0	162	175	0	175	175	0	175
25.4	Operation and maintenance of facilities	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
25.4	Office building Maintenance	10		10	25		25	25		25	15		15	15		15
25.4	Residential Building Maintenance	6		6	15		15	15		15	12		12	12		12
	Subtotal OC 25.4	16	0	16	40	0	40	40	0	40	27	0	27	27	0	27
25.7	Operation/maintenance of equipment & storage of goods	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
25.7	ADP and telephone operation and maintenance costs	32.3		32.3	38		38	38		38	42		42	42		42
25.7	Storage Services			0			0			0			0			0
25.7	Office Furniture/Equip. Repair and Maintenance	25		25	25		25	25		25	25		25	25		25
25.7	Vehicle Repair and Maintenance	3.5		3.5	5		5	5		5	5		5	5		5
25.7	Residential Furniture/Equip. Repair and Maintenance	2		2	4		4	4		4	4		4	4		4
	Subtotal OC 25.7	62.8	0	62.8	72	0	72	72	0	72	76	0	76	76	0	76

Operating Expenses

Org. Title: USAID/BOLIVIA Org. No: 26511 OC		Overseas Mission Budgets														
		FY 1999 Estimate			FY 2000 Target			FY 2000 Request			FY 2001 Target			FY 2001 Request		
		Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total	Dollars	TF	Total
25.8	Subsistence & spt. of persons (by contract or Gov't.)			0			0			0			0			0
	Subtotal OC 25.8	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
26.0	Supplies and materials	75		75	80		80	80		80	75		75	75		75
	Subtotal OC 26.0	75	0	75	80	0	80	80	0	80	75	0	75	75	0	75
31.0	Equipment	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
31.0	Purchase of Residential Furniture/Equip.	18.9		18.9	30		30	30		30	0		0	0		0
31.0	Purchase of Office Furniture/Equip.	10		10	25		25	25		25	10		10	10		10
31.0	Purchase of Vehicles	30		30			0			0	30		30	30		30
31.0	Purchase of Printing/Graphics Equipment			0			0			0			0			0
31.0	ADP Hardware purchases	60		60	65.6		65.6	65.6		65.6	50		50	50		50
31.0	ADP Software purchases	6		6	15		15	15		15	5		5	5		5
	Subtotal OC 31.0	124.9	0	124.9	135.6	0	135.6	135.6	0	135.6	95	0	95	95	0	95
32.0	Lands and structures	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
32.0	Purchase of Land & Buildings (& bldg. construction)			0			0			0			0			0
32.0	Purchase of fixed equipment for buildings			0			0			0			0			0
32.0	Building Renovations/Alterations - Office	2		2	4		4	4		4	5		5	5		5
32.0	Building Renovations/Alterations - Residential	2		2	3		3	3		3	4		4	4		4
	Subtotal OC 32.0	4	0	4	7	0	7	7	0	7	9	0	9	9	0	9
42.0	Claims and indemnities			0			0			0			0			0
	Subtotal OC 42.0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL BUDGET		3300	1500	4800	3300	1500	4800	3650	1500	5150	4100	700	4800	4450	700	5150

Additional Mandatory Information

Dollars Used for Local Currency Purchases	<u>421</u>		<u>420</u>		<u>424</u>		<u>425</u>		<u>425</u>		<u>425</u>
Exchange Rate Used in Computations	<u>5.66</u>	<u>5.66</u>	<u>5.95</u>	<u>5.95</u>	<u>5.95</u>	<u>5.95</u>	<u>6.2</u>	<u>6.2</u>	<u>6.2</u>	<u>6.2</u>	<u>6.2</u>

** If data is shown on either of these lines, you MUST submit the form showing deposits to and withdrawals from the FSN Voluntary Separation Fund.

On that form, OE funded deposits must equal: 363.6 367.7 717.7 389 739

Controller Operations

Org. Title: USAID/BOLIVIA Org. No: 26511 OC		Overseas Mission Budgets														
		FY 1999 Estimate			FY 2000 Target			FY 2000 Request			FY 2001 Target			FY 2001 Request		
		Dollars	TF	Total												
21.0	Home Leave Travel	5		5	0		0	5		5	0		0	4		4
21.0	R & R Travel	3		3	0		0	3		3	0		0	3		3
21.0	Education Travel	0		0	0		0	0		0	0		0	0		0
21.0	Evacuation Travel	1		1	0		0	1		1	0		0	1		1
21.0	Retirement Travel	0		0	0		0	0		0	0		0	0		0
21.0	Pre-Employment Invitational Travel	0		0	0		0	0		0	0		0	0		0
21.0	Other Mandatory/Statutory Travel	1		1	0		0	1		1	0		0	1		1
21.0	Operational Travel	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
21.0	Site Visits - Headquarters Personnel	0		0	0		0	0		0	0		0	0		0
21.0	Site Visits - Mission Personnel	10.2		10.2	0		0	8		7	0		0	7		7
21.0	Conferences/Seminars/Meetings/Retreats	3		3	0		0	3		3	0		0	3		3
21.0	Assessment Travel	0		0	0		0	0		0	0		0	0		0
21.0	Impact Evaluation Travel	0		0	0		0	0		0	0		0	0		0
21.0	Disaster Travel (to respond to specific disasters)	0		0	0		0	0		0	0		0	0		0
21.0	Recruitment Travel	0		0	0		0	0		0	0		0	0		0
21.0	Other Operational Travel	1		1	0		0	1		1	0		0	1		1
	Subtotal OC 21.0	27.2	0	27.2	0	0	0	25	0	24	0	0	0	29	0	29
22.0	Transportation of things	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
22.0	Post assignment freight	0		0	0		0	0		0	0		0	20		20
22.0	Home Leave Freight	3		3	0		0	3		3	0		0	5		5
22.0	Retirement Freight	0		0	0		0	0		0	0		0	0		0
22.0	Transportation/Freight for Office Furniture/Equip.	0		0	0		0	0		0	0		0	0		0
22.0	Transportation/Freight for Res. Furniture/Equip.	0		0	0		0	0		0	0		0	0		0
	Subtotal OC 22.0	3	0	3	0	0	0	3	0	3	0	0	0	25	0	25
23.2	Rental payments to others	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
23.2	Rental Payments to Others - Office Space	0		0	0		0	0		0	0		0	0		0
23.2	Rental Payments to Others - Warehouse Space	0		0	0		0	0		0	0		0	0		0
23.2	Rental Payments to Others - Residences	45		45	0		0	50		50	0		0	55		55
	Subtotal OC 23.2	45	0	45	0	0	0	50	0	50	0	0	0	55	0	55
23.3	Communications, utilities, and miscellaneous charges	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
23.3	Office Utilities	29		29	0		0	30		30	0		0	32		32
23.3	Residential Utilities	7.8		7.8	0		0	8		8	0		0	9		9
23.3	Telephone Costs	23		23	0		0	23		23	0		0	25		25
23.3	ADP Software Leases	0		0	0		0	0		0	0		0	0		0
23.3	ADP Hardware Lease	0		0	0		0	0		0	0		0	0		0
23.3	Commercial Time Sharing	0		0	0		0	0		0	0		0	0		0
23.3	Postal Fees (Other than APO Mail)	0.4		0.4	0		0	0.4		0.4	0		0	0.5		0.5
23.3	Other Mail Service Costs	0.2		0.2	0		0	0.2		0.2	0		0	0.3		0.3
23.3	Courier Services	3		3	0		0	4		4	0		0	4		4
	Subtotal OC 23.3	63.4	0	63.4	0	0	0	65.6	0	65.6	0	0	0	70.8	0	70.8
24.0	Printing and Reproduction	2		2	0		0	2		2	0		0	2		2
	Subtotal OC 24.0	2	0	2	0	0	0	2	0	2	0	0	0	2	0	2
25.1	Advisory and assistance services	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
25.1	Studies, Analyses, & Evaluations	0		0	0		0	0		0	0		0	0		0
25.1	Management & Professional Support Services	3		3	0		0	3		3	0		0	3		3
25.1	Engineering & Technical Services	0		0	0		0	0		0	0		0	0		0

