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UNITED STATES INTERNATIONAL DEVELOPMENT COOPERATION AGENCY
AGENCY FOR INTERNATIONAL DEVELOPMENT
Washington, D.C. 20523

BOLIVIA

PROJECT PAPER

LOW COST SHELTER THROUGH THE PRIVATE SECTOR
(Amendment #1)

AID/LAC/P-305 & P-150

Project Number: 511-0567
Loan Number: 511-HG-007

UNCLASSIFIED

AGENCY FOR INTERNATIONAL DEVELOPMENT
PROJECT DATA SHEET

1. TRANSACTION CODE C A = Add
C = Change
D = Delete

Amendment Number 1

DOCUMENT CODE 3

2. COUNTRY/ENTITY BOLIVIA

3. PROJECT NUMBER 511-0567

4. BUREAU/OFFICE LAC 05 Low Cost Shelter Through the Private Sector

5. PROJECT TITLE (maximum 40 characters)

6. PROJECT ASSISTANCE COMPLETION DATE (PACD)
MM DD YY
09 30 89

7. ESTIMATED DATE OF OBLIGATION
(Under 'B' below, enter 1, 2, 3, or 4)
A. Initial FY 83 B. Quarter 4 C. Final FY 89

8. COSTS (\$000 OR EQUIVALENT \$1 =)

A. FUNDING SOURCE	FIRST FY <u>83</u>			LIFE OF PROJECT		
	B. FX	C. L/C	D. Total	E. FX	F. L/C	G. Total
AID Appropriated Total	150		150	1,650		1,650
(Grant)	(150)	()	(150)	(1,650)	()	(1,650)
(Loan)	()	()	()	()	()	()
Other U.S.						
1.						
2.						
Host Country CACEN/S&Ls/GOB		4	4		560	560
Other Donor(s)						
TOTALS	150	4	154	1,650	560	2,210

9. SCHEDULE OF AID FUNDING (\$000)

A. APPROPRIATION	B. PRIMARY PURPOSE CODE	C. PRIMARY TECH. CODE		D. OBLIGATIONS TO DATE		E. AMOUNT APPROVED THIS ACTION		F. LIFE OF PROJECT	
		1. Grant	2. Loan	1. Grant	2. Loan	1. Grant	2. Loan	1. Grant	2. Loan
(1) St	720	866		550		1,100		1,650	
(2)									
(3)									
(4)									
TOTALS				550		1,100		1,650	

10. SECONDARY TECHNICAL CODES (maximum 6 codes of 3 positions each)

11. SECONDARY PURPOSE CODE

12. SPECIAL CONCERNS CODES (maximum 7 codes of 4 positions each)

A. Code

B. Amount

13. PROJECT PURPOSE (maximum 480 characters)

To expand the Bolivian private sector's capacity to address the shelter-related needs of low income families.

14. SCHEDULED EVALUATIONS

Interim MM YY MM YY Final MM YY
9 1 1 8 7 0 1 8 9

15. SOURCE/ORIGIN OF GOODS AND SERVICES
 000 941 Local Other (Specify)

16. AMENDMENTS/NATURE OF CHANGE PROPOSED (This is page 1 of a 34 page PP Amendment.)

The technical assistance provided under the original grant will be continued in order to strengthen the Savings and Loan System.

The USAID Controller has reviewed the financial procedures described herein and hereby indicates his concurrence.

Steven G. Liapis, Controller

17. APPROVED BY

Signature David A. Cohen

Title David A. Cohen
Director, USAID/B

Date Signed MM DD YY
07 29 88

18. DATE DOCUMENT RECEIVED IN AID/W, OR FOR AID/W DOCUMENTS, DATE OF DISTRIBUTION
MM DD YY

INSTRUCTIONS

The approved Project Data Sheet summarizes basic data on the project and must provide reliable data for entry into the Country Program Data Bank (CPIDB). As a general rule blocks 1 thru 16 are to be completed by the originating office or bureau. It is the responsibility of the reviewing bureau to assume that whenever the original Project Data Sheet is revised, the Project Data Sheet conforms to the revision.

Block 1 - Enter the appropriate letter code in the box, if a change, indicate the Amendment Number.

Block 2 - Enter the name of the Country, Regional or other Entity.

Block 3 - Enter the Project Number assigned by the field mission or an AID/W bureau.

Block 4 - Enter the sponsoring Bureau/Office Symbol and Code. (See Handbook 3, Appendix 5A, Table 1, Page 1 for guidance.)

Block 5 - Enter the Project Title (stay within brackets; limit to 40 characters).

Block 6 - Enter the Estimated Project Assistance Completion Date. (See AIDTO Circular A-24 dated 1/26/78, paragraph C, Page 2.)

Block 7A. - Enter the FY for the first obligation of AID funds for the project.

Block 7B. - Enter the quarter of FY for the first AID funds obligation.

Block 7C. - Enter the FY for the last AID funds obligations.

Block 8 - Enter the amounts from the 'Summary Cost Estimates' and 'Financial Table' of the Project Data Sheet.

NOTE: The L/C column must show the estimated U.S. dollars to be used for the financing of local costs by AID on the lines corresponding to AID.

Block 9 - Enter the amounts and details from the Project Data Sheet section reflecting the estimated rate of use of AID funds.

Block 9A. - Use the Alpha Code. (See Handbook 3, Appendix 5A, Table 2, Page 2 for guidance.)

Blocks 9B., C1. & C2. - See Handbook 3, Appendix 5B for guidance. The total of columns 1 and 2 of F must equal the AID appropriated funds total of 8G.

Blocks 10 and 11 - See Handbook 3, Appendix 5B for guidance.

Block 12 - Enter the codes and amounts attributable to each concern for Life of Project. (See Handbook 3, Appendix 5B, Attachment C for coding.)

Block 13 - Enter the Project Purpose as it appears in the approved PID Facesheet, or as modified during the project development and reflected in the Project Data Sheet.

Block 14 - Enter the evaluation(s) scheduled in this section.

Block 15 - Enter the information related to the procurement taken from the appropriate section of the Project Data Sheet.

Block 16 - This block is to be used with requests for the amendment of a project.

Block 17 - This block is to be signed and dated by the Authorizing Official of the originating office. The Project Data Sheet will not be reviewed if this Data Sheet is not signed and dated. Do not initial.

Block 18 - This date is to be provided by the office or bureau responsible for the processing of the document covered by this Data Sheet.

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La Paz, Bolivia

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La Paz, Bolivia

PROJECT AUTHORIZATION

(Amendment No. 1)

Name of Country: Bolivia
Name of Project: Low Cost Shelter Through
the Private Sector
Number of Projects: 511-0507

1. Pursuant to Section 106 of the Foreign Assistance Act of 1961, as amended, the Low Cost Shelter Through the Private Sector project for Bolivia was authorized on July 25, 1983 (the "Authorization"). The Authorization is hereby amended as follows:

a. Paragraph 1. is deleted in its entirety and the following is substituted therefor:

"Pursuant to Section 106 of the Foreign Assistance Act of 1961, as amended, I hereby authorize the Low Cost Shelter Through the Private Sector project for Bolivia involving planned obligations of not to exceed One Million Six Hundred Fifty Thousand United States Dollars (US\$1,650,000) in grant funds ("Grant") over a six-year period from date of authorization, subject to the availability of funds in accordance with the A.I.D./OYB allotment process, to help in financing foreign exchange and local currency costs for the project. The planned life of project is six years from the date of initial obligation."

b. A new Paragraph 4 is inserted following Paragraph 3, as follows:

"4. I hereby waive the requirement that the suppliers of commodities and services have their nationality in the United States or Bolivia to allow the procurement of approximately US\$50,000 of training from suppliers having their nationality in countries included in A.I.D. Geographic code 941, because suppliers of the necessary training services are not available from countries included in the authorized Code."

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2. Except as expressly modified or amended hereby, the Authorization remains in full force and effect.

David Cohen

David A. Cohen
Mission Director, USAID/Bolivia

7-29-86
Date

Drafter: GC/LAC/Riedy *my* Date: 4/30/86
Clearances:

PRD: JFasullo	<i>[Signature]</i>	date	7/23/86
PRO: MBarash	<i>[Signature]</i>	date	7/23/86
CON: SGLiapt	<i>[Signature]</i>	date	7-23-86
FOO: RAsseia	<i>[Signature]</i>	date	7/21/86
GC/LAC/Riedy	<i>[Signature]</i>	date	6/30/86
DP: AFunicello	<i>[Signature]</i>	date	7/21/86

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GLOSSARY

AID	Agency for International Development
BCB	Bolivian Central Bank
BIAPE	Inter-American Savings and Loan Bank
CACEN	<u>Caja Central de Ahorro y Préstamo para la Vivienda</u>
CDSS	Country Development Strategy Statement
GOB	Government of Bolivia
HG	Housing Guaranty
IDB	Inter-American Development Bank
IDEA	<u>Instituto Para El Desarrollo de Empresarios e Administradores</u>
INE	National Institute of Statistics
LATC	Latin American Training Center
MOF	Ministry of Finance
MUV	Ministry of Housing and Urban Affairs
NEP	GOB's Economic Recovery Program - "New Economic Program"
NHS	National Household Survey
S&L	Savings and Loan
TA	Technical Assistance
USL	United States League

I. SUMMARY

USAID/Bolivia's Low Cost Shelter through the Private Sector Project (HG 007, 511-0567) was signed on September 8, 1983. The objective of the Project was to strengthen the institutional and financial capacity of the Savings and Loan (S&L) System to adapt to the changing Bolivian economic environment so as to be able to continue to provide financing for new and improved housing for the poorer half of the country's population. The Project included a \$15 million Housing Guaranty (HG) and \$550,000 in grant funds for technical assistance and training. The Project aimed to strengthen the S&L System's institutional capacity, while providing it with new lending capital on which it could earn enough money to allow the System to keep making its debt payments.

