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INTEGRATED ALTERNATIVE DEVELOPMENT PROGRAM ASSESSMENT



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INTEGRATED ALTERNATIVE DEVELOPMENT PROGRAM ASSESSMENT

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DISCLAIMER

The authors' views expressed in this publication do not necessarily reflect the views of the United States Agency for International Development or the United States Government.

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ACRONYMS

AD	Alternative Development
ACDI/VOCA	Agricultural Cooperative Development International / Volunteers in Overseas Cooperative Assistance)
BLTP	Bolivia Land Titling Program
ARCo	Rural Competitiveness Activity (In Spanish Actividad Rural Competitiva)
CC VV	Caminos Vecinales, Bolivia
CJI	Integrated Justice Centers (In Spanish: Centros de Justicia Integrados)
CN	Counter Narcotics
COP	Chief of Party
CTO	Contracting Technical Officer
DD RR	Derechos Reales
ESC	Economic Service Center
FAO	Food and Agricultural Organization
FCDI	Integrated Community Development Fund (In Spanish: Fondo Comunitario de Desarrollo Integral)
FY	Fiscal Year
PSB	Plurinational State of Bolivia (In Spanish Estado Plurinacional de Bolivia)
HCN	Host Country National
IAD	Integrated Alternative Development
IBRD	World Bank
IDB	Inter American Development Bank
INRA	National Agrarian Reform Institute (In Spanish: Instituto Nacional de Reforma Agraria)
IR	Intermediate Result
MAPA	Market Access and Poverty Alleviation project
NGO or ONG	Non-government organization (In Spanish: Organización No Gobierno)
NUODD	United Nations Office of Drug and Crime Prevention (In Spanish Naciones Unidas, Oficina contra las Drogas y el Delito)
PIL or IL	Program Implementation Letter or Implementation Letter
RAISE	Rural and Agricultural Incomes with a Sustainable Environment
SERNAP	National Service for Protected Areas (In Spanish Servicio Nacional de Áreas Protegidas)
SO	Strategic Objective
SOAG	Strategic Objective Agreement
SOW	Scope of Work

T/TA	Training/Technical Assistance
UN	United Nations and its agencies FAO, UNDP, etc.
USAID	United States Agency for International Development
USG	United States Government
VCDI	Vice Ministry of Coca and Integrated Development

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EXECUTIVE SUMMARY

Within the framework of a bilateral agreement with the Plurinational State of Bolivia (PSB), and in cooperation with the same, USAID plans and finances the Integrated Alternative Development (IAD) program. The principal counterpart agency, the Vice-Ministry for Coca and Integrated Development (VCDI), is housed within the Ministry of Rural Development and Lands.¹ The current strategy and corresponding bilateral agreement, signed in June 2005, ends in September 2009.

This assessment examines “the effectiveness and impact of past and ongoing IAD investments and programs in order to inform the evolution of the cooperative program [and] to improve its effectiveness and impact within the current country context and predicted budget parameters.” Included in this assessment are program activities from 2005 through 2008.

USAID and the PSB have cooperated since the Seventies to control the excess production of coca, with significant increases in USAID resources dedicated to the effort occurring in the Eighties. USAID invested in the Tropics of Cochabamba to support roads and social infrastructure, to establish competitive crops, and to improve access to critical services such as land titling and justice. The program has been realigned in collaboration with the PSB to better support the PSB’s diversified development and coca control objectives as budget resources declined. Consequently, USAID now directs more program resources to the Yungas.

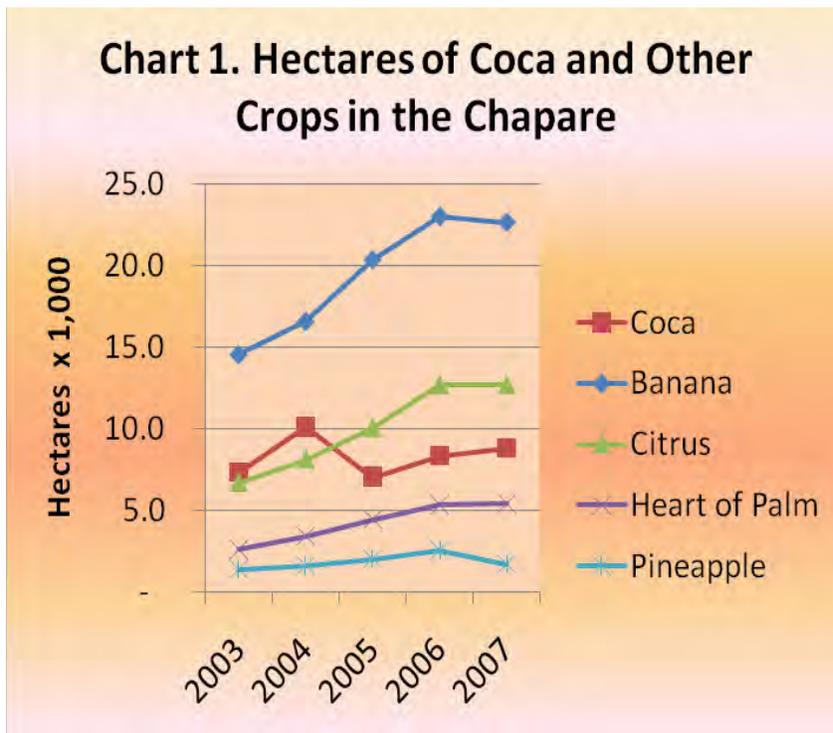
Investments in the Tropics of Cochabamba have created sustainable industries, including products for export and for national markets. The primary export crops are bananas, pineapple and hearts of palm. Bananas and pineapple have a decade of successful

¹ Prior to February 10, 2009, known as the Ministry of Rural Development, Agriculture and Environment.

exports to Argentina, displacing bananas from other established exporters. Hearts of palm have more than five years of successful exports to several developed countries.

For more than a decade, the Tropics of Cochabamba has been a reliable supplier of a wide range of products to local markets. Principal products include bananas, plantains, citrus, papaya, pineapple, tea, and horticulture crops. Tourism is also an important economic activity for the area of Villa Tunari.

The IAD program has fulfilled its role as one of the three instruments of the counter-narcotics efforts in the Tropics of Cochabamba. Private sector investors have entered the zone, established functioning industries that meet exacting standards for sales in competitive national and export markets; private sector institutions provide inputs and technical services for producers and for businesses, and workers are trained and capable of producing for export markets. Hectares of production of the principal alternate crops from 2003 to 2006 have all increased more than coca (Chart 1).



Source: Naciones Unidas, Oficina contra la Droga y el Delito, Bolivia Monitoreo de Cultivos de coca, Junio 2008, p. 13 and 50. Estimates of 2007 hectares of banana, citrus, heart of palm and pineapple are preliminary from United Nations satellite images that may exclude production in flooded areas.

Some challenges remain for the primary export crops. Recently prices for Bolivian bananas have declined in Argentina because of delivery of below standard product. For pineapples, chemical contamination resulted in some shipments detained at the border, indicating sub-standard production and/or post harvest practices. Hearts of palm exports have declined because of softening world demand and lower prices, leaving some producers without a market for product that is ready to harvest. Additionally, three PSB

financed hearts of palm processing plants are under construction or planned for the Tropics of Cochabamba, which may reduce margins for existing exporters.

In the Yungas, the economic options are more limited for alternate crops. Organic coffee, cacao and bananas have found profitable markets in the region, in the US, Europe and other markets. Organic coffee produced throughout the Yungas region, is a crop that can provide sufficient income to replace much of the income from coca production. In North Yungas (Palos Blancos) producers of organic cacao and bananas already are providing sufficient incentives to communities to persuade them to agree to not expand coca production and in some cases reduce production.

Microenterprise grants have created new income sources for most recipients. After a year or more of operations, these recipients look to their microenterprise income as their primary income source, replacing coca. Microenterprise grants will provide alternate income to only a few persons; but they demonstrate that greater income is an effective component to control coca leaf production.

Two non-agricultural sectors to consider for the Yungas are Tourism, both national and international, and forestry. International tourism should capitalize on the unique, unspoiled natural beauty of the region. Adventure tourism (river rafting; extreme sports), nature tourism (birds, butterflies, and flora), village tourism and agro-tourism are some of the options to consider. National tourism is attracting visitors from the La Paz area looking for warmer climate and relaxation in rural and peaceful areas.

Results from existing projects suggest that the potential income generated by using modern forestry practices is significant and could provide incentives for rural residents to reduce coca production, especially in the degraded hillside soils of southern Yungas. The team recommends that USAID first verify these suggestions of significant economic potential for forestry activities. Even with significant economic potential, difficult investment environment issues need resolution for forestry and wood processing industries to prosper. A more detailed review of the forestry sector should precede a decision to commit resources.

Tropics of Cochabamba investments are mostly economic, with a small but important component supporting democracy, including land titling and an integrated justice center. The result is sustainable industries and income sufficient to support control of coca production.

Investments in the Yungas are about one-third social, two-thirds economic, and one percent democratic. This mix has opened doors for the IAD program to work in the zone and gained positive support from the communities receiving investments. The evidence suggests that social investments eventually lead to economic investments, which lead to reduced dependency on coca for family income. There is little evidence that social investments alone lead to coca control. To maximize effectiveness of development resources the share of social, economic or democratic investments should vary by region or by community, according to their development needs.

Poverty indicators for households in Los Yungas region improved significantly. Between 2004 and 2009 the Satisfied Basic Needs indicator increased by 89 percent, from 6.6 percent to 12.5 percent. The number of non-poor increased, from 35.7 percent of the population to 47.8 percent. Likewise the percent of the population that were poor decreased by 19 percent; those classified indigent declined by 50 percent.

While relations between the USG and the PSB have been difficult, there is generally appreciation for the work of the IAD program in the communities where investments are taking place. Using social investments to show good faith, the program has made significant inroads into communities which before were not welcoming.

USAID continually evolves its IAD programs to align more closely with the desires of the PSB and the local communities it serves. The implementing partners are continuing to improve communications with local communities and to involve them in the decisions regarding investment in their communities. Implementing partners supporting businesses should strive to keep local community leaders informed of their activities. Regional round table talks is one way to keep community leaders and other donors better informed of program activities in the region.

PSB officials requested that USAID align its programs more closely to its systems and procedures and proposed that USAID deposit all assistance funds in Bolivian government accounts. Bolivian government entities would then manage the development projects according to objectives and results indicators agreed between the



This Montaña family serves as a leader for 86 other organic coffee producers. To diversify income they also grow beans, amaranth and create artisan crafts. Using private sector resources, they acquired the coffee dryer to improve marketing margins.

PSB and the donor. PSB personnel insist they accept the accountability and transparency standards required of USAID projects, with meaningful and measurable results indicators as a condition of continued funding, and technical assistance to strengthen their capabilities to manage projects. The assessment team suggests that a good faith attempt to implement a pilot project should return sufficient benefits in improved relations with the PSB, local governments and other donors to offset the difficulties of implementation. The model used for the Caminos Vecinales project, with some adjustments could be a good starting point for some types of investments.

USAID investments in the Yungas support a wide range of products, more than can be converted into sustainable industries with the available resources. Working closely with the implementing partners, USAID should define the sectors that are projected to generate significant income to producers and focus interventions in those value chains until they are sustainable.

Few women were present in the field interviews conducted by the assessment team. Neither FCDI nor ARCo were able to provide the team with data on participation by women in their activities. Especially in the area of social investments, women are key consumers. The team believes they would be effective project supporters, decision-makers and even champions. Implementing organizations should consider a requirement that every social investment committee include one or more women. Economic investments benefiting companies owned by a single proprietor or a small group of proprietors may want to require that a spouse of the "owner" to be included in the negotiations to be sure they support decisions that will affect the business and family.

A frequent suggestion by persons interviewed in the field was that investments should also support technical education; learning a skill such as carpentry, auto mechanics, construction trades, and others. Many parents were reluctant to send their children to a university in La Paz where the environment was poorly controlled, children could return home infrequently, and the cost was high.

INTEGRATED ALTERNATIVE DEVELOPMENT PROGRAM ASSESSMENT

BACKGROUND

Within the framework of a bilateral agreement with the Plurinacional State of Bolivia (PSB), and in cooperation with the same, USAID plans and finances the Integrated Alternative Development (IAD) program. The principal counterpart agency, the Vice-Ministry for Coca and Integrated Development (VCDI), is housed within the Ministry of Rural Development and Lands.² The current strategy and corresponding bilateral agreement, signed in June 2005, ends in September 2009.



USAID and the Government of the Multinational State of Bolivia (PSB) have cooperated since the Seventies to control the excess production of coca, with significant increases in USAID resources dedicated to the effort occurring in the Eighties. USAID invested in the Tropics of Cochabamba (also known as the Chapare) to support roads and social

² Prior to February 10, 2009, known as the Ministry of Rural Development, Agriculture and Environment.

infrastructure, to establish competitive crops, and to improve access to critical services such as land titling and justice.

In May 2007, USAID and the PSB signed Program Implementing Letter Number 43 (IL 43) describing planned adjustments to the IAD program for 2007-2009. The program was realigned in collaboration with the VCDI to better support the PSB's diversified development and coca control objectives as budget resources declined. Consequently, USAID now directs more program resources to the Yungas.

This assessment examines "...the effectiveness and impact of past and ongoing IAD investments and programs in order to inform the evolution of the cooperative program [and] to improve its effectiveness and impact within the current country context and predicted budget parameters."³ All or parts of seven projects assessed that have significant components in support of the IAD program are grouped into three areas:

Economic Development (Bolivia Productive)

- Rural Competitiveness Activity (for the initials ARCo in Spanish) implemented by Chemonics International. ARCo's private sector-focused, transaction-oriented and market-led approach is helping to improve competitiveness of promising value chains.
- Rural Roads project implemented by Caminos Vecinales, a unit of the PSB that maintains and improves existing rural roads and bridges and builds bridges to improve access and lower transport costs for agricultural products, local businesses and local communities.
- Natural Resources and Agro-forestry project implemented by Jatun Sach'a which receives funding from USAID and other donors. The project promotes integrated sustainable agricultural and forest management practices.

Democracy (Bolivia Democratic)

- Integrated Justice Centers project implemented by Checchi and Company Consulting, Inc. in collaboration with the Ministry of Justice. This project focuses on technical assistance to expand Integrated Justice Centers that provide mediation and justice-related services to marginalized communities.
- Bolivia Land Titling project implemented by Chemonics International. The project's purpose was to establish a solid technical, operative and logistical basis for the Bolivian Land Reform Institute (INRA) to implement rapid and large-scale land titling in the Tropics of Cochabamba. This project ended in May 2008.

Social Development (Bolivia Dignified)

³ Statement of Work, page 2.

- Community and Social Development project, which operated the Integrated Community Development Fund (FCDI after its initials in Spanish) implemented by ACDI/VOCA. This project invests most of its resources in key social and community infrastructure works, such as schools, potable water systems, waste water systems, and small vehicular and foot bridges and supporting micro enterprises.
- Health project, implemented by John Snow Inc: This project seeks to better the health of Bolivians by improving the management capacity of local health services; increasing service coverage and quality; improving local health care management; procuring essential health equipment; and providing logistical support to local partners.

Not reviewed in this assessment is a project that supported rural electrification, implemented by the National Rural Electric Cooperative Association.

The Tropics of Cochabamba and the Yungas

The Tropics of Cochabamba is a humid semi-tropical region covered primarily by forests, which account for more than 80 percent of the area. This forest area is home to a great variety of species of plants and animals and contains two national parks, one departmental park and several forest management areas. Much of the remaining area is relatively level or with low hills and is dedicated to mixed uses and agricultural crop production. Bananas, pineapple and hearts of palm are the primary export crops shipped to regional markets, mainly Argentina and Chile. The region produces a wide variety of crops for local and national consumption, including citrus, papaya, horticulture products, coffee, tea, beef, honey and rice.

The Yungas is a mountainous region with small valleys ill suited for extensive agriculture. Smallholder plots dominate the landscape. Coca is the predominant cash crop, followed by coffee. Coca production is legal in the traditional product areas; yet it is expanding into non-traditional areas. Higher prices for organic coffee have renewed the interest of smallholders to produce it for export markets. Most production of other agricultural crops satisfies local consumption with small but important markets for Yungas products in La Paz. Between 2006 and 2007, the hectares of cacao production increased by nearly 10 percent, followed by banana with a 7.7 percent increase and then by coca leaf with a 4.8 percent increase.

From 2003 to 2007, the area of production of coca leaf in the Tropics of Cochabamba increased by 38 percent, and in the Yungas it increased by 23 percent.

Table 1. Hectares of Production of Principal Crops in the Tropics of Cochabamba, 2003-2007 (thousand hectares)

Crop	2003	2004	2005	2006	2007	Percent change (2003-2007)
Coca	4.4	4.3	4.1	5.2	6.0	38
Banana	14.6	16.6	20.4	23.0	22.6	56
Citrus	6.7	8.1	10.1	12.7	12.7	90
Heart of Palm	2.6	3.4	4.4	5.3	5.4	106
Pineapple	1.4	1.6	2.0	2.0	1.6	20
Total	32.5	39.8	43.8	51.8	51.3	58

Source: UNODC, "Estado Plurinacional de Bolivia Monitoreo de Cultivos de Coca," June 2009, page 43. Estimates of 2007 hectares of banana, citrus, heart of palm and pineapple are from United Nations satellite images that may exclude production in flooded areas. It should be noted that the data above

Table 2. Production of Coca Leaf and other Products in Los Yungas (hectares)

Zone	Crop	2006	2007
Alto Beni*	Coca	50	49
	Banana	4,247	4,647
	Cacao	5,017	5,506
	Citrus	1,077	1,121
Caranavi	Coca	1,714	1,653
	Coffee	9,074	9,187
	Coca	3,266	4,028
La Asunta	Banana	291	298
	Coffee	395	431
Yungas sud-oeste**	Coca	13,095	13,274
	Coffee	101	107
Inquisivi***	Mango	70	70
	Coca	807	807

Source: UNODC, *Estado Plurinacional de Bolivia, Monitoreo de Cultivos de Coca, June 2008, p. 50.*

*Includes municipal governments of Palos

Table 2 presents the area of production of coca leaf and other products in the several production zones in Los Yungas.

Assessment Approach

Questions prepared for the assessment team in the statement of work pointed to rapid appraisal methods as the assessment approach, which included key informant and community group interviews and direct observation of implementing partners' activities and results that demonstrate benefits to

persons or groups. The evaluation team reviewed:

- Literature and data generated by the seven implementing projects

- Background information provided by USAID/Bolivia and USAID/Washington
- Recent studies about alternative development programs
- Documents about alternative development activities (past and present)
- The National Development Plan and National Plan for Integrated Development with Coca
- Information on other donor programs in Bolivia.

The evaluation team interviewed each of the implementing institutions, including headquarters and project-level personnel. The team visited 44 communities and 74 sub-project sites and interviewed about 200 individuals. The team also met with several Government officials.

To select project implementation sites to visit, the team consulted with USAID/Bolivia and implementing institution personnel and obtained suggestions from non-project and non-USAID persons. The team also used members' knowledge of project sites in the Tropics of Cochabamba and information received from prior visits and interviews to select sites.