Controller Operations

Org. Title: USAID/BOLIVIA Org. No: 26511 OC		Overseas Mission Budgets														
		FY 1999 Estimate			FY 2000 Target			FY 2000 Request			FY 2001 Target			FY 2001 Request		
		Dollars	TF	Total	Dollars	TF	Total									
Subtotal OC 25.1		3	0	3	0	0	0	3	0	3	0	0	0	3	0	3
25.2	Other services	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
25.2	Office Security Guards	12		12			0	13		13		0	15		15	
25.2	Residential Security Guard Services	4.5		4.5			0	5		5		0	6		6	
25.2	Official Residential Expenses	0		0			0	0		0		0	0		0	
25.2	Representation Allowances	0		0			0	0		0		0	0		0	
25.2	Non-Federal Audits	0		0			0	0		0		0	0		0	
25.2	Grievances/Investigations	0		0			0	0		0		0	0		0	
25.2	Insurance and Vehicle Registration Fees	0		0			0	0		0		0	0		0	
25.2	Vehicle Rental	0		0			0	0		0		0	0		0	
25.2	Manpower Contracts	0		0			0	0		0		0	0		0	
25.2	Records Declassification & Other Records Services	0		0			0	0		0		0	0		0	
25.2	Recruiting activities	0		0			0	0		0		0	0		0	
25.2	Penalty Interest Payments	0		0			0	0		0		0	0		0	
25.2	Other Miscellaneous Services	3		3			0	4		4		0	5		5	
25.2	Staff training contracts	1		1			0	1		1		0	2		2	
25.2	ADP related contracts	0		0			0	0		0		0	0		0	
Subtotal OC 25.2		20.5	0	20.5	0	0	0	23	0	23	0	0	0	28	0	28
25.3	Purchase of goods and services from Government accounts	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
25.3	ICASS	38		38			0	40		40		0	43		43	
25.3	All Other Services from Other Gov't. accounts	0		0			0	0		0		0	0		0	
Subtotal OC 25.3		38	0	38	0	0	0	40	0	40	0	0	0	43	0	43
25.4	Operation and maintenance of facilities	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
25.4	Office building Maintenance	5		5			0	5		5		0	6		6	
25.4	Residential Building Maintenance	1		1			0	1		1		0	1		1	
Subtotal OC 25.4		6	0	6	0	0	0	6	0	6	0	0	0	7	0	7
25.7	Operation/maintenance of equipment & storage of goods	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
25.7	ADP and telephone operation and maintenance costs	3.1		3.1			0	4		4		0	5		5	
25.7	Storage Services	0		0			0	0		0		0	0		0	
25.7	Office Furniture/Equip. Repair and Maintenance	4.5		4.5			0	5		5		0	5		5	
25.7	Vehicle Repair and Maintenance	0.8		0.8			0	0.9		0.9		0	1		1	
25.7	Residential Furniture/Equip. Repair and Maintenance	0.4		0.4			0	0.5		0.5		0	0.6		0.6	
Subtotal OC 25.7		8.8	0	8.8	0	0	0	10.4	0	10.4	0	0	0	11.6	0	11.6
25.8	Subsistence & spt. of persons (by contract or Gov't.)	0		0			0	0		0		0	0		0	
Subtotal OC 25.8		0	0	0	0	0	0	0	0	0	0	0	0	0	0	
26.0	Supplies and materials	19		19			0	20		20		0	22		22	
Subtotal OC 26.0		19	0	19	0	0	0	20	0	20	0	0	0	22	0	22
31.0	Equipment	Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line			Do not enter data on this line		
31.0	Purchase of Residential Furniture/Equip.	4		4			0	4		4		0	4		4	
31.0	Purchase of Office Furniture/Equip.	4		4			0	4		4		0	4		4	
31.0	Purchase of Vehicles	0		0			0	0		0		0	0		0	
31.0	Purchase of Printing/Graphics Equipment	0		0			0	0		0		0	0		0	
31.0	ADP Hardware purchases	17		17			0	18		18		0	19		19	
31.0	ADP Software purchases	14		14			0	14		14		0	14		14	

Annex A

Environmental Impact

Environmental Impact

I. Plan

a. Economic Opportunities (EO). The EO Team has committed to bring experts to study possible environmental effects of the various lending programs under IR1. If negative effects are found to be significant, the threshold decision will be reviewed and revised. Timing: Summer/Fall 1999. The EO Team is presently working on the design of new activities under IR2. Specific environmental review and assessments are needed and will be carried out before the activities are initiated. An Initial Environmental Assessment (IEE) will be prepared. Timing: Summer/Fall 1999. Title II productive and infrastructure activities under IR3 are being carried out by three Cooperating Sponsors. Following Title II guidelines, IEEs for the activities have been prepared and approved by BHR. We expect that in FY 1999, a new Cooperating Sponsor will enter the program. Consequently, an IEE will be prepared and submitted to BHR for review and approval. Timing: TBD.

b. Counternarcotics. IRs 1 and 2 are managed by the Department of State (INL/NAS). For IRs 3 and 4, the Counternarcotics Special Objective Team is drafting a document that compares the recommendations of the Environmental Assessment (EA) with the final design document of the Consolidation of Alternative Development Efforts (CONCADE) activity, No. 511-0643. This is required to sign off on the EA. Timing: March, 1999.

c. Democracy. Key elements of rule of law become more transparent, efficient, effective, accountable and accessible. To support the annual IR1 Results Package update, an IEE is needed prior to an FY 99 obligation. Timing: July, 1999.

d. Health. The Health Team is currently in the process of implementing a new \$38 million bilateral agreement with the GOB. New health related activities under that agreement will likely begin in April 1999. As soon as the field sites are chosen and the activities begun, the Health Team will hire a contractor to come to Bolivia to assess the environmental impact of any medical waste, as agreed in the IEE, for all health activities being implemented under the SOAG. The Health team will coordinate with PAHO at that time to determine a plan of action to implement the medical waste norms in the new and currently running USAID assisted health activities. These norms have already been developed and approved by the GOB.

e. Environment. TBD depending on evolution of design plans for the period 2000 - 2002.