Although the HG loan was not implemented as scheduled beginning in 1983 due to political problems within the then Government of Hernán Siles Zuazo and exacerbation of the country's economic crisis, implementation of the \$550,000 Low Cost Shelter through the Private Sector (511-0567) Grant began in 1984. In the context of Bolivia's severe economic crisis, the principal objective of the Project became that of ensuring the survivability of the private S&L System until such time as the housing guarantee could be implemented. Twenty-four person/months (p/m) of long-term technical assistance have been provided to Caja Central de Ahorro y Préstamo para la Vivienda (CACEN) and its associated Mutual Associations under a technical assistance contract with the United Savings League (USL) International, Inc. This contract also provided for a total of 23 person/months of short-term technical assistance in the following areas: savings mobilization, portfolio diversification, financial planning and information systems, marketing, and personnel management. Under the Project, technical assistance was also provided to the Government of Bolivia (GOB) in developing a national housing policy.

One of the most significant accomplishments of the technical assistance and training program to date is that, despite adverse economic conditions, the system has survived and improved institutionally to permit the implementation of the HG 007. With the August 1985 inauguration of a new Bolivian government that implemented a meaningful economic recovery program and was much more supportive of the private sector S&L System and desirous of growth within the housing sector, HG 007 can now go forward. However, continued training and technical assistance will be essential to implement the HG program and to improve the operations and regain the financial viability of the S&L System. The management of the Mutuals must be streamlined and made more aggressive and efficient. Deposits must be attracted in much larger quantities than in the past to enable the S&L System to function without additional large overseas borrowing.

This Amendment will extend the project for three years (PACD: 9/30/89) and will provide \$1.1 million in additional AID grant funds to continue the project's technical assistance and training program. The goal and purpose of the project remain unchanged. The project's goal is

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to improve the shelter conditions of Bolivia's low-income families. The project's purpose is to expand the private sector S&L System's capacity to address the shelter-related needs of Bolivia's low-income families.

The amendment will provide technical assistance and training to CACEN and the S&L System in the areas of general S&L operations, personnel administration, financial planning and economic analysis, savings mobilization, loan diversification, publicity, accounting and financial reporting, and information systems. The focus of the project assistance will be on strengthening CACEN as the regulatory and representative body of the Mutuuls and expanding the Mutuuls' role and performance as diversified financial service institutions. The project amendment will also continue to provide technical assistance to the Ministry of Housing and Urban Affairs (MUV) to develop a national housing policy, and funding to the National Institute of Statistics (INE) to further develop baseline data which will determine the median national family urban income.

The Amendment is consistent with both AID and GOB long-term development objectives. It will promote a private sector-led growth in the housing sector and help increase employment opportunities in the construction industry.

At the end of the project, it is expected that: (1) the Bolivian S&L System's managerial skills will be strengthened in the areas of finance, marketing and administration; (2) the S&L System will have attracted increased deposits to permit the self-financed expansion of lending activities; (3) the S&L System will have diversified its portfolio into short and medium-term lending for housing and other needs; (4) the GOB will have improved its capacity to formulate a comprehensive shelter sector strategy; and (5) INE will have strengthened its capacity in the area of national household income data collection and analysis.

CACEN and the S&L Mutuuls have prepared new financial and economic analyses for the reactivation of the HG 007 and for the five-year recovery plan (1986-1990). All other analyses performed in 1983 for the original Project Paper are still valid for this grant amendment to expand technical assistance and training. Therefore, no further project analyses are included in this PP Amendment.

The revised summary project budget is as follows:

SUMMARY PROJECT BUDGET

	<u>PREVIOUS</u>	<u>A. I. D. AMENDMENT</u>	<u>TOTAL</u>	<u>GOB</u>	<u>S&L SYSTEM</u>	<u>GRAND TOTAL</u>
1. Technical Assistance	469,935	676,000	1,145,935	-	-	1,145,935
2. Training	9,080	53,000	62,080	-	25,000	87,080
3. Vehicles and other Commodities	70,985	60,000	130,985	-	100,000	230,985
4. Project Support	-	194,000	194,000	25,000	150,000	369,000
5. Promotion Campaign	-	-	-	-	200,000	200,000
6. Housing Policy & INE Studies	-	15,000	15,000	60,000	-	75,000
7. Evaluations and Audits	-	60,000	60,000	-	-	60,000
8. Contingencies	-	42,000	42,000	-	-	42,000
T O T A L	<u>\$550,000</u>	<u>\$1,100,000</u>	<u>\$1,650,000</u>	<u>\$85,000</u>	<u>\$475,000</u>	<u>\$2,210,000</u>

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II. BACKGROUND

A. The S&L System and Recent Bolivian Economic Events

From its establishment in 1964 until 1982, the Bolivian Savings and Loan (S&L) System successfully serviced the housing and shelter-related credit needs of Bolivia's medium and low income population. CACEN, the Caja Central de Ahorro y Préstamo para la Vivienda, is the central administrative body of, and source of external financing for, the S&L System, which consists of 12 Mutual savings and loan associations. Prior to 1982, the S&L System made 70% of all housing loans and held 18% of total savings in the Bolivian financial sector.

AID has provided assistance to the S&L System at various stages of its development, beginning with a loan in 1964 to help establish the first S&L Mutual in the country. Total AID assistance to date has reached \$23.8 million in Housing Guaranty and direct loans. These funds have been used to expand the S&L System geographically (12 S&Ls in 9 departments) and its clientele. In addition, a \$3.0 million HG program, begun in 1978 and administered by the Inter-American Savings and Loan Bank (BIAPE), was channelled to CACEN for relending to member associations for low cost shelter in urban areas.

Excessive and unproductive GOB borrowing overseas and unwise public sector expansion during the late 1970s resulted by 1980 in a growing fiscal deficit and the beginnings of hyperinflationary pressures in Bolivia. The military coup of Luis García Meza in 1980 aggravated the existing economic situation. During this time, Bolivia's economic and commercial ties with most donor countries were suspended. By 1982, the economy required immediate attention which the military Government was not prepared to provide. In October 1982, the military Government ceded power to President Hernán Siles Zuazo, whose election would have been ratified by the Bolivian Congress in 1980 were it not for the García Meza Coup.

President Siles' coalition Government was never able to rule the country effectively. Significant economic measures were never implemented, and general chaos within his Administration and social unrest resulted in a high inflation rate and a paralyzation of productive economic activity. The Bolivian economic crisis, which brought about rampant inflation and severe devaluations of the Bolivian peso from 1982 to 1985, threatened the viability of the S&L System and its ability to provide low cost shelter services to the poor because the S&L System had borrowed most of its resources in dollars overseas and its clients were becoming less and less able to service their dollar-adjustable loans. In 1982, the GOB issued a decree whereby all loans were required to be de-dollarized. The S&L's mortgage loan portfolio was de-dollarized at \$b44/US\$1, while the operative parallel dollar exchange rate was

\$b216/US\$1. New peso loan contracts to effect this de-dollarization did not include clauses enabling the S&L System to call its loans and/or revise payment terms as economic conditions changed. This resulted in the deterioration of the System's total assets from \$76 million in 1981 to \$25.5 million by the end of 1982.

USAID/Bolivia's Low Cost Shelter through the Private Sector Project (HG 007- 511-0567) was authorized on July 25, 1983. It aimed to strengthen the institutional and financial capacity of the S&L System to adapt to the changing Bolivian economic environment and included a \$15 million HG plus \$550,000 in grant funds for technical assistance and training. The strategy of the Project was to strengthen the S&L System's institutional capacity while providing it with new lending capital on which it could earn enough money to allow the System to keep making its debt payments. The project called for a two-step loan, with the Central Bank borrowing (USG guaranteed) dollars from U.S. investors and lending pesos to CACEN at a 15% maximum annual fixed rate with no maintenance-of-value clause. CACEN would, in turn, lend at a 17% maximum interest rate to the Mutualls, since their prior debt to CACEN was dollarized and they bore the brunt of the responsibility for repaying the dollar debt through CACEN to U.S. investors and AID. A requirement of the HG's financial support to the GOB and the S&L System was that the GOB would sell dollars at the official rate to CACEN as needed for repayment of prior debt. (At the time the HG implementation agreement was negotiated, Bolivia was maintaining a heavily subsidized official exchange rate.) It was planned that the variable market interest rates charged by Mutualls to their customers would provide them with a spread adequate to repay old as well as new debt, and that new types of shorter term, more profitable family-related lending would also help improve the S&L System's financial viability.

In addition to helping the S&L System recover from the economic crisis and keep operating, the HG 007 Program aimed to impact positively on Bolivia's economy by providing employment in the informal construction sector and increasing demand for construction materials. Also, the dollars provided to the GOB would enable it to roll over a portion of its short-term external debt on longer, more affordable terms.

The inability of the Siles Government to make and enforce economic decisions, and chaos within the Central Bank, which was controlled by leftist union leaders, prevented HG 007 from being implemented when planned. In lieu of HG 007, \$7.5 million in USAID generated local currency resources (\$1.9 million disbursed to date) were reserved for allocation to the System, to enhance its survivability during the period of economic crisis. The initial disbursements of these peso resources were made to the S&L System without interest and without a maintenance-of-value clause. It was also decided to implement the HG Program's grant-funded technical assistance and training component to help the System survive until economic conditions permitted the implementation of the financial part of the HG-007 agreement.

