P.L. 480 TITLE III PROGRAM

FOOD FOR DEVELOPMENT PROGRAM (F.D.P.)

ANNUAL REPORT

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La Paz, Bolivia

P.L. 480 TITLE III PROGRAM

ANNUAL REPORT

FOOD FOR DEVELOPMENT PROGRAM (FDP)

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FOOD FOR DEVELOPMENT PROGRAM
P.L. 480 TITLE III

CHAPTER I
PROGRAM GENERAL REPORT

Implementation of the Food for Development Program (FDP) during 1984 was generally positive, in spite of Bolivia's adverse socio-economic situation which constantly restricted the development of Program activities.

The process of economic deterioration started at the same time as the Food for Development Program in Bolivia (1978) and reached a critical point in 1984. The inflation rate for 1984 is estimated to be over 1,000 percent, an unprecedent figure in the history of Bolivian economics.

The Gross National Product (GNP) decreased for the third consecutive year, and was equal to the level of GNP reached ten years ago. Export value fell by approximately 25 percent due to a reduction in the volume of mineral exports, and the decrease in international prices for the most important metals such as tin. Import value diminished by approximately 28 percent, severely restricting the supply of equipment and raw materials to private and public industries. In summary, the Bolivian economy can be characterized as presently confronting a "stagflation" phenomenon with no relief in sight over the short run.

The Government's efforts to solve the economic crisis have been fruitless. The adoption of corrective measures has deepened social unrest which has been expressed by labor strikes and work stoppages. It is literally true to say that there was not a single day in 1984 without labor stoppages, strikes, road blockages, or protest marches. This climate of social unrest has caused irregular schedules for all productive activities and has worsened in already severe economic crisis.

This situation has also limited development of the P.L.-480 Title III Program. The project's implementing agencies, most of them from the public sector, were confronted with severe financial restrictions which prevented them from maintaining the work place set in previous years. Institutions such as the Departmental Development Corporations (DDC), which in former years used to have acceptable human and economic resources, were crippled by a lack of both human and economic resources. The galloping inflation had a double impact on the Program; on the one hand, it diminished the purchasing power of pesos in the special account, and on the other, it restrained the investment pace of project implementing agencies, because constant price fluctuations and bureaucratic purchasing procedures in the public sector made the timely acquisition of materials and supplies very difficult.

Internal economic distortions, also expressed in the existence of an official exchange rate and a black market exchange rate three times higher than the former, implies a nominal overvalue of Title III Program resources. The Program received funds at the official exchange rate but financed investments based upon the black market rate which was often three times higher, because of the extreme difficulty of obtaining foreign exchange at the official rate.

The scarcity of foreign exchange also restricted the importation of equipment and inputs for Title III projects; and it has, in many instances, postponed the implementation of new investments.

The atmosphere of social unrest also hampered the Program's development. Supervision work has been halted in many instances by strikes and stoppages. At one time, the entire public sector stopped work for more than a month. During this time the Title III Program was unable to make any disbursements because the Project Control and Coordination Department at the Ministry of Finance, which is in charge of issuing checks, participated in the stoppage. Another Devastating halt was the Bolivian Central Bank strike which lasted for more than a month, and froze all funds in the Program's Special Account.

In spite of the adverse socio-economic environment just described above, the Title III Program made significant accomplishments during this period. Approximately two million dollars of agricultural credit funds were channeled to four integral cooperatives and used to plant 12,290 hectares of corn, soybeans, cotton and potatoes. These loans benefited 4,585 families. The wheat seed multiplication project in Eastern Bolivia provided seeds for over 1,000 farmers and made possible the planting of 8,500 hectares of commercial wheat.

Another important accomplishment was the opening of Title III financing to investments by the private sector through the commercial banking system. This innovation was especially important because most public sector institutions, burdened by the economic crisis, were practically paralyzed.

Using funds from the "Amplified Small Farmers Credit" project, eight productive projects were financed which totaled approximately 1 million dollars and benefited 1,300 individuals. Project personnel expect that these eight projects demonstrate the tremendous potential offered to the PL-480 Program by expanding availability of PL-480 credit resources to the private sector.

Similarly, as the number of public sector investment projects being submitted by the Departmental Development Corporations (DDCs), has declined, the PL-480 Program has begun to finance private sector projects promoted by the DDCs which use local currency supplied by Title III (Sub-project No. 6 - Rural Development Projects) and dollar contributions from AID Loan No. 511-T-064 which have been

supplemented by funds from the private banking system. Since August, six projects have been approved under this method. The PL-480 Program expects to continue disbursing funds under this mechanism, because it provides foreign exchange needed to import equipment and inputs, and because of the impressive investment potential of the private sector.

Activities of the Contagious Disease Control project have intensified during 1984. Besides maintaining a normal place in the activities of Malaria Eradication, Extended Immunizations, Yellow Fever Control and Eradication, and Tuberculosis Control programs, the Ministry of Social Welfare and Public Health successfully carried out national campaigns addressed to control Poliomyelitis, Measles, and Tuberculosis.

As it can be seen in the detailed project review section, implementation progress for the "Campesino Scholarships" program, The "Economic Policy Analysis Unit" project, and the Secretariat for the Development of the Bolivian Tropics" project were impressive. All of these sub-projects are making significant contributions to the country's social and economic development.

The GOB's compliance with the Program's policy commitments was mixed. Nevertheless, some GOB actions related to the policy commitments were relatively impressive as compared to the accomplishments of previous years. These accomplishments demonstrated the Government's firm decision to comply with its commitments.

The Program's administration was normal throughout the year, as once again, all entities involved with implementation cooperated in an efficient and spontaneous manner.

CHAPTER II.

POLICY COMMITMENTS

A. Introduction

The policy commitments assumed by the Government of Bolivia through Amendment No. 8 to the Agreement for Sale of Agricultural Commodities were complied with to a larger extent than in previous years notwithstanding the most adverse socio-economic conditions.

The Government's efforts to put into practice the reorganization of the Ministry of Agriculture and Campesino Affairs as well as to undertake concrete actions to improve national wheat production are commendable.

The GOB also made significant increases to the budget for the health sector, in spite of critical financial limitations.

B. Reorganization of MACA

In January 1981, the Ministry of Agriculture and Campesino Affairs (MACA), the Agriculture and Farming Policy Commission, the Chamber of Deputies, and the PL-480 Title III Program sponsored the second National Agriculture and Farming Symposium in the city of Trinidad, with the participation of more than 200 representatives of public as well as private institutions linked to the agriculture sector. It was decided at the symposium that MACA and the Agricultural Policy Commission of the Chamber of Deputies would prepare a draft law to be submitted for consideration to the National Congress which would reorganize and decentralize MACA.

Later on, in March 1984, MACA submitted a "Project for the Spatial and Institutional Reorganization of the Agricultural Public Sector" to the Agricultural Policy Commission and finally, in August 1984, a Supreme Decree was drafted and presented to both the National Congress and the President. Thus far, neither the Congress or the President have approved the draft Supreme Decree.

In order to establish the pre-conditions needed for an eventual institutional reorganization of the Ministry of Agriculture and Campesino Affairs, the MACA Executive Council, and the MACA Departmental Executive Councils were established by Ministerial Resolution NO. 257/84, for the purpose of implementing decentralization of the public agricultural sector.

C. Increase in Real Terms of the Health Sector Budget

The health sector received special attention by the Bolivian government during 1984. Besides maintaining or increasing the regular activities aimed at preserving the people's health, the Ministry of Social Welfare and Public Health undertook very successful campaigns to eradicate or reduce certain diseases such as Poliomyelitis, Measles, and Tuberculosis.

These important activities in the health sector were possible because the Government, notwithstanding the critical financial situation, gave priority to funding requests for the health sector.

The health sector budget which was drastically reduced during 1981 and 1982, and had a slight increase during 1983, was given a substantial raise in 1984, exceeding the amount disbursed in the 1979-1980 period, as may be seen in the following table:

BUDGETARY DISBURSEMENTS OF THE

MINISTRY OF SOCIAL SECURITY AND PUBLIC HEALTH

(In million of constant 1979 Bolivian Pesos)

Year	$b.	Variation %
1979	1,049,9	-
1980	1,440,3	37
1981	653,7	-45
1982	-387,9	-59
1983	435,7	12
1984 (*)	2,953,5	577

Source: 1979-1983 Banco Central de Bolivia
1984: Ministry of Finance

(*) Estimated on the basis of disbursements to June, 1984.

Consequently, this commitment has been complied with by the Government of Bolivia during the present 1984 period.

D. Incentives for National Wheat Production

Compliance with this commitment has been the most conflictive one. Under the Agreement, the GOB is committed to review wheat prices each quarter in order to keep local wheat prices at the same level as international prices. The Government's efforts to increase the

price of domestic wheat flour was strongly resisted by social and labor forces and also by political parties opposed to the government. Obviously, a depressed price for wheat flour means a strong subsidy on the part of the Government. Distortions such as this are planned to be gradually eliminated under the "National Rehabilitation and Development Plan" proposed by the present government which also intends to establish a price policy aimed at improving farm incomes.

There are no problems in connection with the commercialization of locally produced wheat, even though the wheat collection system adopted by the Ministry of Industry and Commerce was paralyzed during this year. In spite of this situation, the private flour mills absorbed the entire supply of wheat flour which was used to manufacture noodles, bread and other products.

Important advances were made by the wheat seed multiplication program which is financed by Title III resources. This program is being implemented by the Tropical Agriculture Research Center (CIAT) in Eastern Bolivia, and involves more than 2,000 farmers in the process of seed multiplication on an area of approximately 1,000 hectares. Seeds from this program were used to plant 8,500 hectares of commercial wheat during the 1984 winter period with yields exceeding 1,500 kilograms/hectare.

Similar programs are under study and will be implemented in the Departments of Chuquisaca and Cochabamba, which are traditional wheat production areas.

CHAPTER III

FINANCIAL REPORT

A. Introduction

During 1984, the PL-480 Title III Program had sufficient funds to meet financial requirements of the projects, in spite of the Government's delay in disbursing funds to the Program's Special Account.

During this period, the Government of Bolivia modified the official exchange rate three times. In November 1983, the exchange rate was modified from 200 Bolivian Pesos to 500 Bolivian Pesos per U.S. Dollar. In April 1984 the exchange rate went from 500 to 2,000 Pesos per Dollar, and finally in August 1984, it was increased from 2,000 to 5,000 Pesos per U.S. Dollar. These measures resulted in substantial losses for the Program, because pesos in the project's special account were reduced in terms of dollars by the same proportion as the devaluations. These losses were only partially compensated by interest earnings from savings accounts which hold Program funds the one not required in the short run. In any case, savings accounts are a better alternative than keeping all project funds in non-interest earning Central's Bank accounts.

The Government of Bolivia still owes the Program, the equivalent of approximately 24 million dollars. The GOB has committed itself to provide resources to the Title III Program whenever they are needed for disbursements to sub-projects, but it has not always complied with this commitment.

B. Funds Generation

Disbursements on the part of the Government of the United States through the Commodity Credit Corporation (CCC), for grain imports under the Title III Program have substantially exceeded the amount originally approved under the 1978 Agreement for Sale of Agricultural Commodities. In fact, this Agreement stipulated a contribution of US$75 million over a period of five years. However, the Government of the United States of America extended the Agreement to 1984, and increased the CCC disbursement amount to US$90,650,379.30 (Table No. 1). This extension shows the U.S. Government's commitment to Bolivia's democratic process, and a desire to help Bolivia recover from problems caused by the 1983 drought and flooding disasters.

TABLE NO. 1
P.L. 480 TITLE III PROGRAM

COMMODITY CREDIT CORPORATION (CCC) DISBURSEMENTS

DATE	P.A.	US$
7-25-78	7007	801,060.--
7-27-78	7007	1,359,912.36
8-09-78	7007	862,584.37
8-10-78	7007	2,742,725.37
9-18-78	7007	3,081,053.84
11-10-78	7008	1,392,865.85
1978 Shipments		10,240,201.79
7-02-79	7009	4,546,377.45
8-03-79	7009	868,218.92
8-10-79	7009	1,386,776.13
8-10-79	7009	868,515.57
9-04-79	7009	4,165,485.87
1979 Shipments		11,835,373.94
1-24-80	7010	2,414,489.66
1-25-80	7010	2,560,051.81
5-27-80	7011	3,937,588.50
6-04-80	7011	2,168,663.41
6-06-80	7011	891,080.02
6-19-80	7012	1,231,803.86
8-08-80	7012	970,118.08
8-15-80	7012	1,940,119.03
8-22-80	7012	970,118.08
1980 Shipments		17,084,032.45
9-28-82	7013	690,586.62
9-29-82	7013	4,892,852.80
9-30-82	7013	4,144,649.24
1982 Shipments		9,728,088.66

Date	P.A.	US$
6-13-83	7014	5,014,170.75
7-15-83	7014	4,345,368.21
7-26-83	7014	4,427,601.74
8-29-83	7014	4,252,646.54
9-16-83	7015	2,371,978.41
9-20-83	7015	1,345,154.94
9-21-83	7015	1,407,347.62
9-23-83	7015	1,193,156.81
9-29-83	7015	2,141,881.78
9-30-83	7015	56,256.71
10-25-83	7015	284,200.16
8-31-83	7016	4,974,923.50
1983 Shipments		31,814,687.17
5-23-84	7017	5,354,923.10
6-04-84	7017	4,593,072.19
1984 Shipments		9,947,995.29
TOTAL		90,650,379.30

In its turn, the Government of Bolivia, through the country's General Treasury (TGN) deposited the equivalent of US$ 66,547,083.11 (See Table 2) in the Program's Special Account. Therefore, there is still an outstanding balance of US$ 24,103,296.19 owed to the Program. This commitment on the part of the Government of Bolivia is wholly delinquent because Amendment No. 10 of the Agreement establishes that the deposits should be made "within 90 calendar days subsequent to the Commodity Credit Corporation disbursement".