Interview guides helped to structure questions for each type of informant. Interviews focused on learning from the experience of project participants and capturing their suggestions for change.



This carpenter shop in Sapecho prepares wood parts for exports. A microenterprise development grant through USAID helped finance the structure and equipment purchases.

Data analysis focused on extracting lessons learned from project operations. Due to the changing and uncertain environment surrounding alternative development activities in Bolivia, the recent USAID audit of several of these same projects and guidance by the COTR allowed the evaluation team to focus on identifying lessons learned to guide future activities.

As time permitted, the team reviewed preliminary findings and potential recommendations with implementing institutions to assure that the team understood the implementing environment and constraints and differences in results from those expected. Over

the period covered by this evaluation, political changes in Bolivia affected the operations of all implementing institutions - some of which altered significantly their work plans.

PROMOTING SUSTAINABLE DEVELOPMENT

How effective overall has been the IAD program in promoting sustainable development and coca control in the two coca-growing regions in which the program operates? Does the IAD program fulfill its role as one of the three instruments of USG counter-narcotics efforts? Are there ways to increase the effectiveness and complementarity with other CN programs?

The Tropics of Cochabamba

The IAD program has been effective in promoting sustainable development in the Tropics of Cochabamba. For nearly a decade, sustainable agricultural industries have exported larger quantities of bananas, pineapple and hearts of palm. More than 100 truckloads of bananas leave the Tropics of Cochabamba each week for markets in Argentina. Lesser but significant amounts of pineapple and hearts of palm are also exported each week.

These and other companies also supply domestic markets with a variety of food products, such as bananas, plantains, citrus, papaya, pineapple, tea and horticultural crops. Domestic tourism is a significant source of revenue for the Villa Tunari area.

The IAD program has fulfilled its role as one of the three instruments of the counter-narcotics efforts in the Tropics of Cochabamba. In the three export crops mentioned above, private investors have established sustainable industries that meet standards for sales in competitive export markets. Private sector institutions provide inputs and



Simon Valesquez with his cacao dryer in Pista Suapi. The aim is to dry the beans slowly, letting the slow warmth "caress" the beans, since drying affects the flavor of the chocolate.

technical services for producers, processors and marketers. Producers and workers are trained and capable of producing fruit of the quality needed for export markets.

Other development activities - rural roads, land titling, electricity, health posts, integrated justice centers, and improved municipal governments - complement the income-generating activities, creating an environment that promotes business growth. Sustainability now, however, does not ensure sustainability in the long-term. Each export product faces emerging risks to markets in Argentina, Chile and other countries. The response to Question 3, Tropics of Cochabamba Investments, discusses challenges to which export sectors need to respond.

Considering the events that led to USAID's departure from the Tropics of Cochabamba, opportunities for USAID to increase effectiveness and complementarity with other development and counter narcotics programs in the Tropics of Cochabamba are limited. We discuss options in the section Tropics of Cochabamba Investments below.

The Yungas

With smaller investments and fewer years of support in the Yungas, the IAD program has only begun to establish a sufficient number of sustainable industries/companies that can generate sufficient long-term income to encourage residents to reduce or eliminate coca production. Only a few agricultural crops generate sufficient income potential to become primary income sources for many producers. These include coffee, cacao and organic or fair-trade coffee, cacao and bananas. The response to Question 3 discusses these crops and other potential economic activities in the Yungas.

Because of the changing political environment, the ARCo and FCDI projects reformulated their implementation approach in the Yungas, which delayed some activities and resulted in less-than-anticipated results for the program. PSB approvals delayed implementation for some projects and stopped the business grants activity of ARCo.

There was little evidence that social investments controlled coca production, but clearly, they have helped open the door and the receptivity of communities to invest in other productive undertakings that can lead to sustained coca control. The FCDI's microenterprise activities and some of ARCo's business development activities suggest beneficiaries' reduced interest to produce coca. These expressed sentiments, however, are preliminary and need several years of adequate income generation to solidify beneficiaries' decisions to abandon coca production. It is too soon to make reliable projections for coca control.

On a positive note, project implementers' adaptations to PSB policy changes has improved reception by communities and municipalities, which have responded favorably

by making more requests for social investments. There is a positive perception that the IAD program is able to deliver on commitments, in turn building community leaders' and citizens' support for integrated development programs. Moreover, as data on page 12 shows, social investments (financed by USAID, the PSB, and other donors) have had a significant impact in reducing poverty in the Yungas.

For most communities income generation, however, is a more pressing need than social investments. Project staff believes that the positive impressions generated by social investments will open doors for more income generating activities. Greater income over several years will be the fundamental incentive to control coca production. In a number of communities, personnel of ACIDI/VOCA and ARCo reported that after completing one or more social investments, the community was more receptive to implementing income-generating activities. Some communities are specifically requesting economic activities to increase family income.

Comments by PSB officials suggest that resources available from the European Union will support economic activities in coca production regions, including the Tropics of Cochabamba and the Yungas. The Mesa Sectorial meetings may help identify if the portion of these funds planned for investments in the Yungas can be coordinated with USAID-supported activities.

Income and Poverty Indicators

Many consider the Unsatisfied Basic Needs indicator (NBI in Spanish: Necesidades Basicas Insatisfechas) to be the most reliable indicator of poverty.⁴ NBI measurements in 2004 and 2009 used sufficiently similar data definition and collection procedures to be comparable for regions. The 2008 survey results in Table 3 show the percent of households in the Yungas

Table 3. Poverty Indicators for households in Los Yungas Region, 2004 and 2008

Indicator	2004	2008	Change
Non-poor	35.7	47.8	34 %
Satisfied Basic Needs	6.6	12.5	89 %
Threshold of Poverty	29.1	35.3	21 %
Poor	64.3	52.2	-19 %
Moderate Poor	57.9	48.9	-15 %
Indigent	6.4	3.2	-50 %

Source: Grupo Nueva Económica, survey report 2009, draft. The Yungas region includes the municipalities of Corioco, Coripata, Chulumani, Irupana, Yanacachi, La Asunta, Palos Blancos and Caranavi.

The survey methodology for 2008 allows comparable statistics between 2004 and 2008 for the Yungas region (presented above) and for the municipalities of Palos Blancos, La Asunta and Caranavi.

⁴ The Bolivian National Institute of Statistics (INE) last updated the NBI indicator in 2001. INE suggests that the indicator be updated to better represent Bolivian reality. Still, INE maintains, that the NBI is the best indicator to measure poverty reduction and human development.

region with Satisfied (rather than unsatisfied) Basic Needs increased 89 percent, from 6.6 percent in 2004 to 12.6 percent. The share of households on the threshold level increased by 21 percent, from 29.1 percent in 2004 to 35.3 percent in 2009. The percentage of the poor declined by 19 percent while the percentage of the indigent poor declined by 50 percent.

Exports from Tropics of Cochabamba

Over the past two decades the efforts of USAID, the PSB and other donors have established the Tropics of Cochabamba as a productive agricultural region, supplying domestic and export markets. Daily trucks depart the region loaded with food products for urban areas in the high plains, mountain valleys and eastern lowlands. Products for these domestic markets include tropical fruits, a wide variety of fresh vegetables, eggs, beef and poultry meat, tea, coffee and other products. During the last decade the region has rapidly expanded deliveries of tropical fruits to export markets in the region, and even beyond the region for some products.

In 2008 the value of exports of five high value products from the Tropics of Cochabamba and the Yungas of La Paz totaled 37.8 million US dollars, an increase of increase of 85 percent from exports in 2004 (Table 4). This increase represents an annual increase in exports of 16.5 percent over the four year period, a notable increase. Exports of coffee in 2008 were valued at \$US14.5 million, followed by exports of bananas valued at \$US11.4 million. USAID's Integrated Alternative Development program supported all of these products, along with support and cooperation of the PSBPSB and other donors.

Table 4. Exports of Five High Value Products from the Tropics of Cochabamba and the Yungas of La Paz, \$US millions and percent change 2004-08

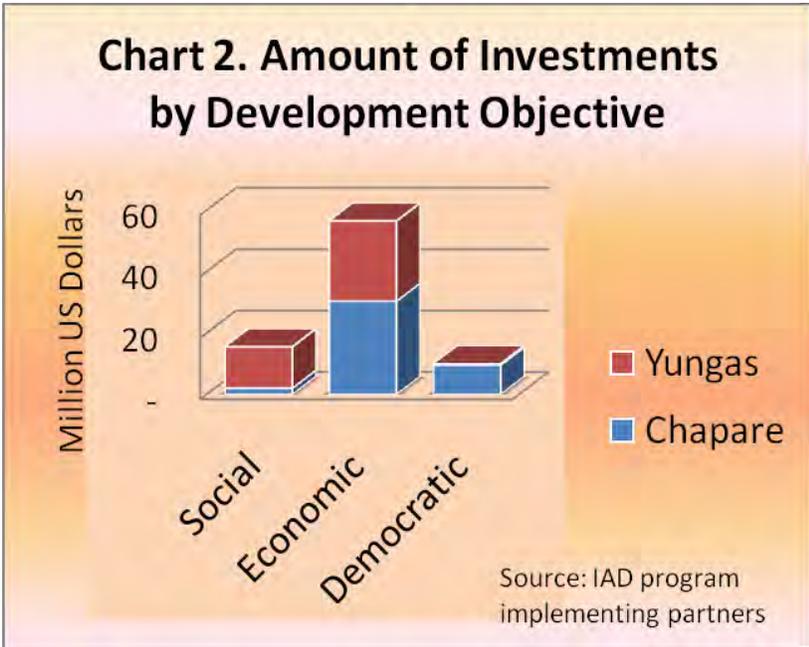
Product	2004	2005	2006	2007	2008	Change 2004-08
Banana	5.5	7.3	9.3	9.4	11.4	107 %
Cacao	1.37	1.47	1.65	1.67	2.1	53 %
Coffee	9.3	11.2	14.1	13.5	14.5	56 %
Palm Heart	4	5.3	6.7	9.7	9.4	135 %
Pineapple	0.3	0.4	0.6	0.5	0.4	33 %
Total	20.5	25.7	32.4	34.8	37.8	85 %

Source: CONCACE, ARCo and CAMEX reports.

BALANCE OF INVESTMENTS

Has the program achieved the proper balance of investments among the three main components (and between social, democratic, and productive investments) to maximize returns to IAD budget resources? With declining budget resources, should the Mission still pursue all three components in its next strategy?

The value of economic investments from 2005 until 2008 for economic activities was 69 percent of all IAD investments (Chart 2). Social investment, the next largest category, accounted for 19 percent. Investment in democracy accounted for 12 percent. Each region received about half of all investments during the period; 51 percent in the Tropics of Cochabamba, 49 percent in the Yungas.⁵



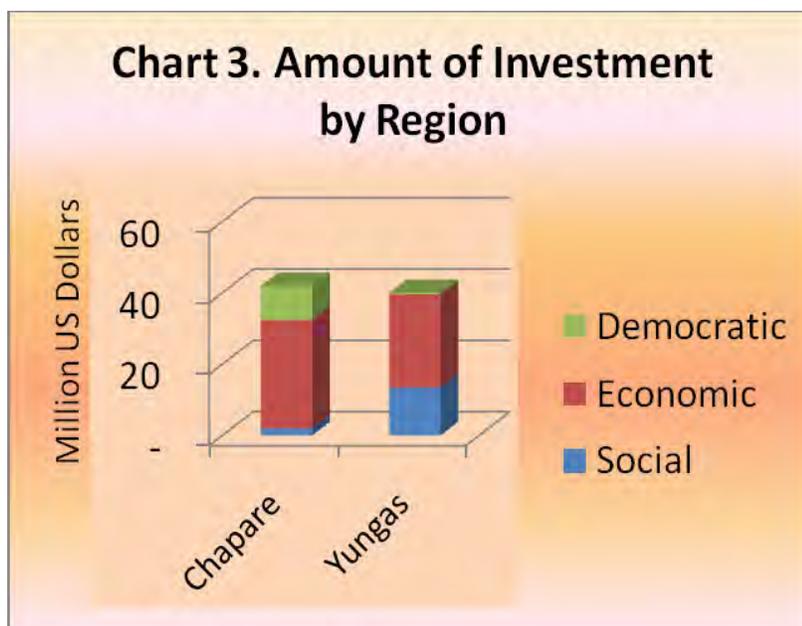
Tropics of Cochabamba investments mostly support economic activities, with a significant democracy component, most of which was the land titling project (Chart 3). Social investments represent less than two percent of the total Tropics of Cochabamba investments, although it should be noted that the \$19 million Integrated Development Grants Program is not included in these figures. This program was not included in the assessment since it had ended a year prior to the start of the assessment. However,

⁵ It should be noted that the figures above do not include the \$19 million Integrated Development Grants Program, a project that operated in the Tropics of Cochabamba.

most of its investments were to support social development.

Yungas investments are about one third social, two thirds economic and less than 1 percent democracy objectives.

Table 5 shows the amount of investments in each region by development objective. The emphasis in the Tropics of Cochabamba on economic investments has supported the establishment of sustainable agro-industries capable of exporting products to Argentina, Chile and other countries, and of providing a variety of food products for



national markets. They have achieved their objective of generating sufficient employment and income in the zone to help control the expansion of coca production.

Table 5. Estimated Amount of Investments by Region and Development Objective, 2005-2008, US\$ millions

Region	Social	Economic	Democratic	Total	Percent
Tropics of Cochabamba	2.018	30.355	9.541	41.913	51
Yungas	13.477	26.131	0.403	40.010	49
Total	15.494	56.486	9.943	81.923	100
Percent	19	69	12	100	

Source: IAD program implementing partners. Note that the table does not include investments made under the Integrated Development grants program, a \$19 million project that had concluded several months prior to the start-up of the evaluation; nor does it include data on the Yungas Community Alternative Development Funds (YCDAF), a \$19 million project that ended in September 2006. It should be noted that the figures above for the most part do not include administrative costs.

To establish awareness and confidence for USAID programs in the Yungas, a higher share of investments have focused on social activities. This mixed use of investments has opened doors for income-generating activities that help to reduce the need for coca production. Some areas still need a higher portion of social investments; other areas want and need more economic investments. The response to Question 4: Yungas Investments presented below suggests the most effective mix of investments for the Alto Beni, La Asunta and South Yungas regions. *Future programs should include all three types of investments, whose proportions would be determined according to the needs of each region.*

TROPICS OF COCHABAMBA INVESTMENTS

Have IAD investments in the Tropics of Cochabamba been sufficient and sufficiently successful to now permit the exit of USAID from the region? In what manner and period of time should the USAID IAD program end its assistance to the Tropics of Cochabamba to best ensure sustained returns to past investments and the region's continued growth and development?

This question was posed before the incident of June 2008, when leaders of the coca federation in the Tropics of Cochabamba announced their intention to expel USAID from the region. In light of threats and ensuing violence, all USAID-contractor staff left the Tropics of Cochabamba and all USAID-funded activities began project closeout as to end activities by early 2010.

As a result, the evaluation team reviewed USAID projects that *were* active in the Tropics of Cochabamba. The team's opinions as to the sustainability of USAID's past investments and the possibility of the region's continued growth and development reflect data on earlier program operations and information gathered from a brief visit to the area.

USAID has operated in the Tropics of Cochabamba since 1983. Since then, it has invested significantly in alternative development programs. Most of this assistance has supported market and private sector-driven agricultural growth, which subsequently increased trade in Bolivian crops. *USAID's programs have introduced new crops, agricultural research, and improved plant materials; created productive infrastructure; enhanced market linkages and producer groups; developed a network of all-weather cobblestone farm-to-market roads; promoted investment; and reduced environmental degradation.*

These programs generated highly positive effects:

- Migration into a more prosperous area,
- Substantial increases in average family agricultural income,
- Substantial increases in the amount and value of legal farm production,
- Major increases in bananas, pineapples, and hearts of palm exports,
- Increased private investment.

USAID has reason to be satisfied with its contribution to help Bolivians change the

region from one of limited state presence, infrastructure, and social development in the early 1980s to a relatively prosperous region today.

Over the course of this evaluation, team members visited the Tropics of Cochabamba region and the departmental capital, Cochabamba, where they met with representatives of 20 producer associations, exporters, entrepreneurs, USAID contractors, NGOs and leaders of community organizations. From site visits and discussions with this cross-section of individuals, the team finds the following:

1. Banana, pineapple and hearts of palm export agro-industries are sustainable in the Tropics of Cochabamba. Interventions by USAID through its various projects, including ARCo, have strengthened the capacity of these agro-industries to compete in international markets.

All three agro-industries are at risk, however, of losing market share. Banana and pineapple producers, marketers, and exporters are finding it difficult to maintain high quality standards demanded by international markets. Declining market prices and price hikes in the cost of palm stems have created severe pressures for the hearts of palm agro-industry. In all three cases, there is a need to create an industry-level organization to help develop export markets; facilitate logistics and handling; and to provide quality monitoring and control for export shipments and common services. To be successful, these organizations must evolve through the efforts of the participants within the respective agro-industry. The international donor community could effectively support these agro-industries by strengthening individual institutions and product sectors.

2. The potential for growth and development of productive chains for minor products, such as papaya, fish, citrus, honey, and organic rice is severely limited due to limited market integration, low production technology, and small-scale, fragmented production. This is due primarily because different projects have tended to perform only punctual, discrete interventions. The technical and administrative capacity of recipient organizations is severely limited. As USAID-funded projects close, there is also a need to monitor and follow-up operations. Greater integration throughout all stages of the production chains is needed for these minor, yet promising products.

3. To develop sustainable agribusinesses from promising agricultural products requires support to resolve problems and remove constraints throughout the entire value chain - from the farm to the table. Which agricultural products to support should depend on their potential economic impact and their competitiveness.

4. The ARCo project's business approach focuses on potential beneficiaries with the greatest capabilities and the strongest potential for expansion. Conversely, the FCDI project is oriented toward social investments with a strong involvement and participation by local communities and



With USAID-financing, roads such as this in the Chapare use appropriate construction technologies and provide market access to the region's products.

municipalities. Future IAD interventions should include a combination of these two approaches that are coordinated, with the balance between social support and economic interventions based on the needs of the respective communities.

5. The land titling initiative has had a significant positive impact in the Tropics of Cochabamba as evidenced by the communities' warm welcome where it took place. When integrated into cadastre and registration efforts in urban locations, the joint program provided a major benefit to participating municipalities and their ability to plan and generate revenue. The team recommends that land titling be used in the Yungas when it directly supports development, such as promoting investments by producers to provide raw material to an agro-industrial processing plant or in identifying and titling community-managed forests.

6. The cobblestone road infrastructure and concrete bridges that USAID financed in the Tropics of Cochabamba uses a construction technology that is highly appropriate to local conditions. Furthermore, it has provided substantial social and economic benefits to the local communities as roads provide market access for all the region's products.

Despite many advances in the Tropics of Cochabamba, the region needs more work to take full advantage of the available economic opportunities:

- Bolivia has a minor share of the Argentine banana market - estimates vary widely

from 5 to 20 percent - but holds a distinct comparative advantage in terms of cost and logistics over Ecuador, Argentina's major supplier. Bolivia has the potential to displace Ecuador and become the primary supplier of bananas to Argentina, shipped from the Tropics of Cochabamba region.