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Local currency financial support and technical assistance were budgeted primarily to ensure the continued viability of the S&L System. Funds were used a) to implement operational reforms to overcome financial problems caused by the deterioration of the Bolivian economy, b) to increase savings mobilization and portfolio diversification so as to offset the System's dependence on foreign resources and increase lending and c) to employ more efficient management practices. Emphasis was put on the most affordable types of loans, cost/design methodologies which relied on locally produced materials, and the utilization of self-help in addressing housing needs.

Rampant inflation and severe devaluation continued in the 1983-1985 period. By the end of 1985, the S&L System had a substantially reduced asset base of loans valued at approximately \$10 million and foreign long-term debt of approximately \$24 million. The System functioned from 1984 on because most of these liabilities were loans from, or guaranteed by, foreign donors (principally USAID) who have tolerated delays in repayments.

Because of the threat posed by the economic and political chaos to the stability of his Government, President Siles called for elections a year earlier than scheduled. After the election, President Paz Estenssoro's MNR Government took office in August 1985. By the end of that month, the new Government had announced sweeping economic reform measures designed to reactivate productive activity and reorient the economy along private sector, free market lines. Under the Paz recovery plan (The New Economic Program, or NEP), interest rate controls were eliminated and dollar maintenance-of-value clauses for bank transactions were again made legal. The Program also addressed fiscal and monetary reforms, trade and tariff policies, wage and labor policies, price controls and the decentralization of state owned enterprises.

The NEP provided the basis for the S&L System to regain financial viability and to again contribute to housing sector growth. The Program has begun to have a salutary effect on the economy. Inflation has been brought to a virtual halt. The Government increasingly has controlled its budget deficit, and the private sector has begun to respond to the positive new economic environment with new investment. In the short run, however, the Government's abrupt measures have caused a recession due to a) the need for adjustments within industrial sectors previously subsidized in one way or another by the Government, b) the declining purchasing power of public sector employees, and c) the time needed for banks and investors to switch from the speculative type of activities in which they were engaged during times of extreme inflation to more productive endeavors. Recovery from this recession during the next year or so will require both the vigorous application by the Government of its economic reform program and responsive new investment and productivity by the private sector.

The GOB is supportive of the Housing Guaranty and related technical assistance projects as they are consistent with its goals of economic recovery. The Paz Government strongly supports the development and growth of the private sector as a vital component of the economic recovery plan. As such, the S&L System is viewed by the GOB as an important source of private sector financing, in general, and of housing related needs, in particular. Hence, the GOB views the recovery of the S&L System as an important element of its overall economic recovery strategy.

B. Project Assistance to Date

USAID/Bolivia began to implement the \$550,000 Low Cost Shelter through the Private Sector (511-0567) grant in 1984. Under a long-term technical assistance contract with United States League (USL) International, Inc. (formerly SIMS, Inc.), a long-term technical advisor to CACEN and the Mutual associations has been provided for 24 person/months (p/m). The contract also has provided varied short-term technical assistance for a total of 23 months.

Technical assistance (TA) has been provided to CACEN and the S&Ls in the following areas: savings mobilization, portfolio diversification, financial planning and information systems, marketing, and personnel management. Regional seminars to develop and implement plans for savings mobilization and lending diversification have been held. Monthly savings and lending targets have been established for each of the Mutuals and the System as a whole. These targets have been met for the first six months of 1986. TA in financial planning and information systems has sought to improve financial management and forecasting skills. An analysis has been performed to determine the System's computer needs, and a computer system will be purchased soon. Technical assistance also has helped to produce marketing plans and strategies to attract new borrowers and publicize new financial services. This promotion campaign will begin to be implemented in the near future. A technical assistance advisor in personnel management also has produced an incentive compensation plan for the S&Ls to tie employee compensation to achievement of objectives. This plan will be implemented under the Amendment.

Under the Project, technical assistance also has been provided to the GOB. A short-term technical advisor in shelter policy and strategy worked in MUV to help develop the necessary components for a national housing policy. The provision of technical assistance to the MUV under the current contract was delayed until the end of 1985 when the Government of Victor Paz Estenssoro began to participate in seeking housing solutions for the country's poor. A dialogue was begun between the MUV and CACEN to include the private sector in shelter and shelter-related policy. In addition, the MUV has begun to formulate the necessary components for a national housing policy.

Under the current grant, TA in family income and expenditure analysis was also provided to the GOB's National Statistical Institute

(INE). After examination of the possibility of doing a separate study of family income, it was decided to use the existing National Household Survey (NHS) and to include additional questions to determine the median national urban family income based on what is considered to be a representative sample. Families with incomes below the median will be eligible for loans under HG-007.

One of the strongest and most obvious accomplishments of the technical assistance and training program to date is the System's five-year recovery plan which is just being put into effect. This is the first time the Mutuals have developed a joint plan of operations which includes specific goals and benchmarks.

Table 1 presents the System's status for 1984 (shortly after TA was initiated under the current grant), and 1986 (present) and recovery plan targets for 1988 (end of project TA).

T A B L E 1
BOLIVIA'S S&L SYSTEM
1984-1988

	<u>January 1984</u>	<u>June 1986</u>	<u>December 1988</u>
<u>Financial Planning</u>	No financial planning practiced	Awareness and partial utilization of financial planning skills.	Discipline widely practiced throughout the S&L System.
<u>Information Systems</u>	Outdated reporting mechanisms with little useful operating information	Four Mutuuls and CACEN have computers and are trained in data processing. Operating information provided to all Mutuuls on a weekly basis.	Twelve Mutuuls and CACEN have computers, are trained in data processing, and have up-to-date standardized reports giving timely information.
<u>Marketing</u>	No awareness of strategic planning or market studies.	Market plan created to attract new borrowers and publicize financial services; rates are competitive with other financial institutions.	Market plan implemented. S&L System increases its clients to 70,000. Formal programs and strategies are in place in each Mutual.
<u>Savings Mobilization</u>	Market share : 4.2%, 35,000 savers, \$5,300,000 in savings deposits	Market share : 3.7%, 40,000 savers, \$2,254,000 in savings deposits	Market Share : 8.0%, 70,000 savers, \$5,500,000 in savings deposits
<u>Lending Diversification</u>	Market share : 1.6% of all loans, Only housing loans offered, \$2,800,000 in loans.	Market share : 4.63%, Mostly housing loans offered, \$2,347,000 in loans. *	Market share : 15 - 20%, 60% housing loans, 40% housing- and family-related loans, \$9,700,000 in loans
<u>Personnel Management</u>	Low morale, little service plan orientation, no incentive plan	Incentive plan created understanding of need for service orientation.	Incentive program implemented, Staff is service-oriented.
<u>Shelter Policy & Studies</u>	No communication between CACEN and GOB (MUV).	Dialogue begun between CACEN and MUV. Periodical published and seminar given on housing policy for public and private sector housing and financial institutions.	Public and private sectors collaborate fully on a national housing policy.
<u>Family Income and Expenditure analysis</u>	Study in place, but without sufficient data; median national family income established	More data is needed to be up-to-date and reflect the current economic situation.	Study is in place, regularly utilized, and kept up-to-date by CACEN and INE.

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* Relative market share increased despite a shrinking of the total market.

C. Current Plan for Obtaining Financial Viability

CACEN, the Mutuals, USAID/Bolivia, and the United States League (USL) long-term technical assistance Advisor recently developed a recovery strategy which includes the following elements.

1. Assumption of CACEN's Debt by the GOB.

In March 1986, CACEN presented to the GOB a five-year plan for the recovery and strengthening of the S&L system, which included quantifiable benchmarks and objectives. The plan called for the GOB to assume responsibility for the repayment of CACEN's outstanding dollar debt of approximately \$21.3 million under previous AID loans (HG-003, HG-004, HG-005 and L-048) with CACEN later repaying the GOB.

The Paz Estenssoro Government's recovery strategy relies on the private sector to reactivate economic activity. For this reason and because the current GOB is fully cognizant of the S&L System's vital role in the housing sector, agreement was reached with the GOB to implement CACEN's plan. The GOB's Economic Stabilization Council and the Cabinet have agreed to the assumption of debt under the terms proposed by CACEN.

CACEN will continue to be the borrower of record, but the GOB will assume responsibility for all outstanding and future payment obligations, including arrearages, under a separate agreement signed by CACEN, the GOB and AID. These payments are to be made independently of any payments the GOB receives from CACEN under the separate and distinct agreement between the Central Bank (BCB) and CACEN for payment in pesos of the total amount of the obligations assumed by the GOB. Once the GOB has assumed CACEN's debt, this amount will become part of Bolivia's total official foreign debt recently rescheduled under Paris Club negotiations.

CACEN's terms of repayment to the GOB will be 30 years, including a three-year grace period on interest, and a ten-year grace period on principal. CACEN will pay a fixed annual interest rate of 7.875% which is the weighted average of the existing rates on the CACEN debt to be assumed by the GOB, plus a small fee to cover the Central Bank's administrative costs. This payment schedule will assist the S&L System to recover from its financial losses, to recapitalize itself and to become financially viable again.

The BCB/CACEN agreement will be subject to GOB policies on maintenance of value as relates to the exchange rate with the U.S. dollar. Any modification to the current policy which provides for maintenance of dollar value, will affect not only the GOB/CACEN agreement, but also CACEN's loan agreements with the S&Ls and the S&Ls' loan agreements with individual borrowers. In other words, if a future government decides to de-dollarize again, the BCB/CACEN loan will also be de-dollarized.

2. Other Resources

With the rescheduling of CACEN's debt payments as part of its five year recovery plan, the implementation of HG-007 once again becomes feasible. The System's target is 19,000 housing solutions under the HG 007 program. Table 2 indicates cumulative and yearly targets for the HG 007 program.