It should be pointed out, however, that the 90-day term between the CCC disbursements and the deposit to be made by the Government of Bolivia in the Program's Special Account is not sufficient, because the time required for the importation and commercialization of wheat in the local market takes more than three months.

Also, since the domestic price for imported wheat is subsidized, sales of imported wheat on the local market do not generate enough funds to cover the GOB's commitments to the Title III Program, and the General Treasury is compelled to use its own funds to make up the shortfall.

Given the extremely critical financial situation of the central government and of the economy as a whole, it is difficult for the GOB to satisfactorily comply with it's commitment to the Title III Program. Nevertheless, the GOB has responded to requests for additional funds from the Program's Executive Secretariat and the USAID/B Mission, and the government has made partial disbursements to maintain an acceptable level of liquidity in the Program.

C. Funds Utilization

Table No. 3 shows the annual amounts disbursed to Title III projects, expressed in U.S. Dollars taking into consideration the different exchange rates in force at the time of the disbursement. The total amount disbursed up to September 1984 represents the equivalent of US$ 31,634,993.59. In addition to financing Title III projects, loans were made to the "Disaster Recovery Project" (Loan AID 511-F-069) for an amount equivalent to US$ 888,000 which will be recovered from funds generated by the sale of Agro-chemicals imported by this project. These loans have resulted in losses to the Title III Program. For example, the loan granted to the Title II P.L. 480 Program in the amount of $b. 909,878,448 was equivalent to US$ 2,535,525.75 at the time the disbursement was made, but since the loan was in Bolivian Pesos it represented only US$ 454,993.22 on the date when it was repaid as a result of modifications in the exchange rate.

TABLE NO. 2

PL-480 TITLE III PROGRAM

DEPOSITS IN THE PROGRAM'S ACCOUNT (TGN)
(as of September 30, 1984

Date	$b.	Rate of Exchange	US$
3-09-79	17,579,469.46	20.40	861,738.70
4-26-79	42,700,530.54	20.40	2,093,163.26
4-30-79	46,415,000.00	20.40	2,275,245.10
7-19-79	61,535,000.00	20.40	3,016,421.57
8-22-79	29,688,000.00	20.40	1,455,294.12
9-06-79	204,000.00	20.40	10,000.00
10-05-79	9,032,386.94	20.40	442,764.07
1-17-80	1,554,512.64	25.00	62,180.51
1978 Shipments	208,708,899.58		10,216,807.33
2-29-80	114,677,764.76	25.00	4,587,110.59
3-25-80	61,035,569.65	25.00	2,441,422.79
2-16-81	80,869,564.50	25.00	3,234,782.58
7-23-81	33,736,165.48	25.00	1,349,446.62
1979 Shipments	290,319,064.39		11,612,762.58
10-23-80	34,265,687.06	25.00	1,370,627.48
11-27-80	53,617,665.29	25.00	2,114,706.61
2-29-80	21,305,437.72	25.00	852,217.51
7-28-81	304,871,928.18	25.00	12,194,877.13
1980 Shipments	414,060,718.25		16,562,428.73
2-21-83	872,351,000.00	196.00	4,450,770.41
6-13-83	27,747,000.00	196.00	141,566.33
8-03-83	335,535,792.11	196.00	1,711,917.31
8-26-83	335,535,792.11	196.00	1,711,917.31
10-13-83	335,535,792.11	196.00	1,711,917.31
1982 Shipments	1,906,705,376.33		9,728,088.67

Date	$b.	Rate of Exchange	US$
9-07-83	506,154,000.00	196.00	2,582,418.37
9-23-83	309,348,000.00	196.00	1,578,306.12
11-17-83	622,581,000.00	196.00	3,176,433.67
12-29-83	1,891,517,000.00	500.00	3,783,034.00
2-02-84	1,239,688,800.00	500.00	2,479,377.60
3-12-84	123,214,697.38	500.00	246,429.39
6-12-84	104,351,724.06	2,000.00	52,175.86
6-13-84	53,401,028.68	2,000.00	26,700.51
6-18-84	17,832,300.00	2,000.00	8,916.15
6-26-84	16,911,500.00	2,000.00	8,455.75
6-29-84	18,919,101.00	2,000.00	9,459.55
8-30-84	2,381,416,201.00	5,000.00	476,283.24
9-05-84	974,282,572.00	5,000.00	194,856.51
9-17-84	166,060,765.00	5,000.00	33,212.15
9-17-84	8,794,677,236.00	5,000.00	1,758,935.45
9-18-84	10,000,000,000.00	5,000.00	2,000,000.00
9-24-84	60,007,404.00	5,000.00	12,001.48
1983 Shipments	27,280,363,329.12		18,426,995.80
TOTAL	30,100,157,387.67		66,547,083.11

TABLE No. 3
P.L.-480 TITLE III PROGRAM
SPECIAL ACCOUNT DISBURSEMENTS
AS OF SEPTEMBER 30, 1984
(US$)

PROJECT	1979	1980	1981	1982	1983	1984	TOTAL
1. National Wheat Production Promotion	562,259.80	661,466.50	730,795.--	- . -	59,260.90	- . -	2,013,782.20
2. Integral Cooperatives Development	50,563.20	556,690.80	250,806.37	48,756.95	997,703.74	981,546.72	2,886.067.78
3. Community Roads and Transport Infrastructure	588,235.29	483,730.97	- . -	58,799.49	11,828.61	150,000.--	1,292.594.36
4. Reorganization of MACA	24,071.03	82,000.--	40,000.--	126,728.89	281.638.84	70,519.95	624,958.71
5. Pesticide Control and Plant Quarantine	213,493.63	300,000.--	317,794.01	81,521.41	- . -	- . -	912,809.05
6. Rural Development Projects	328,212.61	1,913,309.57	1,570,512.98	388,437.22	1,924,328.05	500,961.65	6,625,762.08
7. Community Conservation	- . -	279,734.60	145,646.13	37,991.15	61,557.92	- . -	524,929.80
8. Small Irrigation Systems	56,915.39	264,444.13	535,361.94	98,013.49	138,341.46	74,962.25	1,168,038.66
9. Amplified Small Farmer Credit Program	1,518,031.52	3,422,400.--	- . -	153,069.03	1,564,328.04	381,303.36	7,039,131.95
10. Campesino Scholarships	1,000.--	163,600.--	134,689.19	146,635.20	276,650.27	117,606.65	840,181.31
11. Rural Development Studies	- . -	32,155.15	23,154.82	30,214.72	126,607.17	106,975.59	319,107.45
12. Contagious Disease Control	1,230,151.62	1,178,074.88	894,385.09	435,719.65	654,601.70	710,668.53	5,103,601.47
13. Health Projects	245,538.64	331,905.02	228,094.97	- . -	- . -	68,088.65	873,627.28
14. Economic and Sectorial Policy Analysis Unit	- . -	- . -	- . -	- . -	51,020.41	125,000.--	176,020.41
15. Secretariat for the Development of the Bolivian Tropics	- . -	- . -	- . -	- . -	- . -	166,322.89	166,322.89
16. Program Administration	268,248.34	204,003.20	232,000.-	122,801.84	124,143.11	116,861.70	1,068,058.19
	5,086,721.07	9,878,514,82	5,103,240.50	1,728,689.04	6,272,010.22	3,570,817.94	31,634,993.59

Devaluations of The Bolivian Peso over the life of the Program represented a loss to date of 30,692,494.12 U.S. Dollars, an amount almost equivalent to the disbursements made during 1984. The program's Bank balance is currently the equivalent of US$ 3,331,595.40.

D. Interests Generated

Under Amendment No. 8 to the Agreement for Sale of Agricultural Commodities, dated April 8, 1983, the Program was authorized to deposit in interest-bearing bank accounts funds not required in the short run, in order to partially compensate for the loss in purchasing power of such funds. The first deposits were made in mid-July 1983. As of September 1984, interest credited for these deposits represents the equivalent of US$ 478,236 ($b 2,391,180,099) See Table No. 4.

As may be seen the devaluation loss suffered by the Program throughout the six years of this implementation is more than 30 million dollars, while the compensation through interest generated is only US$ 478,236.

E. Financial Summary

The Title III Program's financial situation as of September 30, 1984 can be summarized as follows:

	US$	US$
CCC Disbursement	90,650,379.30	
Deposits by the TGN*		66,547,083.11
Balance to be deposited by TGN		24,103,296.19
	90,650,379.30	90,650,379.30

* The Nation's General Treasury.

TABLE No. 4

P.L.-480 TITLE III PROGRAM

SAVINGS ACCOUNTS MOVEMENT
As of September 30, 1985
($b.)

Date	Deposits	Interest (1)	Withdrawals	Balance
7-13-83	200,000,000			200,000,000.-
8-16-83	250,000,000			450,000,000.-
9-01-83	200,000,000			650,000,000.-
9-09-83	300,000,000			950,000,000.-
9-09-83	200,000,000			1,150,000,000.-
9-26-83	250,000,000			1,400,000,000.-
11-17-83	400,000,000			1,800,000,000.-
1-04-84	300,000,000			2,100,000,000.-
1-04-84	300,000,000			2,400,000,000.-
1-04-84	300,000,000			2,700,000,000.-
1-04-84	300,000,000			3,000,000,000.-
2-10-84	300,000,000			3,300,000,000.-
2-10-84	400,000,000			3,700,000,000.-
2-10-84	300,000,000			4,000,000,000.-
3-30-84			100,000,000	3,900,000,000.-
6-29-84			700,000,000	3,200,000,000.-
6-29-84			700,000,000	2,500,000,000.-
7-17-84			400,000,000	2,100,000,000.-
7-23-84		150,000,000	500,000,000	1,750,000,000.-
7-23-84			150,000,000	1,600,000,000.-
7-23-84			300,000,000	1,300,000,000.-
8-22-84		301,848,483	501,848,483	1,100,000,000.-
8-24-84		227,220,444	627,220,444	700,000,000.-
8-30-84		359,275,970	809,275,970	250,000,000.-
8-30-84		620,706,948	870,706,948	- . -
8-30-84		732,128,254	732,128,254	- . -
9-20-84	3,200,000,000			3,200,000,000.-
9-20-84	2,400,000,000			5,600,000,000.-
9-20-84	1,600,000,000			7,200,000,000.-
9-20-84	800,000,000			8,000,000,000.-
9-20-84	3,200,000,000			11,200,000,000.-
9-20-84	2,400,000,000			13,600,000,000.-
9-25-84	1,600,000,000			15,200,000,000.-
9-25-84	400,000,000			15,600,000,000.-
9-25-84	400,000,000			16,000,000,000.-
TOTAL	20,000,000,000	2,391,180,099	6,391,180,099	16,000,000,000.-

(1) Only interest credited

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Deposits made by the TGN in the Program's special account were used as follows:

FUNDS' UTILIZATION SUMMARY

	US$	US$
- Deposits by TGN	66,547,083.11	
- Disbursements to Title III Projects		31,634,993.59
- Loan to Disaster Project		888,000.00
- Devaluation Losses		30,692,494.12
- Bank Balance		3,331,595.40
TOTAL	66,547,083.11	66,547,083.11

CHAPTER IV.

PROGRAM ADMINISTRATION

A. Introduction

It is worth pointing out that the autonomous administration of the Title III Program established by the Agreement and which is now being put into practice has been positive from all points of view. The Executive Secretariat has worked very closely with the USAID/B mission on the one hand, and with the Project Control and Coordination Division of the Ministry of Finances, on the other. This mutual cooperation substantially facilitated the financing as well as the project supervision work. Another key reason for the success of Title III Program has been the very low turnover of Executive Secretariat personnel, which has provided continuity for the Program's sub-projects.

The role played by the four institutions involved in the Program's Administration during 1984 is described below.

B. Joint Commission for Rural Development

The Joint Commission for Rural Development (JCRD) is composed of the five sub-secretaries of the Ministries of Finance (President), Industry and Commerce, Agriculture and Campesino Affairs, Social Welfare and Public Health, and Planning and Coordination. The JCRD is the Program's ruling body.

JCRD activity was marginal during 1984 because of changes in personnel and, due to the special attention Ministers and Sub-secretaries gave to pressing social, economic, and political matters which absorbed practically all of their time. The JCRD met only once this year to be briefed on Program related actions.