- There are market opportunities for pineapples from the Tropics of Cochabamba in Argentina and Chile.
- The ARCo project has helped papaya producers to overcome phytosanitary barriers, allowing them to transport to Argentina and Chile. A considerable market opportunity exists for developing an export papaya agro-industry in the Tropics of Cochabamba.
- Bolivia is competitive in world markets for hearts of palm. Once the present international economic crisis has passed, Bolivia could expand its exports by aggressively seeking new markets.
- Exports of currently minor products, such as cut, tropical flowers could be quickly expanded to supply regional markets.

The team recommends that USAID encourage other donors to continue the important work of strengthening these promising agro-industries in the Tropics of Cochabamba.

YUNGAS INVESTMENTS

How effective have IAD investments been in the Yungas in terms of promoting sustainable, diversified development and coca control? Has the mix of investments thus far been appropriate? What should be the mix in the future and how can the Mission best support both diversified development and sustainable coca control? Has the regional distribution of programs in the Yungas been appropriate in terms of supporting diversified development and coca control? What should be the distribution in the future and what should be the basis for determining regional distribution?

Promoting Local Government and Building Democracy

In a meeting with members of the evaluation team during their visit to Palos Blancos, Freddy Aparecio, Senior Administrative Officer of Municipal Government, expressed his community's gratitude for the extensive support provided by USAID to Palos Blancos, and said that USAID would always be welcome in the municipality. He said that the municipal government appreciated the social projects carried out by ACDI/VOCA on behalf of USAID and the PSB, with special mention of the potable water system recently installed. In view of the substantial gains achieved in social development, he now suggests greater emphasis on economic development projects within the municipality. He further recommends that future projects be coordinated closely with the municipality, since it now has an efficient Economic Development Unit.

The IAD program has operated in the Yungas since early 2001, when it initiated a small project carried out by ACDI/VOCA known as Yungas 1. Since this modest beginning, USAID and the PSB have invested in roads, bridges, electrical distribution systems, potable water systems, waste water systems, schools, health clinics, community development, natural resources management, and economic growth programs.

Later in 2001, ACDI/VOCA initiated the USAID-supported Yungas Community Alternative Development Fund, which ended in 2005. Continuing this work with a new project in 2005, ACDI/VOCA initiated the USAID-funded, five-year FCDI that will end in July 2010. FCDI operations in the Tropics of Cochabamba are now closing.

In 2002, USAID's Market Access and Poverty Alleviation (MAPA) project expanded into the Yungas to help develop alternatives for farmers. The MAPA project

ended in 2005, and many of its activities were merged into ARCo. ARCo began operating in the Yungas and Tropics of Cochabamba in March 2005 and is scheduled to end in February 2010.

In addition to the FCDI and ARCo initiatives, USAID funds the Rural Roads project (January 2006 to December 2009) implemented by CCVV, a state entity; and the Natural Resource Management and Soils Use Monitoring project (September 2005 to February 2010), which is implemented by the United Nations Office of Drug and Crime Prevention, FAO and other donors and covers the municipalities of Palos Blancos and La Asunta in the Yungas.

With no new activities in the Tropics of Cochabamba since June 2008, USAID is phasing out its activities in this region and consolidating its efforts in the Yungas.

Although USAID has operated in the Yungas for a much shorter time than in the Tropics of Cochabamba, it has made impressive gains in the Alto Beni area, especially in the municipality of Palos Blancos. In general, IAD investments in these locations have been more effective in terms of promoting sustainable, diversified development and coca control than in the traditional coca producing areas in the southern part of the region, such as in La Asunta. There are at least two reasons for this difference:

1. Communities located in the Alto Beni have achieved more economic development and appear to be better disposed toward alternative development than do the communities in traditional coca production areas. The number of coca parcels in this area is relatively limited.



Cacao solar dryer such as this in Palos Blancos allows the producer to dry the cacao beans so they contain less than six to eight percent moisture. This will prevent beans from going mouldy when shipped and allow storage for up to five years.

2. At the outset of ACIDI/VOCA's Integrated Community Development Fund, VCDI signed agreements with many communities in the Alto Beni area not to expand coca production, in exchange for social and economic benefits provided by the FCDI project and other earlier projects. The locations where ACIDI/VOCA worked to carry out the FCDI project corresponded to those communities that signed the non-expansion agreements. These communities have mostly respected these

agreements and this has helped control coca expansion⁶.

3. The attitudes and cultural beliefs of those in traditional coca producing areas tend to be less sensitive to change. It may take a longer for social and economic programs in these traditional regions to change citizens' attitudes.

The mix of USAID's investments between social, economic and democracy appears to have been appropriate thus far. Chart 4 shows the proportion of social, economic and democratic investments in the Yungas. Table 3 above gives the actual amounts of investments for each purpose.



USAID's social investments in this area, primarily carried out by ACDI/VOCA with the participation of local communities and in coordination with local governments, have helped generate a high level of acceptance of the work of Integrated Development programs. *The evaluation team considers that future interventions in the Yungas should continue to include these three categories since they are complementary, but the mix should vary depending on social and economic circumstances within the locality.* Poorer areas where coca is traditionally grown need greater emphasis on

social and democratic initiatives, whereas areas that are more prosperous want greater emphasis on economic initiatives.

With the assistance of numerous international organizations including USAID, the Yungas has become a supplier of certified organic products. Furthermore, largely through the efforts of USAID's ARCo project, three different export crops, bananas, cacao and coffee, are organically certified although export volumes are still limited. Furthermore, organic crops have considerable potential to achieve substantial exports over the near to intermediate term:

1. Organic cacao sells primarily in local markets through El Ceibo, a production and marketing cooperative selling its cacao in local markets without differentiating it by quality or organic certification. Its export volumes, although limited, show considerable promise provided the cooperative deliver consistent, high quality products by improving its processing and quality control procedures.
2. International markets increasingly recognize coffee from in Caranavi and Alto Beni as world class, high-quality organic coffee.
3. Organic bananas have made impressive inroads into Chilean markets, with

⁶ Over the past two years, USAID has sought to support the evolving policy of the PSB, including to support voluntary eradication agreements (rationalization) planned and now being initiated in La Asunta.

considerable growth potential in regional markets. Yungas organic bananas may eventually compete in U.S. markets as well.

4. Organic papaya could become another potential export product from the Yungas region, if the industry adopts internationally recognized crop varieties.
5. Organic *achiote* (*bixa orellana*) a natural coloring agent, has great promise in European markets, although present export volumes are limited.

In light of these accomplishments and the region's potential, *the team has concluded that the regional distribution of programs in the Yungas has been appropriate in terms of supporting diversified development.* In terms of coca control, however, the results of the IAD program vary by region. In Palos Blancos, the program has helped to hold the line on coca expansion. In the traditional coca production areas of southern Yungas, there has of yet been little impact on coca production, but as mentioned previously, investments have helped generate acceptance among communities for Integrated Development programs, thus creating conditions for advances in sustained coca control.

For future economic interventions in the northern Yungas, *the team recommends that USAID focus on the highly promising agriculture products listed above and help to develop each of these into viable agro-industries through intensive support along their entire value chain.* This would have a much greater impact than continuing to support minor crops for limited local markets.



Packing organic bananas in Palos Blancos for export to Chile.

In the traditional coca areas in the southern Yungas, with its degraded soils and mountainous terrain, options to diversify agricultural crops or animal products are limited. Organic coffee is an exception and is a viable income-generating activity that should continue to receive support.

To stimulate economic growth and employment, USAID should consider non-agricultural activities, for example, co-investments for urban micro- and small-scale enterprises as a means to create jobs. Other non-agricultural activities may include the following.

Forestry

Based on the information provided to the team by Jatun Sach'a for the Yungas, *agro-forestry*, combined with wood manufacturing, shows potential for significant economic returns to landholders. Factors contributing to the projection of favorable economic returns include:

- A mountainous terrain in many areas that is suitable for forestry but less unsuitable for competitor crops
- Tree species that thrive on degraded soils after coca production
- Marketable timber is available for harvest in about 20 years
- Tree species that yield wood suitable for furniture and other wood products manufacturing

To extract the maximum economic benefit, Bolivia must develop its wood manufacturing sector. Since modern tree harvesting and transport are highly mechanized, there will be a low-to-moderate number of jobs created by timber exports only. Wood manufacturing, however, will generate more jobs, for unskilled, semi-skilled and skilled workers.

Establishing viable agro-forestry and wood products industries is a complex undertaking, requiring cooperation between governments at multiple levels, private sector companies and workers. Public policies must adequately allocate returns to participating stakeholders, including smallholders, to protect the environment and to provide security to investors over the long- term, that is, more than 20 years.

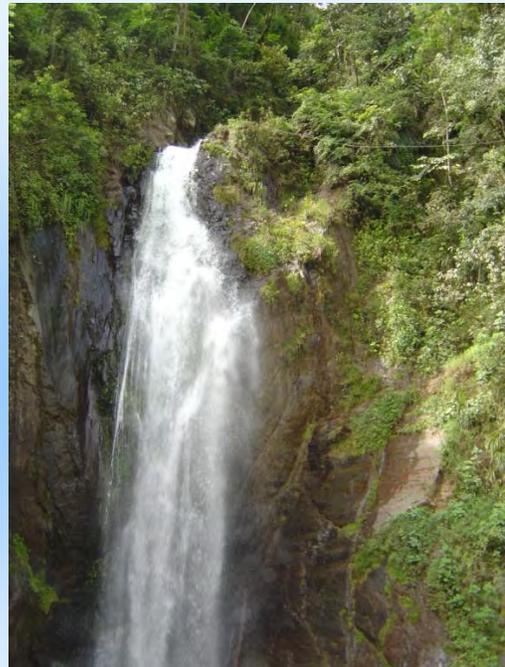
The evaluation team suggests that USAID review the potential for agro-forestry in the Yungas in more detail. This review would serve to identify with greater reliability the economic returns and to identify the complex set of public and private activities needed to realize the vision of sustainable forestry and wood products industries that support coca control in the Yungas.

Tourism

USAID should encourage the development of the tourism industry throughout the entire Yungas region to capitalize on the region’s unique, unspoiled natural beauty. Adventure tourism (river rafting; extreme sports), nature tourism (for bird, butterfly, and flora enthusiasts), village tourism and agro-tourism are some of the options to consider.

Social Investments

Social development programs should be tailored to the needs of local communities. For example, in extremely poor areas such as La Asunta, social development investments should predominate; investments may focus on



The Yungas has attractive assets suitable for tourism development.

improving basic services to the community, including electricity, potable water, rural roads, schools and health facilities. In northern Yungas, the greatest emphasis should be on programs for economic development.

Democracy

Initiatives that support democratic principles and institutions should be a part of the package of support services in the Yungas. In the Tropics of Cochabamba, the greatest support to democracy was USAID's- land titling initiative implemented by INRA. In light of reduced budgets and the requirement to set priorities, the team does not recommend general land titling in the Yungas. If land titling, however, is required to develop the value chains or community agro-forestry, then limited land titling in those areas would yield substantial economic benefits. Another important democracy initiative to support in the Yungas would be to strengthen management capabilities of local municipalities and to help them establish effective municipal economic development units.

In determining which locations to support with different types of programs, the following verifiable indices should be considered:

- Demographic indicators, e.g., population density, poverty incidence, basic needs index, and family income
- Commitment to diversification and coca control
- Productive zones with the potential to increase substantially household incomes

Since USAID's policies and practices regarding the relationship between IAD and coca cultivation has been evolving, it would be helpful to develop future programs in the Yungas with clearer PSB and Mission indication of the relationship of IAD and coca cultivation. In other words, should future integrated development serve only in locations that have pledged not to increase coca plantings, or should community needs or income generation potential be the major factors in providing development assistance?

STRENGTHEN COOPERATION WITH OTHER STAKEHOLDERS

How can the Mission further strengthen its cooperation and coordination in the sphere of IAD with the Plurinational State of Bolivia, other internationally supported efforts, and other key stakeholders in a manner that is feasible in consideration of institutional capacity, political context, and other contributing factors? How should the Mission evolve its programs and mode of operation to strengthen host country ownership, institutional capacity, and other goals of the Paris Declaration on Aid Effectiveness?

Notwithstanding USAID's highly favorable image among Bolivia's general population and local governments in the Yungas, relations between USAID and the PSB have been strained. It is uncertain the latter will improve over the near term. USAID's difficult relations with PSB reflect the generally difficult relations that exist between the United States and Bolivia.

Events involving USAID/Bolivia have occurred over the past several months that have increased tension between the two nations:

1. In 2006, various acts in Caranavi severely threatening the security of project personnel and assets required USAID to withdraw from the region. USAID suspended all projects in the area, but re-established limited activities in 2008, as part of a region-wide initiative to support organic production in the Yungas.
2. In 2008, a group raided the compound of the USAID-supported CCVV project in Suapi, located in Caranavi District. The group removed the entire lot of USAID-funded road construction and maintenance equipment from the compound, hiding it in isolated locations throughout the district. More moderate members of the group located in Alto Beni insisted that the equipment be returned so that roadwork could continue. The two factions have subsequently split. USAID continues to insist that the PSB resolve these problems and VCDI has been making efforts to do so.
3. In January 2008, the VCDI ordered ARCo to suspend co-investments in productive enterprises. This has limited the project's ability to facilitate investments that expand agricultural sales and rural employment for smaller enterprises.

4. In March 2008, in an attempt to ensure the transparency of USAID expenditures in Bolivia, the VCDI requested detailed information on USAID's project expenditures. Information was provided, including copies of contracts. A representative of the PSB said they were not satisfied, however, with the level of financial details provided. The concern of these officials is that USAID declares that its projects cost a certain amount, but local beneficiaries receive a minor portion of the funds.
5. In June 2008, USAID was expelled from the Tropics of Cochabamba region at the demand of the coca federation leaders, an act condoned by the PSB.
6. In September 2008, the PSB did not sign the annual amendment to USAID's Strategic Objective Agreement to extend its work in integrated alternative development through FY2009. While USAID obligated its FY2008 funds unilaterally, it will be helpful to obtain the agreement of the PSB this year in order to preserve a bilateral modality for provision of assistance in the sector.



A scene of Palos Blancos in Alto Beni.

Team members interviewed a senior VCDI official, the Vice-minister of Micro- and Small Enterprises and the Vice-minister of Social Defense (*Defensa Social*) to learn their views on the relations between USAID and PSB. The team also interviewed several

municipal officials from the Yungas. Team members did not interview municipal officials in the Tropics of Cochabamba in consideration of the current tensions. The following are the team's findings based on these and other interviews.

1. In general, local governments and members of community organizations have a highly favorable view of USAID and its programs in the Yungas. Since FCDI works directly with municipalities and community groups and ARCo works primarily with producer organizations, team members were not surprised to learn that municipalities and community organizations are much more familiar with the work of USAID's FCDI project than they are with ARCo's economic development activities.
2. All three vice-ministerial representatives expressed the government's position that Bolivia welcomes development assistance, which must be delivered on Bolivia's

terms. They insisted that PSB must control the implementation of USAID's development programs in Bolivia.

3. Using development assistance through direct budgetary support, the PSB would be willing to discuss different implementation strategies with USAID. A possible scenario could incorporate the following actions:

USAID and PSB would agree on an appropriate government agency to implement development projects,⁷

- Part of USAID's development assistance could be used to strengthen the implementing organization, including training interventions and international and/or national advisors.
- The implementing organization would be willing to incorporate strict financial controls and transparency within its operation
- The implementing organization would be willing to accept strict implementation targets and project deliverables as required by USAID to trigger reimbursements of costs.

To strengthen USAID's cooperation and coordination with the PSB, the team recommends the following:

1. USAID should continue its processes of evolving program activities and modalities to align more closely with the priorities of Bolivia's central government as well as those of its municipalities and local governments.
2. USAID should re-initiate discussions with PSB to develop a pilot initiative for a specific project activity with a qualified government agency as the implementer, similar to the scenario described above by government officials.
3. Simultaneously, the program should consider expanding its communications campaign to make Bolivians more aware of USAID's work and its accomplishments over many years in social and economic development. Potential initiatives include:
 - Hiring a Bolivian or regional professional publicist to work on improve USAID's image in Bolivia.
 - Supporting USAID/Bolivia's senior management to assume a higher public profile, for example, by appearing on national television and radio to explain USAID's programs and respond to public concerns.
 - Continuing to publicize ribbon-cutting ceremonies for USAID social and infrastructure projects with the presence of USAID and local government

⁷ Some PSB officials suggested FONADAL as a potential partner for a pilot for direct funding; others suggested that FONADAL would not be the best partner for a pilot program. Some have suggested that CC VV, a PSB entity to which USAID has provided funding over the years, would be an appropriate vehicle.

representatives. USAID should obtain national media coverage of these events by preparing video clips and writing articles suitable for news media.

- Asking implementing partners to continue documenting program accomplishments and delivering potential newsworthy items to publicist to include in public awareness campaign.

The evaluation team considers that the current procedure to submit each sub-project, e.g., construction of a teacher’s living quarters, for USAID, USAID contractor, and VCDI approval, is onerous. The team recommends streamlining the procedure as to provide greater approval authority at the local level and facilitate project implementation. The team suggests negotiating an agreement with VCDI that would specify the duration and types of projects USAID contractors could implement in a geographical area, such as a municipality. The contractors, in consultation with a municipality, could approve sub-projects with estimated costs below a specified amount.⁸



A family is preparing cut flowers from the Chapare for sale in local markets.

An important component in approving sub-projects should be a brief cost-benefit analysis. Respondents frequently commented that community leaders often made “emotional decisions” when selecting social investments. Community requests, for example, included community centers or sports fields. Project personnel mostly responded “we don’t do those things,” rather than showing community leaders the costs and benefits of each project. Simple yet reliable estimates of economic returns from alternate investments teach citizens about how economic development works and promotes inclusive community decision-making.

Responding to the PSB policy changes relating to the IAD activities, FCDI and ARCo projects have adjusted their approach several times. With each change, services delivered to communities and businesses have slowed. Delays are noticeable in startup of new

activities because project personnel tend to wait until clear guidelines are available before aggressively promoting their services. Approved projects suffered fewer delays.

⁸ All projects should have an environmental review.

One of the adjustments was to increase consultations with local leaders during planning, design and - which led to positive results in the Yungas

Continued consultations with local leaders should be a prominent approach of ongoing activities. This requires cultivating relationships and understanding community needs and political sensitivities – a feat best accomplished through frequent communication between project and community personnel. In particular, sharing information about business development projects with local community leaders will continue building local support for IAD. Regularly scheduled local or regional information-sharing meetings with stakeholders, including other donors working in the area, are an effective way to build local support. Information-sharing meetings work most efficiently when a champion identifies and promotes opportunities to cooperate.

OTHER APPROACHES TO INTEGRATED ALTERNATIVE DEVELOPMENT

What other approaches to integrated alternative development might be called for in the current policy and country context and what would be required for their success?

The evaluation team considered other approaches and modifications to existing approaches for USAID to increase the impact of its interventions. Since Tropics of Cochabamba projects are ending, the following discussion refers to the Yungas.