In addition to the \$1.9 million in USAID project-generated local currency disbursed to date, the S&L S stem is scheduled to receive an additional \$7.0 million in local currency at terms agreed upon between the PL-480 Secretariat and CACEN. The loans to individual borrowers financed with these funds will be an important source of income to support the recovery of the System.

The System's recovery plan also includes the sale of non-income producing investments, such as land and housing project investments, which several of the Mutuals acquired in the past as investments or in order to maintain the value of their assets. The proceeds from these sales will be used to finance more loans.

T A B L E 2

HG-007 TARGETS (1)
(\$000's)

	<u>12/86 (2)</u>	<u>12/87</u>	<u>12/88</u>	<u>12/89</u>
HG Guaranteed loans of the S&L System	1,250	7,500	7,500	2,500
Loans to Borrowers (3) (Cumulative)	1,250	8,750	16,250	18,750
HG Disbursement Schedule (Inflows to S&L System)				
Yearly	1,000	6,000	6,000	2,000
Cummulative	1,000	7,000	13,000	15,000

Interest Income (yearly)	28.1	900.0	2,250.0	3,262.5
Interest expense (or. HG)	14.4	442.0	1,105.1	1,602.4

Net Income	13.7	458.0	1,144.9	1,660.1
Cumulative Income	13.7	471.7	1,616.6	3,276.7

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- (1) HG funds will be disbursed by 1989.
- (2) Assumes that prior lending activity which qualifies under HG 007 will be applied.
- (3) Assumes relending of reflows and includes the S&L System's contribution to finance its 20% portion of each loan made with HG loan resources.

3. Management Efficiency

Under the recovery plan, the System has established the objective of making its personnel and operations more efficient. It has been concentrating on decreasing administrative costs through staff reductions and the implementation of management efficiency measures. Intensive training is to take place, and an incentive awards program will be implemented. Efforts will focus on improving financial management, marketing efforts and Mutual administration.

4. Savings Mobilization

By 1990, it is projected that the S&L System will have increased its share in the national savings market from its current share of 3.7% to equal or surpass its 1982 market share (18%). The Mutuals estimate that they can capture at least \$26 million in savings (an increase of approximately \$23 million) with an increase of 80,000 to a total of 120,000 customers by 1990. Mutuals will offer diversified services, such as insurance products on new credit lines and competitive interest rates, to attract new clients.

5. Portfolio Diversification

By early 1987, CACEN will present a request to the Minister of Finance (MOF) for greater authority to diversify the System's loan activities. The System estimates that it will have approximately \$52,000,000 in its loan portfolio in 1990, and increase its market share in loans from 4.63% to over 25%. In addition, the System already is actively diversifying its portfolio by making short-term loans for family-related needs (e.g. funerals, weddings, vacations) and for water system loans. New lending areas will be selected based upon their relation to lending in which the S&L System is already involved and an analysis of the borrowing needs of customers in geographic areas where the Mutuals operate.

Continued training and technical assistance provided with grant funds will be needed to implement the recovery plan. Despite overwhelming financial losses, the S&L System has retained its human resource base and clients, and remains ready to move ahead with the recovery program. Nevertheless, the System still faces a challenging future. Additional resources, totalling approximately \$50 million (\$15 million HG, \$7 million Disaster Recovery reflows, \$2 million USAID Water and Sanitation Project and \$26 million in new savings generations), will have to be lent out. Deposits must be attracted in much larger quantities than in the past to enable the S&L System to function without large overseas borrowing. Mutual management must be streamlined and made more aggressive and efficient.

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The S&L System can significantly contribute to the solution of Bolivia's housing problems and to the country's economic recovery. The HG and other loan programs will help generate new employment opportunities, especially in the construction sector. This cannot come about, however, unless the S&L System itself works hard to improve its operations and regain financial viability. To do so, the System will need continued T.A. and training in the areas of financial planning, accounting, lending diversification, savings mobilization, information systems, personnel management, shelter construction cost analysis, and the provision of new financial services.

III. Project Description

A. Strategy, Goal and Purpose

The GOB's economic recovery plan is now functioning, and the economy is beginning to revive. Agreement has been reached among CACEN, the GOB and USAID to implement a five-year plan to restore financial viability to the S&L System so that it can again play its important role in the housing sector. The financial assistance the System will receive under HG 007 and from local currency generations will not be not sufficient, however. TA and training must be extended in order that the S&L System use these resources wisely and efficiently.

The Amendment will extend the project for three years. The goal and purpose of the project remain unchanged. The project goal is to improve the shelter conditions of Bolivia's low income families. The project purpose is to expand the private sector's capacity to address the shelter related needs of Bolivia's low income families.

To strengthen the S&L System in the areas of finance, marketing, lending diversification, savings mobilization and administration, the TA and training activities begun under the current grant to CACEN will continue and they will be provided within the parameters of the System's recovery strategy. The S&L System is facing a difficult and critical recovery period which will involve a significant restructuring of past activities and attitudes. The focus of the project assistance will be on strengthening CACEN as the regulatory/technical assistance entity of the S&L System and improving the Mutuals' performance as diversified financial service institutions. Project assistance will be designed to help the System identify and attract new financial resources for the development of its programs. The project amendment will also provide technical assistance to the MUV to develop a national housing policy that provides a major role for the private sector, an affordability approach to housing project planning, and support for the HG 007 program. Lastly, assistance will be provided to INE to further develop baseline data necessary to determine the national urban median family income.

B. Relationship to CDSS and GOB Policies

The project is supportive of the Mission's country assistance strategy and AID policies regarding private sector development, policy dialogue, and institution building.

The project will promote USAID objectives of economic recovery, growth, and higher real incomes by providing increased employment opportunities in the construction industry and through the savings mobilization and lending activities of the S&Ls. The project is also consistent with AID's emphasis on the promotion of economic stabilization through rational economic policies, and allowing the private sector to play a more dynamic role in the economy.

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Institutional development will be aided through technical assistance aimed at strengthening CACEN as the regulator of the S&L System and by expanding the Mutualls' role as diversified financial service institutions.

Policy dialogue will occur through the GOB and USAID/Bolivia's discussions of shelter policies and strategies. As indicated in Section II.A, the GOB is supportive of this project as it is consistent with the GOB's goals of housing sector recovery and private sector growth. The GOB views the S&L System as an important source of private sector financing to meet housing sector needs.

C. Project Inputs

Expatriate long-term and short-term technical assistance advisors will be provided by a competitively selected U.S. firm.

One long-term advisor will be contracted for 24 p/m. He/she will oversee the provision of technical assistance to CACEN and the S&L Mutualls, and also function as the liaison between USAID/Bolivia and CACEN. He/she will: (1) advise CACEN on overall management issues; (2) work with CACEN in the preparation of the final scopes of work for the short-term technical advisors; (3) coordinate short-term technical assistance throughout the life of the project; (4) assist CACEN personnel in the training of S&L staff in the areas of finance, marketing and operational and administrative improvement; and (5) prepare quarterly reports on the progress of the TA program for CACEN.

Short-term consultants must be prepared to travel with CACEN staff to various regions of the country to work with the various Mutualls. While some assistance will be aimed at CACEN, most of the short-term TA and training activities will be tailored to the needs of the individual Mutualls. The twelve associations in the S&L System operate differently, depending on their size and rural or urban orientation. Short-term technical assistance advisors will be provided in the areas of housing policy, financial planning and economic analysis, accounting and financial reporting, insurance services, lending diversification, savings mobilization, information systems, shelter construction and cost analysis, and personnel management and administration.

Short-term technical assistance in accounting and financial reporting will be provided under a contract with a local accounting firm.

Twenty-seven (27) person/months (p/m) of short-term TA will be provided. The types of TA are as follows:

Financial Planning and Economic Analysis:	3 p/m
Accounting and Financial Reporting:	5 p/m
Lending Diversification:	4 p/m
Savings Mobilization:	4 p/m
Insurance Services:	2 p/m

Information Systems:	3 p/m
Personnel Management:	2 p/m
Shelter Construction Cost Analysis:	1 p/m
Shelter Policy and Strategy Studies:	1 p/m
Other (to be determined):	2 p/m

The technical assistance contract funded under this Amendment will be openly competed. In order to identify minority-owned firms with the capability to compete for the prime contract, a copy of the PIO/T prepared for the Regional Contracts Officer will be sent to the Office of Small and Disadvantaged Business Utilization to enable that Office to undertake a search of minority-owned firms which might be interested in submitting a response to the RFP.

Training will be organized in country by the Instituto para el Desarrollo de Empresarios y Administradores (IDEA) and by the Latin American Training Center (LATC), which will also offer courses in Panama.

The list of project inputs is as follows:

	<u>US \$</u>
1) Technical Assistance	<u>676,000</u>
a) Institutional (U.S.) Contract:	
i) Long-term technical advisor - 24 p/m, \$358,000	
ii) Short-term technical advisors - 22 p/m, \$294,000	
b) Local (Bolivian) Contract:	
i) Short-term technical advisors in accounting - 5 p/m, \$24,000	
2) Training courses	<u>53,000</u>
<u>LATC Courses in Bolivia</u>	
Accounting	20 participants
Financial Planning	45 participants
<u>LATC Courses in Panama</u>	
Credit	4 participants
Personnel	4 participants
Information Systems	4 participants
<u>IDEA Courses</u>	
Marketing	20 participants
Information Systems-EDP	20 participants
Personnel	20 participants
3) Commodities	<u>60,000</u>
a) Computer systems for CACEN and 8 Mutuuls, \$50,000	
b) One printing press for the publicity program, \$10,000	

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4) Project Support	<u>194,000</u>
a)USAID Project Manager (half-time local hire) - 20 p/m	36,000
b)USAID Project Coordinator (half-time U.S. hire) -15 p/m	158,000
5) Housing Policy and INE Studies	<u>15,000</u>
6) Two External Evaluations/Audits	<u>60,000</u>

Total	<u>1,058,000</u>
Contingencies	42,000
GRAND TOTAL	<u>\$1,100,000</u> -----

D. End-of-Project Status (EOPS) and Project Outputs

1. EOPS

At the end of the project (PACD: 9/30/89), the HG 007 will be fully disbursed and the S&L System will have met the targets in its recovery plan. As a result, the following conditions will exist:

a. The Bolivian Savings and Loan System's managerial skills will be strengthened in the areas of finance, marketing and administration.

b. The S&L System will have attracted increased deposits to permit the self-financed expansion of lending activities.

c. The S&L System will have successfully expanded and diversified its portfolio into short and medium-term lending for housing and other needs.

d. The GOB will have improved its capacity to formulate a comprehensive shelter sector strategy.

e. INE will have strengthened its capacity in the area of national household income data collection and analysis and will have begun publishing this data on a regular basis.