In view of this situation, the Executive Secretariat was forced to maintain direct contact with the Minister of Finance to coordinate the Program's activities and to normalize the Government's commitments toward the Title III Program. Due to this direct contact, it was possible to speed up deposits to the Special Account by the Nation's General Treasury.

C. Executive Secretariat

As in previous years, the Secretariat has shown a high degree of efficiency in its project evaluation and supervision work, even though its duties have been increased during 1984. The Secretariat now administrates both PL-480 Title II and PL-480

Title III funds and also evaluates projects financed with "AID Loan No. 511-T-064/511-W-065, Regional Development Corporations" funds. In spite of this fact, the Secretariat's staff has remained the same in number during most of the year. Only in August, a civil engineer and an agricultural engineer were added to the Secretariat's staff. Presently, the Secretariat's staff is composed of an executive secretary, an undersecretary, two department heads, three economists, three agricultural engineers, two civil engineers, a physician, an accountant, two secretaries, two drivers, and a messenger. (See attached Chart).

The Secretariat's organizational structure and work system have not been changed during this period. The inter-disciplinary and work group system has been maintained as well as the organizational chart in force since 1983. Nevertheless, the Secretariat is presently involved in a self-evaluation of its operational system and functional structure. It is anticipated that the suggestions and recommendations resulting from this self-evaluation will be implemented as of January 1985.

The project evaluation work encountered several problems. Programmed supervisions were constantly halted, altered or have not taken place at all because of transportation strikes, strikes at executing agencies, or, bank strikes. In view of all this, the frequency of supervision trips diminished in comparison with previous years. In spite of these difficulties, regular contacts with executing agencies, were maintained and Executive Secretariat personnel have continued to be well informed regarding knowledge of implementation problems and necessary actions for all of their sub-projects.

It is worth pointing out that a great deal of effort was devoted this period to developing procedures for financing private sector projects with funds from the "Rural Development" and "Amplified Small Farmer Credit" projects. This initiative was necessary because of the lack of activity by public entities that heretofore had been identifying and implementing these projects.

It should be mentioned, finally, that the Secretariat complied in a timely manner with its commitments established under the Agreement, particularly the submission of monthly and quarterly reports, financial statements, and project reviews.

The second external audit of the Program was also carried out during this period.

D. Project Coordination and Control Directorate (DCCP)

The DCCP, which is part of the Ministry of Finance, is in charge of the Program's accounting and the review of financial vouchers. The DCCP also cooperates with the supervision of projects. In general, the DCCP's participation has been positive, because it has not suffered serious turnover in its staff and it has worked in close coordination with the Executive Secretariat. When problems have been noticed, they are quickly overcome because the DCCP and Executive Secretariat personnel work informally to resolve them instead of sending letters back and forth.

As has been the case for all public institutions the DCCP has been deeply affected by the low salaries paid to its personnel. Present salary levels do not offer an incentive which encourages work, add the DCCP's qualified technicians may be compelled to look for other better paid work opportunities.

In view of this situation and taking into consideration the DCCP's efficient participation in the Program's administration, the Secretariat recommends that Title III funds be used to pay a monthly bonus which will be in addition to the salaries presently paid to the DCCP staff.

E. USAID/B

The USAID/B mission and the Executive Secretariat worked closely to solve many implementation problems this year. The staff of the USAID/B Rural Development Office has made special efforts to cooperate with the Secretariat in important and less important matters. USAID/B and the Secretariat have been careful to listen and respect each others ideas when selecting and approving projects.

CHAPTER V.

DETAILED REVIEW OF PROJECTS

A. Development of National Wheat Production

1. Introduction

This project is designed to encourage national wheat production on by improving the internal marketing system, and financing an improved seed program. The marketing system includes the setting up of 10 wheat collection centers with a total storage capacity of 8,496 MT. These centers were to be properly equipped and provided with financial resources to purchase grain from small farmers. The seed program intends to increase the availability of improved seeds and thereby improve national wheat yields.

As was the case last period, the marketing system was semi-paralyzed as a result of the inadequate price policy for wheat. Full implementation of the seed program is conditional upon the functioning of seed processing plants which are now in the process of being installed. At present, a regional wheat seed multiplication program is functioning in the department of Santa Cruz. Similar projects will be undertaken in the near future in the departments of Cochabamba and Chuquisaca, which will help meet seed requirements at the national level.

2. Project Progress

The construction and installation of the 10 programmed wheat collection centers was completed in 1983 as well as the corresponding provision of equipment and resources for their operation. The marketing system has been partially paralyzed during the present period. Some of the collection centers did not operate because the price for national wheat was not fixed by the Government in time for the harvest. Afterwards, when local wheat prices were established, farmers preferred to sell their wheat independently of the collection centers, because prices prevailing in the free market were more attractive than the official prices.

Three of the centers located in Santa Cruz and Cochabamba rent grain storage facilities to local institutions.

It is anticipated that the GOB's marketing system will be reviewed next year by the "National Grain and Cereals Committee" whose creation is being studied by the government and which includes plans for purchasing and marketing locally produced wheat.

Implementation of the seed program is in its initial stage. At present, the studies needed to execute regional programs for wheat seed multiplication in the departments of Cochabamba and Chuquisaca have been completed and are now under review. These projects involve the utilization of the collection centers already installed and the processing plants existing in these departments. It is expected that this program will receive the support of the National Grain and Cereals Committee when it begins to function.

3. Financial Report

No new disbursements were made during this period, because the seed program has not started yet. The collection centers did not require additional funds since their construction and equipment were completed.

Consequently, as can be seen in the following table, the project's financial situation remained at the same level as last year.

FINANCIAL SITUATION

(US$ 000)

Concept	Programmed Under Amendment No. 11	Disbursed 1979-1984	% of Execution
- Centers Equipment Remodeling	436	239	69
- Building of New Centers	805	801	99
- Trucks for grain transportation	294	285	97
- Light vehicles	100	-	-
- Revolving Fund	872	629	72
- Seeds Program	2,250	-	-
TOTAL	4,757	2,014	42

4. Conclusions and Recommendations

The operation of the national wheat marketing system with collection centers managed by a public entity (the Ministry of Industry, Commerce, and Tourism - MICT) requires that the GOB adapt an adequate price policy. Setting adequate wheat prices has become more and more difficult for the government due to the opposition of political, social and labor forces. In view of these considerations, reactivation of this project is unlikely while this situation continues. Meanwhile, the Title III Program is withholding any disbursements to collection centers until more is known about the new Grain and Cereals Committee which has not been formally established to date.

Presently, Title III Program activities are mainly addressed to encouraging regional seed programs and to granting credit to farmers for local wheat production.

B. Development of Integral Cooperatives

1. Introduction

The purpose of this project is to benefit small farmers through integral cooperatives which provide multiple agricultural and farming services. To this end, the financing of three activities is contemplated, i.e., strengthening of existing integral cooperatives; inclusion of new cooperatives to the program; and financing of credit projects through the cooperatives.

Title III financing in previous years was mainly addressed to the institutional strengthening of integral cooperatives. In 1984, a production credit line was established for the cooperatives' productive activities, because it was felt that the institutional strengthening objectives had been obtained.

2. Project Progress

The most substantial modification which took place in this period relates to the indexed credit system which was applied at the integral cooperatives level, because of the persistent high inflationary rate. Under this credit system the Program disbursed the equivalent of around two million dollars for the sowing of approximately 12,000 hectares of soybeans, corn, rice and potatoes. The direct beneficiaries of these credits were more than 4,000 small

farm families that belonged to four integral cooperatives (See Table No. 5). These loans were disbursed through the National Federation of Savings and Loan Cooperatives (FENACRE) which is also responsible for establishing financial controls and collecting funds channeled to the cooperatives. The Secretariat plans to use loan repayments from each cooperative as the primary source of funds for the cooperatives credit needs next year.

FENACRE, in accordance with the agreement signed with the Title III program, is undertaking evaluations of new cooperatives which will eventually join the Project. Evaluation studies for six new cooperatives have been completed, and these studies are now being reviewed by the Secretariat.

Institutional strengthening support has continued to be provided to the cooperatives this year, though to a lesser degree than in previous years. Advisors were hired for three integral cooperatives and FENACRE continued to provide technical assistance to the coops, in accordance with the agreement it has with the Secretariat.

3. Financial Report

The amount disbursed for this project during the 1979-1984 period represents 54 percent of the total funds programmed under the Agreement. The amounts obligated for the hiring of advisors for ONCICOOP and the subsidy to Integral Cooperatives are exhausted; the remaining funds are only for credit and evaluation studies of integral cooperatives.

FINANCIAL ACTIVITY
(US$ 000)

Concept	Programmed Under Amendment No. 11	Disbursed 1979-1984	% of Execution
- Advisors to ONCICOOP	496	496	100
- Subsidy to Coops	426	426	100
- Evaluation Studies	122	10	8
- Production Credits	4,156	1,954	47
Total	5,200	2,886	56

TABLE No. 5

CREDITS GRANTED TO INTEGRAL COOPERATIVES

From October 1, 1983 to September 30, 1984

Project	Cooperative	Disbursed Amount	Has.	No. of Beneficiaries
1. Planting and Marketing of rice and corn	Santa Cruz Norte Ltda.	346,481.63	1,250	240
2. Potatoes, Corn, and Barley 1983/84 crops	Cochabamba Ltda.	461,825.43	1,640	1,425
3. Cotton Campaign, 1983/84	Gran Chaco Ltda.	29,831.10	150	60
4. Soybean, Corn, Sorghum and Chili crops, 1983/84 campaign	Gran Chaco Ltda.	280,960.00	3,720	350
5. Beans and Potatoes Crops, 1983/84 Campaign	Santa Cruz Norte Ltda.	41,125.00	250	150
6. Annual Crops, 1984/85 to 1988/89	Santa Cruz Norte Ltda.	248,300.00	2,000	1,400
7. Annual Crops, 1984/85 to 1988/89 campaigns	Gran Chaco Ltda.	290,984.00	2,100	150
8. Annual Crops, 1984/85 to 1988/89 campaigns	Cochabamba Ltda.	253,145.00	1,080	610
9. Vegetable Crops	Tahuantinsuyo Ltda.	1,100.00	100	200
TOTAL		1,953,752.16	12,290	4,585

4. Conclusions and Recommendations

It can be said that the project's institutional strengthening objectives have been reached. The integral cooperatives have been able to undertake credit programs and to provide agricultural services to the small farmers who are members of these cooperatives. These services have helped members improve their standard of living.

As new cooperatives are added to this program, and a greater number of productive projects are financed, this project will provide important social and economic benefits to an increasing number of small farmers.

The project administration system which includes the participation of FENACRE and the cooperatives themselves, is evolving and improving each year.

C. Colonization Roads and Transport Infrastructure

1. Introduction

This project has financed the construction of a bridge over the Chané river in the department of Santa Cruz, improvement of the Chané-Piraí road also in this department and the construction of access roads and rural road infrastructure.

The construction of the bridge over the Chané river was completed in 1983, and is presently in use. The improvement of the Chané-Piraí road which started in 1979 and then was halted in 1981 when the road was approximately 40% complete is now being reactivated with the participation of CORDECRUZ.

The program is also financing the construction of a road between the Pando and Beni Departments in northern Bolivia. A contract for construction of an 80 km section of this road was approved this period.

2. Project Progress

The bridge over the Chané river was opened to public service in November 1983. This bridge was made of reinforced concrete with pre-stressed beams, and has an extension of 78 meters and a width of 7.3 meters. Since its inauguration in 1983, this bridge has made possible the transport of agricultural produce from production areas to marketing centers, benefiting approximately 7,000 farm families.

The improvement of the Chané-Piraí road is being reactivated with the participation of CORDECRUZ. Topographic studies are presently underway as well as an assessment of the damage caused by the 1983 floods to the layer of asphalt covering the road. Upon completion of these studies the amounts and costs of work required to complete the road will be quantified and a mechanism will be agreed upon for implementation of this work.

Construction began this year on 80 km of the El Hondo-Blanca Flor connection road. This road will connect villages in Pando department with the rest of the country. The benefits this project will bring about will be significant. It will enlarge the agricultural frontier and open up new colonization areas. The construction company which is carrying out the work has finished 40 percent of the road so far. The Beni and Pando Corporations and the National Road Service are in charge of supervising the work. The road is expected to be completed in 1985.

3. Financial Report

Funds were first programmed for construction of access roads in Amendment No. 11 dated December 1983. In view of this the amount disbursed during the 1979-1984 period represents only 27 percent of the total funds obligated under the Agreement. Also, the Chané river bridge was completed with only 70 percent of the funds originally programmed. The Executive Secretariat is currently evaluating three projects for construction of bridges to be implemented during 1985. It is also expected that the project for improvement of the Chané-Piraí road will be approved in 1985, and that this project will use up a significant part of this project's available funds.

FINANCIAL ACTIVITY

(US$ 000)

Concept	Programmed Under Amendment No. 11	Disbursed 1979-1984	% of Execution
- Chané-Piraí road Improvement	2,511	990	39
- Bridge over Chané River	220	153	70
- Other Community Roads and Bridges	2,000	150	8
Total	4,731	1,293	27

4. Conclusions and Recommendations

Even though the financial activity shows relatively small progress, the works involved in this project are particularly important due to their effects on the level of employment and the demand for local materials, as well as their socio-economic benefits for areas they service. Therefore, funds recently obligated under Amendment No. 11 are being totally programmed for construction works in 1985.