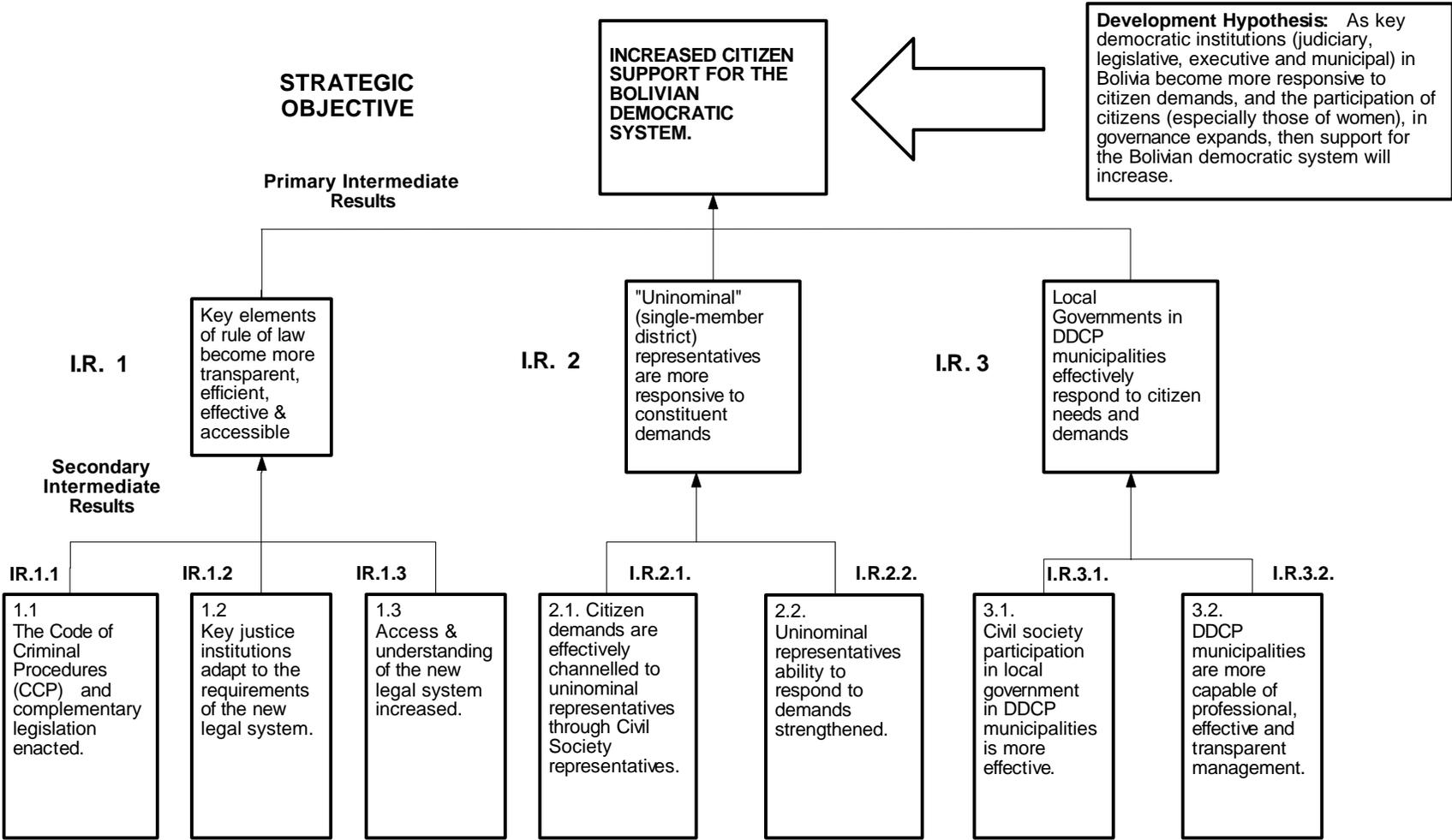
II. Issues

Aside from the above mentioned activities, all other SO Team activities are in compliance with their corresponding IEEs and EAs. However, guidance from USAID/W is required on the applicability of Reg. 216 requirements to Title III programs.

Annex B

Updated Results Frameworks

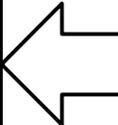
RESULTS FRAMEWORK DEMOCRACY STRATEGIC OBJECTIVE



**RESULTS FRAMEWORK
ECONOMIC
OPPORTUNITIES
STRATEGIC OBJECTIVE**

**INCREASED INCOME FOR
BOLIVIA'S POOR WITH
EMPHASIS ON TARGETED
COMMUNITIES DIRECTLY OR
INDIRECTLY ASSISTED BY
USAID/BOLIVIA**

DEVELOPMENT HIPOTHESIS
ALTHOUGH MACROECONOMIC STABILITY IS A NECESSARY
CONDITION FOR INCREASING THE INCOMES OF THE POOR,
IT ALONE IS NOT SUFFICIENT. BROAD-BASED ECONOMIC
GROWTH DEPENDS ON OVERCOMING A COMBINATION OF
CONSTRAINTS TO GROWTH THAT INCLUDE LIMITED
FINANCIAL INTERMEDIATION, POOR ACCESS TO
TECHNOLOGY AND MARKETS, LACK OF PRODUCTIVE
INFRASTRUCTURE, AND LOW LEVELS OF EDUCATION.



**INTERMEDIATE
RESULT I**
INCREASED ACCESS TO FINANCIAL
SERVICES IN URBAN AND RURAL
AREAS

**INTERMEDIATE
RESULT II**
INCREASED ACCESS TO TECHNOLOGY
AND MARKETING SERVICES

**INTERMEDIATE
RESULT III**
IMPROVED PRODUCTIVE
INFRASTRUCTURE IN RURAL AREAS

**INTERMEDIATE
RESULT IV**
GOB REFORM OF EDUCATION
SECTOR

IMPROVED
LEGAL AND
REGULATORY
ENVIRONMENT
PROMOTING
ACCESS TO
FINANCIAL
SERVICES BY
THE POOR

IMPROVED
FINANCIAL
PERFORMANCE
OF FINANCE
INSTITUTIONS
SERVING THE
POOR

INCREASED
CAPITAL
MOBILIZED
THROUGH THE
EXPANSION
OF SECURE
SAVINGS
MECHANISMS
AND PRIVATE
CAPITAL
MARKETS

INCREASED
COVERAGE OF
SUSTAINABLE
SECONDARY
LEVEL
ORGANIZATIONS
PROVIDING
TECHNOLOGY
AND
MARKETING
SERVICES

INCREASED
VALUE OF
PRODUCT
MARKETED
THROUGH
PRIMARY
PRODUCER
ORGANIZATIONS

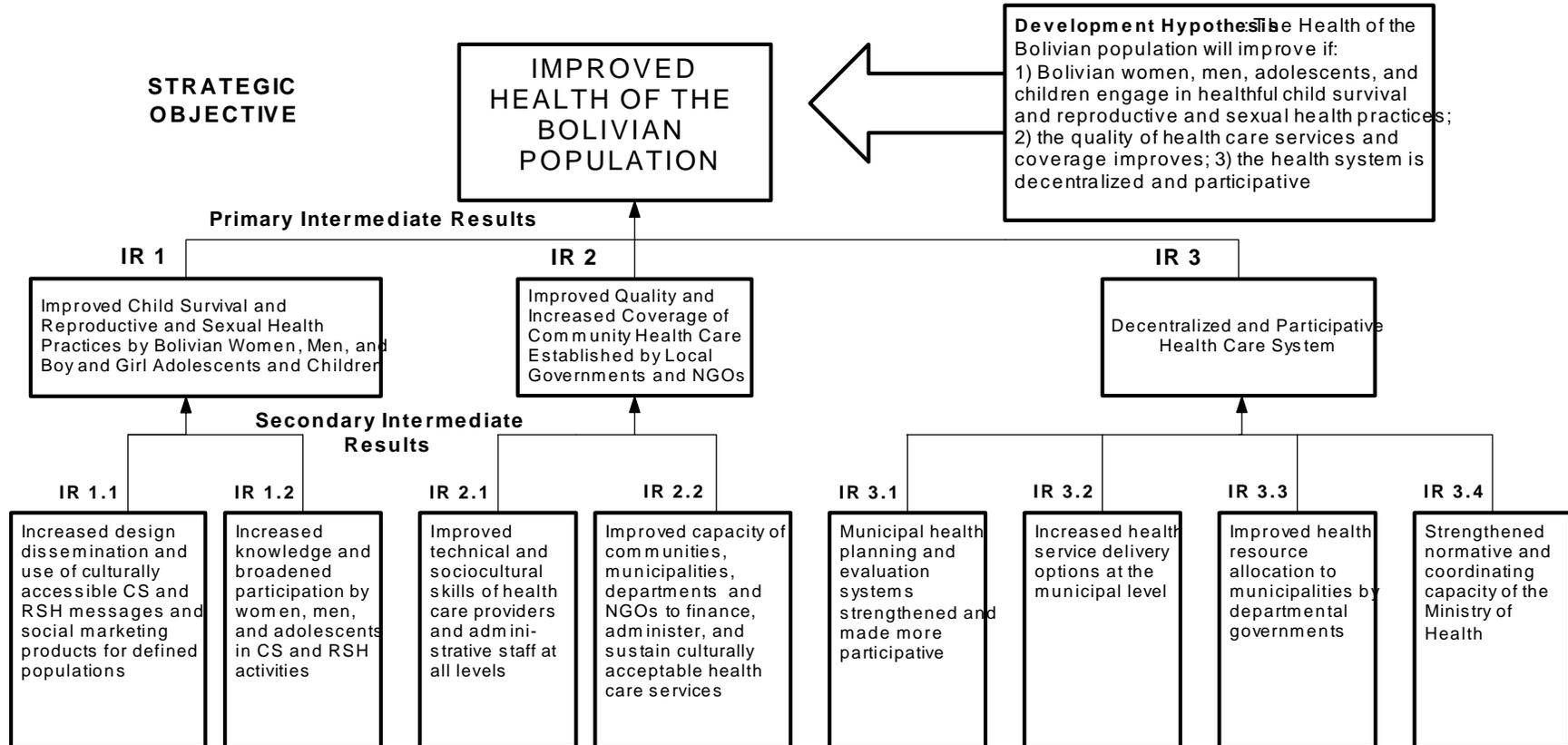
IMPROVED
LEGAL AND
REGULATORY
ENVIRONMENT
PROMOTING
ACCESS TO
TECHNOLOGY
AND MARKETS