2. Outputs

. 19,000 housing and shelter-related loans.

. Computerized financial planning and control systems installed in all 12 Mutuuls and CACEN.

. Increases in the S&L System's number of active savers from 40,000 to 50,000 by 12/87 and 70,000 by 12/88.

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. S&Ls' share of the Bolivian savings market increased from 3.7% in 1986 to 8.0% in 1988.

. S&L loan portfolios increased from \$1,482,000 in 1986 to \$9,700,000 in 1988.

. 137 persons in CACEN and the S&Ls will have received training in finance, marketing and administration.

. National household income data published by INE on a regular basis.

. National housing policy is developed by a committee with members from the public and private sectors.

E. Project Components

1. The S&L System

The S&L System's recovery strategy provides for the expansion of services (as noted in Section II C.5.), with strong emphasis on the diversification of the S&L System's loan portfolios and increased savings mobilization. For the S&L System to continue to service the housing and shelter-related credit needs of the target group (families with less than the median income), as well as to be able to respond to changing economic environment, institutional strengthening of CACEN and the 12 Mutuuls is needed.

a. Financial Management

1) Financial Planning and Economic Analysis

CACEN and the Mutuuls do a mediocre job at forecasting economic trends and adjusting their lending and savings terms accordingly. Prior to 1982, when the economy was more stable, this significant shortcoming did not affect operations and profitability as much as it does now when the ability to analyze trends and accordingly adjust lending and savings terms is vital to the S&L System's survival. Some progress has been made in this area, but CACEN and Mutuul staff still require training and technical assistance in order to perform the financial analyses and economic projections required to formulate savings mobilization and lending policies.

In order to enhance CACEN's and the Mutuuls' abilities to forecast effects of alternative financial policies on the System's future cash flow, three person-months of short-term TA in Financial Planning and Economic Analysis will be provided. The short-term advisor will train CACEN staff in methods to be employed and hold seminars for Mutuul personnel. A Financial Planning course will also be given by LATC. Continued training in finance will also be provided by the long-term advisor.

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2) Accounting and Financial Reporting

Accounting practices among the Mutuuls are not uniformly consistent, which means that comparing operational results is very difficult. The System's staff will require TA and training in accounting and financial reporting systems to provide better information to CACEN and to service its clientele more economically.

Technical assistance and training will improve the uniformity of CACEN's and the Mutuuls' accounting systems. Assistance will be provided in improving reporting standards and account classifications. A standardized accounting system will be established for the whole S&L System. In addition a course to be given by LATC, 5 p/m of short-term TA from a local accounting firm will be provided to accomplish these tasks. This firm will analyze the accounting systems currently in use in three or four representative Mutuuls, work with CACEN staff to develop a standardized accounting system, and hold seminars with groups of Mutual personnel to train them in the use of the revised accounting system. Follow-up trips to the Mutuuls will also be undertaken.

b. Marketing

The long-run self-sufficiency of the S&L System will depend to a large degree on an expanded drive to mobilize savings to offset dependency on external sources of financing. Lending will also have to be increased significantly. In order for the System to do so, the individual S&Ls will have to increase their efforts devoted to promotion campaigns to attract new savers and establish client interest in borrowing through new services such as deposit insurance, especially in communities where financial institutions are not well established. The System's managers and staff will require appropriate training in market planning and the implementation of marketing strategies for long-term profitability.

Now that the economy is beginning to stabilize, the Mutuuls in La Paz, Santa Cruz and Cochabamba have begun marketing and advertising campaigns to attract new customers. Other Mutuuls are doing very little in this regard. CACEN is currently conducting a four-month marketing study to determine ways in which the S&L System as a whole can better serve its current and potential clients. This study will form the basis for a national promotional campaign to attract savings, design new lending programs, and make the public more aware of S&L services on which project-funded short-term advisors in savings mobilization and lending diversification will work. AID funds will also be provided to purchase a printing press for this publicity campaign and to disseminate financial and marketing information to the Mutuuls' customers. In addition, a marketing course using a case study approach will be offered by IDEA in which market methods and techniques will be discussed.

c. Lending Diversification

The S&L System must avoid over-reliance on long-term lending so as to ensure the flexibility required to adapt its portfolio to changing economic conditions. Several Mutuuls have begun lending services for short term housing or family-related needs (e.g., appliance purchases, vacations, weddings, funerals). A loan has been made to construct a potable water system in Guayaramerin under the USAID Bolivian S&L Water Sanitation Project (511-W-068), and several Mutuuls plan to expand this lending service to other regions.

While still a relatively minor portion of the S&Ls' overall portfolio, diversified lending will play an increasingly important role over the next few years. Due to their limited experience in this area, the S&Ls' loan officers will need to be trained to evaluate borrower payback capability and collateral requirements from different perspectives. The System's directors and managers will also require appropriate training and technical assistance in the management of new types of loan portfolios.

Four person/months of short-term technical assistance will be provided to assist the Mutuuls to develop new lending programs. New lending lines and financial services will be considered for each Mutual, depending on local market needs and demand for the various financial services. TA will be provided to the Mutuuls and CACEN in identifying consumer lending opportunities and in developing a loan portfolio diversification strategy. In addition to the housing and family related loans currently offered, consideration will be given to providing credit for agricultural production livestock raising, handicrafts, small industry, and electricity, sewage and telephone systems, depending on local market demand. TA will also be provided in portfolio management in areas such as loan application and approval procedures and loan evaluation, collateral and guarantee requirements, and collection procedures.

d. Savings Mobilization

Savings mobilization is another area vital to the survival of all Bolivia's financial institutions. Due to the largely rural location of several Mutuuls and the closer relationships all Mutuuls maintained with their customers, before Bolivia's economic crisis, the S&L System did well in mobilizing deposits - although it always relied too heavily on overseas borrowing. The S&L Mutuuls, like all other Bolivian financial institutions, were severely damaged by GOB interest rate policies which would not allow them to pay rates even approaching the level of inflation. Thus, many depositors withdrew their savings. By 1985, deposits had shrunk to only \$159,889, representing a 1.85% national market share. In the last year, since the beginning of the NEP, the S&L savings market share has increased to 3.7%, with \$2,253,642 in savings deposits.

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In order to survive, the S&L System must increase its deposits dramatically. These deposits are needed both to finance the System's share of each HG housing loan and to finance diversified lending. In the longer run, the S&L System will have to depend on its own deposits to finance housing loans, too.

Four person months of short-term technical assistance will be provided to help the S&Ls devise savings promotion campaigns and design new savings vehicles to attract deposits. Each S&L will establish and implement individual timetables and targets for achieving these goals. Possibilities for offering insurance products (i.e., deposit, life, health, auto) will also be explored according to the customers' needs of the individual Mutuals. Two p/m will be provided in short-term TA.

e. Administrative Management

While the System's records for efficiency and growth were commendable prior to 1983, improvement in CACEN and S&L administrative practices are essential to ensure the S&L System's long-term viability. Until recently, most S&Ls, and even CACEN, have not paid enough attention to staff productivity and organizational efficiency. Stronger and better management is needed in all S&Ls. TA and training are needed in the areas of information systems, personnel management and administration and shelter construction and cost analysis.

1) Information Systems

By updating computer skills and utilizing improved information systems, financial forecasting and reporting will be more accurate and efficient. This will permit the mutuals' staffs to react more quickly to changing economic conditions. As indicated in Table 1 (Section II), as of 1984, neither the Mutuals nor CACEN had training or experience with computers and data processing. As of June, 1986, four Mutuals and CACEN had computers and have received data processing training.

There is a critical need for CACEN and the Mutuals to have a fully operational information system to keep track of various programs. LATC will offer a course in Panama, and IDEA will offer a course in La Paz on basic skills in data processing. Three person/months of short-term TA are proposed to assist CACEN in its computerization of the System's accounts and to improve the efficiency of the System's reports to CACEN. All twelve Mutuals and CACEN will have computer systems in place and will have received training in data processing by the end of 1988.

2) Personnel Management and Administration

CACEN's staff is a critical source of technical assistance to the member Mutual associations. The staff maintains regular contact with the Mutuals, organizes seminars for management and technical personnel, and assists the S&Ls with financial planning, program innovation and administrative operations. The project's long-term advisor has helped to

improve the competence of CACEN staff and to assist them in providing help to individual Mutuuls. The long-term advisor and his/her short-term colleagues will continue to work closely with CACEN staff in the provision of TA and training to the Mutuuls.

In light of the changing Bolivian economic environment and the desire to expand activities of CACEN and the S&Ls, staff changes and reorganizations will have to be considered in both CACEN and the Mutuuls. Mutual directors will also require training in personnel management and administration.

