

Catholic Relief Services (CRS) Bolivia
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Sustainable Technical Assistance Services (STAS)
Final Progress Report

Country Name: Bolivia

Project Start Date: January 15, 2000

Project End Date: January 15, 2003

This Report covers the period from January 15, 2000 to January 15, 2003

Project Summary:

There is a high demand for agribusiness extension and production services in rural Bolivia. Agribusiness extension and production services have traditionally been donated and rarely continue beyond the life of a given project. *The STAS Program represents a commitment to long-term sustainability through the implementation of a demand driven, cost effective methodology, capacity building and empowerment of local organizations and project participants. The overall goal of the STAS Program is to improve the quality of life of rural families through income generation and the empowerment of rural women.* The STAS Program provides agriculture extension and production services in the areas of wheat and bean seed and animal production for national markets and fava bean production for the export market in 4 (Cercado, Mendez, Arce and O'Connor) provinces in the department of Tarija. Participants pay a percentage of the direct costs of agribusiness extension and production services.

Specific agribusiness extension services are designed based on surveys of local demand, and participants can select the service package appropriate to their needs. Responsiveness to local demand is enhanced and measured by the *continued willingness of program participants to pay for these services.* In addition, a local animal health service is managing the animal health component, a system which includes the creation of more than 35 community pharmacies and technical assistance on vaccinations, castration and instruction in the selection and care of animals. The health animal services provided by local promoters are recuperating 90% of the direct cost, which includes the value of the veterinary product and the labor of the promoter. The reduced follow-up cost of the implementing partner is not included.

The STAS approach enables CRS Bolivia and its Implementing Partner, *Acción Cultural Loyola* (ACLO), to expand outreach and deepen the impact of the existing wheat and bean seed production program and provides new services in animal health and fava bean production. ACLO has worked in crop and animal production in Tarija for more than 25 years. One of its most successful programs is its wheat and bean seed production program in which it has worked for nine years. In fava bean production, ACLO has introduced agribusiness services for transforming production for the export market. These services are built upon ACLO's two years of experience in fava bean production for local markets in Tarija and through a consultancy with ASOMEX and CYCASUR, two agricultural marketing organizations that provide export marketing services.

A total of 1,130 families in 40 communities benefit from participation in agribusiness extension and production services within the STAS project. Approximately 954 families in 36 communities participate in animal health activities; 116 families in 10 communities participate in wheat seed production activities; and 63 families in 5 communities participate in fava bean production. Agribusiness extension and production services are now financed by 20% through a fee system managed by the community organization OMCSA.

Through the STAS Program, CRS Bolivia ensures high-quality implementation of an integrated package of business services that features cost recovery mechanisms, financial sustainability and finite dependence on donor funds. CRS Bolivia has provided the following technical inputs:

- ✓ Technical assistance and training in mechanisms for sustainable agribusiness extension;
- ✓ Technical assistance and training in service fee collection and management;
- ✓ Design and oversight of audits and controls.
- ✓ Development of technical packages and training modules.

In addition to the experience of staff in Bolivia and support from the STAS Program, the project has received technical support from the agency's Agriculture Technical Unit located in CRS Headquarters in Baltimore and in the Latin America and Caribbean Regional Office (LACRO).

Project Implementation & Monitoring

During the beginning of the project much effort was put in start up activities. The first semester was spent in negotiations and organizing with local counterpart agencies, securing the availability of certified Fava Seeds through the Bolivian Institute of Technical Assistance (IBTA), preliminary meetings with ASOMEX as the marketing intermediary for fava bean exports, requesting waivers for the purchase of restricted goods, staff hirings and conducting a market demand study in the department of Tarija which was the base for designing the technical assistance modules to be offered during project implementation.

During this time, informational discussions were held to determine the specific qualifications and quality control needed in Fava Bean export as required by ASOMEX. Export prices were also discussed as well as quality control and the need for a seed sorting machine was determined to be necessary.