INFRASTRUCTURE
CONSTRAINTS
ELIMINATED TO
INCREASE
PRODUCTION,
MARKETING AND
COMMUNICATION

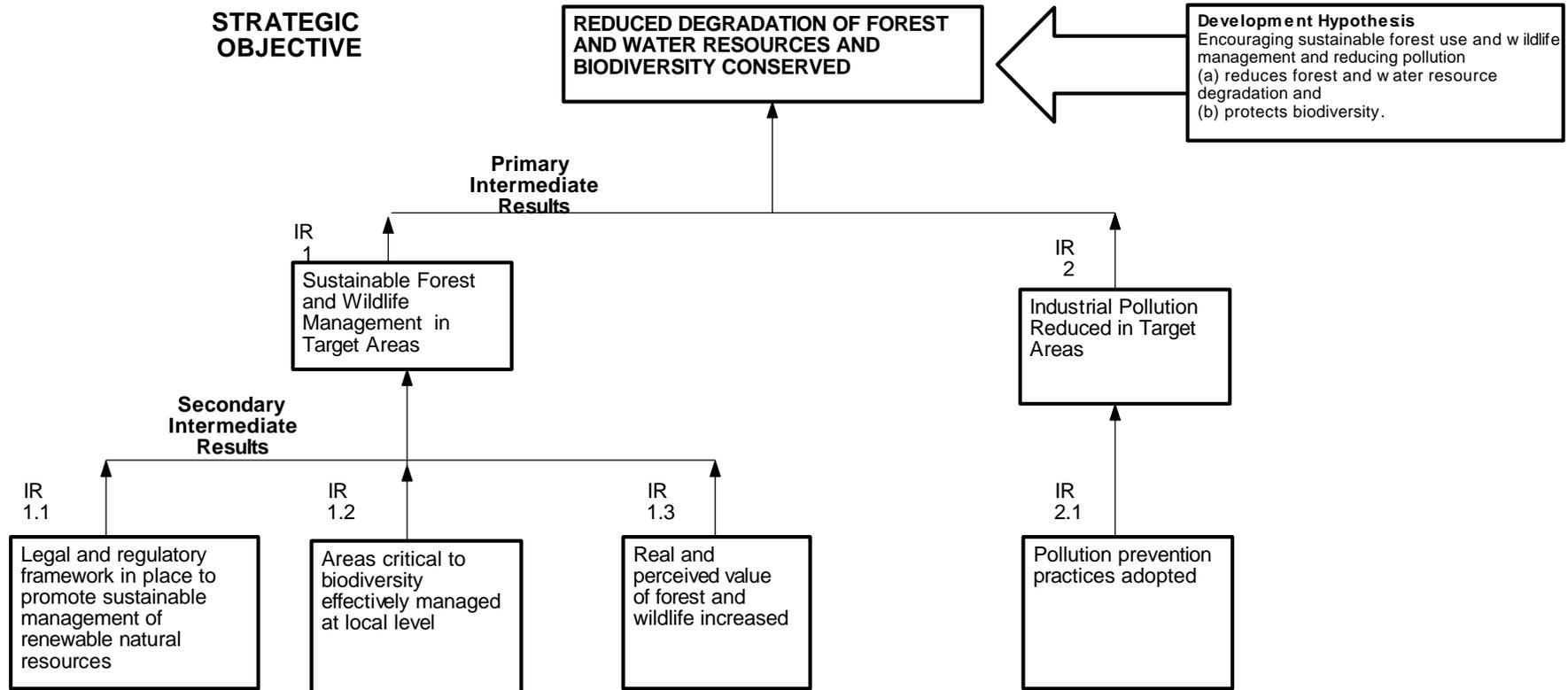
LOCAL
ORGANIZATIONS
ESTABLISHED
AND
STRENGTHENED
FOR THE
OPERATION AND
MAINTENANCE
OF PRODUCTIVE
INFRASTRUCTURE

INCREASED SCHOOL
ATTENDANCE
ESPECIALLY AMONG
GIRLS

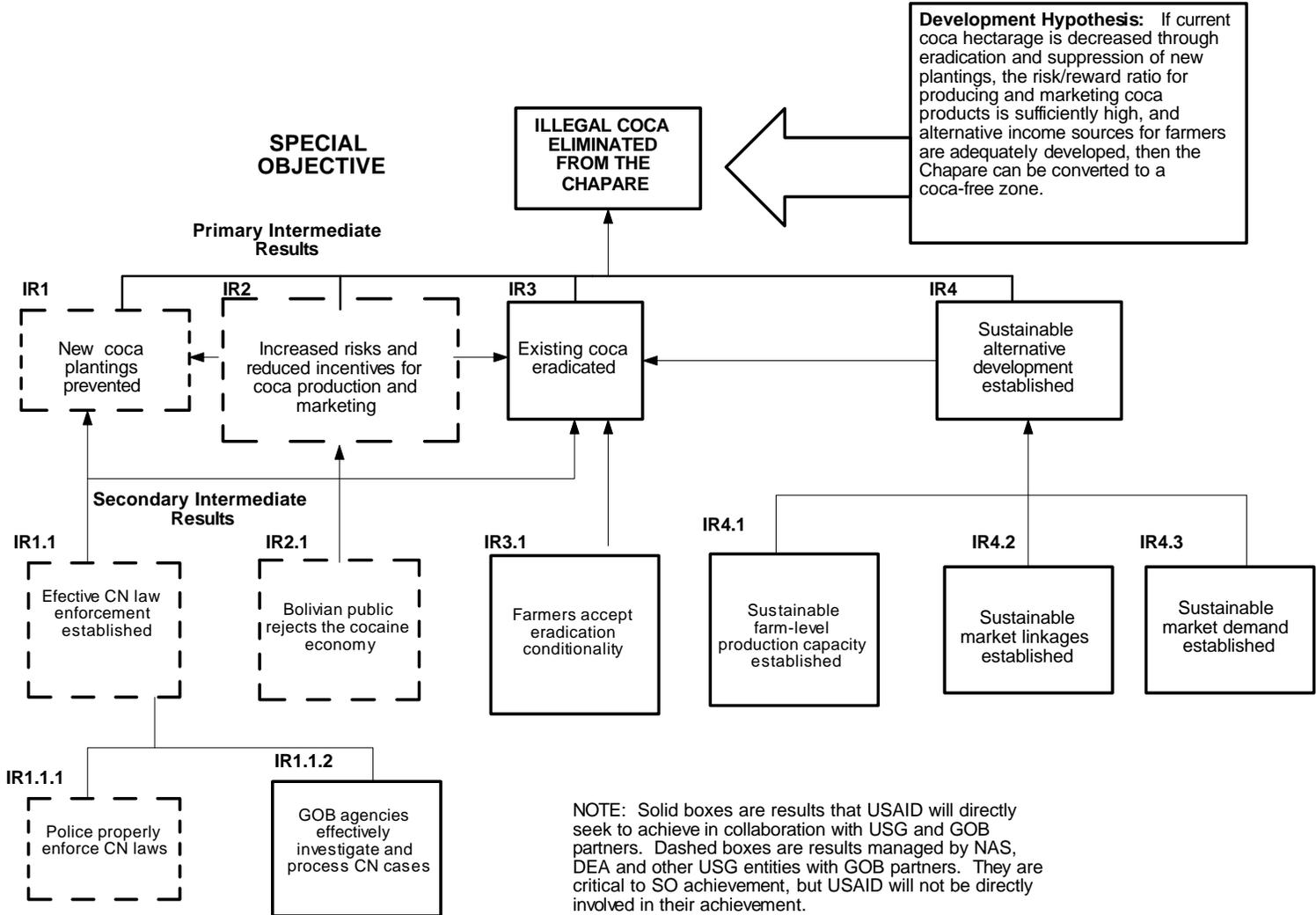
**RESULTS FRAMEWORK
HEALTH STRATEGIC
OBJECTIVE**