D. Reorganization of the Ministry of Agriculture and Campesino Affairs

1. Introduction

This activity is designed to improve and strengthen the Ministry of Campesino Affairs and Agriculture (MACA) by decentralizing and regionalizing the services. MACA provides to agricultural producers throughout the country. The project includes funds for construction agricultural service centers in rural areas to improve coordination among the various institutions which give technical assistance and other services to farmers.

2. Project Development

MACA reorganization activities were initiated in 1980, and reoriented in 1982, when a democratically elected government was returned to power by the military. Authorities in the new government agreed to discuss the reorganization of MACA, at a national symposium to which were invited all of the public and private institutions in the agricultural sector.

In February of this year the Second National Agricultural and Farming Symposium was carried out in the city of Trinidad. The symposium was organized by MACA and the Agriculture and Farming Commission of the Chamber of Deputies with the economic support of the PL 480 - Title III Program.

The reorganization of MACA was thoroughly analyzed at the symposium and a concrete proposal was adopted by those present which gave 45-days to the Chamber of Deputies' commission to prepare, together with MACA, a draft law for approval by the National Congress and enactment by the President.

Preparation of this draft law took more time than expected, and it was completed only in September 1984. Therefore, its approval by the Congress is still pending.

The construction of new agricultural centers is currently at a standstill because USAID/Bolivia and the Secretariat decided not to construct any new centers until MACA reorganization is put into practice. Therefore, the only construction activities this year was the completion of three service centers started in 1983.

To date five centers have been constructed, they are located in Punata (Cochabamba), Villazón (Potosí), Monteagudo (Chuquisaca), and Vallegrande and San José de Chiquitos (Santa Cruz). Presently, all five centers are being used.

The Punata center was constructed under direct administration by the Secretariat's technical team instead of by a local contractor. This experience proved to be very satisfactory because the construction costs were less than for other service centers and this center was constructed in less time than expected.

3. Financial Report

Because the MACA reorganization did not take place, the funds allocated for this purpose were not used. Similarly, since there was no construction of new service centers this year, these has been little financial activity with respect to the previous year.

FINANCIAL ACTIVITY

(US$ 000)

Concept	Programmed Under Amendment No.11	Disbursed 1979-1984	% of Execution
- Remodeling and Equipping of MACA Facilities	650	-	-
- Training and Technical Assistance	41	-	-
- Initial Costs of MACA Reorganization	160	32	20
- Construction of Service Centers	413	363	88
- Design and Supervision of Centers	236	230	97
TOTAL	1,500	625	42

4. Conclusions and Recommendations

Development of this project's activities is subject to MACA reorganization whose delay has hindered the execution of the works programmed. If, as it is expected, the government enacts in 1985 the MACA reorganization law, it is anticipated that project activities will be more dynamic.

E. Pesticide Control and Plant Quarantine

1. Introduction

Funds channeled through this project are aimed at institutionally strengthening the National Plant Health Directorate which is part of the Ministry of Agriculture and Campesino Affairs (MACA). This project is designed to provide better control of pesticides, to monitor the use of pesticides, particularly by small farmers, and to prevent the introduction of pests and diseases into the country by controlling importation of plants, plant products, and plant materials.

Title III participation in this project was programmed for a five-year period (1979-1983) during which time the government was supposed to gradually cover all of the project's financial requirements, and from then on to provide the resources required by the Plant Health Directorate.

2. Project Development

During five years of Title III financing the objective of strengthening the Plant Health Directorate has been accomplished. The number of employees was increased from 18 to 97. Of these 97, 79 are technicians and the remaining 18 are clerical staff. The number of plant control posts were increased from 14 to 29 throughout the country with emphasis on new offices at the borders. The project purchased office equipment and supplies, microscopes and vehicles for the Plant Health Directorate. In addition, a pesticide analysis laboratory was constructed and equipped in the city of La Paz. This work was completed during the previous period but it is still not operating because it lacks some equipment and reagents that were omitted in the initial purchase. During this period, arrangements were made to have USAID/B purchase the required additional equipment and reagents and to provide for additional training of the laboratory's personnel.

The project has financed the training of various technicians as well as provided several courses and seminars for Plant Health technicians. Several small training courses for campesino leaders were also carried out under this project. The most recent seminar was offered in six different departments of the country with the cooperation of USAID/B and the University of Oregon. The seminar's subject was the Handling of Pests and Pesticides.

The Plant Health Directorate receives financial support from other international institutions for specific programs such as the Campaigns against Coffee blight, the spider mite, and other plagues. These programs are being satisfactorily carried out.

The Plant Health monitoring work with respect to use of pesticides and importation of vegetable produce decreased in this period. Greater coordination is needed between the central office and the regional control posts.

Low salary levels are a serious problem for the project and have caused constant staff turn over. The General Treasury's contribution to the Plant Health Directorate for operating costs has been insufficient, and technicians have had difficulties in complying with their monitoring and technical assistance tasks because of lack of funds.

Recently, the Plant Health Directorate was authorized to increase the fee it charges for inspections and for other services it renders. Once this new fee is in effect, it will be possible to finance more of the Directorate's operating costs.

3. Financial Report

The last disbursement by the Executive Secretariat to this project was in November 1982. Financing was not made available this period for the additional equipment and reagents needed for the pesticide control laboratory because of the difficulty of obtaining foreign exchange. Consequently, the financial activity is unchanged as compared with the previous year.

FINANCIAL ACTIVITY

(US$ 000)

Concept	Programmed Under Amendment No. 11	Disbursed 1979-1980	% of Execution
- Staff	273	295	108
- Training	19	12	63
- Equipment	515	271	53
- Laboratory construction	80	92	115
- Vehicles	136	136	100
- Operating Costs	127	107	84
Total	1,150	913	79

4. Conclusions and Recommendations

The project attained its goals with respect to the hiring of an adequate number of professionals, the extension of the Plant Health Directorate's scope of action by creating new control posts, the provision of infrastructure with the construction of a pesticide analysis laboratory, the acquisition of equipment, materials, and vehicles, and the training of technicians.

However, since Title III financing for the Plant Health Directorate's operating costs was halted in 1983, when these costs were supposed to be absorbed by the country's General Treasury, the Directorate's operations have deteriorated due to a lack of financial resources, and the entity has not been able to adequately meet its objectives, i.e., to reduce the wrong use of pesticides and to prevent the introduction of pests and diseases into the country through the entrance of vegetable produce. It is expected that with the generation of its own resources the Vegetal Sanitation Directorate will once again be able to comply with its responsibilities.

The pesticide analysis laboratory is not functioning yet due to the lack of additional equipment and reagent. It is expected that the acquisitions programmed for the next year will make the laboratory's operation possible.

The Secretariat considers this project as completed, and a final report on the same will be presented in the forthcoming months.

F. Rural Development Projects

1. Introduction

This project's purpose is to promote rural development projects, especially productive projects which may be implemented by the Departmental Development Corporations (DDCs), other decentralized public institutions, producers associations, cooperatives, or private firms.

In previous years the Departmental Development Corporations were efficient channels for Tittle III resources. Recently, however, the DDC's activities and performance has been severely affected by the economic crisis, and their capacity to identify new projects, and to prepare feasibility studies and investments plans has been severely diminished. Because of this reason, only six projects were financed during the present period.

In view of the budgetary and other limitations confronting the DDCs and based upon the provisions of Amendment No. 8 to the Agreement, the Title III Program intensified its activities designed to identify and finance private sector loan projects during this period. Concurrently, it was decided to combine Title III local currency resources with U.S. dollar resources from the Departmental Development Corporations Project (511-T-064 and 511-W-065). Under this method, private sector projects were financed combining MPC-USAID/B foreign exchange with Title III resources in local currency.

2. Project Progress

Although the number of new projects approved in 1984 is not significant, considerable amounts of Title III funds were used to finish projects which had been approved earlier and which required additional pesos as a result of inflationary cost increases.

Since the project's inception, 41 projects have been implemented by different public and private sector entities. These projects have benefited approximately 72,000 farmer families at a cost of 6.6 million dollars.

In most cases this investment, which represents an average of 100 dollars per beneficiary family, has resulted in additional annual income streams for the beneficiaries which is approximately equal to the initial investment. Projects covered by this program have different characteristics. For convenience they have been grouped into five categories (See table No. 6).

The first group covers 10 production projects. These projects are primarily food production projects that were approved when the Title III Program participated in the 1983/84 GOB emergency plan for increasing food production in the aftermath of the 1983 drought and flood disasters.

More than 3,000 farm families were benefited by these projects.

The second group of 16 projects involve financial assistance to production centers which are doing technology transfer work. Their purpose is to benefit small farmers by supplying them with high-yield certified seeds, improved cattle, better quality fruit trees, and other inputs which, when combined with technical assistance, will allow farmers to increase their income levels and to improve their standard of living. Financing under this group benefited more than 53,000 farm families with an average investment of US$50 per family.

The next group of projects are productive infrastructure projects. The first project of this group finances construction of four bridges on the La Paz - Trinidad road. This project has experienced considerable delays in 1984. These delays have been caused mainly by excesive rainfall which prevented the timely transport of materials and machinery. The rest of the projects included in this group were implemented normaly.

Among the social infrastructure projects, one project is particularly important. This is the project for construction of classrooms for the Veterinary Faculty of Beni. These facilities will help train veterinarians which are needed to improve the quality of cattle production in Beni Department which is an important cattle raising area.

The four supply projects included in this group are also important because they are providing permanent benefits to a growing number of farm families.

Other important sub-projects within this project include: Departmental Support for the Development Corporations which helped the DDCs improve their financing proposals; the reformulation of

TABLE No. 6

P.L.-480 TITLE III PROGRAM
RURAL DEVELOPMENT PROJECTS

PROJECT	LOCATION	INTIAL DATE	PROJECT STATUS	FINANCING (US$) TOTAL	PL 480	EXECUTING AGENCY	DISBURSEMENTS (US$)	NUMBER OF BENEFICIARY FAMILIES
A. PRODUCTION PROGRAMS				3,689,801	1,432,741	2,257,060	1,415,732	3,014
1. Trinidad Horticulture	Beni	May 81	Operating	98,200	39,108	59,092	39,108	200
2. Guayaramerin Horticulture	Beni	May 81	Paralized	45,385	17,534	27,851	16,175	25
3. Corn, Soybean, and Sorghum Production	Beni	May 83	Operating	196,102	153,181	42,921	153,181	270
4. Banana-Fig.	Cochabamba	July 82	Paralized	24,493	24,493	-	24,493	50
5. PDAI Pocona	Cochabamba	August 82	Operating	306,268	86,618	219,650	86,618	36
6. San Javier Agricultural Development	Santa Cruz	March 80	Operating	223,087	77,502	145,585	77,502	116
7. Mairana Corn Cultivation	Santa Cruz	March 80	Operating	236,891	50,736	186,155	50,736	1,000
8. Winter Crops for Small Farmers	Santa Cruz	May 83	Operating	1,693,422	417,912	1,275,510	417,912	1,055
9. PDAI - Potosi	Potosi	Sept. 83	Operating	277,885	154,009	123,876	154,009	30
10. Potato Crop Reactivation	Potosi	Oct. 83	Operating	588,068	411,648	176,420	395,998	232
B. PRODUCTION AND TECHNOLOGY TRANSFER CENTERS				7,128,845	2,801,313	4,327,532	2,794,144	53,126
1. Hog Breeding Building	Beni	May 81	Operating	132,749	80,905	51,844	80,905	180
2. Cacao and Coffee	Beni	May 81	Operating	69,204	54,518	14,686	54,516	156
3. Piusilla Trout Fishery	Cochabamba	Dic. 83	Operating	326,110	64,045	262,065	64,045	330

PROJECT	LOCATION	INITIAL DATE	PROJECT STATUS	FINANCING (US$) TOTAL	PL 480	EXECUTING AGENCY	DISBURSEMENTS (US$)	NUMBER OF BENEFICIARY FAMILIES
4. Corralon Mayu Sheep Center	Chuquisaca	August 79	Operating	637,064	369,715	267,349	369,715	148
5. Carp Rural Fischery	Chuquisaca	June 80	Operating	236,088	175,521	60,567	175,521	2,224
6. Apple Tree Production Nursery	Chuquisaca	May 81	Operating	658,510	287,812	370,698	281,000	700
7. Apple Tree Production	La Paz	Sept. 80	Paralized	194,456	101,424	93,032	101,424	400
8. Artificial Insemination	La Paz	Sept. 80	Operating	323,522	106,562	216,960	106,562	1,250
9. Livestock Sanitation	La Paz	Sept. 80	Operating	142,700	29,998	112,702	29,998	15,000
10. El Choro Sheep Center	Oruro	May 81	Operating	808,139	283,333	524,806	283,333	4,548
11. Center for Assistance to the Small Farmer	Pando	July 81	Operating	304,893	122,613	182,280	122,256	170
12. Rio Mulatos Sheep Center	Potosi	June 81	Operating	705,287	305,501	399,786	305,501	5,000
13. Wheat Seed Multiplication	Santa Cruz	Nov. 82	Operating	401,100	276,835	124,265	276,835	1,100
14. Corn, Rice, and Soybean Basic Seed	Santa Cruz	May 83	Operating	208,028	139,177	68,851	139,177	20,000
15. Comata Fruit Orchards	Tarija	Jan. 80	Operating	748,580	126,389	622,191	126,389	750
16. Land Conservation and Rehabilitation	Tarija	Dic. 81	Operating	1,232,415	276,965	955,450	276,965	1,070
C. PRODUCTIVE INFRASTRUCTURE				3,252,523	2,453,474	799,049	820,821	6,500
1. Construction of 4 Bridges	Beni	April 83	Implement.	2,200,724	2,040,816	159,908	408,163	–
2. Road Construction and Maintenance	Pando	July 80	Implement.	488,240	205,976	282,264	205,976	3,600
3. Cordillera Water Pond Construction	Santa Cruz	March 80	Operating	497,649	153,955	343,694	153,955	2,900
4. Access Roads - Warnes Plant	Santa Cruz	July 84	Implement.	65,910	52,727	13,183	52,727	-