During the same period meetings were held with the National Association of Oil Seed Producers (ANAPO) to discuss the STAS Project in reference to the Wheat and Bean Seed component. At that time, ANAPO representatives indicated that even though the current demand for wheat seed was low in Santa Cruz, this market definitely represents a potential market for wheat seeds produced in the highlands of Bolivia. They were expecting that the number of cultivated wheat hectares in Santa Cruz would increase in the following year or two.

A market demand study was implemented during the weeks of March 19th and 26th of 2000 in five municipal districts of the department of Tarija. This was done to determine the specific needs of farmers and to assess the probability of cost recovery for the technical assistance. Based on this study, the technical modules were designed.

Based on this preparation phase, the STAS project was carried out in 20 communities. A final selection of these communities was done as well as securing farmer/community leader (dirigentes comunitarios) sponsorship. Training modules were developed according to community needs within the overall parameters of the project (Fava Bean, Bean Seed, Wheat Seed & Animal Health) and specific themes within each modules were developed.

Also, meetings were held with the personnel of FONDECO and ACLO Tarija to work out the details of mutual cooperation and the establishment of the Technical Assistance services in the same communities where the village banks are operating. It was determined that village banks would work independently and continue to offer credit services to their associates. There was also an agreement reached in as far as work areas and what new communities FONDECO would begin working, in order to coincide with those that ACLO had already promoted in the STAS project.

By the end of the first semester of project implementation, a budget modification was requested, based on the delays to obtain waivers from USAID Washington for purchasing the veterinary products and other goods that were included in the original budget. Thus, budget modifications were made to the project so as to proceed with the purchase of agricultural inputs from CRS's budget contribution rather than from USAID's, this allowed the project to begin implementation in mid-April.

In addition, CRS Bolivia was unsure what reporting format needed to be used, since the project donor, USAID, funded the STAS project under the economic development office which required Profit and Loss statements as well as Balance Sheets, data which the STAS project was not able to collect since it was providing technical assistance, not promoting or creating new businesses. A visit by the USAID Contracting Officer managing this project pointed out the need to change the reporting format. Reporting mechanisms were modified to reflect more technical assistance activities rather than microenterprise economic data.

Finally, counterpart personnel changes were finished and a team re-established for the sole implementation of the STAS project, to improve the timely collection of data and its reporting.

Full implementation of the project began on October 1, 2000. Training modules were given according to community needs within the production objectives of the project (Fava Bean, Bean Seed, Wheat Seed and Animal Health). All twenty communities originally selected continued to participate in the project, and 20 additional communities were participating in the Animal Health component through the activities and work of an additional extensionist.

Communities Participating in the STAS Project

No	Communities	Component	Component	Component
	Municipality of San Lorenzo			
1	Alto Cajas	Wheat Seed	Animal Health	
2	Jarcas		Animal Health	
3	El Puente		Animal Health	
4	Peñadera		Animal Health	
5	Nogal		Animal Health	
6	San Lorenzo		Animal Health	
7	Pajonalito		Animal Health	
8	Alizar		Animal Health	
	Municipality of El Puente			
9	Papachacra		Animal Health	
10	Chilcayo		Animal Health	
11	San Antonio		Animal Health	Fava Bean
12	Pueblo Nuevo		Animal Health	Fava Bean
13	Chorcuya Mendez		Animal Health	Fava Bean
14	Campanario		Animal Health	Fava Bean
	Municipality of Cercado			
15	Gamoneda	Wheat Seed		
16	Canchones	Wheat Seed	Animal Health	Fava Bean
17	El Condor	Wheat Seed	Animal Health	
18	Junacas Sur	Wheat Seed	Animal Health	Fava Bean
19	Jaramillo	Wheat Seed	Animal Health	Fava Bean
20	Polla	Wheat Seed	Animal Health	
21	España Sur	Wheat Seed	Animal Health	Fava Bean
22	España Norte		Animal Health	
23	Junacas Norte		Animal Health	
24	Carlazo Centro		Animal Health	
25	Carlazo Sud		Animal Health	
26	Cieneguillas		Animal Health	
27	San Agustín Norte		Animal Health	
28	San Agustín Sud		Animal Health	
29	Morro Gacho		Animal Health	
30	Papachacra		Animal Health	
31	Rosario		Animal Health	
	Municipality of Entre Rios			
32	Narvaez		Animal Health	
33	Huayco Hacienda		Animal Health	
34	Huayco Centro		Animal Health	
35	Serere Limal		Animal Health	
36	Serere Sur		Animal Health	
37	Naranjos		Animal Health	