RESULTS FRAMEWORK ENVIRONMENT STRATEGIC OBJECTIVE



RESULTS FRAMEWORK COUNTERNARCOTICS OBJECTIVE



Annex C

Global Climate Change

USAID/Bolivia Global Climate Change Indicators Calendar Year 1998

Overview. USAID/Bolivia programs improve the management of commercial forests and protected areas, both of which contribute to USAID's Global Climate Change Initiative. Forests in eastern Bolivia are rapidly being converted to large-scale agriculture (primarily for soybeans). USAID's efforts to improve forest management and create incentives for forest conservation (through voluntary certification) are keeping land in forest that would be at risk of conversion. By 2000, over 1,800,000 ha of forests will be well managed, conserving biodiversity, improving local livelihoods, and reducing Bolivia's contribution to GCC.

Bolivian protected areas are also at risk because they lack appropriate on-the-ground management to ensure their conservation. Several major forested parks are facing serious threats because of illegal settlement and land clearing for agriculture. USAID/Bolivia programs help park management authorities (which in this country can be government agencies or non-governmental organizations) develop the necessary local capacities to adequately manage these protected areas. By 2002, we expect over 4,200,000 ha of Bolivian parks to be well managed.

Already USAID-supported programs have achieved remarkable success. For example, USAID has provided support to the Fundacion Amigos de la Naturaleza (FAN) to strengthen the management of 1,523,446 ha in Noel Kempff National Park. FAN, a Bolivian conservation NGO, has been chosen by the Government of Bolivia (GOB) to be the official management authority of this huge lowland national park. However, forestry concessions within the park as well as the advancing agricultural frontier both threatened the park's integrity.

Fortunately, the American Electric Power Service Corporation, PacifiCorp, and BP America recently partnered with the Nature Conservancy, FAN, and the GOB in a joint implementation project. With a total budget of \$9.5 million, the project will offset 14.5 million metric tons of carbon over 30 years by conserving Noel Kempff National Park. The project will finance activities that will ensure park protection, forest sustainable micro-enterprise development, and establish a long-term endowment for the park.

Progress in 1998

Forestry. In 1998, the area over which sustainable forestry practices are being implemented reached 1,177,000 ha, and the capacities of local institutions responsible for forest and park management have been strengthened with USAID assistance. Bolivia also continues to be at the forefront of voluntary certification in the tropics. It has the largest area of certified tropical forests in Latin America and the second largest in the world (after Zambia). Nearly 450,000 ha of natural forest certified under the Forest Stewardship Council's (FSC) principles and criteria and another 380,000 ha that have been evaluated and are awaiting the final determination. The Bolivian Council for Voluntary Forest Certification, created and supported by USAID, has gained recognition by the FSC and has approved regional standards, a first for the tropics. It is now actively leading the process to establish certification standards for non-timber forest products.

In 1998 USAID/Bolivia paid increased attention to municipalities and small-scale producer associations. The new Bolivian forestry law empowers both to manage their forests. This past year, USAID worked with 12 municipalities and 21 local social groups to identify municipal reserves on over 1,600,000 ha of land while also organizing and training local groups to manage these reserves. USAID also worked with the national agencies responsible for both certifying that the areas are public lands and that the local groups comply with all legal requirements. While final approval is still pending, we expect that over 800,000 ha of municipal forest reserves will be approved in early 1999.

USAID also expanded its activities with indigenous groups. With recent changes in the Forestry and Land Reform Laws, indigenous groups are likely to gain control of an estimated 11,000,000 ha of tropical forest (20% of all forest in Bolivia). USAID now works with a total of four ethnic groups on over 300,000 ha of forest. In the long-term, these four groups could control upwards of 3,000,000 forested ha if the government respects their land claims. USAID has also played a key role in the national dialogue over indigenous forest management. With a growing recognition of the potential of forest management to both consolidate indigenous lands and promote long-term economic development, the demand for USAID-supported services to indigenous groups has greatly increased.

In 1999, the forestry program will achieve the following results:

- \$ The area under certified forest management will surpass 700,000 ha, and an additional 500,000 ha will be in the process of certification.
- \$ With USAID technical support, the GOB will evaluate and approve 1,300,000 ha of municipal reserves. USAID will directly support six local social groups to prepare forest management plans on nearly 250,000 ha of forest for the corresponding approval by the Forest Superintendency.
- \$ Indigenous groups will gain both legal access to forests and increase their capacity to manage forest resources. Plans for the communities of Yuquis and Guarayos, which will cover nearly 200,000 ha, will be completed and presented to the Forest Superintendency for approval. These communities will develop contractual and working relationships with outside interests (companies, investors, NGOs) to enable them to develop the necessary capital, technical and human resources to carry out forest management. Both communities will serve as models for numerous other ethnic groups that control 11,000,000 ha.
- \$ Management of timber and non-timber forest resources in the Pando will improve. In collaboration with the International Tropical Timber Organization's (ITTO) Sustainable Forest Management Project, USAID will improve the capacity of local companies, municipal and departmental governments, municipal producer groups, indigenous groups, and the local offices of the Forest Superintendency. Pando is critical to USAID's forestry efforts, because while this tropical Amazonian region still retains 96% of its forest cover, the area is currently being opened to exploitation by the timber industry. USAID technical support will help local groups to accommodate the trend toward increased timber production while maintaining the long-standing socio-economic benefits of the

non-timber products. In addition, USAID will continue to work with the Brazil nut industry, which employs 70% of the local population and serves as a powerful incentive to conserve forests that might otherwise be converted to agriculture (Brazil nuts can only be collected from intact forests). USAID will help Brazil nut producers to meet tough new European standards for aflatoxin levels, which could otherwise dramatically reduce exports to Europe.

Kaa-Iya Protected Area. In 1998, the first draft of the management plan for the Protected Area was completed. This plan will guide development in the 3.4 million hectare protected area and form the blueprint for its conservation. The key feature of this plan is a zoning proposal based on the conservation requirements of the Protected Area, the potential for sustainable use of key natural resources, and the actual and potential threats to area. Preparation of the draft management plan involved the collection of primary and secondary biophysical and socioeconomic data about the 3,400,000 hectare Kaa-Iya Protected Area and the adjoining lands. The GOB's Biodiversity Directorate (DGB) has expressed an interest in applying the methodological lessons learned to the preparation of management plans for other protected areas in Bolivia. Seven standalone reports developed in preparation of the management plan (on the regional biodiversity, land tenure situation, and production systems) will be used as a starting point for implementing the management plan once it is approved by the GOB.