1. Select a few priority economic sub-sectors for development based on potential economic impact. The evaluation team tentatively identified three different sub-sectors with higher growth potential:

- Export agribusinesses for organic crops, including bananas, coffee, cacao, *achiote* and possibly papaya fruit produced from plant varieties suitable for international markets.
- Tourism niche markets, for example, rural retreats for Bolivian consumers and adventure tourism for international consumers.
- Forest management linked to timber processing and wood production.

Selected economic sub-sectors include bananas, coffee and cacao. The analysis to determine if *achiote* and papaya fruit should be added is relatively simple and quick. The analysis on tourism is more complex because it requires consultations with and buy-in from a wider group of stakeholders. A small but growing tourism business already exists in the area and may help analyzing this market. The analysis to add forest management and wood processing to the mix is complex with many public and private sector policy and investment issues to consider. Furthermore, public sector support is needed from local and national governments and by USAID and other donors over multiple years.



USAID and the PSB should support studies to identify potential costs and returns to develop selected products into viable, sustainable industries by working along their respective value chains and to remove bottlenecks.

2. Work to enhance the competitiveness of targeted enterprises in selected markets by strengthening producer organizations and industry associations that serve their respective value chains.
3. Move toward implementing the *Paris Declaration on Aid Effectiveness* with the PSB through pilot initiatives that highlight success and increased capabilities and participation. Select initiatives that have clear and measurable performance indicators and that provide benefits to local communities or private sector groups and businesses.
4. Social development initiatives as well as the support provided to economic growth activities in the Yungas should involve community groups and municipal governments.

Participation by Women

In field interviews, few women participated - fewer than the team expected based on its experience in Bolivia and in neighboring countries. Even though many social projects had organized community committees to guide project implementation and to lead committees maintaining investments, few women were either not named to the committees or did not participate in the interviews.

For social investments, a common problem was building community support to yield sufficient contributions to maintain investments, especially those for wastewater collection and potable water treatment. Including women on these committees from the beginning might improve project decision-making and help sustain system maintenance. The team recommends that committees overseeing social investments include one or more women. Project activities supporting businesses should include consultations with owners' spouses whenever appropriate.

Neither FCDI nor ARCo were able to provide the team with data on participation by women in their project activities.

CONCLUSIONS AND RECOMMENDATIONS

Below are conclusions and related recommendations derived from the assessment team’s analysis of the IAD program from 2005 to the present:

CONCLUSIONS	RECOMMENDATIONS
I. IAD PROGRAM IMPLEMENTATION	
The Tropics of Cochabamba	
<p>Export agro-industries, banana, pineapple and palm hearts, are fully sustainable and capable of competing in international markets. These agro-industries, however, are at risk of losing market share due to deteriorating competitive position in international markets. There is a need for an industry-level organization for each commodity to help develop export markets; facilitate logistics and handling; provide quality monitoring and control for export shipments; and provide common services to its members.</p>	<p>USAID should encourage and support other donors to assist these three agro-industries to create member-based, industry- level organizations that would enhance the competitive positions of their respective industries.</p>
<p>USAID's land titling initiative has a warm welcome by the communities where it took place and has helped to attract investment to the Tropics of Cochabamba.</p>	<p>The IAD program should incorporate land titling into the Yungas IAD program, whenever it is necessary for the development of a particular industry.</p>
<p>USAID-financed road infrastructure and concrete bridges use a construction technology that is highly appropriate to local conditions. This infrastructure has also provided substantial social and economic benefits to local communities and provides market access for all the region's products</p>	<p>Road construction should continue to form a part Yungas IAD programs.</p>
<p>Papaya, fish, flowers, honey, and organic rice have moderate growth potential in local</p>	<p>USAID should encourage other donors to assist these commodity groups to</p>

CONCLUSIONS	RECOMMENDATIONS
markets and significant growth potential in regional (export) markets. Yet limited by market integration, low production technology, and small-scale, fragmented production..	realize their growth potential.
The Yungas	
With the assistance of USAID, there are now suppliers of certified organic products; coffee, cacao, and bananas have considerable export potential. Papaya and <i>achiote</i> , have the potential to be exported in the near- to intermediate term.	USAID should focus on highly promising agriculture products and help to develop each of these into viable agro-industries through intensive support along their entire value chains.
Since its mountainous terrain limits cultivating licit agricultural crops, and a large area is now forest, tree crop production may be a major industry. In view of the many public and private sector stakeholders involved in developing this industry and the many policy and investment decisions to be made and sustained over decades, however, donor support to develop this sector is complex and challenging.	USAID should evaluate the potential economic returns to tree crop and corresponding wood products industries. If economic returns are sufficient, further analysis would identify public policies and needed public and private sector investments to establish these industries. Analysis should suggest the potential role for USAID or other donors.
Adventure tourism (river rafting; extreme sports), nature tourism (birds, butterflies, and flora), village tourism and agro-tourism are options to consider for national and international tourists. The new road to Coroico is increasing interest of climate visitors from La Paz for short stays or second residences.	USAID should encourage development of a tourism industry throughout the entire region.
The FCDI project by ACDI/VOCA in the Alto Beni area in the Palos Blancos Municipality was initially limited to communities that had signed coca non-expansion agreements with the VCDI. This practice has been highly effective in limiting the spread of coca plantings.	In view of its effectiveness, the IAD program should continue this practice to the extent that the current environment allows.
In traditional coca areas in the southern Yungas, with its degraded soils and mountainous terrain, options to diversify agricultural development	USAID should include support to urban businesses for employment generation. Other recommended initiatives to

CONCLUSIONS	RECOMMENDATIONS
are limited.	support are tourism and forestry management.
In general, greater emphasis on social development is required in the less-developed, traditional coca producing areas in southern Yungas, whereas the more prosperous northern Yungas is better prepared to promote economic development programs.	USAID should continue to respond to local community needs to determine the balance between social and economic development programs. Improved cost/ benefit analyses on planned investments will help communities make wise investment decisions.
General	
Technical assistance for economic development provided by ARCo and FCDI projects is predominantly on production, which is generally the area of greatest weakness. Additional support, however, is needed in commercial aspects of the supported businesses, including marketing. Both projects need more or improved follow-on support after their interventions have ended. In ARCos case, lack of follow-on support appears related to emphasis on meeting sales and investment indicators; there is no indicator to represent long-term viability. Lack of understanding of how to “graduate” clients from project assistance may also be a factor.	IAD implementing units should incorporate sufficient support in business management and marketing to better ensure the sustainability of the assisted enterprises.
FCDI’s support to social infrastructure projects normally ends when a sub-project is completed and turned over to local communities that are responsible for operations. In some cases, there is a need for additional, follow-on support and training to ensure the effective use, management, and financial sustainability of the investments.	FCDI project personnel should check back on prior projects to assess the quality of maintenance of investments, and provide any needed follow-on training and assistance to ensure proper operations and maintenance of the investments.
The balance between the three key components of the IAD program – social, economic, and democracy – in the Yungas and the Tropics of	IAD interventions in the Yungas should continue to incorporate all three principal components with more

CONCLUSIONS	RECOMMENDATIONS
Cochabamba has generally been adequate, despite little coordination between the three largest components. The components have generally operated independently – though closer coordination may have increased their impact.	consistent coordination. The democracy component should support the other two, including land titling to support social and economic investments, and institutional support to municipalities for project development and management.
Developing sustainable and viable agro-industries based on production and sale of specific agricultural and forest products requires support along the entire value chain – from farm to consumer - to solve problems and remove constraints that limit the flow of products. For a viable agro-industry, actors within the value chain should be become part of a cluster of inter-related businesses and service providers (input suppliers, universities, extension services) that collectively support the value chain.	Future interventions that support agribusiness development should incorporate strengthening value chains for high-potential agricultural products and when appropriate, by helping to create clusters of related, supporting organizations.
Local municipalities in the Tropics of Cochabamba and Yungas regions have been effective partners in carrying out implementation of the IFCD project. Municipalities can provide support and encouragement to social and economic projects, and in many cases counterpart funding.	Future projects in the Yungas should continue to incorporate local municipalities as development partners for economic and social projects.
From the team’s observation, it appears that women were under-represented in community and business groups that were organized to receive IAD program support through FCDI and ARCo.	Community planning and maintenance committees for social investments should always include women. As appropriate, spouses of business owners should be included in negotiating business plans.
II. RELATIONS WITH THE PLURINATIONAL STATE OF BOLIVIA	
Relations between USAID and PSB are highly charged, which reflects the strained relations	USAID should continue its attempts to engage relevant government ministries

CONCLUSIONS	RECOMMENDATIONS
<p>between the U.S government and the PSB. The Bolivian government blames the current situation on USAID’s perceived inability to solely provide budgetary support to the PSB’s line ministries, instead of implementing bilateral projects managed by the international donor.</p>	<p>in a dialogue to resolve the disagreement. Additionally, USAID should attempt a pilot project to verify the ability of the PSB to implement projects, tying cost reimbursements to specific and measurable performance indicators.</p>
<p>In a laudable attempt to increase the participation of the Bolivian government in its IAD program, USAID has effectively given the VCDI veto power over the sub-projects carried out by ARCo and FCDI, no matter how small. Besides being bureaucratic and cumbersome, it reduces transparency in the approval of sub-projects.</p>	<p>USAID should attempt to re-negotiate the approval procedures for ARCo and IFCD sub-projects.</p>
<p>Despite difficult relations with Bolivia’s central government, local community groups and municipalities hold a highly favorable view of USAID activities.</p>	<p>The IAD program should continue working with local organizations throughout the region, by involving them in all stages of the investment process, keeping them informed of project status, and strengthening their capacity to implement and monitor social and economic investments.</p>
<p>III. RELATIONS WITH THE INTERNATIONAL DONOR COMMUNITY</p>	
<p>USAID’s relations with other donors in Bolivia are generally good, with open communications and mutual participation in working groups. While other international donors, such as the EU, are engaged in alternative development programs, there is little linkage between their alternative development programs and coca control. Since 2005, USAID has gradually moved to reduce direct linkage between IAD and coca control. This closer alignment of IAD and other donor objectives may facilitate closer collaboration in alternative development</p>	<p>USAID should continue to revisit the opportunity to coordinate activities with other donors to achieve greater impact with reduced funding.</p>

SUMMARY OF LESSONS LEARNED

These lessons should be incorporated into planning and implementing future activities.

- The offer of social investments has helped raise communities' trust and reduced their resistance to government and donor integrated development initiatives.
- Listening to and working with local community leaders has gained the confidence of community members.
- Dropping the requirement of prior coca eradication for program benefits has presented the opportunity for further dialogue, opening a channel for better understanding and cooperation with local leaders.
- After one or more social investments, many community leaders are receptive to, and in some cases prefer, economic investments, which lead to greater longer-term income growth.
- A mix of social and economic investments creates greater community support than only economic investments. The specific share of each type of investment may be different for region or community.
- Social investments alone do not contribute to reducing illicit coca production.
- In zones where there is a greater degree of social development as well as greater opportunities for economic development, for example in Palos Blancos, programs to limit expansion or reduce coca production in exchange for development support are more likely to succeed.
- In zones with more limited options for economic investments, for example southern Yungas, beneficiaries of successful economic investments have expressed reduced interest in coca production. A few months of successful alternative income, or even a year of success, however, are insufficient experiences to abandon coca production.
- Forming committees to support and help manage social investments is a positive approach, helping the community to work together for a common objective.
- In some cases, support provided to community committee responsible for maintenance of investments needs to extend over a longer period. The ongoing need is seldom on technical system maintenance; but rather persuading the community to fund ongoing operations and maintenance.

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- Annex G: Chemonics Land Titling
- Annex H: Jatun Sach'a Natural Resources and Agro-forestry
- Annex I: Program Assessment Statement of Work

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Annex C. ACDI/VOCA Integrated Community Development Fund

Background

ACDI/VOCA implements the USAID-funded Integrated Community Development Fund (FCDI) ACDI/VOCA through a five-year Cooperative Agreement with USAID/Bolivia. The FCDI is a follow-on project to the Yungas Community Alternative Development Fund (YCADF), also managed by ACDI/VOCA. The FCDI project began operations in August 2005 with a five-year budget of US \$42 million, but after a transition period, the project budget increased to US \$44 million. After changes to the project scope that reflected USAID/Bolivia's evolving strategy for integrated alternative development and reduced budget resources, new terms of agreement between USAID and the PSB were developed under Implementation Letter (IL) No. 043 in May 2007. The FCDI project budget dropped to US \$32 million in November 2007 and its activities consolidated into two programmatic approaches, economic and community development.

The FCDI project supports USAID/Bolivia's Strategic Objective 5 (SO5): "Economic Diversification in Coca Growing and Associated Areas Increasingly Sustainable". Its economic development program supports Intermediate Result 5.1 (IR-5.1): "Increased Competitiveness of Rural Enterprises", whereas its community development activities support Intermediate Result 5.1 (IR-5.1): "Basic Public Services & Social Conditions Improved".

The main goal of the FCDI is to support the joint efforts of the USG and the PSB to establish a sustainable licit economy in Bolivia's coca-producing regions to meet basic human needs and alleviate poverty. The approach is to improve social and economic conditions that support illicit coca reduction and/or discouraging its expansion within and beyond these regions.

In June 2008, with heightened security concerns and the departure of USAID from the Tropics of Cochabamba, ACDI/VOCA closed its field offices and moved its operations to Cochabamba. The role of the Cochabamba office is to oversee the orderly completion of the sub-projects that were underway in June 2008. All FCDI project activity in the Tropics of Cochabamba region will end by September 30, 2009.

Description of activities

FCDI's activities focus on two components:

1. Community development aimed at meeting the basic needs of beneficiaries in health, sanitation, education, and support to community organizations, and

2. Economic development aimed at stimulating economic activities by small-scale enterprises leading to increasing incomes and employment generation.

Both components are coordinated with the local municipalities and encourage the participation of local communities in selecting and implementing sub-projects.

Community development projects include co-investments in social infrastructure such as schools, potable and waste water systems, and community centers. In general, the FCDI-supported sub-projects are within the five-year development plans of the respective municipalities. The local community and FCDI determine which sub-projects to implement based on their budgets/costs and local priorities and USAID and VCDI approval.

Economic development projects directly benefit private entrepreneurs and producer organizations. Project assistance includes co-investments in infrastructure such as cacao dryers and banana packing sheds, as well as co-financing technical assistance and occasionally, input supplies. Beneficiaries have the primary responsibility for managing the procurement and delivery of the products and the technical assistance; the project partially reimburses these costs. Beneficiaries must provide counterpart funding for 40 percent for investments in infrastructure, facilities and equipment, 30 percent for input supplies, and 10 percent for technical assistance. Investments supported by FCDI include rice milling, woodworking equipment, poultry production and many more.

In both the Tropics of Cochabamba and the Yungas, ACDI/VOCA's work sought to support the PSB's diversification and coca control policies and programs, including in the past, the establishment of non-expansion areas. Beginning in 2008, USAID and the VCDI agreed that ACDI/VOCA would expand into additional communities such as La Asunta, where the PSB has worked with communities to delineate the region and reduce coca cultivation. FCDI's assistance is coordinated with the PSB and aims to support the National Integrated Development Plan and the PSB's coca rationalization programs. Project support is not directly linked to coca reduction agreements. ACDI/VOCA, USAID, and VCDI must approve all FCDI sub-projects.



Results

The following table provides a comparison of actual and targeted performance indicators as of September 30, 2008, and a comparison of life of project (LOP) projected results with the project's original LOP targets.

Table C.1. Comparison of Actual and Targeted Performance Indicators for FCDI Project

Performance Indicators	Cumulative Results to September 30, 2008		Cumulative Results for Life of Project	
	Actual	Target	Current Projection	Original Targets
Total number of families (and their communities) with increased access to public goods, services and jobs (Number of families)	24,310	12,999	26,000	20,749
Number of social infrastructures and related works completed (Number of projects)	119	233	403	443
Number of new, equivalent jobs directly attributable to <u>all</u> FCDI-supported initiatives (Number of jobs)	918	1,345	4,019	4,719
Incremental sales from economic initiatives supported by FCDI (US \$ thousands)	610	400	3,770	6,950
Number of hectares of agricultural crops that have been developed or expanded with FCDI support (Hectares)	175	250	1,430	3,750
Number of other trainees completing by any other type of training (Number of trainees)	32,453	12,582	35,000	17,582

Unsatisfied Basic Needs (NBI), Yungas*	87.5%	65%	NA	60%
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Source: ACDI/VOCA project office, La Paz, Bolivia

* Actual measurement for Los Yungas was taken in 2009. As reported above in this report the Unsatisfied Basic Needs Index (NBI) fell (improved) for Los Yungas from 93.4 percent in 2004 to 87.5 percent in 2009, a decline of 5.9 percentage points. The Performance Monitoring Plan Revised of April 2008 puts the actual NBI for the Yungas in 2006 at 70 percent and sets a target for 2008 of 65 percent, a decline of 5 percentage points.

NA = not available

As shown by the above table, ACDI/VOCA is currently projecting that the total number of social infrastructure sub-projects as well as the number of new job equivalents created through FCDI-supported initiatives will be slightly below the original project targets (9 percent and 14 percent respectively). The amount of incremental sales from FCDI-supported economic initiatives is projected to be 46 percent below the original target, and the number of hectares of agricultural crops developed or expanded is projected to have a shortfall of 62 percent below the original targets. All other indicators are projected to exceed their LOP targets. These shortfalls are understandable in light of the unexpected early termination of activities in the Tropics of Cochabamba.

Table C.2 shows the actual amount of project expenditures through September 30, 2008 for the FCDI project. Most FCDI expenditures have been for community projects in Yungas de La Paz.

Table C3 is a summary of the number of FCDI sub-projects completed and underway in Tropics of Cochabamba and Yungas as of September 30, 2008, and the number projected for completion by project end.

Table C.2. Actual FCDI Project Expenditures through September 30, 2008

Location	Actual
Tropics of Cochabamba Community Projects	US \$1,353,459
Tropics of Cochabamba Economic Projects	US \$1,285,993
Total Tropics of Cochabamba Projects	US \$2,639,452

Yungas Community Projects	US \$14,235,068
Yungas Economic Projects	US \$2,635,792
Total Yungas Projects	US \$16,870,860
Bolivia Community Projects	US \$15,588,527
Bolivia Economic Projects	US \$3,921,785
Total Bolivia Projects	US \$19,510,312

Source: FCDI Project office, La Paz, Bolivia

Table C.3. FCDI Project, Number of Sub-projects by Location

Location	Actual Results to September 30, 2008	Projected Results for Life of Project
Tropics of Cochabamba Community Projects	74*	74
Tropics of Cochabamba Economic Projects	63*	63
Total Tropics of Cochabamba Projects	137	137
Yungas Community Projects	179	180
Yungas Economic Projects	180	182
Total Yungas Projects	359	362
Total Community Projects	255	254
Total Economic Projects	241	245
Total all FCDI Project	496	499

** Initial reports for September 2008 incorrectly reported 76 community projects and 61 economic projects; the error corrected in 2009.*

Analysis

ACDI/VOCA carries out the Integrated Community Development Fund project on behalf of USAID in the Tropics of Cochabamba and Yungas. The focus of this program is on

social as well as economic development, with the greatest emphasis being social development. Both programs are implemented with the participation of community groups, who benefit from the projects. Groups include "*federaciones*" and "*sindicatos*". Projects are closely coordinated with the PSB and local municipalities. Social infrastructure projects are generally aligned with the five-year development plans of these municipalities. Counterpart funding is required for all investment projects. In many of these both the local community and the municipality provide matching funds for FCDI project investments. Because of its participative approach, ACDI/VOCA's projects have a high visibility with the local communities and the corresponding municipal officials. The served communities view favorable ACDI/VOCA's work, and consequently USAID's program support.