38	Valle del Medio		Animal Health	
39	Moreta		Animal Health	
40	Pajonal		Animal Health	

The work was carried out through the community's base organization with the support of the communal agriculture syndicate and/or other community based organizations. Each organized group elected a board to be in charge of coordinating all training activities, credit (where community banks do not exist) production, and marketing of products. These groups met periodically at the community level and were responsible for the cost recovery of the extension work and of any agriculture inputs provided by the project.

The project has provided continued capacity building through training modules and practical courses (in the field practice of de-worming, dipping and vaccination) with training emphasis placed on training the Veterinarian Promoters in each of the communities; in some communities, two or more participants were elected to be trained as Veterinarian Promoters to hedge against desertion. These Promoters are charged with the responsibility of doing follow-up visits to each campaign, continued de-worming of other community member's herds and expanding their veterinarian services beyond their own communities to include other nearby communities.

These Promoters were trained as microentrepreneurs to manage the Community Animal Health Kit. These kits were provided each community with veterinarian products, vaccines, medicines and instruments/materials. The Promoters are now doing the follow-up work, with additional de-worming and vaccinations campaigns that are carried out; in return the Promoters charge each client a fee which includes the cost of the re-stocking of materials used and a 10% service fee as incentive to the Promoter. As part of this process, business management training was provided to these Promoters. Workshops were carried out in Entre Ríos and the city of Tarija by IDEPRO, a local Business Management consulting firm, on:

- Cost/benefit analysis;
- Quality control; and
- Basic business administration.

Acceptance of the Animal Health component has been exceptional, farmers are paying their dues, recovering costs of the animal health kit, and are engaged in large de-worming parasite bathing and vaccination campaigns. The community of San Antonio built their own dipping tank using cost recovery funds and are now asserting a charge per head to other non group members. In addition, ACLO-Tarija has trained community vets to continue animal health activities and administer the village animal health kits.

The Wheat Seed component was coordinated with the PROTRIGO project in the Santa Ana watershed area. The PROTRIGO project was also being carried out by ACLO-Tarija and it was built on the experience and success they had in the past five years.

A meeting with the new National Director of ACLO, Father Rafael García Mora, was held in November 2000. Father García Mora was given an overall briefing of the STAS project and the status of activities. An accounting and financial training was also held for ACLO's accounting staff that manages the STAS project. This training was given by CRS Bolivia's financial control staff managing USAID funds. During the last week of November and first in December 2000, CRS Bolivia and ACLO staff working on the STAS project participated in an Agriculture Marketing Workshop in Quito, Ecuador. Topics included: Agriculture Marketing, Campesino Production Systems and their Relationships with Local Markets, Development and Marketing, Alternative Marketing Experiences in Ecuador, Marketing Opportunities, Integration Strategies in Agricultural Marketing in the Andean Region, Agriculture Marketing for NGOs, and CRS experiences in Marketing Agriculture Products.

More coordination meetings were carried out during January 2001 between ACLO-Tarija and FONDECO to develop a cost recovery strategy, the training of community groups managing the

cost recovery fund and coordinating the technical assistance activities with those of Village Banks.

The following summary charts show the results obtained over the time, as a consequence of the implementation of project activities, such as training modules and the technical assistance services provided by ACLO and the sale of health animal services provided by the local promoters trained by the project. The charts are presented for every production component (Fava bean, seeds and animal health).