To increase staff productivity and morale, an incentive-based compensation program is being established. Currently, there are no official salary policies in CACEN and the S&L System. Market surveys of salaries, salary ranges and job descriptions are needed throughout the System. The incentive program will be further developed on the basis of recommendations made by a short-term technical assistance advisor under the original HG grant. The program is needed because the Mutuuls' salary adjustments do not generally keep pace with inflation. This causes turnover or results in employees taking on second jobs to meet expenses. Such conditions are not conducive to good business practices. An incentive program will serve to improve morale, reduce turnover, and thus increase productivity. For example, a chief of a savings division would receive a yearly bonus if his/her Mutual met or exceeded yearly savings objectives.

Another issue is the disproportionate amount of administrative staff in CACEN & the Mutuuls. More staff should be allocated toward service-rendering functions.

Two person/months of technical assistance will be provided to implement an incentive compensation program, to establish a salary policy, and to adapt administrative and organizational structures to a changing economic environment. LATC will offer a personnel course in Panama, and IDEA will offer courses in La Paz in administration and personnel management.

3) Shelter Construction and Cost Analysis

Low cost housing alternatives are necessary in order to respond to the needs of the urban and rural poor. The S&L System will offer a wider range of home improvement loans for housing solutions that can be undertaken singly or in combination to take into account beneficiaries' personal preferences. Housing solutions will be offered that are sufficiently flexible to address the particular circumstances of many potential borrowers, thereby facilitating their participation in the shelter improvement program. Also, repayment schedules will employ a variety of formulas. For example, borrowers with steady incomes will receive loans with regular required payments (the majority of people in the urban target group).

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The Mutuuls have made significant strides in these areas over the years, but greater use of locally made construction materials and improved financial arrangements tailored to individual borrower's repayment capacity will be included in the TA provided during the project extension. One person/month of technical assistance will be provided to improve the System's capability to review construction methods for low-cost solutions to housing needs.

2. GOB Housing Policy Needs

a. Shelter Sector Strategy

GOB efforts to set up public sector housing mechanisms have floundered as a result of poor policy formulation and administration. The MUV has not been able to develop a workable plan for the most efficient use of scarce resources in the housing sector, a situation which has been worsened by the low priority given to housing finance issues within the Central Bank and the Ministries of Finance and Planning. As a result, the S&L System has taken the lead in providing low-income housing.

The MUV has not functioned well during the past few years, and it is a weak ministry. As a result, there has been little communication between MUV and CACEN, a situation which must be corrected so that HG 007 can be effectively implemented. It is important that the S&L System's efforts to revive the housing sector be backed up by a supportive GOB housing sector development policy which recognizes the key role of the S&Ls in the sector. The current Government's attitude toward the S&L System is positive. Efforts to help the MUV to develop GOB housing sector policy will take advantage of this fact.

Under the current grant, initial assistance was provided to the MUV to develop national housing policy and strategy. The purpose of the technical assistance was (a) to evaluate the effectiveness of both public and private institutions involved in the sector and (b) to begin the process of developing a comprehensive strategy for meeting shelter needs with the private sector taking the lead. Thus far, attention has been successfully focused on the need for a national housing policy, and a constructive dialogue between MUV and CACEN has begun.

In its role for providing shelter solutions for the lowest income groups, MUV sponsored a seminar in June 1986 to raise the level of awareness about housing problems, and make the case for housing's important role in national economic development. The MUV's current efforts are aimed at the reactivation of the construction industry and job creation as integral parts of housing production.

One additional month of technical assistance will be provided in shelter policy development to assist the GOB in formulating a coherent shelter sector strategy that will involve both the public and private sectors in

seeking shelter solutions. This assistance will help the MUV define housing needs, required investments by type and region, and the role of the various participants in the shelter sector, i.e., commercial banks, cooperatives, the S&L System, the MUV, consejos (regional housing councils) and the Banco Nacional de Vivienda (BANVI). Assistance and financing will also be provided for MUV's participation in a national income and housing study project. Funds will be provided for the collection and analysis of data, such as housing and land tenancy, housing construction and materials, availability of infrastructure services, and family housing expenditures (including loans, taxes, public service charges, rents, etc.). This data will permit MUV to develop a realistic framework for housing policy and government investment.

b. Household Income Study

The lack of reliable information on household incomes limits the ability of the S&L System to design appropriate lending programs. Such information is critical to the S&L System's ability to tailor the terms of its shelter solution loans to the payback capacity of the target group.

Under the current grant, technical assistance has been provided to INE to increase the scope of the 1986 National Household Survey (NHS). INE has developed a questionnaire on household income and collected initial data; however, budget constraints inhibited the analysis and publication of the data. Additional survey questions are also needed to collect new data and update the GOB's estimate of the national urban median family income. This data will include information on secondary or informal sources of income and on housing characteristics which will be cross-tabulated with the income data.

INE's production of reliable household income data is critical for both the S&L System and the overall housing sector in determining appropriate interest rates and the affordability of shelter solutions for the target group. AID funds will be used to finance the additional costs incurred by adding these questions to the NHS. The data on family income will be used to establish an urban median family income, which in turn will be used to determine the eligibility of borrowers under HG-007. The NHS will be kept up-to-date by CACEN and INE.

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IV. IMPLEMENTATION RESPONSIBILITIES, SCHEDULE AND EVALUATION PLAN

A. Implementation Responsibilities

1. CACEN

CACEN will be the central implementing organization and will sign the project grant agreement amendment. Its responsibilities will be to work closely with the long-term and short-term technical advisors contracted to provide technical assistance and coordinate training activities to the Mutuials in the various areas mentioned previously. CACEN will assign counterparts from its staff to work with the long-term and short-term advisors. Furthermore, CACEN will provide the logistical support (e.g., office space, equipment) needed by the technical assistance advisors. CACEN will also procure all necessary commodities financed by the Project, and it will contract with a local accounting firm for provision of technical assistance in accounting systems. CACEN will also sign an agreement with INE to monitor the progress of the NHS and authorize disbursements from AID to INE.

2. Prime TA Contractor

The prime TA contractor will be responsible for providing a long-term technical assistance advisor and all short-term technical assistance advisors (either from its own staff or under subcontracts) and for the coordination of all technical assistance. This firm will be selected on a competitive basis.

3. USAID/Bolivia

At CACEN's request, USAID/Bolivia will contract the U.S. TA firm. The Project will be managed part-time by a contracted Bolivian Project Coordinator and a contracted American Private Sector Advisor in the USAID Office of Private Enterprise and Rural Development (PRD), whose contracts will be funded 50% by the grant. They will be responsible for monitoring the progress of all project components. The Project Coordinator will work closely with CACEN and the main contractor to ensure compliance with the terms of the Project Agreement, verify that proper procedures are followed for all training and procurement, and help resolve any implementation problems or project issues that arise. He/she will conduct field visits to the Mutuials to monitor both this Project and the implementation of CACEN's water subprojects under the USAID Bolivian S&L Water Project. The Project Coordinator will report to the Private Sector Advisor, who will also spend half his time monitoring the Project.

The USAID Project Development and Implementation Office (PD&I) will be responsible for assisting CACEN in the areas of contracting and commodity procurement. The Office of the Controller will review all disbursement requests for conformity with A.I.D. regulations, ensure that appropriate accounting practices are followed by CACEN and the contracting organization, and coordinate audits. The Office of Development Planning and Evaluation (DP) will help coordinate all evaluations and training.

B. Implementation Schedule

- 7/86 - Sign Grant Agreement Amendment
- Prepare Request for Proposals (RFTP) for Technical Assistance (TA) package
- 8/86 - Issue RFTP
- 11/86 - Hire local firm for TA in accounting and financial reporting
- 12/86 - Sign contract with prime TA firm after evaluation of RFTP responses
- 1/87 - Long-term (LT) Technical Advisor arrives
- 2/87 - ST TA in savings mobilization, insurance services, loan diversification, financial planning and economic analysis, and shelter policy and strategy studies
- Accounting course in Santa Cruz
- Credit course in Panama
- 3/87 - ST TA in personnel management and information systems
- 4/87 - ST TA in shelter construction cost analysis and accounting and financial reporting
- 5/87 - ST TA in insurance services
- Financial planning course in La Paz
- Personnel management course in Panama
- 6/87 - ST TA in savings mobilization, information systems and financial planning and economic analysis
- 7/87 - ST TA in loan diversification
- IDEA marketing course
- 8/87 - ST TA in accounting and financial reporting
- Information Systems-EDP course in Panama
- 9/87 - ST TA in financial planning and economic analysis
- 10/87 - ST TA in savings mobilization and information systems
- IDEA course in Information Systems-EDP
- 11/87 - Mid-term evaluation
- ST TA in loan diversification
- 1/88 - IDEA course in personnel management
- Mid-term project evaluation
- 2/88 - ST TA in savings mobilization and personnel management
- Project audit
- 3/88 - ST TA in loan diversification and financial planning and economic analysis
- 4/88 - ST TA in accounting and financial reporting
- 12/88 - LT TA ends
- 2/89 - Final project evaluation
- 5/89 - Final audit
- 9/89 - PACD

Table 3 illustrates the proposed short-term technical assistance schedule.