PROJECT	LOCATION	INITIAL DATE	PROJECT STATUS	FINANCING (US$) TOTAL	PL 480	EXECUTING AGENCY	DISBURSEMENTS (US$)	NUMBER BENEFICIARY FAMILIES
D. RURAL INFRASTRUCTURE				2,086,370	1,110,435	975,935	1,085,435	9,202
1. Well Drilling	Beni	Sept. 80	Operating	1,018,174	431,189	586,985	431,189	4,680
2. Water Supply for Rural Communities	Oruro	June 80	Operating	475,927	308,727	167,200	308,727	1,522
3. Improvement of Water Supply System -Tarija	Tarija	Oct. 79	Operating	162,689	66,689	96,000	66,689	-
4. Veterinary Faculty Classroom Construction	Beni	Jan. 84	Implement.	393,330	278,830	119,500	278,830	-
5. Water Supply and Construction at Carrozas	Santa Cruz	Sept. 84	Implement.	31,250	25,000	6,250	-	3,000
E. STUDIES				922,029	511,627	410,402	509,630	60
1. Agricultural Training Center	Chuquisaca	July 79	Completed	28,490	17,690	10,800	17,690	-
2. ERTS Natural Resources Study	Chuquisaca Potosi-Tarija	July 79	Implement.	684,718	285,116	399,602	285,116	-
3. CORDEPAZ Planning and Orientation Seminar	La Paz	Feb. 84	Completed	1,091	1,091	-	1,091	-
4. Data Processing System	La Paz	April 84	Implement.	1,500	1,500	-	-	-
5. Sheep Study Reformulation	Tarija	March 84	Completed	5,247	5,247	-	4,750	-
6. Poultry Development in Tarija	Tarija	Sept. 79	Completed	200,983	200,983	-	200,983	60
TOTAL				17,079,568	8,309,590	8,769,978	6,625,762	71,902

feasibility studies for a Cattle Development project and an Andean Crops project which will be implemented near Tarija and two sub-projects which helped CORDEPAZ improve its ability to identify and plan new projects.

Within the joint financing program with the Departmental Development Corporations Loan, six private sector loan projects have been approved thus far. Repayments from these loans will be made into a revolving fund which will be managed by the CRDS and used to finance new projects. These six projects represent a total financing of approximately US$ 125,000, with an average of US$ 23,000/project, and are all projects which support productive activities, mainly in the agro-industrial area. Credit recipients are small private entrepeneurs who have limited access to regular financing sources because they don't have sufficient guarantees to be given credit by the traditional financial system.

3. Financial Report

Since 1979, 6.6 million dollars have been disbursed for the 41 projects financed. This represents 36 percent of the amount programmed under the Agreement.

FINANCIAL ACTIVITY
(US$ 000)

Concept	Programmed Under Amendment No. 11	Disbursed 1979-1984	% of Execution
Project Implementation	18,643	6,626	36

In view of the multiple limitations that the DDCs were subject to, the amount disbursed during this period was only 1.1 million dollars, which was less than was disbursed last year.

However, now that the PL-480 Program is accepting projects from private firms, it is anticipated that disbursements will substantially increase in the coming period.

4. Conclusions and Recommendations

Title III activities this year were addressed mainly to consolidation and strengthening of projects initiated in previous years, because the DDCs have not presented many new projects.

This year, the Title III Program began to finance private sector development projects. Six of these projects have been approved thus far. It is anticipated that private sector projects financing will become more important in the forthcoming period.

G. Community Conservation

1. Introduction

Although the Agreement states that PL-480, Title III funds may be used for reforestation, construction of Control Dams, embankments, and windbreaks, only reforestation projects have been undertaken so far.

Performance of the four reforestation sub-projects financed with Title III funds has not been the same. For instance, the project executed by CODETAR has been very successful while the project being implemented by the Forestry Development Center (FDC) located in La Paz has not been very satisfactory to date.

2. Project Progress

The most successful project was the one executed near the towns of Sidras, Tariquia, and Bermejo in the department of Tarija. This project was very successful from the start. Originally, this project called for construction of one nursery, but due to a strong growing community interest in the project, CODETAR decided to expand the project to include two additional nurseries. In 1980, these nurseries produced only 87,000 plants, but today they are producing over 1,200,000 seedlings which makes possible the reforestation of approximately 400 has. per year. The project's administrative capacity and CODETAR's technical and financial assistance are outstanding. The Title III Program has now limited its financial contributions to funds needed for the purchase of materials and equipment, while CODETAR is covering all operating costs.

The Millu Mayu project located in Cochababa, which is being implemented by CORDECO shows a decreasing trend in its plant production levels, due to the Corporation's severe institutional crisis.

As opposed to other Corporations, CORDECO does not have its own resources and is, therefore, wholly dependant upon Central Government funding which is neither sufficient nor timely.

Apparently, CORDEPO which is in charge of implementing the Chaqui nursery in the department of Potosi has not realized the importance of the reforestation project. The nursery's physical installations have not been completed so far, and production levels are low with respect to the nursery's installed capacity.

The Huancané nursery in the district of La Paz, which is being implemented by the FDC has not been properly developed thus far.

As in the case of all Central Government, institutions the FDC is confronting serious financial problems which make it very difficult to carry out normal activities.

In any case, in the present period the four sub-projects produce around 2 million plants, mainly Eucaliptus and pine. Approximately 700 has. were reforestated (See table No.7), with the participation of 150 communities. Each community has an average of 50 families.

As a result of the reduction in seedling production in Potosi and La Paz, reforestation projects are now being programmed which will use private institutions as the implementing agencies. Several private institutions have expressed their willingness and interest in participating in this project in 1985.

3. Financial Report

As mentioned before, only reforestation activities are being financed. To date 78 percent of the funds assigned for this project have been disbursed.

TABLE No. 7

P.L-480 TITLE III PROGRAM

PROJECT: COMMUNITY CONSERVATION

NURSERIES	YEAR	PLANT PRODUCTION	NO. HAS PLANTED	NO. OF BENEFICIARY COMMUNITIES (**)
Sidras	1981	87,200	32	10
CODETAR	1982	451,575	152	20
	1983	812,500	223	29
	1984*	1,200,000	350	35
Sub Total		2,551,275	757	35
Millu Mayu	1981	1,144,210	500	21
CORDECO	1982	847,200	187	15
	1983	738,450	200	11
	1984*	434,595	150	17
Sub Total		2,134,655	1,037	21
Chaquí	1981	24,500	9	6
CORDEPO	1982	110,000	28	12
	1983	301,400	100	23
	1984*	115,600	38	5
Sub Total		551,500	175	23
Huancané	1981	51,850	70	94
C.D.F.	1982	181,657	90	80
	1983	298,330	161	110
	1984*	250,000	150	100
Sub Total		781,837	471	110
TOTAL		6,019,267	2,440	189

* Preliminary figures

** Sub-total represents the maximum number of beneficiary communities

FINANCIAL ACTIVITY
(US$ 000)

Concept	Programmed Under Amendment No. 11	Disbursed 1979-1985	% of Execution
Nurseries	877	525	79
Soil Conservation	503	-	-
Technical Assistance and			
Total	1,400	525	53

4. Conclusions and Recommendations

With the exception of the sub-project successfully being implemented in the department of Tarija, the other sub-projects are seriously handicapped by a lack of GOB funds.

As the situation is expected to continue for some time, the development of new reforestation activities will be implemented with the participation of private non-profit institutions.

In spite of the reduction in the production of plants, coverage in terms of beneficiary families and reforested areas is still important.

H. SMALL IRRIGATION SYSTEMS

1. Introduction

Funds allocated for this project are being channelled to the construction of small and medium irrigation works, in order to attain a coverage of approximately 8,000 has. under irrigation, thus benefiting around 6,500 small farmers.

To date, construction of 20 irrigation works have been approved with a coverage of 3,800 has. which represents

less than 50 percent of the expected goal. The relatively slow pace of this project is due to the fact that there are few institutions specialized in the design and implementation of this type of work. Besides, the time required for the preparation of a study is around two years.

2. Project Progress

Table No. 8, attached, summarizes the projects approved, locations cost, and present state of construction. From Table 8 it can be noted that the total cost of the 20 works is over 1,350,000 dollars, 64 percent of which is from Title III contributions. The beneficiaries are 3,244 small farm families.

CODETAR's irrigation projects have been implemented in a very efficient manner. These projects are either completed or are progressing as expected. Projects being implemented by the National Community Development Service (SNDC), on the other hand, have had considerable delays, and the quality of these projects is inferior to the ones constructed by CODETAR.

Community participation in these works is always very important. This participation includes the provision of local labor materials (such as stones and sand) and cash contributions.

During this period, the SNDC has completed the preparation of five irrigation feasibility studies covering an area of approximately 3,020 has. and benefiting more than 2,500 families. Construction will start in 1985. The Departmental Development Corporations of Tarija, Chuquisaca, La Paz, and Cochabamba are also preparing irrigation projects to be implemented in 1985.

3. Financial Situation

The amount disbursed for this project represents only 27 percent of the amount programmed in the Agreement. This is the result of the relatively slow progress in the generation of funds and construction of irrigation systems.

TABLE No. 8

MICRO IRRIGATION SYSTEMS

PROJECT	IMPLEMENTING AGENCY	LOCATION	AREA UNDER IRRIGATION (HA)	NUMBER OF BENEFICIARY FAMILIES	COMMUNITY CONTRIBUTION (US$)	OTHER CONTRIBUTION (US$)	PL 480 FINANCING (US$)	TOTAL COST (US$)	PRESENT STATUS
1. ICLA	SNDC	Chuquisaca	65	84	12,114	-	20,285	32,399	Completed
2. Apaga Punta	SNDC	Chuquisaca	579	884	27,649	-	60,579	88,228	Completed
3. Teja Huasi	SNDC	Chuquisaca	50	117	33,621	-	67,635	101,256	Completed
4. Tuti Mayu	SNDC	Chuquisaca	78	170	61,928	21,276	162,323	245,527	Completed
5. Chuma	SNDC	La Paz	107	60	5,165	-	29,475	34,640	Completed
6. Finca Esquena	SNDC	Potosí	58	63	12,579	-	28,160	40,739	Completed
7. Erquiz	CODETAR	Tarija	170	212	22,218	23,565	66,887	112,670	Implement
8. Achaca	SNDC	La Paz	300	200	25,039	-	36,125	61,164	Completed
9. Lacoyo San Antonio	SNDC	La Paz	233	186	14,000	-	24,513	38,513	Completed
10. Paco Pampa	SNDC	Oruro	61	51	7,300	-	43,270	50,570	Implement
11. Guadalupe	SNDC	Oruro	211	300	22,900	-	58,618	81,518	Implement
12. Tacachia	SNDC	La Paz	26	30	6,400	-	11,935	18,335	Completed
13. Cañas Chaguaya	CODETAR	Tarija	402	74	7,414	-	12,556	19,970	Implement
14. Panti Pampa	CODETAR	Tarija	400	100	3,316	-	17,452	20,768	Implement
15. Achaya*	SNDC	La Paz	51	56	14,336	-	6,129	20,465	Completed
16. Jatun Khakha*	SNDC	Chuquisaca	83	78	36,523	-	30,755	67,278	Implement
17. Pojo*	CORDECO	Cochabamba	145	100	32,267	9,005	27,665	68,937	Implement
18. Campo de Vasco**	CODETAR	Tarija	100	23	5,838	34,143	47,965	87,946	Implement
19. San Jacinto**	CODETAR	Tarija	120	16	3,039	17,563	34,314	54,916	Implement
20. Chaqui**	SNDC	Potosí	580	440	24,297	-	83,875	108,172	Implement
TOTAL			3,819	3,244	377,943	105,552	870,516	1,354,011	

* Projects approved in the 1983 period.