In 1998, the indigenous management authority of the park (CABI) successfully began to implement their Indigenous People's Development Plan (IPDP). The sponsors of the Bolivia-Brazil Gas Pipeline, which crosses through the Kaa-Iya Protected Area, fund the Plan. USAID facilitated the establishment of contacts between CABI, key officials of the IDB and World Bank, and the owners of the Bolivia-Brazil Gas Pipeline, which were crucial to setting in motion the negotiations between indigenous people and the pipeline companies, and insuring that, once initiated, they did not falter.

1999 accomplishments in the management of the Gran Chaco National Park will include:

- \$ The communities that participate in the management of the Kaa-Iya Protected Area will develop a consensus about the zoning proposal in the draft management plan.
- \$ The final management plan will then be submitted to and approved by the government.
- \$ Pilot natural resource management activities will be defined, and implementation by Izoceño communities will begin.
- \$ The IPDP will be successfully implemented. Structures will be defined to ensure the sustainability of the actions initiated after the expiration of the present agreement (February 2000).

RESULT 1: INCREASED PARTICIPATION IN THE FRAMEWORK CONVENTION ON CLIMATE CHANGE

Indicator 1: Policy Development Supporting the Framework Convention on Climate Change

Country: <u>Bolivia</u> Policy Measure	Check Steps that Have Been Achieved			List Activity(ies) Contributing to Each Policy Category
	Step 1: Policy Preparation and Presentation	Step 2: Policy Adoption	Step 3: Implementation and Enforcement	
Integration of climate change into national strategic, energy, and sustainable development strategies				
Emissions inventory	1			Completed with U.S. Country Studies assistance
Mitigation analysis	1			Completed with U.S. Country Studies assistance.
Vulnerability and adaptation analysis				
National Climate Change Action Plan				Underway
Procedures for receiving, evaluating, and approving joint implementation (JI) proposals				Two JI projects approved. System still needs refinement
Procedures for monitoring and verifying greenhouse gas emissions				
Growth baselines for pegging greenhouse gas emissions to economic growth				
Legally binding emission reduction targets and timetables.				
Sub-total: Number of policy steps achieved				
Total policy steps achieved			2	

RESULT 2: REDUCED NET GREENHOUSE GAS EMISSIONS FROM THE LAND USE/FOREST MANAGEMENT SECTOR
Calendar Year 1998 Results

USAID Activity name	Location			The Site and USAID's Involvement						Additional info you have (choose from the info codes below)
	Country	Region, Province, or State	Site	Principle activity(ies) (list 1 per line using the activity codes below)	Area where USAID has initiated activities (hectares) (Indicator 1)	Area where USAID has conserved carbon (hectares) (Indicator 2)				
						Predominate vegetation type (1 per line; use vegetation codes below)	Natural ecosystems (2a)	Predominate managed land type (1 per line; use managed land types below)	Managed lands (2b)	
Bolivia Sustainable Forestry (BOLFOR)	Bolivia	Santa Cruz	Forestry Concessions	2	1,600,000	B			1,117,023	1,2,3 (trees)
			Municipal Reserves	2	t.b.d.	B				
			Indigenous Reserves	2	t.b.d.	B				
Gran Chaco Park	Bolivia	Santa Cruz	Kaa-Iya Protected Area	1	3,400,000	B				1,2

Notes On Indicators 1 and 2

For baseline starting in 1995/96 and projected results through the year 2002, see R4 environmental indicators.

Sustainable forest management. BOLFOR is working in well over 1,600,000 ha to improve forest management; we report this total conservatively. Within this area, 1,177,023 ha are being managed under 12 key sustainable forestry practices. The 12 key management practices are: 1. Approved management plan that defines long-term objectives and actions for the overall area under management; 2. Forest mapping at appropriate scales; 3. Forest inventories that provide baseline information for planning; 4. Planning of logging or silvicultural activities at the stand level and preparation and implementation of operational plans based on commercial censuses; 5. Selection and marking of trees to be cut, respecting diameter limits; 6. Minimize repeated entries into the same stand; 7. Access to markets for the most abundant commercial species; 8. Extraction rates correspond to the growth rates of tree species and are established based on best local information available; 9. Implementation of best industrial practices which contribute to improved product quality; 10. Concrete action to ensure the efficient and integrated use of the forest and forest products, both during harvest and during processing; 11. If conflicts on forest resource use exist, actions are taken towards solving them; 12. Hunting prohibited in forests under management.

Parks/Protected Areas. Currently we report activities solely for the KAA-IYA del Gran Chaco National Park, which has a core area of 2.6 million ha and a total area of 3,411,115 million ha.

Additional park management activities which contribute to the USAID GCC initiative are underway, although they will be reported by LAC/RSD. This includes:

<u>Protected Area</u>	<u>Approximate Area</u>
Tariquia National Park (PiP)	246,870 ha
Noel Kempff National Park (PiP)	1,523,446 ha
Amboro National Park (PiP)	637,700 ha

The following field activities will begin in two protected areas in the near future:

Eduardo Avaroa National Park (PiP) 714,745 ha	field activities beginning in 1999,
Madidi National Park (CI) 1,895,750 ha	field activities beginning in 2000,

Please note that the areas listed are only approximations. The Gran Chaco Park has been listed as tropical dry forest (coded here as b, tropical seasonal forest). The areas under sustainable forest management have also been listed as tropical dry forest (also code b).

Indicator 3: National/sub-national policy advances in the land use/forestry sector that contribute to the preservation or increase of carbon stocks and sinks, and to the avoidance of greenhouse gas emissions.

Country: Bolivia	Scope (N or S)	Check Steps that Have Been Achieved			List Activity(ies) Contributing to Each Policy Category
		Step 1: Policy Preparation and Preparation	Step 2: Policy Adoption	Step 3: Implementation and Enforcement	
Facilitates improved land use planning	N	1	1		Agrarian Reform Law (1996)
Facilitates sustainable forest management	N	1	1	1	Development of the Forestry Law (1996) Creation of municipal forest reserves
	N	1	1		
Facilitates establishment and conservation of protected areas	S	1	1	1	Creation of Gran Chaco National Park Biodiversity Law
	N	1			
Improves integrated coastal management					
Decreases agricultural subsidies or other perverse fiscal incentives that hinder sustainable forest management					
Corrects protective trade policies that devalue forest resources					
Clarifies and improves land and resource tenure	S	1			Establishment of indigenous territories (TCOs)
Other					
Number of points achieved per policy step		6	4	2	
Total policy steps			12		

Indicator 4: Dollars leveraged through agreements with USAID donor partners (forestry and land use sectors)

Activity Description	Source of Leveraged Funds	Direct Leverage (4a)	Indirect Leverage (4b)
Noel Kempff Climate Action Project, Bolivia	The Nature Conservancy and Fundacion Amigos de la Naturaleza		2,500,000
	American Electric Power Service Corp., PacifiCorp, B P America		7,000,000
Gran Chaco Trust Fund and Indigenous Peoples Development Plan	Transredes (an affiliate of ENRON)		3,700,000

Note that these numbers are cumulative over the past few years.