When ACDI/VOCA enters a new area, upon agreement and in cooperation with the Vice Ministry of Coca and Integrated Development, it first gains the approvals of the local political authorities and the "*sindicatos*" to carry out its work within their area. It begins its work by implementing social infrastructure projects that have high community impact over the short run, such as elementary schools that benefit hundreds of families. The good will that results from these social initiatives then makes it possible to introduce economic development projects that benefit micro- and small-scale enterprises within the community.

ACDI/VOCA's implementation priority for its social infrastructure projects is a cost-benefit analysis with the cost of the project related to the number of people who will benefit.

Based on its site visits and discussions with numerous beneficiaries, the evaluation team concluded that FCDI mostly executes well the social infrastructure sub-projects and that community leaders are satisfied with the results. Those communities with the highest levels of satisfaction are those that have had the greatest involvement in the design and execution of the sub-projects. For example, the leaders of one community were extremely pleased that ACDI/VOCA showed sufficient flexibility to incorporate a kitchen within their new community center. On the other hand, some groups that the team visited complained of slow response by the contractors to correct minor construction deficiencies, for example leaking pipes discovered within a potable water system after the project ended.

While the overall results of these sub-projects are satisfactory, fine-tuning in two areas would provide additional benefits to the communities:

- Provide additional support to help the communities operate and maintain the new facilities. For example, the *Junta Vecinal* at Iniqua community was happy to receive the potable water system provided through the FCDI project, but was encountering difficulty in collecting funds to ensure the continued operation and maintenance.

ACDI/VOCA trains community personnel how to maintain the physical assets and helps establish a committee to supervise operations and maintenance, and trains the committee members. Several communities requested follow-up support over a longer term on how to motivate sufficient user payments to cover maintenance costs.

- Better manage expectations: Some communities the team visited were very happy with the FCDI projects that were carried out for their benefit, but were upset because their five-year Municipal Development Plan contained many other pending infrastructure projects that ACDI/VOCA had not carried out. Clearly explaining the program's limitations in the appropriate opportunities will help minimize disappointments and maintain the positive impressions gained from prior work.

Until PIL #43, ACDI/VOCA's economic development program focused on micro- and small enterprises and producer groups. PIL #43 directed FCDI to operate in the harder to reach and less developed regions to establish basic productive capacities. Counterpart funding by beneficiaries is required. For economic projects, the amount of co-funding required is 30 percent for investments and 10 percent for technical assistance. Typical sub-projects include carpentry shops, small-scale rice mills, and buildings and equipment for poultry rearing.

Like its community development program, ACDI/VOCA uses a participative approach to select the economic sub-projects that it co-finances. It hosts a town-hall meeting to announce its co-financing and technical assistance program, and invites the community members to present their ideas for formalizing and/or expanding existing micro-enterprises. ACDI/VOCA then holds a competition so entrepreneurs can propose their business concepts. Those that are judged most likely to succeed are selected for assistance. One requirement, not always obligatory, is that the entrepreneur must have been involved in the business he or she proposes for a period of at least two years. Once the winning business concepts are selected, ACDI/VOCA provides technical assistance to help develop a business plan and provides basic business training to the entrepreneur.

Based on the evaluation team's site visits and discussions with the entrepreneurs, the team concludes that the ACDI/VOCA economic development program is well executed, and effective. USAID is getting a good return from its investment in the FCDI project. Some modifications can enhance the impact of the economic sub-projects:

- Technical assistance provided to the entrepreneurs is exclusively in the area of production, which is normally the area of greatest weakness. However, there is also a need for additional support and training in the commercial aspects of the businesses including marketing of their products. The lack of support in these areas is a limiting factor to the future growth of these assisted enterprises.

- To assure that the business plan is implemented and project results are maximized, FCDI personnel should conduct periodic checkups on completed projects.. For example, ACDI/VOCA helped the *Asociación de Productores Apícolas de Alto Beni* (APAAB) to purchase beehives stocked with producing bees and provided technical assistance in beekeeping. However, after several months, some members of the association have abandoned their hives and the honey supply to the association is declining. Additional assistance in organizational strengthening of the association will be required to ensure the long-term sustainability of this business.

The main indicators for the FCDI economic development component are incremental sales and employment generated by the projects. The primary approach of the economic development component is to “make deals” between buyers and sellers that are registered as incremental sales and thereby achieve project targets. Even with these indicators, project personnel did not recognize that strengthening the operations of the entire value chain would continue the growth of incremental sales. The beekeepers story cited above is an example of losing incremental sales because of the limited attention by the project to some specific weaknesses along the value chain.

Conclusions

Notwithstanding the suggested improvements that could increase the effectiveness of the FCDI project, the team concludes ACDI/VOCA implements effectively the project and that USAID receives a good value for its investment. The limited range of attention along the value chain in some cases does not ensure the long-term sustainability of the assisted enterprises. Extended post-project assistance to some communities benefiting from ACDI/VOCA’s social infrastructure projects will help assure funding for asset maintenance and long-term effective use and sustainability.

Recommendations

The evaluation team recommends that ACDI/VOCA continue with the current focus for the FCDI project but with adjustments that help to ensure the the sustainability of the investments and the supported businesses.

Annex D. Chemonics Rural Competitiveness Activity

Background

USAID/Bolivia's Rural Competitive Activities project (*Actividad Rural Competitiva - ARCo*) began operations in March 2005 and ends in February 2010. It contributes to USAID/Bolivia's Strategic Objective 5 (SO5): "Economic Diversification of Coca Growing and Associated Areas Increasingly Sustainable", and Intermediate Result 5.1 (IR-5.1): "Increased Competitiveness of Rural Enterprises." It also conforms to the guidelines of Bolivia's 2006 - 2010 National Development Plan (NDP) – *Bolivia Digna, Soberana, Productiva y Democrática para Vivir Bien*. ARCo's primary objective is to increase the sales of its assisted enterprises and thereby increase employment and investment within its targeted areas. Other objectives include the number of beneficiary families and the number of new hectares supported or rehabilitated through ARCo's interventions. Chemonics International, a US based contractor implements the project. Local organizations carry out most field operations under sub-contracts with Chemonics.

The project operates in the economic corridors of the Yungas and the Tropics of Cochabamba. ARCo's implements field activities through its Economic Service Centers (ESCs) and are supervised by the project headquarters staff in La Paz. ESCs primarily provide non-financial services in direct support of producers and businesses in the economic corridors where they operate. The ESCs initially operated from offices at Chimoré and Ivirgarzama in Tropics of Cochabamba, and from offices at Coroico and Palos Blancos in the Yungas. However, the offices in Chimoré and Ivirgarzama closed in June 2008 due to security problems that resulted in the departure of USAID from the Tropics of Cochabamba. Since that time, the ESCs for the Tropics of Cochabamba have operated from Cochabamba with a reduced staff. Their primary role is to orderly close its projects that were underway in June 2008.

In January 2008, the VCDI, the ARCo project counterpart agency within the PSB, ordered the suspension of new ARCo co-investments in Yungas and Tropics of Cochabamba. This restriction remains in effect, and it has had a severe, negative impact on project implementation. According to a spokesperson at the VCDI, the primary reason for the suspension was because the PSB did not agree with USAID's policy of providing bilateral assistance by direct project implementation. Instead, the government feels that USAID should follow the example of the EU and directly fund a unit(s) within the relevant government ministry(ies) to implement projects, or alternatively, to engage a parastatal organization for project implementation instead of US contractors.

USAID implements some important activities via government entities, most notably, Caminos Vecinales, an institution with substantial administrative and technical capacity developed over the years. In addition, USAID has and continues to evolve its programs with the aim of increasing PSB ownership and administrative capacity. At the same time, accountability requirements and other policies governing the administration of foreign assistance prevent USAID from granting funds without adequate assurance of institutional capacity to manage funds and achieve results commensurate with resource levels.

VCDI also wants increased "transparency" in USAID project costs. Consequently, in late 2007 it requested that USAID provide it with copies of USAID's contracts with all its contractors. USAID provided the documents as requested, but without the level of detail desired by the government. While the Vice-ministry recognizes the negative impact of its suspension on the project benefits derived by smallholders, it has maintained the suspension in the absence of a political agreement on the delivery of cooperation programs.

In June 2008, after protests and threats by leaders of the coca producers "federations" in the Tropics of Cochabamba, USAID ceased all new project activity and withdrew. Those sub-projects that were underway in June 2008 are in the process of closing orderly their activities. All USAID-supported activity in the Tropics of Cochabamba will stop before the end of this calendar year.

Description of activities

ARCo's beneficiaries are generally producer organizations including cooperatives, associations and a few private entrepreneurs. ARCo selects its beneficiaries based on their business strength and on their potential impact on the main project objectives of sales, employment, and investment. Once selected, a client, ARCo and the client work jointly to prepare an Action Plan of the joint activities to implement and the expected results. The Action Plan defines participant roles and responsibilities; Chemonics, USAID, and the VCDI all approve the Action Plans.

"Supplier development" is one of ARCo's implementation concepts. This concept begins with the identification of buyers of agricultural products who are looking for additional supplies. Once identified, ARCo organizes facilitating meetings between buyers and ARCo's clients, who are sellers of these products. These meetings help suppliers understand what products will meet the demand for product quality and consistency of supply. To support these transactions, ARCo provides its beneficiaries with infrastructure co-investments and with co-financing of production supplies and technical services. Project beneficiaries are required to provide counterpart funding for the direct benefits they receive. As a general rule, the beneficiary must pay 40 percent of the cost of

infrastructure investments, 30 percent of the cost of supplies provided by ARCo, and 10 percent of the cost of technical assistance. ARCo's policy for selecting clients is that the increment in sales must be at least five times the amount of its investment. In other words, for every US \$1.00 invested by ARCo, the client is committed to generate sales over the life of the project in an amount of at least US \$5.00.

Results

The following table compares the actual performance results through September 30, 2008 with the original targets for the different performance indicators for the ARCo project. It also shows the performance targets for the different performance indicators for the entire life of project (LOP). USAID and Chemonics intend to modify the contract targets to reflect the lower budget levels and other changes. ARCo submitted a proposal to modify its Project Management Plan (PMP) within its annual report dated September 30, 2008. The proposed modification removes the indicator for Client Private Investment and three new indicators added; New or Improved Hectares, Beneficiary Families, and Percentage Sales Increase. The following table includes the proposed new indicators:

Table D.1. ARCo Project Comparison of Actual with Target Performance Indicators

Performance Indicators	Cumulative Results to Sept. 30, 2008		Cumulative Results for Life of Project		Original Targets Life of Project	Comments
	Actual	Target	Projected	Target	Target	
Value of Incremental Sales (US\$ millions)	40.0	47.5	66.1	66.1	66.1	This is an indicator within the approved Project Management Plan (PMP).
Client Private Investment (US\$ millions)	2.17	4.45	5.43	5.43	5.43	This is an indicator within the approved Project Management Plan; the proposed PMP eliminates this indicator.
Employment Equivalent (number of jobs)	7,557	15,459	20,593	20,593	20,593	This is an indicator within the approved Project Management Plan.

Ratio of subsidies to sales for ARCo clients	14%	69%	44%	44%	44%	This is an indicator within the approved Project Management Plan; the proposed PMP eliminates this indicator.
Number of successful clients	7	102	120	120	120	This is an indicator within the approved Project Management Plan; the proposed PMP eliminates this indicator; it is not reported since 2007.
Accepted Policies (identified and developed to strengthen competitiveness)	11	8	10	10	10	This is an indicator within the approved Project Management Plan; the proposed PMP eliminated this indicator. No data has been reported since the third quarter, 2007, since the project is not focused on Bolivia's political environment.
New or Improved Hectares (number) supported by the project	11,958	NA	NA	NA	NA	This is not an indicator within the approved Project Management Plan. However, the project has reported these results since the second quarter 2007 and is part of the proposed PMP.
Beneficiary Families (number of families)	9,104	NA	NA	NA	NA	This is not an indicator within the approved Project Management Plan. The project has reported these results since the second quarter 2007 and it is part of the proposed

						PMP.
Sales Increase (Percentage)	118%	NA	NA	NA	NA	This is not an indicator within the approved Project Management Plan. This indicator is reported from 2007.

Source: ARCo Project Office, La Paz, Bolivia

In view of the differences between its “actual” and “proposed” PMP, it would be helpful if USAID, the ARCo and the PSB reached a consensus on the final indicators contained within the Project Management Plan, and on their respective targets to the end of the project. Furthermore, the projected results to project end for sales, investment, and employment seem optimistic, given the level of actual results as of September 30, 2008. In other words, over the final eighteen months of the project, incremental sales must increase by 65 percent; investment must increase by 150 percent, and employment must increase by 172 percent over the levels reported on September 30, 2008, if the life-of-project targets are to be met. Since ARCo has only a limited presence in the Tropics of Cochabamba, it may be appropriate to modify the LOP targets.

Table D.2 shows the actual project expenditures through September 30, 2008 for the ARCo project: Table D.3 shows the number of ARCo sub-projects completed and underway as of September 30, 2008:

Location	Actual
Chapare	16,902,036
Yungus	15,942,963
Total	32,844,999

Source: ARCo Project office, La Paz, Bolivia

Analysis

USAID supports business development in the Tropics of Cochabamba and Yungas through its Rural Competitiveness Project. ARCo’s focus is entirely on economic development, and the social benefits that result from the project’s support to producer organizations are a by-product of project-supported economic growth. As described earlier, ARCo’s main performance indicators are incremental sales of assisted enterprises, employment generated as a result of increased sales, and the amount of additional private investments resulting from ARCo’s interventions. Consequently, ARCo’s approach to economic development has been described as “businesslike”: It chooses its clients/beneficiaries based on their perceived likelihood of generating increased business activity leading to increased sales, employment, and investment within its targeted area. Its beneficiaries are generally producer groups, such

as associations or cooperatives. It has a limited number of clients who are all private individuals.

ARCo does not focus on specific products in carrying out its activities. Instead, it focuses on specific business enterprises and provides assistance as required to help the enterprise increase sales. When carrying out its interventions with individual clients, there is a tendency to build on successful interventions within a particular agro-industry so that many of its clients are involved in a specific product, such as bananas. ARCo ensures that a market is available for the agricultural products that its clients produce, and it then provides a mix of investment co-financing, technical assistance and production materials to help increase the output of marketable products by the client company. Its primary focus is on increasing production output by producer-owned organizations of marketable products to serve existing markets. ARCo does not work to introduce entirely new agricultural products into its targeted locations, nor does it work to strengthen the entire value chains for the products that exist in these locations.

Table D.3. Number of ARCo Sub-projects Completed and Underway as of September 30, 2008

Location	Actual
Chapare	244
Yungas	140
Both Regions	11
Total ARCo Project	395

Source: ARCo Project office, La Paz, Bolivia

Since ARCo serves private businesses, including producer-owned business entities, it has few relationships with community and political organizations, nor with municipal officials. For example, when the evaluation team asked an official of the Palos Blancos municipality to provide a general assessment of the ARCo project, he simply stated that he “was not sufficiently aware of ARCo’s activities to judge the effectiveness of the project” within his municipality.

Although ARCo conducts its operations within Bolivia’s largest coca producing zones, there is no direct linkage between ARCo’s activities and programs for coca rationalization or eradication.

Similar to the case for ACDI/VOCA, Chemonics, USAID and the VCDI must approve ARCo co-investments above \$25,000. However, in January of 2008, the PSB requested the suspension of new co-investments, and hence, no co-investments have been approved by VCDI for the Yungas for more than a year. This has created a severe constraint to project implementation. ARCo has taken initial steps to overcome this limitation by assisting its producer groups to obtain credit for infrastructure investments from local financial institutions.

In the Tropics of Cochabamba, ARCo has followed the practice of earlier USAID projects to support and strengthen the production of bananas, pineapples, and hearts of palm to increase the supplies of these products to export markets. Over the years, largely due to USAID support, these three agricultural products have developed into viable export-oriented agro-industries. All industries are sustainable; they export significant quantities of quality products to competitive markets in Argentina, Chile and other regional markets and smaller quantities to other markets. Quantities exported were increasing until the global financial crisis arrived in 2008.

Nevertheless, all three industries are at risk of losing their favorable competitive positions in export markets. For example, the banana -industry is losing market share in Argentina due to deteriorated product quality related to deficient in-farm practices (i.e. poor control of sigatoca disease), and poor post-harvest quality control measures. Pineapple exporters are sometimes unable to ship to their respective regional markets due to poor monitoring and control of the application of pesticides that contaminate the fruit. Hearts of palm has seen a recent decline in market demand in its traditional markets due to the world financial crisis, and this agro-industry must begin to open new markets. To solve these problems, an industry-level support organization is needed for each of these agro-industries that would have the authority to work on behalf of the entire industry to open new markets and to provide common services to its members, such as logistics services, quality control, and cold storage facilities.

In the Yungas, ARCo supports the producers of three main agricultural products that have considerable export potential: bananas, cacao, and coffee. The “niche” occupied by Yungas producers is their exceptional ability to produce certified organic agricultural products for international markets. While the exports of these products are presently limited, they have reasonable growth potential with continued, concerted technical assistance.

In both regions the production and sale of minor agricultural products using traditional market channels (i.e. papaya, fish, citrus, honey, and organic rice) is sustainable. However, without improved production practices, improved technology and the opening of new markets, the expansion of these products will be limited. While ARCo has supported a considerable number of these minor crops in both the Tropics of Cochabamba and Yungas, their growth is limited by the size of their traditional markets. Other factors limiting growth is the lack of technical and administrative capacity of recipient organizations, the targeted nature of ARCo’s interventions on the production end of the value chain, and the phase-out of USAID support to projects in the Tropics of Cochabamba.

ARCo’s Business Development Unit, located at its main office in La Paz, is responsible for opening foreign markets for those exportable agricultural commodities produced in the

Yungas and Tropics of Cochabamba regions. This office has done excellent work to overcome phytosanitary barriers to exporting papaya to Chile and Argentina; it has organized trial shipments of agricultural products to new markets, and it has introduced foreign buyers to producer groups within the two regions. Other activities, such as helping to organize and finance the international “cup of excellence” annual specialty coffee quality competition has helped Bolivia gain international prestige as a producer of excellent quality coffee.