** Projects approved in the 1984 period.

FINANCIAL ACTIVITY

(US$ 000)

Concept	Programmed Under Amendment No. 11	Disbursed 1979-1984	% of Execution
Design and Supervision	625	434	69
Construction of Irrigation Systems	3,721	734	20
Training	60	-	-
TOTAL	4,406	1,168	27

4. Conclusions and Recommendations

The socio-economic importance of irrigation projects should be emphasized because these projects have direct benefits for smallfarmers. Irrigation often doubles small farm yields and rsults in an increased family income. For these reasons identification and implementation of irrigation systems should be intensified.

The most important limitation for this project is the institutional weakness of implementing agencies such as SNDC. Fortunately, DDC participation in this project opens up the possibility of identifying and imnplementing additional small irrigation projects.

I. EXPANDED SMALL FARMER CREDIT PROGRAM

1. Introduction

This project has provided credit to around 20,000 small farm families thus far. It also has provided funds for an Agro-credit Insurance pilot program, covering approximately 1,650 families.

The credit project initiated its activities in 1979 with the participation of Banco Agricola de Bolivia (BAB). In 1981 project implementation was nearly halted when

disbursements to BAB were suspended because USAID determined that the BAB was in violation of several loan project agreements. In 1983, this project was reactivated when Title III loan funds were needed to finance projects included in the government's Emergency Plan that was undertaken in response to the drought and food disasters.

In 1984 the scope of the project was broadened to permit financing of private sector productive activities, and Title III funds were used in combination with funds available through the private commercial banking system.

2. Project Progress

Continuing with the amplified credit regulations adopted in 1983, the Title III Program financed 8 credit projects during this period. (See Table No. 9). These projects performance as well as those initiated in previous years was satisfactory. Of the thirteen credit projects implemented thus far, four are being undertaken with DDC participation, six with Cooperatives, and three with producer associations. It should be noted that private banks are beginning to participate actively in this project. At present the Program works with Banco de Cocnabamba and Banco Hipotecario. The principal advantage of working with private banks is that this offers increased possibilities for channeling credits to small farmers.

All credits granted to small farmers with Title III resources are subject to rules and financial conditions established by the Bolivian Central Bank for development credits. In addition, indexation has been applied to some credits such as the PDAI-Cochabamba credit program in order to preserve the purchasing power of credit funds, and to guarantee the continuity of the revolving fund established by the PDAI-Cochabamba Program.

It should be pointed out that Title III credits channelled through private banks have two characteristics which make them different from other sources of funds. First, these credits are approved very quickly. Second, there is considerable flexibility in determining what guarantees will be required. These factors provide easy and timely small farmer access to these credits.

Attainment of the project's goals is satisfactory. To date, the number of beneficiary farmers is 10,274 which represents 51

TABLE NO. 9

PL 480 TITLE III PROGRAM

EXPANDED SMALL FARMER CREDIT PROGRAM

PROJECT	LOCATION	EXECUTING AGENCY	TOTAL AMOUNT DISBURSED (US$)	AMOUNT DISBURSED CREDIT (US$)	INITIAL DATE	NUMBER OF-BENEFICIA-RY FAMI-LIES
A. INVESTMENT CREDIT			6,033,343	5,745,158		10,219
1. Potato	National	BAB	3,940,432	3,668,576	June 1979	3,011
2. Emergency Plan	Santa Cruz	La Merced	128,588	128,588	May 1983	240
3. Emergency Plan	Cochabamba	PDAI-CORDECO	265,787	263,037	May 1983	456
4. Spider mite control	Chuquisaca Potosí Tarija	CRDs	344,363	344,363	May 1983	2,160
5. Potato Planting and Harvesting	Potosí	CAP	265,306	265,306	May 1983	300
6. Emergency Plan	National	FENACRE	207,119	207,119	June 1983	355
7. Corn Production	Cochabamba	PDAI-CORDECO	75,153	75,153	Sept. 1983	400
8. Milk Development	La Paz	Chijipina	67,874	67,874	Dec. 1983	25
9. Associated Agriculture Financing	Santa Cruz	La Merced	52,814	52,814	May 1983	470
10. Honey Bee Project	Cochabamba	Nueva Canaan	11,770	2,553	August 1984	10
11. Coffe Plantation Renewal, Potato-Tomato Plantings	La Paz	Bco Hipotecario	60,895	60,895	Sept. 1984	50
12. Rice Mill	Santa Cruz	San Julián	50,997	50,997	June 1984	700
13. Winter Plantings	La Paz	IBTA-CORDEPAZ	437,245	432,883	May 1983	1,892
14. Rice Marketing	Santa Cruz	FENCA	125,000	125,000	March 1984	150

PROJECT	LOCATION	EXECUTING AGENCY	TOTAL AMOUNT DISBURSED (US$)	AMOUNT DISBURSED CREDIT (US$)	INITIAL DATE	NUMBER OF-BENEFICIA-RY FAMI-LIES
B. INSURANCE			1,000,000	-	March 1980	1,937
C. CONTINGENCY CREDIT (Pre-Investment)			5,800	5,800	Febr. 1984	55
1. Aviculture Study	Potosí	San Isidro	3,000	3,000		15
2. Dairy Study	Beni	Beni Ltda.	2,800	2,800		40
D. TOTAL			7,039,143	5,750,958		12,211

percent of the goal programmed in the Agreement. Thirty-seven percent of the funds allocated for this project have been disbursed.

Another important activity developed in this period is the establishment of a financing line for preparation of feasibility studies addressed mainly to the organized private sector, i.e., cooperatives, producer associations, and small enterprises. Such financing is granted as a contingency credit; that is, if the project is feasible, the cost of the study becomes a credit. Otherwise, the beneficiary is free of any obligation. Two studies have been undertaken under this method, one for a dairy project in Trinidad, and the other for a poultry project in Potosi.

The agro-credit insurance project implemented by ASBA (Aseguradora Boliviana Agropecuaria) has attained its goals with respect to agriculture and livestock insurance. By the end of 1984, ASBA will have insured 1,653 farmers under its agriculture insurance program, and 284 under the livestock insurance program. Therefore, in terms of covered beneficiaries ASBA has 18 percent more than was originally programmed. Nonetheless, ASBA has serious liquidity problems and very limited reserves to cover damages. In short, it appears as though the project is unfeasible under present circumstances. In view of this the Title III Program, with the approval of USAID/B and IICA, has halted financing for this project.

3. Financial Report

Between 1979 and 1984 more than 7 million dollars have been disbursed. This represents 41 percent of the amount programmed under the Agreement, as may be seen in the table below.

FINANCIAL ACTIVITY

(US$ 000)

Concept	Programmed Under Amendment No. 11	Disbursed 1979-1985	% of Execution
Credits	15,428	5,767	37
PCPA Equipments	272	272	100
Capital for ASBA	1,000	1,000	100
ASBA Operating Costs	300	-	-
TOTAL	17,000	7,039	41

Credit disbursements are fairly small, because these were suspended for two years. It is expected that they will be substantially increased in 1985, because the Title III Program will be channeling credit funds through private banks to Cooperatives, producers' associations and private firms. Also, credit demand should be increased as new projects are presented whose feasibility studies were financed by the Title III Program.

4. Conclusions

Performance of the Expanded Small Farmer Credit Program, undertaken with Title III funds, has been successful because of effective coordination with intermediate credit institutions. The project has been successful in meeting its goals with respect to numbers of beneficiaries.

The objective for the coming year is to consolidate gains realized by extending credit to the private sector, and to increase private bank participation in the project in order to make the best possible use of funds available for this project.

J. FARMER SCHOLARSHIPS FUND

1. Introduction

The purpose of this project is to provide scholarships to children of low income small farmers, so that they can obtain a basic education and then continue their studies at a level higher than the one available in their communities. The scholarships cover room and board, medical attention and school supplies.

In addition, the project finances small infrastructure works at participating educational units such as rustic buildings for dining rooms, classrooms, bedrooms, remodeling of facilities, the purchase of tools, seeds, kitchenware, beds, etc. In every case, Title III financing is supplemented by local contributions in labor and materials which are supplied by parents of scholarship holding students.

2. Project Progress

As in the previous period, scholarships were provided to students at 14 educational establishments. This year the project sponsored 540 boarding scholarships, and 130 non-boarding scholarships.

At the request of the Secretariat, 80 percent of these schools enrolled in, and were declared eligible to receive, PL 480 Title II food from CARITAS (a local affiliate of Catholic Relief Services). In spite of this, funds assigned to cover meal costs were insufficient due to Bolivia's galloping inflation. This forced the schools to use additional resources that were initially budgeted for other purposes to buy food.

In 50 percent of the participating schools funds were disbursed to cover infrastructure costs. These included construction costs, purchases of equipment, and tool purchases. Financing was also granted for the purchase of poultry for demonstration farm at one school. The poultry purchased is now producing eggs for student consumption.

According to Amendment No. 11, funds assigned to this project should benefit around 4,000 scholarship holding students. Up to now, 2,520 students have received scholarships which represent 63 percent of the programmed goal. (See Table 10).

TABLE NO. 10

PL 480 - TITLE III

PROJECT: FARMER SCHOLARSHIPS FUND

SCHOLARSHIPS GRANTED 1980 - 1984

ESTABLISHMENT	LOCATION		BOARDING SCHOLARSHIPS 1984	NON-BOARDING SCHOLARSHIPS 1984	TOTAL SCHOLARSHIPS	SCHOLARSHIPS 1980-1984		
	DEPARTMENT	TOWN				BOARDING	NON-BOARDING	TOTAL
1. Colegio Adventista de Bolivia	Cochabamba	Vinto	60	10	70	300	50	350
2. Choquecota Agricultural Tech. Institute	Oruro	Carangas	50	10	60	250	50	300
3. La Lava Educational Agriculture Tech. Center	Potosí	Linares	40	10	50	200	50	250
4. Colegio Pol. Oscar U. de la Vega	Cochabamba	Buen Retiro	40	10	50	200	50	250
5. Caraparí National Agricultural Tech. Institute	Tarija	Caraparí	40	10	50	200	50	250
6. Puna Agricultural Training Institute	Potosí	Puna	40	-	40	200	-	200
7. G. Busch Agricultural Tech. Institute	Pando	N. Suarez	35	-	35	140	20	160
8. Home-Farm School	Santa Cruz	S. José de Chiquitos	-	20	20	-	120	100
9. San Miguelito Agricultural School	Santa Cruz	S. José de Chiquitos	70	-	70	210	-	210

ESTABLISHMENT	LOCATION		BOARDING SCHOLARSHIPS - 1984	NON-BOARDING SCHOLARSHIPS 1984	TOTAL SCHOLARSHIPS P/ YEAR	SCHOLARSHIPS 1980-1984		
	DEPARTMENT	TOWN				BOARDING	NON-BOARDING	TOTAL
10. Auqui Amaya Center	La Paz	Palina-Laja	-	60	60	-	120	120
11. Ntra. Sra. de Begoña	Beni	Begoña	80	-	80	160	-	160
12. San Ignacio School	Cochabamba	Tacata	30	-	30	60	-	60
13. El Chaco School	Chuquisaca	La Palma	20	-	20	40	-	40
14. Canadá Agricultural Tech. Institute	Cochabamba	Chapare	35	-	35	70	-	70
TOTAL GENERAL			540	130	670	2,030	490	2,520

Beneficiary students grades and advancement have been acceptable. A few students have dropped out of the scholarship program, but they were easily replaced by other qualified students from the same establishments.

3. Financial Report

The total amount disbursed during the 1979/1984 period is US$ 840,000 which represents 34 percent of the amount programmed for this project under the Agreement.

FINANCIAL ACTIVITY

(US$ 000)

Concept	Programmed Under Amendment No. 11	Disbursed 1979-1985	% of Execution
Long Term Scholarships	1,834	697	38
Short Course Scholarships	348	11	3
Infrastructure investments	318	132	42
Total	2,500	840	34

4. Conclusions and Recommendations

The project has developed satisfactorily with respect to the number of scholarships granted and student performance. Contribuitions made for infrastructure investments have helped schools improve their educational facilities and have helped provide students with practical training experiences in productive subjects.

Funds assigned to this project from 1984 wheat shipments will permit the Secretariat to increase the number of scholarships and to increase the number of participating educational establishments.

K. RURAL DEVELOPMENT STUDIES

1. Introduction

Funds programmed for this project are used to finance studies of problems affecting the small farmer and/or rural development in Bolivia.

During the 1984 fiscal year, this project financed studies for a Fruit Juice Processing Plant, the 1984 Agricultural Outlook Survey, two accounting courses for government employees and an external audit of the Title III rice importation and distribution program.

2. Project Progress

The "Fruit Juice Processing Plant" study was carried out by two consulting firms, Coopers & Librand and CAEM (Centro de Asesoramiento Empresarial Multidisciplinario). This project, whose implementation was supposed to be carried out by Fábrica de Conservas Dillman, proved to be unfeasible and was consequently not implemented. The 1984 Agricultural Outlook Survey was carried out by the Ministry of Agriculture and Campesino Affairs at the beginning of the year. This survey was very helpful in that it provided reliable information on the seriousness of drought and flood related good shortages.

The Agricultural Outlook survey estimated the national production of 32 crops and statistically recorded production data, cultivated hectares, yields, and other indicators.