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TABLE 3

PROPOSED SHORT-TERM TECHNICAL ASSISTANCE SCHEDULE
FOR NEW CONTRACT

I. INSTITUTIONAL (U.S. CONTRACT)	1986					1987					1988					TOTAL P/M											
	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D		J	F	M	A	M	J	J	A	S	O	N
SAVINGS MOBILIZATION						20			20				20			20											4
PERSONNEL MGMT						20										20											2
INSURANCE SERVICES						20			20																		2
SHELTER CONSTR. COST ANALYSIS								20																			1
LOAN DIVERSIFICATION						20					20			20			20										4
EDP - INFORMATION SYSTEM						20				20			20														3
FIN. PLANNING & ECON. ANALYSIS						10				20			10				20										3
SHELTER POLICY & STRATEGY STUDIES						20																					1
OTHER (TO BE DETERMINED)																											2

TOTAL 22

II. LOCAL HIRE (DOMESTIAN) CONTRACT	1986					1987					1988					TOTAL P/M											
	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D		J	F	M	A	M	J	J	A	S	O	N
ACCOUNTING AND FINANCIAL REP.		20		20			20				20								20								5

TOTAL 5

10
XXXX = 10 days
20 days per P/M

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C. Evaluation and Audit Plan

An evaluation scheduled for September 1986 for the HG-007 (grant and loan) program was canceled due to the delay in implementing the loan portion of the program. There will be two external evaluations during the remaining life of the project. The first, in November 1987, will assess the success of the training and technical assistance. It will refine areas of training and short-term technical assistance, given changes in the Bolivian economic environment, and recommend appropriate adjustments in the other components of the program.

The final evaluation will constitute an overall assessment of the S&L System's viability, and include a review of long-term technical assistance and an evaluation of the impact of the training and technical assistance components on CACEN and the S&L System.

Two audits will be carried out, one midway through the project by a locally approved accounting firm and a final one to close out the grant.

V. COST ESTIMATE AND FINANCIAL PLAN

A. LIFE-OF-PROJECT (LOP) BUDGET

1. A.I.D Contribution - Under the current grant, a total of \$550,000 has been provided as indicated on the Financial Plan. The additional \$1.1 million will be allocated as follows:

a. Technical Assistance - \$676,000, (1) \$652,000 for technical assistance from a United States firm (\$358,000 for 24 p/m of long-term technical assistance and \$294,000 for 22 p/m of short-term technical assistance) and (2) \$24,000 for short term technical assistance in accounting provided by a Bolivian firm.

b. Training - \$53,000 for 32 p/m of short-term training for CACEN and S&L personnel. This consists of 29 p/m of LATC courses in Bolivia and Panama, and 3 p/m of IDEA courses in Bolivia.

c. Commodities - \$60,000 (\$50,000 for additional computer equipment, and \$10,000 for a printing press.)

d. Project Support - \$194,000 provided in two parts: (1) \$158,000 for 15 p/m of a U.S.-hire Private Sector Advisor to oversee project implementation; and (2) \$36,000 for 20 p/m of a Bolivian Coordinator.

e. External Evaluations and Audits - \$60,000 for two external evaluations and two external audits.

f. Housing Policy and INE Studies - \$15,000.

g. Contingencies. \$42,000.

2. HOST COUNTRY CONTRIBUTION \$560,000

a. GOB Contribution \$85,000

Project Support. A total of \$85,000 will be provided in kind in two parts: (1) \$60,000 to INE for data collection and analysis and (2) \$25,000 by the MUV for salaries and administrative expenses of personnel participating in housing policy and other studies.

b. S&L System Contribution \$475,000

1) Participant Training. \$25,000 will be provided to help finance in-country courses.

2) Commodities. \$100,000 will be provided for purchasing office equipment and furnishings for the Mutuels and CACEN

3) Publicity. \$200,000 will be provided by the Mutuals for a promotion campaign to attract new savings and establish interest in new services and products.

4) Project Support. \$150,000 will be provided in-kind for CACEN and Mutual staff salaries incurred for activities directly related to the TA and training programs. (This does not include all S&L System salaries.)

In addition to the above, but not shown in the revised grant budget, is approximately \$3,750,000 to be contributed by the S&L System to finance its 20% portion of each loan financed with HG loan resources.

4. LOP FINANCIAL PLAN

	<u>PREVIOUS BUDGET (FX)</u>	<u>A. I. D. A M E N D M E N T</u>		<u>T O T A L</u>		<u>GOB LC</u>	<u>S&L SYSTEM LC</u>	<u>TOTAL</u>
		<u>FX</u>	<u>LC</u>	<u>FX</u>	<u>LC</u>			
1. Technical Assistance								
a. U.S.								
1) Long Term	216,000	358,000	-	574,000	-	-	-	574,000
2) Short Term	253,935	294,000	-	547,935	-	-	-	547,935
b. Local Short-term	-	24,000	-	24,000	-	-	-	24,000
2. Training	9,080	9,000	44,000	18,080	44,000	-	25,000	87,080
3. Commodities	70,985	60,000	-	130,985	-	-	100,000	230,985
4. Project Support	-	194,000	-	194,000	-	25,000	150,000	369,000
5. Promotion Campaign	-	-	-	-	-	-	200,000	200,000
6. Housing Policy and INE Studies	-	-	15,000	-	15,000	60,000	-	75,000
7. Evaluations and Audits	-	60,000	-	60,000	-	-	-	60,000
8. Contingencies		42,000		42,000				42,000
T O T A L	550,000	1,041,000	59,000	1,591,000	59,000	85,000	475,000	2,210,000

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B. DISBURSEMENT SCHEDULE
(US\$)
(Remainder of Project)

I. AID GRANT	YEAR 1		YEAR 2		YEAR 3		TOTAL
	FX	LC	FX	LC	FX	LC	
1. Technical Assistance							
a. U.S.							
1) Long-term	105,000	-	179,000	-	74,000	-	358,000
2) Short-term	120,000	-	150,000	-	24,000	-	294,000
b. Local Short-term	10,000	-	14,000	-	-	-	24,000
2. Training	5,000	5,000	4,000	34,000	5,000	-	53,000
3. Commodities	60,000	-	-	-	-	-	60,000
4. Project Support	90,000	-	90,000	-	14,000	-	194,000
5. Housing Policy and INE Studies	-	6,000	-	9,000	-	-	15,000
6. Evaluations and Audit	-	-	30,000	-	30,000	-	60,000
7. Contingencies	20,000	-	12,000	-	10,000	-	42,000
TOTAL AID	410,000	11,000	479,000	43,000	157,000	-	1,100,000
II. HOST COUNTRY							
GOB							
Project Support	-	-	-	25,000	-	-	25,000
INE Study	-	60,000	-	-	-	-	60,000
TOTAL GOB		60,000		25,000		-	85,000
S&L SYSTEM							
Training	-	-	-	20,000	-	5,000	25,000
Commodities	-	50,000	-	50,000	-	-	100,000
Promotion Campaign	-	40,000	-	80,000	-	80,000	200,000
Project Support	-	50,000	-	60,000	-	40,000	150,000
TOTAL S&L SYSTEM		140,000		210,000		125,000	475,000
GRAND TOTAL	410,000	211,000	479,000	278,000	157,000	125,000	1,660,000

C. Methods of Implementation and Financing

Remaining AID funds for the Project will be channeled as follows:

<u>Major Element</u>	<u>Method of Implementation</u>	<u>Method of Financing</u>	<u>Approximate Amount</u>
TA (U.S.)	Direct AID Contract	Direct Payment	\$ 652,000
Short-term TA (Local)	Host Country Contract	Direct Payment	24,000
Training	Host Country Contracts, Advances to CACEN	Direct Payment	53,000
Commodities	Host Country Contracts	Direct Payment	60,000
Project Support	Direct AID Contracts (P.S.C.s)	Direct Payment	194,000
Housing Policy and INE Studies	Host Country Contract or Grant	Direct Payment	15,000
Evaluations/Audit	Direct AID Contracts	Direct Payment	<u>60,000</u>
		Sub-Total	\$1,058,000
		Contingencies	<u>42,000</u>
		TOTAL	\$1,100,000

LOW COST SHELTER

(511-0567)

COST ESTIMATE DETAIL FOR AID CONTRIBUTION

I. TECHNICAL ASSISTANCE

Main Assumptions

The following cost estimate for Short-Term (ST) and Long-Term (LT) Technical Assistance (TA) uses a salary of \$230/workday (wd) for both LT and ST advisors. In the case of the LT advisor, the monthly salary estimate of \$230 wd includes post differential.

In addition, the total ST and LT cost estimate assumes 80% overhead, 6% profit and home office backstopping cost. This latter category allows for home office backstopping including one month's salary per year, and travel and per diem costs for one trip/year during the contract period to oversee contract project activities in the field. Finally, this institutional contract cost further assumes that logistic support cost (i.e. household furniture) will be provided and arranged by the contractor using AID foreign exchange funds.