Indicator 5: Institutional Capacity Strengthened

5a: Increased capacity to address global climate change issues

Unit: Number of institutions

Country: <u>Bolivia</u>		Name of Associations, NGOs, or other Institutions Strengthened
Number of USAID-assisted associations, NGOs or other public and private institutions strengthened to address GCC issues		
Number of NGOs	5	Consejo Boliviano para la Certificacion Forestal Voluntaria (CFV), Confederacion Indigena del Oriente Chaco y Amazonia de Bolivia (CIDOB), Fundacion para el Desarrollo de la Formacion Forestal y Medio Ambiente (FUNDFORMA), Fundacion Amigos de la Naturaleza (FAN), and Sociedad Boliviana de Derecho Ambiental (SBDA).
Number of Private Institutions	2	Camara de Exportadores (CADEX) and Camara Nacional Forestal (CNF)
Number of Research/Educational Institutions	4	Centro de Estudios de la Realidad Social/Forest Trees and People Programme (CERES/FPPP), Centro de Investigacion y Manejo de Recursos Naturales Renovables (CIMAR), Escuela Tecnica Superior Forestal (ETSFOR), and Museo de Historia Natural Noel Kempff Mercado (MHNNKM).
Number of Public Institutions	2	Ministerio de Desarrollo Sostenible y Planificacion (MDSP) and the Superintendencia Forestal (SF)
Total Number of Institutions Strengthened:	13	

5b. Strengthening technical capacity through workshops, research, and/or training activities

Country: Bolivia Category	Types of Support Provided		List the Activity(ies) that Contribute to Each Capacity Building Category
	Training	Technical Assistance	
Advancing improved land use planning	1	1	Training and T.A. in proper agroecological zoning for protected area management and forestry.
Advancing sustainable forest management	1	1	Training in forestry planning, reduced impact harvesting, developing basic capacity for protected area management, etc
Advancing establishment and conservation of protected areas	1	1	
Advancing integrated coastal management			
Advancing decreases in agricultural subsidies or other perverse fiscal incentives that hinder sustainable forest management			
Advancing the correction of protective trade policies that devalue forest resources		1	Studies to ensure that Bolivian Brazil nut extraction meets tough new EU standards.
Advancing the clarification and improvement of land and resource tenure		1	Agrarian Reform Law development.
Other			
Number of categories where training and technical assistance has been provided:	3	5	

H:\env\global\climate\bol-gcc-399

Annex D

Cross Cutting Themes: Donor Coordination

Cross Cutting Themes: Donor Coordination

During the reporting period, donor coordination was one of USAID's most salient achievements in support of Bolivia's development goals. Not only did the donors and the Government of Bolivia (GOB) create a formal coordination mechanism and organized working groups around the four pillars of the Bolivian National Plan of Action (POA), but they also established information dissemination systems that have greatly improved communications on programs, priorities and concerns. In addition, this coordination mechanism, under the leadership of the GOB's Ministry of Finance, led to the formulation of a set of 17 progress indicators that will measure GOB progress in achieving its POA goals, as well as the achievement of the DAC's "21st Century Strategy" goals and the Highly Indebted Poor Countries (HIPC) and Consultative Group (CG) targets.

The donor community seems to agree that Bolivia is significantly ahead of other countries in how it oversees and coordinates foreign aid. Donor coordination in Bolivia has been successful because of strong GOB support for the coordination process, as well as good donor leadership. A number of donors (e.g., USAID, UN, Netherlands) have gone through restructuring processes which have allowed them to be more flexible and responsive in their assistance efforts at the country level. Country-level coordination and integration efforts would be greatly enhanced if the World Bank and the Inter-American Development Bank local offices enjoyed greater delegated authority, as contemplated in proposed reforms of those institutions.

USAID played a key role in ensuring strong donor/GOB coordination and cooperation through intensive policy dialogue, as chair of the Institutional Working Group, as an active member of the other three working groups, and as a participant and leader in a number of sectorial groups (e.g., environment, health). Specifically, USAID's policy dialogue and proactive interventions facilitated the approval of a Bolivian National Integrity Plan as a blueprint to fight corruption; the continuation of reforms in the justice sector; increased GOB focus on environmental issues; the recognition by the GOB that Popular Participation is an irreversible measure for decentralization; and the constant encouragement and technical assistance to the GOB towards the formulation of a credible anti-poverty strategy (although the latter remains an unfulfilled objective). In addition, USAID's ample experience in alternative development has been key in the formulation of the GOB's counternarcotics strategy as part of its "Dignity" pillar.

Following is a summary of activities and achievements that reflect Bolivia's progress in donor coordination:

Local Consultative Group Meeting

In November 1998, the GOB hosted its first-ever Local CG meeting to evaluate progress on the main recommendations made at the April 1998 Paris CG. The purpose was to conduct a mid-term assessment of GOB progress towards objectives and recommendations resulting from the April 1998 CG meeting held in Paris. The event was organized by the GOB

Ministry of Finance, and attended by the Vice President, nearly all GOB ministers, and 28 multilateral and bilateral donors. The Ambassador and USAID Mission Director represented the U.S. Both donors and the GOB presented analyses for each of the four pillars of the GOB's POA: Opportunity -- sustainable economic growth with stability, infrastructure, microenterprise and microfinance, regulatory framework, and environment; Institutionality -- rule of law, anti-corruption, and modernization of public administration; Equity -- rural development, social development, Popular Participation and co-financing of programs; and Dignity -- counternarcotics. USAID/Bolivia was responsible for overall coordination in the development of official documents in the areas of rule of law, modernization of public administration and anti-corruption, and for the partial preparation and review of at least six donor position papers. The event was deemed a success and served to strengthen coordination between the GOB and the donor community.

The donor community emphasized that much remains to be done to achieve sustained growth and significant poverty alleviation. Fiscal constraints projected for 1999 will dampen the GOB's ability to maximize donor resources, thus, the GOB was urged to identify priority areas and establish clear objectives to avoid duplication of efforts and increase impact of donor assistance.

The meeting served to identify pending issues and obstacles that continue to hinder Bolivia's progress towards its development goals and to issue recommendations on specific interventions especially in the area of poverty alleviation, Popular Participation and environment.

DAC's "21st Century Strategy" and Participatory Democracy/Good Governance (PD/GG) Initiative

In 1998, the OECD conducted a progress review of its "DAC 21st Century Strategy". The policy was adopted in May 1996 with the goal of improving development assistance coordination and focusing member country efforts on a few key broadly supported development goals. As a contribution to the review effort, USAID/Bolivia was asked to draft a progress report focused on Bolivia's experience. The report contained views and issues with respect to the congruence between DAC goals and GOB objectives, the feasibility of its application in the Bolivian context, and the role of the donor community in this effort. It also included recommendations to gain commitment of the GOB and the donors for the adoption of the strategy in Bolivia. The report was submitted at the High Level DAC meeting in Paris and received good reviews.

Given the similarities between the DAC Strategy objectives and that of the GOB, as well as other initiatives that focus on results over commonly agreed upon objectives and targets, (e.g., HIPC), the GOB has requested that Bolivia be designated as a pilot country for the application of the DAC Strategy.

Similarly, the GOB has shown interest in having another DAC-sponsored initiative--the

Participatory Democracy/Good Governance (PD/GG) initiative (led by Germany in Bolivia)-- implemented in Bolivia as a "showcase". The proposal includes a PD/GG Regional Conference to be held in Bolivia under the auspices of the "Institutionality" Pillar Working Group -- chaired by USAID. Decision on these activities will depend on DAC interest and support..

The World Bank's Comprehensive Development Framework

The GOB recently organized a roundtable discussion between visiting World Bank Executive Directors and in-country representatives of the donor community. The purpose was to showcase Bolivia's experience in donor coordination and discuss prospects for Bolivia to become a pilot country for the WB's "Comprehensive Development Framework", which would decentralize much of the WB's decision- making and implementation to field offices.

USAID/Bolivia welcomes this initiative and considers it to be complementary to other efforts undertaken by Bolivia in the past year. This initiative would allow further exploration of new ways of providing effective assistance, particularly if it takes into account the experience of other donors who have undergone similar processes.