Marketing and distribution of rice imported, by the Title III Program in 1983 was carried out by ENA (Emprèsa Nacional del Arroz - the National Rice Company). Some irregularities took place and an external audit was needed. The consulting firm SOCAUD (Sociedad Consultora y Auditoria Limitada) was contracted to do the external audit in March 1984. The audit's conclusions showed that ENA had not managed the Title III rice marketing and distribution program efficiently. The audit listed a series of recommendations for the program which were all implemented.

Finally, the Title III Program provided financing for two courses on government accounting and internal control procedures. These courses provided training for 122 professionals from Bolivia's Comptroller General's Office.

3. Financial Report

More than 70 percent of the funds assigned to this project have been used since 1979 as may be seen in the following table.

FINANCIAL ACTIVITY

(US$ 000)

Concept	Programmed Under Amendment No. 11	Disbursed 1979-1980	% of Execution
Study preparation	450	319	71

4. Conclusions and Recommendations

All studies financed under this project have been useful and in many instances have provided concrete solutions to specific problems.

It is anticipated that funds budgeted for this project will need to be increased next year in view of the number of requests submitted to the Secretariat by several different organizations.

L. CONTAGIOUS DISEASE CONTROL

1. Introduction

The Title III transmissible diseases control program is primarily designed to safeguard the health of rural inhabitants. To this end, projects involving prevention, investigation, and control activities are carried out as well as epidemiologic vigilance and treatment programs for common diseases in rural areas. Title III provides grant funds which are used for the implementation of five projects undertaken by the Ministry of Public Health as follows:

a) Malaria Control and Eradication
b) Expanded Immunizations Program
c) Tuberculosis Control
d) Yellow Fever Control and Eradication
e) Chagas Disease Investigation

Overall, implementation of the Contagious Disease Control Program is satisfactory, even though the results of each of these sub projects are different. These projects have been implemented with the active support of the Ministry of PUblic Health and other government institutions.

Accomplishments in the Expanded Immunizations Program this year are particularly meaningful. Coverage of rural families was increased this year as a result of a national immunization campaign that was conceived and carried out by the Ministry of Public Health. This campaign helped to reduce the incidence of Yellow Fever and other serious diseases.

Activities in the other three projects were normal despite an increase in the incidence of Malaria. The main factor which contributed to this increased incidence of Malaria was the excessive rainfall which prevented spraying teams from reaching as many areas as they had in previous years, thus bringing about the creation of new breeding places where the vector multiplied. Work stoppages for salary increases also reduced the effectiveness of Malaria control teams.

2. Project Progress

a) Malaria Control and Eradication

Between 1979 and 1982 the Malaria Project showed decreases in the incidence of Malaria. From 13.5 percent registered in 1979, the incidence of Malaria fell to 3.7 percent in 1982. There was an increase in the number of Malaria cases in 1983, mainly in areas of Santa Cruz, Tarija, and Beni. The cause for this increase was the unusually heavy rainfall in those areas and floods which took place that year. Incidence of the disease in this period was 15.7 percent, that is, five points higher than the level registered in the previous year (See Table No. 11). The cause of this increase was the large number of mosquitoes which were not eliminated in the past year, due to a reduction in activities such as home spraying,

TABLE NO. 11

CONTAGIOUS DISEASE CONTROL PROJECT

MALARIA INCIDENCE BY DEPARTMENTS

1979 - 1984

AREAS	1979			1980			1981			1982 (*)			1983 (*)			1984 (*)		
	Hematic Samples			Hematic Samples			Hematic Samples			Hematic Samples			Hematic Samples			Hematic Samples		
	Takes	Positive	ILP	Takes	Positive	ILP	Takes	Positive	ILP	Takes	Positive	ILP	Takes	Positive	ILP	Takes	Positive	ILP
Beni	11,538	2,165	18.3	9,916	1,242	12.5	12,947	1,241	9.4	11,727	812	6.9	12,234	3,021	24.6	4,148	984	23.7
Cochabamba	19,397	620	3.2	21,683	1,243	5.7	27,581	543	1.9	10,632	75	0.7	12,201	114	0.9	6,148	64	1.0
Chuquisaca	20,277	2,781	13.7	31,700	3,857	12.2	40,460	2,532	6.2	17,917	636	3.5	22,285	2,249	10.0	9,727	1,302	13.4
La Paz	13,009	2,768	21.3	15,869	2,312	14.6	16,288	839	5.1	6,680	73	1.1	6,642	60	0.9	6,757	86	1.3
Pando	3,148	1,029	32.7	7,324	720	9.8	16,634	504	3.0	12,325	151	1.2	3,933	132	3.3	851	41	4.8
Potosí	1,636	33	2.0	4,951	370	7.5	9,021	195	2.2	2,140	17	0.8	-	-	-	-	-	-
Santa Cruz	19,817	2,311	11.7	30,079	4,084	13.6	30,207	2,302	7.6	13,035	710	5.4	15,703	1,629	10.3	13,793	4,026	29.2
Tarija	21,413	3,166	14.8	22,126	2,791	12.6	23,047	1,644	7.1	9,571	692	7.2	11,556	1,853	16.0	8,067	1,279	15.9
Total	110,235	14,873	13.5	143,648	16,619	11.6	176,235	9,771	5.5	84,027	3,166	3.7	84,554	9,058	10.7	49,491	7,782	15.7

(*) First Semester Data

intradomicile spraying, and destruction of infested areas because of social and labor problems during the first semester of the year. (See Table No. 12).

However, all cases identified by positive lamine indexes (ILP) received preventive treatment, and follow-up treatments in those cases where the disease persisted after the preventive treatment.

The total staff assigned by the Ministry of Public Health to this project is 380 employees which includes physicians, inspectors, evaluating teams, sanitary, and technical-administrative personnel. The Malaria control program has 45 vehicles which are distributed throughout Boliva. The program also has several outboard motors which are used to take spraying teams into isolated tropical areas. The most serious malaria areas this year were the towns of Guayaramerin and Siglo XX in Beni, Araras in Pando, Bermejo in Tarija, Santiesteban in Santa Cruz, Pojo in Cochabamba, and Larecaja in La Paz. This information will be used to plan national malaria control campaigns to be undertaken in 1985.

At the same time, the Ministry of Public Health has undertaken a malaria research program with the cooperation of the World Health Organization and the Chinese Mission which is experimenting with biologic controls for Malaria. The program is 50 percent complete with excellent results at experimental levels, it is anticipated that this research will be finished by the end of next year.

Campaigns for destruction of mosquito breeding places were carried out in Cochabamba, using a mixture of discarded petroleum with DDT, with very positive results.

The increased incidence of Malaria is of deep concern to the Government and the Ministry of Public Health To meet this acute problem the Government is programming the following activities: 1) In problem areas such as Guayaramerin in Beni, Bermejo in Tarija, and others, regional malaria control campaigns will be promoted, which will include mass participation by the community in case detecting, treatments, destruction of mosquito breeding places, and spraying. The Ministry of Public Health will organize and support these campaigns by providing technical personnel, equipment, and additional inputs; 2) A technical evaluation of the Malaria Project will be carried out in November, with the participation of representatives from WHO and PAHO who will make recommendations regarding the strategy to be followed to control Malaria. Given the problem's magnitude, the

TABLE NO. 12

CONTAGIOUS DISEASE CONTROL PROJECT

HOUSE SPRAYING BY DEPARTMENTS

MALARIA, 1979 - 1984

AREAS	1979			1980			1981			1982(*)			1983(*)			1984(*)		
	Programmed	Executed	%	Programmed	Executed	%	Programmed	Executed	%	Programmed	Executed	%	Programmed	Executed	%	Programmed	Executed	%
Beni	16,93	19,457	115.1	15,254	15,989	104.8	18,517	14,184	76.1	6,790	8,581	126.4	10,159	7,851	77.2	10,283	3,463	34.0
Cochabamba	13,432	12,948	96.4	22,886	20,720	90.5	24,047	24,178	100.5	9,379	9,173	97.8	9,124	6,302	69.1	9,117	5,200	57.0
Chuquisaca	16,296	15,524	95.3	16,447	11,158	67.8	16,728	16,938	101.2	11,769	9,586	81.4	11,432	4,352	38.1	12,379	1,181	9.5
La Paz	18,837	13,701	72.7	31,751	27,353	86.1	30,852	29,385	95.2	14,733	12,612	85.6	10,904	9,551	87.6	7,713	3,929	50.9
Pando	-	-	-	7,670	6,948	90.6	7,633	7,863	103.0	6,523	3,724	54.1	3,085	3,100	100.5	4,699	1,000	21.2
Santa Cruz	25,394	16,300	64.2	45,344	28,732	63.4	44,257	24,990	56.4	18,629	12,986	69.7	12,296	6,404	51.3	17,556	4,550	25.9
Tarija	19,066	18,930	99.3	20,513	23,556	115.2	27,249	19,290	70.8	10,776	9,669	89.7	9,459	8,340	88.0	10,807	3,232	30.0
TOTAL	110,878	96,390	87.4	159,865	134,551	84.1	169,363	147,454	87.0	78,559	66,331	84.4	66,479	45,890	68.9	72,554	22,555	31.0

(*) First Semester Data

Government will obtain support from international organizations such as WHO, UNICEF, USAID to implement the recommendations resulting from the evaluation; and finally, 3) In order to avoid any future strikes by Malaria workers, the government is preparing regulations which will transform this project into a National Emergency Program and thereby avoid any future labor problems.

b) Enlarged Immunization Program (PAI)

The PAI underwent a reorientation of its activities during this period. Until mid 1983 PAI used to carry out vaccinations on the basis of spontaneous demand from families. Since the end of 1983, PAI has decided to carry out popular mobilization campaigns which require decissive and active participation by the community. Thanks to this change the coverage has increased substantially (See Table No. 13).

Vaccination against Poliomyelitis, Measles, Tetanus, Diphteria, and Whooping Cough was emphasized this year. As a result of this work there was a substantial reduction in the incidence of these diseases as may be seen in the table below.

DISEASE INCIDENCE

(Number of Cases)

Disease	1983	1984 (*)
- Poliomyelitis	6	0
- Diphteria	20	23
- Tetanus	111	13
- Whooping Cough	1,445	383
- Measles	2,034	449

(*) First Semester

It can be concluded that the PAI has been successfully implemented during this year. A clear indicator of this project's success is the 76 percent coverage which was achieved for all children in the 0 - 5 year age group with anti-polio vaccines.

TABLE No. 13

CONTAGIOUS DISEASE CONTROL PROJECT

ENLARGED PROGRAM OF IMMUNIZATIONS

VACCINATION PER YEAR

1982 - 1984

Vaccine	Dosis	1982 Age Groups (Years) M1	1	2	Total	1983 Age Groups (Years) M1	1	2	Total	1984 (*) Age Groups (Years) M1	1	2	Total
Antipolio	First	93,350	38,609	32,458	164,417	(2) 158,311	125,260	128,057	(2) 411,628	21,819	6,883	5,896	(3) 34,598
	Second	47,085	26,860	24,070	98,035	(2) 131,380	123,100	129,586	(2) 384,066	13,373	6,637	5,655	(3) 25,665
	Third	28,475	24,778	23,123	76,376	23,838	20,137	18,221	62,196	(2) 99,007	104,120	109,169	(2) 312,296
D.P.T.	First	88,034	36,670	31,706	156,410	66,359	25,464	20,757	112,580	21,931	7,273	6,661	35,865
	Second	45,358	26,085	29,500	92,943	38,905	20,832	17,982	77,719	13,144	5,358	4,530	223,012
	Third	26,913	22,719	20,160	69,792	23,104	18,935	16,158	58,197	8,300	5,530	4,144	17,974
	Only one	34,419	37,382	29,230	101,031	30,078	29,984	23,288	83,350	27,094	98,617	96,513	222,224
B.C.G.	Only one	71,639	20,951	19,524	112,114	64,527	17,004	16,383	97,914	30,054	7,905	6,540	44,499

M-1 Children less than 1 year old.

(*) First Semester Data.

(2) Mass Campaigns mobilization.

(3) Information on popular mobilization campaigns not included.

c) Tuberculosis Control

The Tuberculosis control program was the activity which was affected most directly and severely by the economic situation and by social and labor problems. A lack of foreign exchange prevented importation of necessary medicines for tuberculosis treatments, and health units which implement this project had to work overtime to compensate for the continuous disruptions which occurred this year.

Despite these limitations, the Tuberculosis control activity met its goals for 1984 as may be seen in Table No. 14. It is worth pointing out that the Ministry of Public Health worked diligently to organize the activities carried out by this project. At the beginning of the year a national meeting was held at which time a coherent work plan for the project was approved on the basis of regional evaluations. Later on, around the middle of the year, a second meeting was held at a technical level where the framework, strategy and rules for the project's future development were established.

d) Yellow Fever Control and Eradication

This project which is being carried out in the department of Santa Cruz has attained satisfactory results in this period.

As a matter of fact, the infectation level which had been as high as 11.5 percent in June 1983, was down to 3.5 percent by June 1984.