On the other hand, ARCo’s assistance to producers and exporters of its three primary export crops in the Tropics of Cochabamba region – bananas, pineapple, and hearts of palm – to open new export markets and to resolve logistics and post-harvest problems has been surprisingly timid. Other than an occasional introduction of foreign buyers located in existing markets to certain producer groups, ARCO’s interventions have been extremely limited. For other crops such as organic achiote, which has considerable production potential in the Yungas, and has attracted the interest of European buyers, ARCo’s marketing support has been, at best, tepid.

In other crops such as citrus and fish farming which have a local market demand as well as strong production potential, ARCo’s support has not been sufficient to ensure the viability of these sub-sectors. For example, ARCo provided technical support to the UNACITRI citrus producer’s union in Tropics of Cochabamba to help this group improve its production output and product quality. However, the designated market for the citrus was a producer-owned juice processing plant at San Miguel, which is not economically viable and processes very little juice. To stimulate the production of pond-reared fish, ARCo co-financed the construction of fishponds and provided the services of an aquaculture technician to help prepare a group of new aqua-producers to become proficient fish farmers. While the quality of ARCo’s intervention was very good, rapid increases in the cost of fish feed as well as fingerlings has alarmed the group of producers to the extent that they are attempting single-handedly to establish a fingerling nursery and to develop a local feed mill for fish

Pollos La Fuente – La Chorrera

Pollos La Fuente provides a good example of the benefits of collaboration between ARCo and the Integrated Community Development Fund (FCDI) carried out by ACIDI/VOCA. In approximately 2006, ACIDI/VOCA co-financed two modern poultry houses stocked with baby chicks and provided veterinary assistance to the La Fuente family, which made it possible for them expand their rudimentary poultry business. Two years later, ARCo provided additional assistance by co-financing a slaughterhouse and cold storage lockers, and by providing technical assistance for food sanitation and safety. ARCo’s assistance helped the family expand its output of sanitary poultry products and to access new markets. ARCo also assisted the family establish three roadside stands around Palos Blancos, where it sells frozen chickens to travelers.

feed.

In many cases, particularly for local markets, once ARCo completes its interventions with the producer farms and introduces a buyer to its client, it considers its job completed. However, in most cases, additional follow-up is needed. For example, ARCo worked for approximately two years to help a group of Tropics of Cochabamba rice producers become organic certified. Despite having a willing buyer for the product, the deal almost became unraveled at harvest of the first crop of organic rice due to the lack of a clear agreement between the buyer and the sellers on payment terms. The buyer insisted on 30-day payment, which was not acceptable to the farmers, and they began diverting their organic rice to local markets. However, a last minute intervention by ARCo salvaged the program.

Despite the best intentions by the ARCo and ACDI/VOCA field staff, there is very little coordination between the two programs. This is not surprising, since the operating strategies and the targeted beneficiaries of the two projects are widely different. However, in the few cases where an ACDI/VOCA client later became an ARCo beneficiary, the results were highly positive. The two projects are missing an opportunity for greater economic impact through closer coordination.

ARCo's work is correctly focused on assisting those producer groups and a few individuals who potentially can have the greatest impact on sales, employment and investment. Consequently, it tends to work with those organizations and individuals who are better prepared and have a greater capacity to engage in project-supported business activity. Since these organizations and individuals often have greater amounts of wealth than their less successful neighbors, ARCo is vulnerable to criticism in some communities that it "helps the rich" and is "elitist". A possible means to soften these negative perceptions would be to use competitive processes to select new clients, similar to that employed by ACDI/VOCA for its co-investments in micro-enterprises. These processes are described in the Annex on ACDI/VOCA.

Despite the weaknesses described above, based on its site visits and discussions with numerous beneficiaries, the evaluation team concludes that ARCo's sub-projects are generally well executed, and are providing good results within the context of ARCo's Statement of Work (SOW). It must be emphasized that part of the weaknesses noted above can be attributed to the project performance measures. ARCo's main task is to facilitate business transactions leading to additional sales, employment and investment. Under its terms of reference, it is not required to provide continuing support services to those assisted organizations, beyond what is required to establish and maintain commercial transactions between the buyer and seller. In other words, the long-term sustainability of the assisted enterprises or of their respective value chains is not within ARCo's terms of reference

Conclusions

The team has concluded that the ARCo project is implemented effectively within its terms of reference. However, enhanced impact is possible with greater support and follow-up to the assisted enterprises, particularly in organizational strengthening and marketing assistance. The development of sustainable and viable agro-industries based on the production and sale of specific agricultural products requires support along the entire value chain between the farm and the market. Under the ARCo project, assistance is most effectively provided to the production end of the value chain.

Some of the minor crops in the Yungas region that presently serve only local markets could be developed into sustainable, viable, export agro-industries through programs to develop their value chains and to help create clusters of supporting organizations⁹. In addition to the “emerging” crops of organic coffee, cacao, and bananas, other potential export crops include papaya, achiote, and forest (wood) products.

Recommendations

The evaluation team recommends that future interventions in support of agro-business development in the Yungas and Tropics of Cochabamba incorporate development concepts for strengthening value chains of high-potential agricultural products and helping to create clusters of related, supporting organizations.

To increase the likelihood that ARCo-supported enterprises will be sustainable over the long term, the evaluation team recommends that ARCo broaden its assistance to strengthen the business capabilities of the supported enterprises, and to deepen its support to marketing their products.

⁹ USAID could use a market-led agribusiness development model for its future interventions to create and strengthen agribusiness clusters by incorporating value chain concepts to increase the production, processing, and sale of selected agricultural and wood products. The development process would be led by private businesses and producer associations that supply these agricultural and wood products to local, regional, and international competitive markets. The ultimate beneficiaries would be small-scale producers in the poorer, rural areas of the Yungas.

Annex E: Plurinational State of Bolivia Rural Roads

El Proyecto Caminos Vecinales inicia sus actividades el año 1978, como un proyecto especial del Servicio Nacional de Caminos emergente de un Convenio suscrito entre USAID y el Gobierno del Estado Plurinacional de Bolivia (PSB), bajo el Proyecto RURAL I. Posteriormente continúa sus actividades en los programas RURAL II, CHAPARE PROYECT, CORDEP, CONCADE y actualmente ARCo. El acuerdo actual entre el PSB y USAID (IL No. 43) se establece como actividad del desarrollo alternativo la construcción, mejoramiento y mantenimiento de los caminos vecinales.

Las actividades de Caminos Vecinales son de "rehabilitar, mejorar, desarrollar, consolidar y mantener la infraestructura caminera de jurisdicción de los Municipios en áreas determinadas del Desarrollo Integral; para facilitar las actividades de producción, transporte, acceso al mercado, comercialización y otras actividades económicas; vinculando las zonas productoras con los centros de consumo, contribuyendo a la generación de una economía lícita, creciente y sostenible, priorizando áreas comprometidas con la racionalización y no expansión de la producción de hoja de coca."(Caminos Vecinales, Tríptico, 2008)

Caminos Vecinales es una institución pública dependiente de Viceministerio de Coca y Desarrollo Integral (VCDI). Recibe financiamiento de USAID en un porcentaje cercano al 90 por ciento y de otros cooperantes como la Cooperación Española, Recursos Propios y fondos de contravalor PRE. La relación entre el Proyecto Caminos Vecinales y los cooperantes se realiza del siguiente modo: Anualmente los directivos y técnicos de Caminos Vecinales realizan el Plan Operativo Anual (POA) que contempla las obras a ser realizadas, presupuesto y financiamiento. El POA es elevado a consideración de Viceministerio de Coca y Desarrollo Integral. Los técnicos del mismo lo evalúan y en caso de conformidad lo aprueban y solicitan a USAID el desembolso de los recursos. USAID por su parte, realiza un análisis del mismo y emite una Carta de Implementación para realizar los desembolsos.

En el curso del proyecto actual (junio de 2005 hasta septiembre de 2008) se ha mejorado 875 kilómetros de caminos (339 en el Trópicos of Cochabamba /Yapacaní, 536 en Los Yungas), cumplido mantenimiento de 3,000 kilómetros de caminos (1,713 en el Trópicos of Cochabamba/Yapacaní, 1,287 en Los Yungas) y construido o mejorado 89 puentes (61 en el Trópicos of Cochabamba/Yapacaní, 28 en Los Yungas.) Las cifras precisas se encuentran en los cuadros E.1 y E.2 en la continuación. Las inversiones realizadas desde 2005 hasta 2008 son de 20.2 Millones de dólares americanos (cuadro E.3).

Fortalezas y Debilidades del Modelo

Como todo modelo de implementación de la cooperación internacional posee fortalezas y debilidades. Las fortalezas son:

- Permite una implementación del proyecto acorde con los objetivos estratégicos de desarrollo del gobierno, en este sentido es menos probable que se produzca un conflicto entre el gobierno y los organismos financiadores.
- La articulación del proyecto con la sociedad civil queda a cargo del Viceministerio lo que "libera" a USAID de esta laboriosa actividad, imprescindible para la eficacia del mismo.

Las debilidades son:

- Una debilidad principal del proyecto consiste en su sostenibilidad en el largo plazo. El hecho que más del 90 por ciento del financiamiento del Proyecto provenga de USAID indica una extrema dependencia y vulnerabilidad.
- La capacidad del PSB de mantener la seguridad de los equipos del proyecto.
- La participación del principal financiador en términos de gerencia del proyecto es limitada.
- Exige de USAID un permanente proceso de monitoreo, lo que posiblemente por las características técnicas del Proyecto estén más allá de sus capacidades institucionales. El delegar estas actividades a otra institución significa un incremento presupuestario.
- Existe el riesgo que la orientación del proyecto en términos de privilegiar actividades, obras y emprendimientos sea utilizada políticamente.
- La estructura organizativa del Proyecto, el reclutamiento de recursos humanos, etc. se convierte en una prerrogativa del gobierno. Sin embargo, esta debilidad puede ser subsanada mediante acuerdo entre los financiadores y el gobierno.

El proyecto de Caminos Vecinales ha demostrado una capacidad para administrar la parte técnica de mantenimiento y mejoramiento de los caminos y la construcción de los puentes. Ha elaborado presupuestos aceptables al PSB y a USAID, ha supervisado adecuadamente las obras, y ha mantenido y reportado los datos requeridos para el PSB y las instituciones financiadores. Si bien en el curso del proyecto ha gozado del apoyo de ARCo, considera el equipo evaluador que Caminos Vecinales es capaz de asumir mayor responsabilidad de administración de proyectos y posiblemente ampliar su participación en otras áreas de atención del programa de desarrollo alternativo integral.

Sin embargo, esta confianza por parte del equipo evaluador de la capacidad técnica de Caminos Vecinales de administración de proyectos, se disminuye por dos elementos cruciales. Primero es el tema de sostenibilidad; el hecho de que 90 por ciento de sus

fondos provienen de USAID. Sin una mala acción de Caminos Vecinales, del PSB, o de USAID, en un momento los fondos para Caminos Vecinales pueden reducirse o desaparecer. Representantes del PSB indicaron que pondrían los fondos para mantener el servicio, pero con los pocos fondos que se han puesto hasta ahora el equipo evaluador considera que se mantiene un alto riesgo de sostenibilidad de Caminos Vecinales bajo este escenario. En ese sentido, Caminos Vecinales debe buscar nuevas formas para financiar sus actividades con el propio gobierno o con instituciones como municipio y/o prefecturas para bajar el nivel de dependencia de USAID.

El segundo elemento crucial que frena la confianza en permitir a CC VV administrar con mayor independencia proyectos es la seguridad de los equipos y del personal del proyecto; elemento sobre el cual la institución tiene menor control y sobre el cual el PSB tiene mayor control.

En opinión del equipo evaluador, el PSB perdió la oportunidad de generar una mayor confianza con el financiador, al no haber asumido un rol protagónico respecto a la toma de campamentos y de maquinaria de Caminos Vecinales, que se dio por parte de las organizaciones sociales. Una mayor participación y compromisos de parte del PSB, en este tipo de conflictos, podrá fortalecer la confianza del financiador, respecto a asumir nuevos retos de financiamiento, tanto en el área de caminos, como en otro tipo de proyectos del Desarrollo Integral.

Posibilidades de extensión del Modelo de Caminos Vecinales

Como todo modelo, requiere, para su aplicación o extensión, una serie de condiciones que permitan el éxito del mismo. Entre estas están las referidas a su ámbito de aplicación, su sostenibilidad y el marco institucional y político que las regula.

Aéreas de Aplicación: El modelo ha demostrado que tiene un funcionamiento adecuado en obras de infraestructura principalmente, donde los beneficiarios son conglomerados humanos relativamente numerosos. En el caso de los proyectos productivos el modelo parece poco efectivo, debido a las características de los mismos, por ejemplo beneficiarios directos de pequeños grupos o individuales, la necesidad de una visión comercial y de moverse rápido según los señales del mercado, y otras. Se sugiere que el modelo sea aplicado en proyectos de infraestructura social.

Sostenibilidad: Un aporte financiero de USAID cercano al 90 por ciento significa que este modelo como ahora está implementado será poco sostenible en el largo plazo. Se podría lograr mayor perspectivas de sostenibilidad a través de acuerdos que permitan un progresivo retiro de USAID de su rol de financiador y una participación progresiva mayor de los gobiernos nacionales, regionales o locales, similar a lo que se está efectuando con otros proyectos financiados pro USAID en la zona.

Institucionalidad: La aplicación del modelo a otras áreas podría tener efectos positivos si las instituciones implementadores alientan sus políticas internas que permiten sus miembros beneficiarse de la experiencia mundial de USAID en la implementación de proyectos y que adoptan en su estructura una orientación exclusivamente técnica, donde USAID tenga una participación con mayor protagonismo. El monitoreo y la fiscalización deberá estar a cargo de instituciones contratadas especialmente para el efecto.

Políticas: En cuanto a las condiciones políticas, un proyecto como el de Caminos Vecinales requiere de relaciones basadas en el respeto mutuo entre el gobierno y la cooperación internacional, esta situación conlleva la necesaria seguridad jurídica otorgada por el gobierno a este tipo de proyectos, especialmente la referida a la propiedad de maquinarias y equipos. De igual modo, implica un compromiso de respeto a la institucionalidad, la transparencia en la asignación de los cargos, la seguridad laboral, etc.

Riesgos del modelo son varios como se dan en la continuación:

- Si se va a realizar una inversión en infraestructura social, ésta requiere de mecanismos de mantenimiento y sostenibilidad en el tiempo. Se puede encomendar estas actividades a otras empresas y gobiernos regionales o locales. En caso de que no hay una clara entendimiento de cómo se efectuará el mantenimiento física incluyendo su financiamiento, se debe paralizar el progreso de planificación de la inversión.
- Las inversiones en infraestructura social generalmente son realizadas en activos específicos, es decir, que difícilmente puedan recuperarse una vez realizadas y destinarse a otros usos. Esto implica que el proceso de decisión de inversión asume mucha importancia en el cual se deben considerar áreas como la viabilidad financiera, la necesidad social y la sostenibilidad financiera y política, así como la fortaleza institucional de las organizaciones locales que administrarán la inversión.
- Por las características de la inversión en infraestructura social, es decir, un número elevado de beneficiarios, puede ocurrir que autoridades y grupos de interés locales politicen el proceso.
- Existe el riesgo de que gobiernos locales y departamentales e incluso nacionales intenten expropiar el rendimiento de los activos específicos. Esta situación puede reducirse realizando acuerdos previos entre el cooperante y el gobierno.

Si el proyecto funciona adecuadamente, potencialmente puede dotar a las instituciones participantes de gran credibilidad y legitimidad en el entorno local y nacional.

Recomendaciones estratégicas

- Caminos Vecinales debe buscar nuevas formas para financiar sus actividades con el propio gobierno o con instituciones como municipio y/o prefecturas.
- El modelo utilizado para el proyecto Caminos Vecinales, con ajustes puede funcionar para ciertos tipos de inversiones, como inversiones de infraestructura y social.
- Se debe considerar que cualquier nuevo proyecto, por muy brillante que parezca, siempre debe contar con el marco institucional adecuado, que permita su efectiva implementación, así como la red de actores sociales y políticos que pudiesen influir en la efectivización del mismo. Un proyecto puede ser técnicamente viable, pero políticamente inviable.
- Para cumplir las recomendaciones del punto anterior, el proyecto debe profundizar su análisis sobre instituciones, actores sociales y políticos implicados para lo cual se recomienda la participación de profesionales del área de las ciencias sociales. Estos podrían identificar causas de posibles crisis, y así ayudar a la institución implementadora maximizar el rendimiento del proyecto a favor de la comunidad.
- Para ganar la confianza de la institución financiadora la institución implementadora debe mostrar un alto nivel de estabilidad y disponibilidad de efectuar una adecuación de sus actitudes y prácticas operativas. Este proceso, posiblemente, no sea perceptible en el corto plazo, pero la continuación de ordenes de trabajo o renovación de proyectos depende mucho del éxito de este proceso.

Cuadro E.1. Mantenimiento y mejoramiento de camino por región, 2005 – septiembre 2008

Actividad		2005		2006		2007		2008		Total 2005-2008	
		Trópicos of Cochabamba*	Yungas								
Mantenimiento de camino (CCVV)	Km	34	330	81	223	97	401	29	333	241	1,287
Mejoramiento de camino (CCVV)	Km	114	120	61	166	82	176	82	74	339	536
Total	Km	148	451	142	389	179	578	111	407	580	1,825
Mantenimiento de camino (AMVIs)	Km	557		540		362		13		1,472	0
Total mantenimiento y mejoramiento	Km	704	451	682	389	541	578	124	407	2,051	1,825
Puentes (CCVV)	No.	14	7	9	9	16	6	3	6	42	28
Puentes (AMVIs)	No.	4		10		5		0		19	0
Total puentes	No.	18	7	19	9	21	6	3	6	61	28

Fuente: USAID/Bolivia y Proyecto Caminos Vecinales. * Incluye proyectos en Yapacaní de Santa Cruz

Cuadro E.2. Mantenimiento y mejoramiento de camino por región, 1999 – septiembre 2008

Actividad		1999-2004		2005-2008		Total a Sep. 2008	
		Trópicos of Cochabamba*	Yungas	Trópicos of Cochabamba*	Yungas	Trópicos of Cochabamba*	Yungas
Mantenimiento de camino (CCVV)	Km	1,702	849	241	1,287	1,943	2,137
Mejoramiento de camino (CCVV)	Km	220	347	339	536	559	884
Total	Km	1,922	1,196	580	1,825	2,503	3,021
Mantenimiento de camino (AMVIs)	Km	1,026		1,472	0	2,497	
Total mantenimiento y mejoramiento	Km	2,948	1,196	2,051	1,825	4,999	3,021
Puentes (CCVV)	No.	43	44	42	28	84	70
Puentes (AMVIs)	No.	6		19	0	25	0
Total puentes	No.	49	44	61	28	109	70

*Fuente: USAID/Bolivia y Proyecto Caminos Vecinales. * Incluye proyectos en Yapacaní de Santa Cruz*

Cuadro E.3. Ejecución de recursos financieros por el periodo entre junio 2005 hasta septiembre 2008

Detalle	Trópicos of Cochabamba *		Yungas de La Paz		Total	
	Dólares US	Bolivianos	Dólares US	Bolivianos	Dólares US	Bolivianos
Junio - diciembre 2005						
Convenio 511-0660	2,517,695	22,663,264	2,057,709	16,497,579	4,575,404	39,160,843
Adquisición de equipo pesado, Convenio 511-0660	1,038,349	8,337,296	0	0	1,038,349	8,337,296
Enero - diciembre 2006						
Convenio 511-0660	4,720,014	37,861,987	2,279,986	17,750,544	7,000,000	55,612,531
Enero - diciembre 2007						
Convenio 511-0660	2,414,786	18,953,854	1,886,392	14,735,683	4,301,178	33,689,537
Convenio 511-0643	282,613	2,119,599	268,914	2,016,851	551,527	4,136,451
Enero - septiembre 2008						
Convenio 511-0660	1,380,275	10,029,348	1,352,622	9,828,412	2,732,897	19,857,761
Convenio 511-0643	0	0	33,565	252,409	33,565	252,409
Convenio 511-0653	571	4,276	0	0	571	4,276
Importe Total	12,354,303	99,969,625	7,879,188	61,081,478	20,233,491	161,051,103

Fuente: USAID/Bolivia y Proyecto Caminos Vecinales.