Fava Bean Production (September to July)

Period	# of Families	# of Hectares	Production (ton)	Gross Income (US\$)
2000/2001	58	40	26.05	\$6,575
2001/2002	73	59	49.22	\$11,855
2002/2003	63	55	N/A	N/A

Wheat and Bean Seed Production (October to June)

Period	# of Families	# of Hectares	Production (ton)	Gross Income (US\$)
2000/2001	109	49	56.16	\$20,974
2001/2002	114	53	60.30	\$22,284
2002/2003	116	55	N/A	N/A

Animal Health Services (January to December)

Period	# of Families	# of communities	# of Animals	# of Promoters
2000	64	7	3,000	N/A
2001	669	40	32,136	25
2002	954	36	45,250	34

Project Sustainability and Evaluation

Once the projects were approved, the executors proposed to conduct a study on the market demand, since technical assistance was to be based on local needs for technical assistance. In this way, the client beneficiaries could select from a general menu of options.

The main purpose of the study was to determine the demand for training and technical assistance on behalf of farmers in the selected regions. This permitted the implementing institution, ACLO, to elaborate a menu of specific modules in agricultural and agribusiness technical assistance. Previous institutional experience and cost recovery potential were taken into consideration.

This study applied methodologies of participatory rural appraisal. Two participatory activities were developed and executed in each selected community. Moreover, group interviews were administered following each participatory activity, as well as individual interviews to at least two farmers. Additionally, six surveys were conducted to livestock markets, to determine the market for improved products.

The most important conclusions were as follows:

- High level of women participation in the diagnostic (46% of all participants in the twelve communities).
- The overlap between training needs and the services that the STAS project offers was high.
- All 12 of the interviewed communities showed a high level of need for commercialization and marketing. The needs included information about prices, markets, sale times, and credit access.
- The baseline collected on production in the major crops by community offered only generalized information.

- It is obvious that the degree of cost recovery depends on the quality of the technical assistance and its results.
- The goals delineated for the STAS project should be taken into account, specifically those specified as the number of families per community for the first year of the project execution, taking into consideration indicators of levels of enthusiasm, probability of successful results and cost recovery.

By the end of 2001, an intermediate evaluation was implemented with the participation of an external consultant, the Regional Technical Advisor for CRS/LACRO, the CRS Bolivia Agriculture Program Manager and ACLO Tarija technical staff. The recommendations from this evaluation were focused on the need to continue with the Fava Bean production given that 2 years of work would not be enough to ensure the adoption of this practice. Also, the marketing component for fava bean exports should be expanded to other marketing organizations besides ASOMEX, given that the dependency on one intermediary would put the communities in risk due to low prices offered.

In terms of wheat and bean seed production, based on ACLO's experience, the project should focus on areas where the weather risks are lower and the soil conditions are better to ensure greater success of this component, provided that variability in production results will be more uniform. However, a marketing strategy for this component must be developed, which may include the establishment of a marketing fund, direct contacts with large farmers in Santa Cruz and marketing through ANAPO, the large soybean and wheat growers association in Santa Cruz.

Related to the animal health component, the activities must be centered on the consolidation and expansion of the health services provided by the Veterinarian Kits administered by the veterinarian promoters. This is the component that presents a greater potential for sustainability given that the communities are paying for the health services in more than 90% of the cases. The Veterinarian Health Kits have become self sufficient and those figures are reflected in the table below. The sustainability component of the Vet Kits follows a demand strategy, whereas the local Vet. Promoter charges each community member a fee for services rendered. 90% of this fee is used to re-supply the Vet Kit and the additional 10% goes as his/her honorarium.

Once the technical assistance modules were defined, each participant group was responsible for collecting the fees of each training module. These fees were not gradually increased from year one to the next, since the economic situation in rural Bolivia has worsened and clients have expressed a high interest in the program but do not have the necessary cash flow to be able to pay for more than the equivalent of US\$1 per course. The cost recovery ratio remained at 20% over the project.