Department of Santa Cruz

Infestation Rate

Region	As of June 1983	As of June 1984
Urban Area	9.2 %	5.5 %
Rural Area	13.8 %	1.6 %
Average	11.5 %	3.5 %

TABLE NO. 14

CONTAGIOUS DISEASE CONTROL PROJECT

TUBERCULOSIS CONTROL

1980 - 1984

	1980			1981			1982			1983			1984 (*)		
	Programmed	Executed	%	Programmed	Executed	%	Programmed	Executed	%	Programmed	Executed	%	Programmed	Executed	%
Program Integration	158,700	15,786	9.9	176,618	106,599	60.4	186,548	88,879	47.7	223,125	75,995	34.0	223,125	65,600	29.4
BCG Vaccination															
New Born Vaccinations	57,600	54,635	94.8	66,277	62,211	93.9	67,175	54,074	80.5	-	-	-	-	-	-
Vaccination of children under 15 years old.	153,485	103,671	67.5	135,976	100,301	73.8	149,120	171,115	114.7	-	-	-	-	-	-
Case Localization															
Bacillascopes for Daignosis	28,560	14,675	51.4	29,476	19,644	66.6	26,719	18,528	69.3	24,991	22,569	90.3	37,017	10,770	29.0
TB cases detection from respiratory symptoms	5,712	4,412	77.2	5,970	5,075	85.0	5,687	4,777	84.0	5,723	4,846	84.6	12,339	3,985	32.3
Treatments															
Ambulatory treatment															
Sick persons detected	5,140	4,060	79.0	5,443	4,785	87.9	4,937	4,064	82.3	4,873	4,285	87.9	11,523	3,706	32.1
Re-treatments	263	144	54.1	-	-	-	-	-	-	-	-	-	-	-	-
Bacillascope control	30,840	13,598	44.1	30,778	15,420	50.1	29,011	11,735	40.4	25,096	15,274	60.8	74,594	23,910	32.0
Direct Supervision	1,000	310	31.0	-	-	-	-	-	-	-	-	-	-	-	-
Staff Training	1	1	100.0	1	1	100.0	-	-	-	-	-	-	-	-	-

(*) First Semester Data

This reduction was attained despite the decrease in prevention activities such as basic sanitation, and trash collection. The efforts to eliminate Aedes Aegpti breeding places should be mentioned. A total of 435,038 breeding places were treated which is 45 percent more than the level treated in 1983.

The various yellow fever control activities were carried out under a strategy which emphasized local participation in identifying areas where yellow fever was a problem. This resulted in local support for teams which were eliminating breeding places, were involved with focal and peri-focal treatment, or were carrying out intradomicile spraying.

e) Chagas Disease Investigation

The Chagas research which was started in 1981 involved several activities. To date 3,638 houses have been surveyed which housed a total of 20,381 persons. From this group 11,215 samples have been taken which are being analyzed at the laboratory. Partial results on the processed samples show 41.8% positive serology. At the same time, electrocardiograms were made for 39.1% of the samples taken. Up to now 2,918 of them were read and the results show that 15.6% of the samples have symptoms which are similar to the symptoms of Chagas disease. The entomologic analyses were made by INLASA (National Health Laboratories Institute). Serologic analyses have not been concluded yet because they required sophisticated material which is going to be provided with the cooperation of WHO/PAHO. This research is expected to be completed by the beginning of 1985.

Construction of Offices for the Epidemiologic Directorate

This year the Title III Program is funding the construction of offices for the Ministry of Health's Epidemiologic Dirctorate. This building is located in La Paz and will have an area of approximately 600 m^2. The progress made in this work is 85 percent, and its conclusion is scheduled for the end of next December. These offices will be used by personnel working on the different health programs and will solve a critical office space problem.

It should be mentioned that this work is being implemented by direct administration and is being supervised by the Ministry of Public Health and the Title III Secretariat.

3. Financial Report

A total of 5.1 million dollars were disbursed between 1979 and 1984, representing 54 percent of the funds programmed. The degree of utilization of project funds varies with each project. The Chagas research project has used 74 percent of the amount programmed. The use of funds in the Malaria project is now 67 percent. The latter percentage includes the money used in the construction of offices for this project.

FINANCIAL ACTIVITY

(US$ 000)

Concept	Programmed Under Amendment No. 11	Disbursed 1979-1984	% of Execution
Malaria Control Program	4,804	3,211	67
Tuberculosis Control Program	1,199	364	30
Immunizations Program	2,578	1,164	45
Yellow Fever Control Program	860	306	36
Chagas Investigation	78	58	74
Total	9,519	5,103	54

Notwithstanding the economic contraction confronted by the country, the funds disbursed by the country's General Treasury for Health Projects have been increased, thus securing the projects continuity.

4. Conclusions and Recommendations

Projects with the most satisfactory performance are PAI (Enlarged Immunizations Program), and the Yellow Fever Control and Eradication program where coverage was substantially increased reducing the infestation level. The projects, Malaria

Control and Eradication, and Tuberculosis Control were the most affected by the country's socio-economic situation, and this hindered their efforts to completely meet their goals.

Construction of project offices is proceeding on schedule, and the costs are lower than those initially expected.

M. HEALTH PROJECTS

1. Introduction

This project is designed to promote new activities and to strengthen current nutrition projects in order to improve the health of low income rural people in particular children and women. Within this framework, between 1979 and 1983 the project financed the organization and operation of INAN (National Health and Nutrition Institute) to undertake research and institutional training activities as well as to execute food production projects.

In Amendments No. 8 and 11 to the Project Agreement, the project's scope of action was enlarged to include nutritional vigilance programs, health services training, and support for an epidemiologic study to determine nutritional effects of the 1983 drought on the rural population living on the Bolivian Altiplano.

2. Project Progress

The financing of INAN finished in 1983. However, this institution continued its normal activities although not at the same pace as in previous years due to limited financial support from the Bolivian due to limited financial support from the Bolivian Treasury.

Two new projects were approved during this period which are being implemented by the Ecumenic Foundation for Development (FEPADE) and the National Nutrition Division of the Ministry of Social Welfare and Public Health.

The project carried out by FEPADE in three provinces of the department of Cochabamba is designed to improve the nutritional status of children and low-income mothers. It also is designed to provide supplementary food, control and prevention of goiter, and to implement a nutrition food education system.

The project being implemented by the Nutrition Division is preparing a diagnosis of the status of nutritional food in the departments of La Paz and Oruro. Based upon this information, a national Nutrition Vigilance System will be designed and put into action. Both of these projects will be carried out within approved guidelines and in accordance with the established work schedules. The projects are expected to be completed by mid 1985.

3. Financial Report

This project's financial activity was 873, 627.28 U.S. dollars, according to the following detail:

FINANCIAL ACTIVITY
(US$)

Concept	Programmed Under Amendment No. 11	Disbursed 1979-1984	% of Execution
INAN	806	805	99
Nutrition Interventions	325	55	17
Health Vigilance	60	14	23
Health Care	360	-	-
Health Training and Education	49	-	-
Total	1,600	874	55

4. Conclusions and Recommendations

This project was reactivated this year and is financing the implementation of two research projects which are important for the National Food and Nutrition System. This system has been in operation since 1982 with the participation of public and private institutions.

N. POLICY ANALYSIS PROJECT

1. Introduction

This project was added to the Project Agreement in Amendment No. 8 which was signed in April 1983. It provides counterpart funds for USAID's Policy Analysis Project (No. 511-0571). The purpose is to provide the government of Bolivia with an adequate instrument for analyzing macro-economic and sectorial development policy alternatives. Title III funds are used to support the operation of the Economic and Sectorial Policy Analyses Unit (UDAPE). This unit is a technical secretariat for the Bolivian Policy Commission which is composed of the Ministry of Finance and the President of the Bolivian Central Bank.

During the last months of 1983 and the beginning of 1984, the main activity of this project was the organization of UDAPE. In mid 1984 UNDAPE began to do research and economic policy analysis work. Given the importance of this project for economic policy decisions, it was decided that the USAID/B mission should be in charge of supervising UDAPE and that the Executive Secretariat will only be responsible for the project's financial control.

2. Project Progress

UDAPE has been very busy during this short period, and has made a number of valuable recommendations which have subsequently been reflected in various documents which the GOB has issued giving the rational for its policy decisions. For example, UDAPE did a critical analysis of a GNP growth model which was being used to make macro-economic policies (Richter-U.N.). UDAPE also reviewed three legal dispositions regarding commercial banking guarantee levels and liquidity, foreign exchange loans and foreign exchange bonds, and an estimate of tax returns under a new tax proposal which was presented by the Tax Reform Commission.

UDAPE is also putting together an updated data and statistical information bank, UDAPE technicians working on this bank have designed forms for surveys, assigned codes to public administration entities and designed codes to be used for registration of professionals working in public administration.

A weekly statistical bulletin on macro-economic variables is being published, and initial steps have been taken to develop a program on information and publications exchange with Bolivian public and private institutions. Thus far, UDAPE, has studies and prepared 17 reports on legal taxation regulations which have been presented to the National Congress for consideration. At present UDAPE is studying alternative ways of capturing and controlling the surplus of monetary liquidity in the Bolivian economy. Also, at the request of the Ministry of Integration, UDAPE is analyzing Bolivia's status as the relatively least developed country within the Andean Group, and Comparing Bolivia's position with Ecuador's position as members of the Andean group.

3. Financial Report

Funds disbursed during UDAPE's first year of operation represent 29 percent of available resources.

FINANCIAL ACTIVITY
(US$ 000)

Concept	Programmed Under Amendment No. 11	Disbursed 1983-1984	% of Execution
Staff	400	121	30
Equipment and Supplies	160	48	30
Operating costs	40	7	18
Total	600	176	29

4. Conclusions

The activities developed by UDAPE are all very satisfactory. It has maintained a constant pace of work and UDAPE's studies and analyses are being used at various levels of the Central Government to make economic decisions and to analyze Bolivia's economic policies.

O. SECRETARIAT FOR DEVELOPMENT OF BOLIVIAN TROPICS

1. Introduction

This project was added to the Title III Agreement under Amendment No. 11, It provides funds to organization of the Secretariat for Development of the Bolivian Tropics (SDBT) as well as funds for the Land Use Capability Center (CUMAT) which is part of the SDBT. The Bolivian Tropics (SDBT). SDBT has been created to promote the orderly and ecologically sound use of Bolivia's land resources, and to provide information and support to institutions involved with colonization, production, and marketing activities.

The SDTB's main activity at present involves financing of feasibility studies for institution with the capability of participating in development programs.

2. Project Progress

Activities of the Land Use Capability Center (CUMAT) are being financed under this project in order to determine the agricultural potential and optimal utilization of piedmont and low/land regions of Bolivia. The methodology used by CUMAT is that of Dr. Joseph A. Tossi of the Tropical Science Center of Costa Rica, who participated in the project together with two other foreign experts. The technical assistance is financed with AID resources. Thus far, CUMAT has trained 20 experts in ecological, physical, and environmental survey techniques, and has completed an aerophotogrammetric survey of approximately 68,385 km 2 located near Tumapasa in the Department of La Paz. A similar study is to be carried out near Montero in the Department of Santa Cruz. This Second Study will be completed by December 1984. CUMAT plans to extend its study areas in the departments of Santa Cruz and La Paz in 1985 and include the Chapare region in the department of Cochabamba. The project's financial activity was US$66,322.00 as detailed below:

FINANCIAL ACTIVITY
(US$ 000)

Concept	Programmed Under Amendment No. 11	Distributed 1984	% of Execution
Staff	450	-	-
Infrastructure and Equipment	100	-	-
Operating Costs	200	-	-
Studies	100	50	50
Contributions to other Institutions	150	116	[illegible]
Total	1,000	166	[illegible]

4. Conclusions and Recommendations

The CUMAT project is being implemented in a throughly satisfactory manner. CUMAT's reports are technically excellent and have been finished on time. Results of these reports will be very helpful for agricultural planning and will guide the development of one of the country's most fertile areas.

It is assumed that the SDBT's organizational structure will be consolidated by the end of the year, and that the SDBT will carry out additional activities to promote agricultural development in 1985.

P. INSTITUTIONAL SUPPORT FOR PRODUCER ASSOCIATIONS

1. Introduction

This project was added to the Title III Agreement under Amendment No. 11. Its purpose is to institutionally strengthen producer associations and other small farmer organizations. To this end, the project includes funds to finance three types of specific activities: 1) Specialized

technical assistance; ii) Operating Costs and initial investments for the associations' organization and operation, and iii) Financing for preparation of feasibility studies identified by producer associations.

2. Project Progress

In view of this project's recent incorporations to the Program, activities thus far have been related to the promotion of the project. for this reason, no specific activity has been financed yet. However, now that Title III contacts with the private sector have been organized, it is anticipated that this project's activities will increase during the next period.

3. Financial Reports

Funds assigned to this project were not used during this period.

FINANCIAL ACTIVITY
(US$ 000)

Concept	Programmed Under Amendment No. 11	Disbursed 1979-1984	% of Execution
Technical Assistance	200	-	-
Studies	150	-	-
Organization, Equipment and Operating Costs	150	-	-
Total	500	-	-

4. Conclusions and Recommendations

Financing of activities for the institutional strengthening of producer associations will begin to take place next year. Promotion of the project has been satisfactory to date.