* Incluye proyectos en Yapacaní de Santa Cruz

Annex F: Integrated Justice Centers

El acercamiento del ciudadano común a las instancias estatales de administración de justicia, tradicionalmente ritualistas, centralizadas y burocratizadas, se ha caracterizado por su dificultad.¹⁰ Un ciudadano común debía sortear una serie de barreras que le impedían en los hechos hacer valer su derecho a obtener justicia: Lejanía geográfica entre su domicilio y las oficinas estatales, desconocimiento del trámite, incertidumbre sobre los resultados, ausencia de información clara sobre los procedimientos y sus costos, maltrato o desatención por parte de los funcionarios, exigencia de un abogado para ser atendido, etc. A esto se debería sumar el tiempo de trabajo perdido, costos de desplazamiento, estadía y otros que hacen inaccesible la justicia. Todas estas circunstancias implicaban serias negaciones al elemental derecho de acceder de manera expedita a los servicios de justicia.

La situación e inaccesibilidad se veía agravada en el caso de ciudadanos pertenecientes a los sectores vulnerables de la población, la mayoría de las veces vinculadas a razones de discriminación o por lo menos de negación de la diferencia, tales como: barreras idiomáticas, falta de dinero, desconocimiento de sus derechos y de la manera de exigir su cumplimiento, actitudes discriminatorias de los funcionarios, imposibilidad de contactarse directamente con la autoridad responsable de resolver el conflicto debido a la excesiva burocratización del servicio, subestimación de sus pretensiones y solicitudes al ser consideradas cuestiones "de escasa relevancia", negación de sus formas propias de solucionar los conflictos, etc.

Descripción de actividades

Los Centros de Justicia Integrados (CJI) plantean el desafío de cambiar la tradicional lógica de resolución de conflictos centrada en el denominado "sistema de administración de justicia formal" como única y excluyente vía de resolución de conflictos, reemplazándola por una noción integral del concepto de acceso a la justicia, que por una parte tienda a mejorar el acceso ciudadano a los servicios de justicia formal y que por otra parte "diversifique", las posibilidades de resolución de conflictos a partir del reconocimiento y efectivo ejercicio de métodos alternativos de resolución, la capacitación ciudadana y el empoderamiento de la sociedad civil respecto al tema de justicia, todo ello en pro de lograr una justicia verdaderamente democrática, inclusiva y plural.

¹⁰ El contenido de este anexo se basa principalmente en el documento Centros Integrados de Justicia, Reporte de Resultados 2005-2007, entrevistas con el personal de CHECCHI e informes proporcionados por este Programa.

Los CJIs inician actividades en septiembre de 2004 con el apoyo inicial de la Oficina de Democracia y posteriormente con la oficina de Desarrollo Integral Alternativo de USAID como proyecto piloto del entonces Viceministerio de Justicia, con el propósito de mejorar el acceso a la justicia de los sectores vulnerables de la población boliviana. Desde sus inicios, su implementación a nivel nacional se ha caracterizado por la construcción de convenios interinstitucionales e intersectoriales, para su implementación y funcionamiento a nivel nacional, a fin de lograr la activa participación de la sociedad civil en su establecimiento y funcionamiento.

Los CJÍ's, según el modelo de intervención vigente, organizan su trabajo en base a la prestación de tres servicios y la ejecución de cuatro líneas programáticas, coordinando sus acciones con instituciones operadoras del sistema de justicia formal presentes en los propios CJÍ's.

Los servicios son:

1. **Orientación ciudadana**, que otorga al usuario información y orientación básica sobre cómo resolver su conflicto de manera fácil y amigable.
2. **Resolución alternativa de conflictos**, que acerca las partes en conflicto y les ayuda a llegar a un acuerdo satisfactorio por la vía de la conciliación.
3. **Acercamiento a los servicios de justicia formal**, que brinda asesoramiento jurídico especializado y patrocinio legal en procesos voluntarios en materias civil y familiar.

Las líneas programáticas son:

1. **Comunicación educativa**, con el objetivo de generar procesos de sensibilización y difusión de derechos y sus formas de restitución.
2. **Capacitación**, para que la comunidad adquiera conocimiento de sus derechos y se empodere de los temas relativos a la justicia en derechos humanos, cultura de paz, manejo de conflictos, violencia intrafamiliar y otros.
3. **Convivencia**, con el objetivo de generar vínculos de coordinación y cooperación de la comunidad se realizan actividad de integración tales como concursos, competencias deportivas, campañas de solidaridad, etc.
4. **Investigación**, con el objetivo de generar producción intelectual útil para la reflexión y toma de decisiones, se incentivan estudios e investigaciones sobre la conflictividad y las maneras de resolver problemas.

Principales resultados

Los principales resultados a fines de diciembre del 2008, son:

- Se cuentan con 11 Centros de Justicia a nivel nacional, uno en Coroico y otro en Chimoré.
- Se atendió en Caranavi a 4.777 usuarios, este centro trabajó hasta abril del 2006.

- Se atendió en Coroico a 5.134 usuarios.
- Se atendió en Chimoré a 13.520 usuarios.
- En total en el periodo y la zona, se atendieron a más de usuarios 23.431 usuarios. Se debe hacer notar a que diciembre del 2008, los CJI's atendieron a más de 90.644 usuarios.
- Se ha logrado la formación de 69 promotores de justicia en los Trópicos Cochabamba y en Yungas 20, los que son miembros de las comunidades entrenados en solución de conflictos.

Indicadores

Los siguientes son los indicadores que aplica el Programa:

- Cobertura en número de personas
- Mejoramiento de la atención y gestión
- Promoción y difusión de servicios del CJI
- Capacitación a la comunidad.

Hallazgos clave

Se ha remplazado la ausencia de justicia en la zona, se ha mejorado el acceso a la justicia y a la resolución de conflictos.

- Se han disminuido costos, tiempos de transacción, etc., mediante un modelo institucional que es replicable a otras zonas del país.
- Se ha integrado el proceso entre la justicia formal y la no formal (conciliaciones).
- Con capacitación, se ha mejorado el conocimiento de los derechos y garantías constitucionales, sobre todo en temas familiares, penales y civiles.
- Líderes comunales se han formado como promotores de justicia, con credibilidad en la solución de conflictos.
- El rol del médico forense ha sido impactante ya que ha disminuido la impunidad en los delitos sexuales. Se ha incrementado la velocidad de respuesta de los actores del Sistema de Administración de Justicia.
- Se ha trabajado con productores y cocaleros, es decir sin discriminación entre los grupos sociales, esto ha mejorado la imagen del CJI, como un espacio válido de resolución de conflictos.

Recomendaciones

Se recomienda enfatizar en el análisis de los casos atendidos y presentados en los CJI's, desde un punto de vista cualitativo, con la finalidad de analizar la incidencia de los mismos, su frecuencia, identificar a las víctimas y características de los hechos, con la finalidad que luego de este análisis se pueda motivar a que otras instituciones, ONG's u otros trabajen en la zona en temas de prevención.

Lecciones aprendidas

1. Crear espacios nuevos de justicia hace bien a la comunidad, se mejora la convivencia pacífica.
2. La participación activa de la comunidad, desde la etapa de construcción del CJJ, hace que los pobladores se identifiquen con el proyecto.
3. La población ha aprendido que pueden resolver por sí mismos los conflictos, el conciliador puede dar soluciones locales, con acuerdo entre partes.
4. Los operadores de justicia formal se han involucrado con los problemas de la región, han participado en actividades de formación y capacitación y han disminuido los casos de retardación de justicia.
5. Mejor control social sobre la presencia física de jueces y fiscales en las oficinas del CJJ.
6. El involucramiento con el municipio (desde la dotación de terrenos, convenios, etc.) ha permitido compartir las inversiones y darle sostenibilidad a través del pago municipal de los servicios. El municipio puede pagar parte de los costos de una justicia eficiente y cercana.

Annex G: Chemonics Land Titling

Introducción¹¹

La falta de seguridad jurídica de los derechos de la propiedad rural, fue identificada como uno de los principales obstáculos para el desarrollo económico de los Trópicos of Cochabamba. Los Trópicos of Cochabamba están ubicado exactamente en el centro de la República de Bolivia, abarca parte de las provincias Carrasco, Tiraque y Ayopaya, con una superficie de 37.930 km², extensión territorial que representa el 56% de la superficie total del departamento de Cochabamba. En esta área se encuentran cinco municipios: Villa Tunari, Puerto Villarroel (Ivirgazama), Chimoré, Entre Ríos y Shinahota (Subalcaldía), en los que habitan 146.600 personas, la mayoría de ellos en zonas rurales, dedicados a la agropecuaria.

El área de impacto del Proyecto Titulación de Tierras en Bolivia (BLTP) es el Bosque de Uso Múltiple, que es el área de colonización de los Trópicos of Cochabamba Trópicos of Cochabamba, con una superficie de 561.000 hectáreas. Para fines del proceso de regularización de la propiedad agraria en los Trópicos of Cochabamba, el INRA identificó como área de Saneamiento 521.584 hectáreas en el Bosque de Uso Múltiple. Se estima que de ese total, la superficie objeto de saneamiento es de 509.800 hectáreas, al excluir áreas urbanas, caminos, ríos, y otros accidentes geográficos y servidumbres ecológicas.

En la zona, originalmente los derechos propietarios, en la mayoría de los casos, tenían base en ocupaciones de tierras fiscales, reconocidas por las organizaciones territoriales conformadas por colonos al momento de asentarse, o en dotaciones de parcelas de tierra por el Instituto Nacional de Colonización en las décadas de los años setenta y los ochenta. Hoy en día, más de 60% de los propietarios de tierras en el Trópico de Cochabamba declara haber obtenido su propiedad por medio de compra. Sin un título de propiedad emitido por el Estado y su registro en Derechos Reales, el derecho propietario no está consolidado legalmente y, por lo tanto, no goza de todas las garantías de la ley.

Inicialmente el Proyecto de Titulación de Tierras en Bolivia (BLTP) tenía una duración original de 30 meses y su principal tarea era apoyar al Instituto Nacional de Reforma Agraria (INRA) a completar la titulación de tierras en el Trópico de Cochabamba, proceso que se había iniciado en 1999 con apoyo de un programa financiado por la Comunidad Europea, el mismo que entre marzo de 1999 y enero de 2006, tituló 1.261

¹¹ El contenido de este anexo se basa principalmente en el documento de Informe Final del Proyecto de Titulación de Tierras en Bolivia “Por fin soy dueño de mi propiedad”, preparado por Chemonics en mayo de 2008.

propiedades agrarias que suman una superficie de 29.566 hectáreas. Con el nuevo apoyo de USAID/BOLIVIA, se esperaba que el INRA no sólo verificara el derecho propietario y titulara todas las propiedades de la región, sino, que esencialmente desarrollara y validara un proceso de regularización del derecho propietario ágil, masivo y de bajo costo, para ser aplicado en otras regiones similares del país.

En octubre de 2006, el Proyecto fue extendido por 18 meses, con el fin de incorporar la mayor cantidad posible de predios al proceso de regularización del derecho propietario y además apoyar al municipio de Villa Tunari en el desarrollo y ejecución del primer Catastro Municipal Integrado del país.

Descripción de actividades

El rol del Proyecto BLTP, fue de apoyar financiera y técnicamente, a cuatro entidades gubernamentales involucradas en el proceso de regularización del derecho propietario (INRA y la Oficina de Derechos Reales de Sacaba (DD RR), Gobierno Municipal de Villa Tunari y el Viceministerio de Vivienda y Urbanismo), y en el establecimiento de un catastro municipal en Villa Tunari.

Se diseñó e implementó un sistema (computacional) de monitoreo y evaluación que permitía, tanto al funcionario como al público interesado, determinar dónde y en qué etapa se encontraba su trámite.

Principales resultados

Al finalizar el proyecto en mayo de 2008, 467.259 hectáreas que corresponden a 37.073 propiedades del Trópico de Cochabamba fueron incorporadas al proceso de regularización del derecho propietario.

El Gobierno Municipal de Villa Tunari completó la instalación del primer Catastro Municipal Integrado en el país.

En ambos casos, el impacto de estos logros tiene alcances nacionales, ya que, por un lado, los instrumentos desarrollados y validados por el INRA han sido incluidos en la nueva Ley INRA y el Plan Nacional de Saneamiento y Titulación, y por otro, la Federación de Asociaciones Municipales de Bolivia (FAM) ha adoptado el modelo de Catastro Municipal Integrado como un modelo nacional para sus afiliados.

Indicadores

Se han regularizado 37.000 propiedades, que abarcan 92% de la extensión total del área de colonización del Trópico de Cochabamba. Se ha entregado a la FAM un sistema de Catastro Municipal Integrado.

Hallazgos claves

“No es conveniente que el título esté sólo a nombre del hombre; tanto la mujer como el hombre deben conocer la documentación y los trámites, debe estar a nombre de ambos”,
Isaac Antonio, Puerto Alegre “A”

La seguridad jurídica de la propiedad en los Trópicos de Cochabamba se ha incrementado notablemente con la regularización del derecho propietario.

Los títulos de propiedad no solamente aumentan el valor de la propiedad, sino

también permiten su uso como respaldo para acceder a capital para financiar emprendimientos productivos que incrementen el ingreso familiar y, en consecuencia, mejoren la calidad de vida de los productores.

Las propiedades regularizadas y registradas en el Catastro Municipal dotan a los municipios de una poderosa herramienta para el ordenamiento territorial y la planificación del desarrollo rural y urbano. Además, incrementan significativamente los ingresos propios de los gobiernos municipales que se traducen en mayores y mejores servicios públicos.

Lecciones aprendidas

Los residentes rurales fueron uniformemente sostenedores de la tierra que titula; ellos informaron una satisfacción más grande a causa de propiedad documentada de tierra. Las declaraciones personales sugieren que los residentes con títulos de terrenos aumentarán inversiones en sus propiedades. El equipo de la evaluación no se encontró los datos que verificarían estas declaraciones personales.

Los individuos y los funcionarios municipales informaron desdén de ciudadanos para apoyar el catastro para las áreas municipales. El argumento más convincente que ganó su apoyo para el catastro fue que habría inversión más fuerte en la comunidad, y que todos propietarios de terrenos contribuirían en una forma justa y uniforme.

Annex H: Jatun Sach'a Natural Resources and Agro-forestry

El proyecto de Manejo Integral de los Recursos Naturales en Trópico de Cochabamba y los Yungas de La Paz (AD/BOL/05/I79), conocido bajo el denominativo de Jatun Sach'a, se inicio a partir de enero de 2006, con el financiamiento de la Organización de Naciones Unidas contra el delito y las Drogas, con fondos provenientes de Estados Unidos de Norte América, USAID y otros donantes, el mismo que es ejecutado por la Organización de las Naciones Unidas para la Agricultura y la Alimentación, FAO, en coordinación con su contraparte nacional, el Viceministro de Coca y Desarrollo Integral.

El Proyecto contribuye a la conservación y uso sostenible de los recursos naturales en el Trópico de Cochabamba y los Yungas, bajo una cultura sostenible, adoptada por la población, valorando los recursos naturales y generando ingresos y empleos a través de una actividad forestal sostenible con activa participación de las familias campesinas e indígenas y las entidades locales”.

En base a los exitosos resultados y la experiencia alcanzadas en más de 12 años de acciones forestales del proyecto C23, el nuevo proyecto I79, también conocido como Jatun Sach'a espera alcanzar el objetivo y las metas propuestas mediante cinco componentes: Desarrollo forestal sostenible, manejo de áreas protegidas (parques), conservación de suelos y agua, fortalecimiento institucional, y comunicación y capacitación.

Análisis

Tomando en cuenta que uno de los componentes de mayor importancia del proyecto I9, es el Desarrollo Forestal Sostenible, que tiene como principales actividades el manejo del bosque primario y secundario, a través de la implementación de planes de manejo y la implementación de nuevas plantaciones forestales y agroforestales. Se pudo determinar en las entrevistas que los resultados en la implementación de planes de manejo forestal, implican una serie de factores externos que limitan el éxito de los mismos, como son: la supervisión y control durante la explotación del bosque, el manejo racional de los permisos (SEFOS) emitidos por parte de la Superintendencia Forestal, y los problemas internos que se han generado en las diferentes Comunidades Indígenas o TCO's. Es decir, que pese a que se han establecido planes de manejo en los Trópicos de Cochabamba y Los Yungas (Comunidad Indígena Mozetenes), el resultado final de estos planes es poco exitoso en términos de sostenibilidad del bosque, que al final termina teniéndose una explotación inadecuada del Plan de Manejo.

Por otro parte, los bajos resultados alcanzados en el establecimiento de nuevas plantaciones forestales, se deben principalmente a que los ciclos de producción de los árboles son demasiado largos, aspecto que ha obligado al Proyecto a generar estrategias de incentivos para los productores que siembren arboles, como fue la

dotación de cultivos como: el cacao, café, camu camu, achiote, goma y flores. Aunque los incentivos ofertados han mostrado un relativo éxito en la siembra de árboles forestales, el resultado de los cultivos que fueron como incentivos, han tenido mayores problemas, como es el caso los rubros en el Trópico de Cochabamba (goma, achiote, café, flores y cacao), los cuales tienen una serie de problemas de sostenibilidad, que van desde la producción, acopio y comercialización. No obstante, vemos que uno de los rubros que está buscando, mejorar su condición es Cacao, a través de su organización de productores Chocolate Tropical. Pese a estas dificultades existentes, se debe rescatar que las experiencias del establecimiento de estos cultivos, han permitido la identificación de algunos rubros o especies de cultivos, que están siendo transferidos a la zona de Los Yungas, como es el caso del clon de Cacao CCN-51.

Respecto a los Yungas, donde la actividad maderera es una de las principales, no se han logrado resultados importantes, en la implementación de planes de manejo forestal, solo se han elaborado cuatro planes con comunidades, los cuales no han sido aprobados por problemas de titularidad de tierras, que es un requisito primordial para la aprobación de los Planes de Manejo Forestal. Por otro lado, los resultados de plantaciones nuevas forestales, tienen muchas limitaciones, pese a haberse involucrado a los municipios para el establecimiento de viveros para la producción de plantines, los problemas se deben a la poca respuesta de los productores para el establecimiento de especies forestales.