Each community fund was managed either by the treasurer of the group or by the local village bank, if one existed in the area. In addition, 100% recovery has occurred in the agriculture inputs. Of the initial US\$ 6,575.00 used to purchase the fava seeds, all was recovered by ACLO in the sale of the first 26.05 metric tons of beans produced. This fund is managed by ACLO to re-purchase seeds for the next planting campaign. In addition, close to US\$10,750 was also recovered by ACLO in the sale of wheat seed in the spring, but due to the bumper crop in the production of wheat in countries surrounding Bolivia, the wheat seed market in the Santa Cruz area has greatly diminished. Therefore it is not expected that ACLO will recover the rest of the investment until mid-2004.

STAS PROJECT TARGETS:

Animal Health Targets	Proposed Targets		Targets Reached	
	Year 2000	Year 2001	Year 2001	Year 2002
Number of clients (family units) served	650	1,300	669	954
Percentage of clients attending training courses who are female	30%	40%		42%
Number of animal units vaccinated and de-	12,350	24,700	32,136	45,250

wormed				
Decrease in animal mortality rate	30%	50%	N/A	18%
Number of healthy animal certificates issued	11,700	23,500	300	2,500
Increase in price per sheep/goat (Treated animal vs. Non treated animal)	6%	16%	N/A	N/A
Increase in price per cow (Treated animal vs. Non treated animal)	10%	31%	N/A	N/A
Percentage of clients making service payments on time	95%	97%	85%	93%
Cost recovery ratio of animal health services (income from fee/costs of services)	56%	70%	90%	90%
Cost recovery ratio of training in animal health (income from fees/costs of services)	37%	65%	20%	20%

Note: The health certificates were provided on a family basis, not per animal as originally proposed

Fava Production Targets	Proposed Targets		Targets Reached	
	Year 2000	Year 2001	Year 2001	Year 2002
Number of clients (family units) served	100	220	58	73
Number of metric tons produced	45	99	25.97	49.22
Total export value	\$26,730	\$58,806	\$6,632	\$11,855
Increase in fava productivity (yield/ha)	15%	25%	25%	25%
Increase in price (Export grain/Grain for local market)	30%	69%	112.5%	100%
Cost recovery ratio (income from fees/service costs)	15%	32%	20%	20%
Percentage of clients making service payments on time	95%	97%	60%	60%

Seed Production Targets	Proposed Targets		Targets Reached	
	Year 2000	Year 2001	Year 2001	Year 2002
298 Number of clients (family units) served	150	298	109	114
Number of metric tons produced	140	275	56.16	60.30
Total market value	\$60,900	\$119,625	\$20,754	\$19665
Increase in wheat seed productivity (Seed production vs. Grain production)	15%	26%	56%	44%
Increase in wheat seed price (Wheat seed vs. Wheat grain)	150%	150%	112.5%	87.5%
Cost recovery ratio (income from fees/service costs)	27%	48%	20%	20%
Percentage of clients making service payments on time	95%	97%	60%	60%

Even though the achieved targets were lower than proposed, the project represents a good initiative in search of economic sustainability for technical assistance services. Despite the critical economic situation of the country, farmers were willing to pay at least 20% of the technical service offered by ACLO, a local NGO that traditionally was offering technical assistance for free, with the support of external funding. The communities value more the importance of training and technical assistance, and start to ask for quality in the service provided by ACLO's staff.

On the other hand, the animal health services provided by the local veterinarian promoters represents a good alternative for the implementation and consolidation of local small animal health businesses. The promoters recover the value of the veterinarian products and are including an extra cost for their work. Over time, it is expected that these local veterinarian kits will become self-sufficient as they are better known by other communities who may require their services. Following this trend, the

project has improved the equipment and stock of the veterinarian kits by the end of the project.

Though the project has concluded its funding from USAID and CRS Bolivia, ACLO will continue activities with all components, based on the potential for replication and the new institutional strategy of implementing new alternatives for income generation in search of economic sustainability over the time. ACLO is well equipped with training materials and equipment, and can locally develop educational and training materials, based on the experiences with participant communities.

Financial Section (Budget)

Please see the attached budget spreadsheet.