CONCLUSIONS:

It is clear that the GOB is determined to demonstrate that Bolivia can be a model for improved use of donor resources. Its positive record achievement in maintaining macroeconomic stability, its impressive performance under its borrowing and grant programs with the international financial community, and a still weak, but solid democratic institutions bodes well for Bolivia. The donor community has responded generously to this performance. However, Bolivia remains one of the poorest countries of the region with economic and social indicators similar to Sub-Saharan African countries.

With the World Bank's current intention to modify its programming processes through its "Comprehensive Development Framework", the proposal to select Bolivia as a "showcase" country for the DAC-sponsored Participatory Democracy/Good Governance Initiative, and the demonstrated interest of the Bolivian authorities to have Bolivia designated as a pilot country for the implementation of the DAC's "21st Century Framework", the GOB is seizing on these events as a unique opportunity to transform Bolivia into a model for the coordinated use of donor resources.

The donor community has been working closely with the GOB and civil society to find ways to attack poverty and other high priority problems that require urgent solutions if democracy and economic stability are to be maintained. The approaches and mechanisms described in this annex, if implemented effectively based on a well thought-out plan, could facilitate the development process and help the GOB deliver satisfactory results for Bolivia's poor. Through coordinated efforts, the GOB and the donor community could explore approaches that could lead to efficient use of resources, greater accountability and transparency and

greater impact. This could be another significant way to help Bolivia achieve adequate levels of progress leading to the long-awaited sustainable economic growth.

Annex E

Refinement of Democracy Results Framework

During last year's R4 review (and as reflected in the Management Contract cable 98 72572), the USAID/W Democracy Technical Review Team supported the Mission's plan to use a Democracy Values Survey (DVS), conducted by the University of Pittsburgh and a reputable local survey firm to develop SO-level indicators and refine others. The Team also enjoined the Mission to include attention to gender issues.

When combined with other indicators, the DVS and similar surveys are widely used in LAC missions as a valid instrument of performance measurement. The refined results framework uses 13 non-DVS indicators, but draws another 11 from the DVS.

R4 Performance Measures: The Mission has selected four democracy indicators to present in the R4. Of these four, only one is taken from the DVS:

1. System support/trust increase in the judiciary, legislature, and municipal government. This indicator is at the Strategic Objective level. It was chosen because it clearly and reliably measures system support (the SO), and because it measures those institutions that are most critical to democratic governance, and which participate in our democracy program. The indicator tests levels of support and trust of the judiciary, legislative, and municipal government. The judiciary is further sub-divided into the courts, the Public Ministry (prosecutor), and Public Defense (Ministry of Justice). A composite of the three institutions yields a final score.

The 1998 baseline is 41, on a scale of 0 - 100. By means of comparison, this is a median of 17 institutions that were surveyed, with parties ranking the lowest (28.2), and the Church the highest (67). We expect slow results initially, given the time lag between institutional reforms and system support. However, we expect that by the end of the Strategy, the composite score should exceed 50, which would place these institutions among the most highly ranked, though perhaps lower than the Church and the Press (55.7).

2. Code of Criminal Procedures passed and Implementation Plan approved. This indicator corresponds to the first phase of IR1, and is a qualitative indicator. The Congress was to have passed the CCP by the end of 1998, but has missed that deadline. It is likely that it will pass by early 1999, after which the Implementation Plan should be approved.

For the next R4, we will use a second qualitative indicator "**Key justice institutions adapt their Annual Operative Plans to the new legal reform.**"

3. The quality of contacts between uninominal representatives and their constituencies in DDCP electoral districts is increased. This indicator corresponds to IR2, which has been focussed upon assistance to 15 uninominal (single-member district) representatives whose districts overlap with or correspond to DDCP municipalities. The

DDCP contract calls for 15 action plans between the uninominal and his constituents within one year. We expect a completion rate of 66 percent of the agreed-upon actions by the end of the year.

4. A significant portion of the annual operating budget in USAID-assisted municipalities is implemented with civil society participation. This indicator was used in last year's R4 to demonstrate managerial capacity. Of 11 municipalities which have received more than one year of technical assistance, the average expenditure was 80 percent.

The development hypothesis: The current hypothesis is a general statement linking "structural development" to "Bolivia becoming more democratic and better governed." Our proposed restatement makes a causal link between institutional responsiveness and participation to measurable support for the democratic system:

As key democratic institutions (judiciary, legislative, executive and municipal) in Bolivia become more responsive to citizen demands, and the participation of citizens (especially that of women) in governance expands, then support for the Bolivian democratic system will increase.

At the IR level, institutional change is measured primarily through milestones and other indicators of performance. At the SO level, we look for attitudinal changes that are best captured through surveys such as the DVS.

Beyond the need for SO level indicators, our objective with this revision is to integrate the entire SO into a coherent program with a nationwide focus, sufficiently ambitious to justify its investment, but also realistic and adaptable over time. What integrates the three IR's into a unified strategic objective is that all three aim toward the *creation of democratic values* that are essential to the sustainability of democracy. Without such a unifying vision, we run the danger of managing three separate IRs as if they were strategic objectives, with little in common except that they fall under the same management unit. We recognize that a time lag between the cause (institutional change and participation), however, we believe we can capture annual progress at the IR level. While the SO is nationwide and ambitious, we believe we can achieve the SO as stated because of strong local commitment, the influence of the USG, and close donor coordination over sufficient time. While the SO is precise, it deals with a problem broad enough to accommodate changes in the IRs when needed.

The Role of the DVS: The DVS measures two essential components of democratic culture: 1) tolerance and, 2) support for the democratic system. The 1998 Bolivia DVS found low levels of tolerance and system support. It further established that levels of tolerance were unaffected by any other variable, including education. A slight positive correlation was found with satisfaction with municipal performance. We have therefore concluded that except for improved municipal performance, USAID cannot significantly affect levels of tolerance.

On the other hand, the DVS found a strong cause-effect relationship between support for the

democratic system, and 1) satisfaction with the performance of democratic institutions, and 2) participation, particularly at the municipal level. This supports our hypothesis that more responsive democratic institutions -- judicial, legislative, and municipal -- will increase system support, affecting at least one of the two components of a democratic culture that we can affect within 5-8 years.

Among its findings, the DVS also established a strong correlation between participation in municipal governance and civil society, and support for the system. The democracy SO directly promotes participation in municipal governance (IR 3), through the creation of a participatory legal system¹ (IR 1), and closer links between uninominal representatives and their constituents (IR 2). Civil society participation is promoted in all three IRs, particularly in IR 3.

Refinement, not revision of the management contract: We are not significantly changing the management contract. Rather, parts of the results framework are refined to more accurately reflect measurable progress. The three program areas of rule of law, improved congressional representation, and local government remain. We have changed the wording of most of the objectives to more precisely capture what is measurable and in our manageable interest. Also, we intend to delete IR-level indicators that no longer correspond to our current program priorities, and are therefore no longer useful.

The DVS data will be collected in two ways: first, the DVS will be conducted *annually* in a sample of municipalities participating in the Democratic Development and Popular Participation (DDCP) project, and *nationwide* every other year. Baseline data for both data sets is now available from the 1998 DVS. The DDCP version of the survey is relatively inexpensive, and provides data on areas where USAID is heavily involved. This will provide a comparative database every other year with the national DVS.

One important advantage of using the DVS is that it displays significant differences between men and women in levels of participation and support, allowing us to set gender-specific targets where relevant.

Given the need to develop SO indicators, and the fact that the use of the DVS has been endorsed by the USAID/W technical team as an acceptable instrument for measuring progress, we believe that the revised results framework does not constitute a "significant" change to our management contract.

¹Through the creation of juries, oral trials, mediation, and recognition of community justice.