El Manejo de Áreas Protegidas (denominados como parques) solo ha sido implementado en el Trópico de Cochabamba, que realizó la implementación de sus actividades con el Servicio Nacional de Áreas Protegidas (SERNAP), resultados que principalmente han estado orientados a la capacitación y fortalecimiento de los técnicos del SERNAP y la capacitación de los comunarios para la recolección de semilla. Actualmente, es un componente que está cerrado.

De acuerdo a la opinión del Director Nacional del Proyecto, los bajos resultados alcanzados en el componente de Conservación de Suelos y Manejo de Aguas, se deben a dificultades en su concepción y coordinación con las entidades del gobierno.

Si bien se reportan resultados respecto al componente de Fortalecimiento Institucional, que han sido logrados en el Trópico de Cochabamba, a través de asistencia técnica en la formulación de estatutos, planes de negocio, equipamiento y búsqueda de mercado, para la conformación de Uniones de Asociaciones de Productores. Estas organizaciones tienen muy pocas posibilidades de sostenibilidad, no cuentan con recursos humanos y de capital de operación, que es un aspecto básico para el acopio de materia prima y la comercialización de la producción, dado que sería esta su principal fuente de generación de recursos, estas situaciones pudieron ser apreciadas en las organizaciones visitadas en el Chapare (Chocolate Tropical y Unapitroc).

Conclusiones

El proyecto no genero suficientes acciones de coordinación con otros proyectos de USAID, que permitan la sostenibilidad de los rubros incentivados, como: achiote, café, cacao, flores y camu camu, que permita solucionar aspectos relacionados a necesidades de maquinaria, equipos y capital de operaciones. Este hecho afecto para que las organizaciones conformadas actualmente se encuentren con una actividad casi nula.

El proyecto ha invertido una mayor cantidad de tiempo y recursos en el Chapare, en la ampliación de la superficie de rubros como: cacao, café, achiote y camu camu, habiéndose descuidado aspectos relacionados con la transformación y comercialización, lo que está afectando la sostenibilidad de estos cultivos. El proyecto tiene limitaciones técnicas y de recursos humanos, en aspectos de transformación y comercialización, para el fortalecimiento institucional de las organizaciones conformadas.

El Proyecto cuenta con actividades como la implementación de Planes de Manejo Forestal y la Conservación de Suelos y Agua, que involucran la participación de diferentes organizaciones gubernamentales (Superintendencia Forestal, SERNAP, etc.) que afectan al logro de los resultados e indicadores establecidos. No obstante, que el proyecto se encuentra desarrollando actividades de Conservación y Agroforestales en los Yungas, no se puede identificar una fuerte presencia institucional en las comunidades, que puede deberse a los débiles resultados alcanzados.

Recomendaciones

La forestaría y la agro forestaría deben extenderse hacia las zonas donde se intensifica la presión sobre los recursos naturales por los cultivos de coca. Entre estas zonas es importante incluir los Parques Nacionales del Trópico de Cochabamba y las Áreas Protegidas en los Yungas de La Paz, donde se deberán realizar acciones para la preservación de las cuencas.

Futuras intervenciones en Los Trópicos de Cochabamba deben considerar los esfuerzos y los resultados logrados en la ampliación de la superficie de cultivos como: achiote, cacao, camu camu y café, a fin de que estos cultivos no se pierdan con el tiempo. Respecto al tema forestal existe actualmente un proyecto en ejecución que es financiado por la cooperación Belga, que además se encuentra en etapa de ampliación, por lo que esta organización podrá atender las demandas y necesidades en este campo.

En **los Yungas** replantear las actividades en rubros de cacao, café y achiote en coordinación con instituciones como ACDI/VOCA y ARC'o, dado que las tres instituciones se encuentran desarrollando acciones en los mismos rubros. Replantear las estrategias de intervención para el Desarrollo Forestal Sostenible, sobre la base de un estudio mucho más profundo y con la participación de instituciones como: la alcaldía, superintendencia forestal, prefectura, madereros, carpinteros y productores. De hecho

una de las recomendaciones de un técnico del Proyecto, es que se debe contar con un "Plan Maestro de Desarrollo Forestal".

Se debe considerar trabajar en las zonas indígenas, como la de los "Mozetenes", con la participación de sociólogos y/o antropólogos, puesto que las intervenciones, solo con personal técnico especializado en el campo forestal, no ha sido exitoso, por los múltiples conflictos que se dan al interior de estas organizaciones.

Lecciones aprendidas

Las lecciones aprendidas de las actividades de Jatun Sach'a son:

- La población del Chapare y de los Yungas está apuntando a llevar una actividad lícita que les permita contribuir al éxito de esos proyectos de vida.
- Los esfuerzos hacia el Desarrollo Alternativo deben ser integrales y coherentes.
- Delegar responsabilidades a las personas más cercanas a los beneficiarios.
- La participación y los éxitos de los productores aumenta la capacidad del Proyecto de persistir en sus estrategias y metas, lo que a su vez aumenta su credibilidad ante sus beneficiarios.

Datos básicos del proyecto

Elemento	1.4.2 Desarrollo Alternativo y Sustento Alternativo
Nombre	Manejo sostenible e integrado de los Recursos Naturales en el Trópico de Cochabamba y los Yungas de La Paz (Proyecto I-79) y Monitoreo del Uso de Suelos en los Yungas y Trópico de Cochabamba (Proyecto F57).
Descripción	El proyecto I-79 ejecuta actividades orientadas a la conservación y protección de recursos naturales promoviendo manejo forestal, plantaciones agroforestales y forestales y la conservación del uso de suelos. El proyecto F-57 realiza estimaciones de cultivos alternativos usando tecnologías de sensores remotos y sistemas de información geográfica. Ambos proyectos se financian parcialmente con recurso USAID a través de una donación a la NUCDD. oficina de las Naciones Unidas Contra la Droga y el Delito.
Objetivos	El principal propósito del proyecto I-79 es coadyuvar el manejo integrado de recursos naturales en el Trópico de Cochabamba y Yungas de la Paz y consolidar una cultura de sostenibilidad con la participación activa de agricultores, indígenas y organizaciones locales en la valoración y uso racional de los recursos naturales como fuente de ingreso y empleo. Asimismo el objetivo del proyecto F57 es monitorear la superficie de cultivos alternativos más importantes del Trópico de Cochabamba y de los Yungas de La Paz para detectar cambios anuales, evaluando las tendencias en la superficie cultivada.
Departamento	Cochabamba, La Paz, Santa Cruz
Municipalidad	La Paz: Palos Blancos y La Asunta. Cochabamba: Villa Tunari, Shinahota (Agencia Cantonal), Chimoré, Puerto Villarroel y Entre Rios. Santa Cruz: Yapacani.
Beneficiarios	4.300 familias aproximadamente en la vida del proyecto (I-79)
Fecha de Inicio	I79 Septiembre 2005, F57 Septiembre 2005
Fecha de cierre	I79 Marzo 2009 (tentativo), F57 Febrero 2010
	Resultados
Logros Principales 2006 al 2008 (I79)	<ul style="list-style-type: none"> Hasta septiembre del 2008, se apoyó a 2.717 familias en actividades forestales y agroforestales principalmente con asesoramiento en la selección de sitios, diseño de plantaciones y entrega de material vegetal apropiado. Se han generado 2.630 nuevos empleos en actividades forestales y agroforestales. Desde octubre del 2006 hasta septiembre del 2008, se han establecido 1.400 hectáreas con plantaciones forestales y 2.346 hectáreas con plantaciones de cultivos anuales y comerciales, principalmente, café, achiote, goma cacao y camu-camu en sistemas agroforestales. En este mismo periodo, 8.500 hectáreas fueron incorporadas en sistemas de manejo sostenibles de bosque con Planes de Manejo Forestal aprobados por la Superintendencia Forestal. Se realizaron acciones conjuntas con las direcciones de las áreas protegidas Parque Nacional Carrasco (PNC) y Territorio Indígena Parque Nacional Isiboro Secure (TIPNIS), elaborando el Plan Integral de Protección del TIPNIS, llevar adelante actividades de educación ambiental con la activa participación de

	<p>técnicos y guarda parques del PNC, la limpieza del límite norte del PNC y la realización de proyectos productivos sostenibles con comunidades ubicadas en los límites del PNC.</p> <ul style="list-style-type: none"> • Se registraron durante la gestión 2008 más de 2.000 personas capacitadas en técnicas de producción sostenible y reforestación, adicionalmente se logró la participación de 1.650 escolares en el Programa de educación Ambiental
Logros Principales 2006 - 2007 (F57)	El proyecto ha adquirido exitosamente fotografías aéreas sobre el Trópico de Cochabamba y Yungas de La Paz a objeto de lograr una precisa interpretación del uso de suelo en estas zonas, así mismo condujo el necesario monitoreo de los datos obtenidos en campo, los mismos que se encuentran en proceso de interpretación.

Fuente: USAID/Bolivia. Cifras al 30 de septiembre de 2008.

No.	Resultados x Componente	Unidad	Zona	Metas FY 2008	2007	2008			Total FY 2008	2008
					Logrado Oct-Dic	Logrado Ene-Mar	Logrado Abr-Jun	Logrado Jul-Sep		FY 2009 Logrado Oct Dic
R.1	Desarrollo Forestal									
R.1.1	Familias que reciben asistencia técnica del proyecto	Familias	TC	400	110	277	147	0	534	-
			YLP	900	70	279	88	20	457	435
			Total	1300	180	556	235	20	991	435
R.1.2	Superficie de áreas con manejo forestal	ha	TC	2100	2.732	78	0	0	2810	-
			YLP	1500	1.765	0	0	0	1765	0
			Total	3600	4.497	78	0	0	4575	0
R.1.3	Superficie con plantaciones forestales	ha	TC	600	157	192	212	0	560	-
			YLP	270	19	110	52	2	183	54
			Total	870	176	301	264	2	743	54
R.1.4	Ampliación de áreas con cultivos de seguridad alimentaria y comerciales, bajo sistemas agroforestales	ha	TC	660	18	262	229	0	508	-
			YLP	590	69	219	66	2	356	64
			Total	1250	87	481	295	2	865	64
R.1.5	Valor anual de venta por mayor de productos forestales y agroforestales (miles US\$)	miles US\$	TC	3600	937	1.412	578	15	2943	-
			YLP	3000	287	1.040	86	138	1551	211
			Total	6600	1.224	2.452	665	153	4494	211
R.1.6	Puestos de trabajo creados en finca y fuera de finca en actividades forestales y agroforestales	Empleos a tiempo complet	TC	680	121	801	302	86	1310	-
			YLP	450	19	469	73	7	568	123
			Total	1130	140	1.270	375	93	1878	123
R.2	Áreas Protegidas									
R.2.1	Número de acciones de apoyo a la gestión institucional de áreas protegidas	Acciones	INDICADOR CERRADO							
R.3	Conservación de suelos y aguas									
R.3.1	Superficie con suelos degradados en proceso de recuperación	ha	TC	50	12	1	11,5	0	25	-
			YLP	85	29	2	0	0	31	0
			Total	135	41	3	11,5	0	56	0
R.3.2	Cuencas con estudios integrales de manejo	Sub cuencas	TC	1	0	0	0	0	0	-
			YLP	1	0	0	0	0	0	0
			Total	2	0	0	0	0	0	0
R.4	Fortalecimiento institucional									
R.4.1	Organizaciones graduadas y con capacidad institucional autónoma	Organizaciones	TC	5	3	0	1	0	4	-
			YLP	2	0	0	0	0	0	0
			Total	7	3	0	1	0	4	0
R.4.2	Número de acuerdos institucionales y alianzas estratégicas establecidas	Acuerdos	TC	2	0	0	0	0	0	-
			YLP	6	2	0	3	2	7	0
			Total	8	0	0	0	0	0	0
R.5	Difusión de Resultados									
R.5.1	Número de documentos forestales y agroforestales técnico-analíticos publicados	Publicaciones	Total	5	0	1	0	0	1	0
R.5.2	Participantes (hombres y mujeres) en eventos de capacitación de prácticas productivas sostenibles	Hombres y mujeres	TC	550	0	120	430	0	550	-
			YLP	700	0	41	297	799	1137	466
			Total	1250	0	161	727	799	1687	466
R.5.3	Alumnos de núcleos escolares que participan en el Programa de Educación Ambiental no-Formal	Alumnos	TC	100	223	0	0	0	223	-
			YLP	200	0	0	0	239	239	248
			Total	300	223	0	0	239	462	248

Fuente: Informe Trimestral, octubre 2007 a diciembre 2008, febrero 2009

Annex I: Program Assessment Statement of Work

1. Background

The U.S. Government, through its Agency for International Development (USAID), carries out a number of programs to support the Government and people of Bolivia's sustainable development objectives and work. Along with programs to support economic growth, democratic development, protection of the environment, and public health, USAID has cooperated with the Plurinational State of Bolivia (PSB) in providing significant assistance to support diversification and sustained coca control in Bolivia's two coca growing regions. These programs constitute what is currently known as the Integrated Alternative Development portfolio and together, complement the other two main counter-narcotics instruments: eradication of coca and interdiction of illegal drugs and their precursors. The PSB's eradication and interdiction programs and efforts are supported by other USG agencies, and IAD programs are coordinated with these agencies and the respective PSB counterparts.

USAID and the PSB's cooperation in the sphere of Integrated Alternative Development (formerly known as Alternative Development) dates back to the mid to late 1970s, although substantial support in the sector did not begin until the mid 1980s. For nearly two decades, considerable investments were made in the Tropics of Cochabamba to support roads infrastructure, the establishment and growth of competitive market crops, and social infrastructure to support communities' welfare improvement. Assistance was also provided to improve access to critical citizens' services, e.g., land titling and basic justice services. Appendix A provides some data and information on the recent growth of key crops as well as results of other investments (e.g., land titling and roads infrastructure) which illustrates the transformation of this region which was once mostly dependent on illegal coca cultivation. More recently (since 2001), cooperation supports diversified development of the Yungas region of La Paz, an under-developed region in which both legal and excess coca cultivation is undertaken.

USAID's Integrated Alternative Development program is planned, administered, and implemented within the framework of a bilateral agreement with the PSB. The principal counterpart agency is the Vice-Ministry for Coca and Integrated Development (VCDI) housed within the Ministry of Agriculture and Rural Development. The current strategy and corresponding bilateral agreement was signed in June 2005 with a specified end date of September, 2009 (Appendix B). The agreement has been amended several times, including those done to add funding. The agreement and its associated implementing letters set forth the objectives and modalities of cooperation to realize the program objectives.

In May 2007, USAID and the PSB signed an implementing letter (PIL #43—Appendix C) which describes planned adjustments to the IAD program for the period 2007-2009. The program re-alignment was planned in collaboration with VCDI counterparts and designed to more strategically support the PSB's diversified development and coca control objectives in the face of declining budget resources. Consequently, more program resources are now directed towards the Yungas region, a relatively under-developed, coca dependent region which does not yet have a strong foundation for diversified development.

The total size of the existing IAD portfolio is approximately \$83 million with FY08 planned funding of \$16.6 million. The three main projects in the portfolio are the Rural Competitiveness Activity, the Integrated Community Development Fund, and Rural Roads. Appendix D contains basic information on each of these activities.

Given that the current strategy and bilateral agreement are scheduled to end in September 2009, USAID and the PSB intend to begin the planning process for the collaborative design of a new IAD strategy and bilateral agreement in order to have a new strategy/agreement agreed upon and in place by March 2009 so that new project design and procurement can be done in time to prevent any significant gap in program implementation. To inform this process and the new strategy/agreement, USAID and the PSB agree to commission a program evaluation to examine key questions relating to the impact of past and ongoing investments and other issues that will help inform the development and execution of a new IAD cooperation agreement.

2. Objective

The purpose of this assignment is to examine key questions relating to the effectiveness and impact of past and ongoing Integrated Alternative Development (IAD) investments and programs in order to inform the evolution of the cooperative program, to improve its effectiveness and impact within the current country context and predicted budget parameters.

3. Key Evaluation Questions

Below are listed the primary evaluation questions which USAID and the PSB consider essential to assessing the impact of the IAD program and to inform future program development and implementation. These questions will be addressed by the team of consultants contracted to perform the assessment:

1. How effective overall has been the IAD program in promoting sustainable development and coca control in the two coca-growing regions in which the program operates? Does the IAD program fulfill its role as one of the three instruments of USG counter-narcotics efforts? Are there ways to increase the effectiveness and complementarity with other CN programs?

2. Has the program achieved the proper balance of investments among the three main components (and between social, democratic, and productive investments) to maximize returns to IAD budget resources? With declining budget resources, should the Mission still pursue all three components in its next strategy?
3. Have IAD investments in the Chapare been sufficient and sufficiently successful to now permit the exit of USAID from the region? In what manner and period of time should the USAID IAD program end its assistance to the Trópicos of Cochabamba to best ensure sustained returns to past investments and the region's continued growth and development.¹²
4. How effective have IAD investments been in the Yungas in terms of promoting sustainable, diversified development and coca control? Has the mix of investments thus far been appropriate? What should be the mix in the future and how can the Mission best support both diversified development and sustainable coca control? Has the regional distribution of programs in the Yungas been appropriate in terms of supporting diversified development and coca control? What should be the distribution in the future and what should be the basis for determining regional distribution?
5. How can the Mission further strengthen its cooperation and coordination in the sphere of IAD with the PSB, other internationally supported efforts, and other key stakeholders in a manner that is feasible in consideration of institutional capacity, political context, and other contributing factors. How should the Mission evolve its programs and mode of operation to strengthen host country ownership, institutional capacity, and other goals of the Paris Declaration on Aid Effectiveness?
6. What other approaches to integrated alternative development might be called for in the current policy and country context and what would be required for their success?

4. Roles and Responsibilities

The principal role of the contracted team is to undertake and complete the assessment described herein. The contracted team shall be responsible for presenting a work plan, coordinating all needed tasks, organizing field trips, obtaining appointments, writing, editing, presenting and finalizing the midterm and final reports.

The contracted team will report to and be under the direct supervision of the Integrated Alternative Development (IAD) Office Director, as the Cognizant Technical Officer (CTO).

¹² Since the initial drafting of this SOW, leaders of the coca federation in the Chapare announced their intention to expel USAID from the region (June 24), an act which has affected program planning and implementation.

The contracted team should work with other IAD CTO's and staff as well as PSB counterparts as appropriate and necessary to fulfill work requirements.

5. Deliverables and Reports

The contracted team shall submit a mid-term report and presentation of findings to the IAD Office and USAID Mission, PSB and other stake holders as appropriate. Following IAD Office review, discussions and input, the contracted team shall proceed and submit a final report including a presentation.

The contracted team shall submit two copies of the final report in Spanish and English along with the electronic version

6. Period and Place of Performance

The Assessment Team will be required to perform tasks in La Paz, Bolivia and will also travel to activity sites within the project implementation areas. The anticipated start date for this assessment is o/a January 20, 2009. Duration of the entire assessment is expected to be approximately 30 working days.