Summary cost estimate:

Long Term TA	24 p/m	\$ 358,000
Short Term TA	22 p/m	<u>\$ 294,000</u>
		\$ 652,000

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<u>Cost Category</u>	<u>ESTIMATED COST</u>
<u>1. Long Term Technical Assistance Advisor (U.S.)</u> (24 months) (1)	
<u>a. Total Salary</u>	
1) <u>Base salary</u>	<u>123,000</u>
- First yr: \$4,000/mo x 12, <u>\$48,000</u>	
- Second yr: \$4,200/mo x 12, <u>\$50,400</u> (includes a 5% salary inflator)	
2) <u>Post differential (25% of total base salary); \$24,600</u>	
<u>b. Benefits, insurance, DBA, etc.</u>	<u>21,648</u>
(22% of total base salary, i.e. \$98,400)	
<u>c. Allowances</u>	<u>40,916</u>
1) <u>Housing: \$10,800/yr x 1.92, \$20,736</u>	
2) <u>Education: \$3,800/yr x 2 children x 2 yrs, \$15,200</u>	
3) <u>1 R & R: \$900 x 4 persons, \$3,600</u>	
4) <u>Temporary L.Q.A.: \$46/day x 30, \$1,380</u>	
<u>d. Travel</u>	<u>9,840</u>
1) <u>Int'l: 4 RTs USA-LPB-USA at \$1,500 (avg)/RT, \$6,000</u>	
2) <u>In-country: 2 RTs/mo x 24 to various points in Bolivia at \$80(avg)/RT, \$3,840</u>	
<u>e. Transportation</u>	<u>17,040</u>
1) <u>Shipment of HHE: NWA of 18,000 lbs. at 0.6/Lb, \$10,800 (by surface)</u>	
2) <u>Shipment of POV (one way); \$2,500 (by surface)</u>	
3) <u>UAB: 700 lbs/one way x 2 at \$1.10/lb, \$1,540 (by air)</u>	
4) <u>Shipment of consumables NTE 2,000 lbs at \$1.15/lb, \$2,200 (by air)</u>	
<u>f. Per Diem</u>	<u>6,648</u>
1) <u>Int'l: 4 days at \$6/day, \$24</u>	
2) <u>In-country: 3 days(avg)/RT x 48 at \$46/day, \$6,624</u>	
<u>g. Logistic Support</u>	<u>18,000</u>
1) <u>Household furniture and equipment 18,000/LT advisor</u>	

(1) Assumes spouses plus 2 children

h. <u>Home Office Backstopping</u> (2)	<u>12,750</u>
i. <u>Other Direct Costs</u> (e.g. medical \$150, visa and passport \$100, unforseen travel \$1,500, and miscellaneous \$3,424)	<u>5,174</u>
j. <u>TOTAL DIRECT COSTS FOR LT ADVISOR</u> (i.e. summation of items a-j above)	<u>\$255,016</u> -----
k. <u>Overhead</u> (80% of LT total base salaries, i.e. of <u>\$98,400</u> plus 40% of prorated HO project manager's salary, i.e. of <u>\$10,000</u>)	<u>82,720</u>
l. <u>Fixed Fee or Profit</u> (6% of total costs, i.e. of summation of items k. and l. above, i.e. of <u>\$337,736</u>)	<u>20,264</u>
<u>TOTAL LT TA ADVISOR ESTIMATED COST</u> (i.e. summation of items k., l. and m. above)	<u>\$358,000</u> -----
2. <u>Short-term Technical Assistance Advisors</u> (22 person-months, up to 10 advisors)	
a. <u>Salaries</u> , \$5,000/mo x 22	<u>110,000</u>
b. <u>Travel</u>	<u>22,040</u>
1) Int'l: 10 RTs USA-LPB-USA at \$1,500/RT, <u>\$15,000</u>	
2) In-country: 4RT/mo x 22 at \$80(avg)/RT, <u>\$7,040</u>	
c. <u>Per Diem</u>	<u>35,540</u>
1) Int'l: 20 days at \$6/day, <u>\$120</u>	
2) In-country:	
La Paz, 22 days/consultant x 10, at \$69	
<u>\$15,180</u>	
various cities, 5 days/RT x 88	
at \$46/day, <u>\$20,240</u>	
d. <u>Home Office Backstopping</u> (see footnote No. 2)	<u>12,750</u>

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- (2) This cost item has been prorated by dividing the total direct costs for Home Office Backstopping (i.e., \$25,500) into the total number of person/months for both long-term and short-term advisors (i.e., 48) and by multiplying this result by the related number of person/months (i.e., LT TA = 24, and ST TA = 22)

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e. <u>Other Direct Costs</u>	<u>5,028</u>
(e.g. visa/passport \$100/advisor x10, \$1,000, medical \$150/advisor x 11, \$1,500, miscellaneous <u>\$2,528</u>)	
f. <u>TOTAL DIRECT COSTS FOR ST ADVISORS</u>	<u>\$185,358</u>
(i.e. summation of items 2a-2e above)	
g. <u>Overhead (80% of ST salaries, i.e.</u>	<u>92,000</u>
of \$110,000, plus 40% of prorated HO proj. mgr's salary, i.e. of \$10,000)	
h. <u>Fixed Fee or Profit (6% of Total Costs,</u>	<u>16,642</u>
i.e. of summation of items f. and g. above, i.e. of <u>\$277,358</u>)	
<u>TOTAL ST TA ADVISORS ESTIMATED COST (i.e.</u>	<u>294,000</u>
summation of items f., g., and h., above)	

B. LOCAL SHORT-TERM (Local Institutional Contract)
(Accounting and Financial Reporting, 5 pm)

1. <u>Total Salaries</u>	<u>8,000</u>
Accounting/Financial Reporting Specialist, \$1,600/mo x 5	
2. <u>Benefits, insurance, etc.</u>	<u>2,640</u>
(33% of total salaries)	
3. <u>Travel</u>	<u>1,600</u>
4 RTs/mo x 5 at \$80/RT (to all mutuale in Bolivia, at least one visit)	
4. <u>Per Diem</u>	<u>4,600</u>
5 days/RT x 20 at \$46	
5. <u>Other Direct Costs</u>	<u>1,778</u>
(e.g. materials \$500, Secretarial Support \$600, and miscellaneous \$678)	
6. <u>Overhead (40% of total salaries above)</u>	<u>3,200</u>
7. <u>Fixed Fee (10% of total costs, i.e. of</u>	<u>2,182</u>
summation of items 1-6 above, \$21,818)	
<u>TOTAL LOCAL TA COST:</u>	<u>\$24,000</u>

2.	<u>TRAINING</u>		<u>53,000</u>
	<u>A. LATC Sponsored Courses</u>		
	1. In Country		
	a) One accounting/reporting course, 5 days 20 persons, in Santa Cruz, One local instructor for the course		10,700
	1) salary, per diem and travel (L/C)	1,500	
	2) Travel RT \$80 x 20 persons, (L/C)	1,600	
	3) Per Diem 5 days at \$46 x 20, (L/C)	4,600	
	4) Rental of facilities/5days, (L/C)	3,000	
	b. One Financial Planning/Analysis course, 5 days, 45 persons, La Paz, One foreign instructor (F/X)	5,000	13,680
	(includes salary, travel and per diem)		
	1) Travel RT \$50 x about 20 persons (L/C)	1,000	
	2) Per diem 5 days at \$46 x 20, (L/C)	4,600	
	3) Rental of facilities for 5 days, (L/C)	3,000	
	c. Other direct Costs (F/X)	80	
	2. In Panamá:		4,400
	a) One Credit course, 5 days, 4 persons, Panama		
	1) Travel RT \$800 x 4, (L/C)	3,200	
	2) Per Diem 5 days at \$60 x 4, (F/X)	1,200	
	b) One Personnel course, 5 days, 4 persons, Panama		4,400
	1) Travel RT \$800 x 4 (L/C)	3,200	
	2) Per diem: 5 days at \$60 x 4, (F/X)	1,200	
	c) Information systems course, 5 days, 4 persons, Panamá:		4,400
	1) Travel RT \$800 x 4 (L/C)	3,200	
	2) Per diem: 5 days at \$60 x 4, (F/X)	1,200	
	d) LATC will cover the cost of the instructors fees		
	<u>B. IDEA Courses:</u>		15,420
	1. One marketing course, 5 days, 20 persons, La Paz		
	2. One EDP course, 5 days, 20 persons, La Paz		
	3. Personnel course, 5 days, 20 persons, La Paz each course \$5,140 (L/C) (includes IDEA's fee, travel, per diem and other local cost)		
3.	<u>COMMODITIES:</u>		<u>60,000</u>
	A. 8 compatible computer systems for CACEN 6,250 each x 8 computers,	50,000	
	B. One printing press for publication	10,000	

4.	<u>PROJECT SUPPORT:</u> 15 p/m at \$10,530/mo (U.S. hire), (Project Coordinator) 20 p/m at \$1,800/mo (Local hire), (Project Support Staff)	\$158,000 36,000	<u>194,000</u>
6.	<u>HOUSEHOLD INCOME STUDY</u> \$15,000 will support household income and other studies (L/C)		15,000
7.	<u>EVALUATIONS AND AUDITS</u> (2 external evaluations through Technical Support to Mission (TSM) IQC, one mid-course, and 1 final, one local audit) Mid-course evaluation, one person for 4 weeks Final evaluation, 2 persons for 2 weeks each.		<u>60,000</u>
8.	<u>CONTINGENCIES</u> 3.8% AID Grant Contingency		<u>42,000</u>

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ANNEX B
CHECKLISTS

I. PROJECT CHECKLIST

A. General Criteria for Project

1. FY 1986 Continuing Resolution, Sec. 524 FAA Sec. 634A; Sec.653(b).
(a) Describe how authorization and appropriations committees of Senate and House have been or will be notified concerning the project?
Committees notified using congressional notification procedures.
2. FAA Sec.611(a)(1). Prior to obligation in excess of \$100,000, will there be (a) engineering, financial or other plans necessary to carry out the assistance and (b) a reasonably firm estimate of the cost to the U.S. of the assistance?
Yes.
3. FAA Sec. 611(a) (2). If further legislative action is required within recipient country, what is basis for reasonable expectations that such action will be completed in time to permit orderly accomplishment of purpose of the assistance?
N/A
4. FAA Sec. 611(b), FY 1986 Continuing Resolution, Sec. 501. If for water or water-related land resource construction, has project met the principles standards and procedures established pursuant to the Resources Planning Act (42 U.S.C. 1962, et.seq)? (See AID Handbook 3 for new guidelines.)
N/A
5. FAA Sec. 611(e). If project is capital assistance (e.g. construction), and all U.S. assistance for it will exceed \$1 million, has Mission Director certified and Regional Assistance Administrator taken into consideration the country's capability effectively to maintain and utilize the project?
N/A

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6. FAA Sec. 209. Is project susceptible to execution as part of regional or multilateral project? If so, why is project not so executed? Information and conclusion whether assistance will encourage regional development programs.
- No. S&L System is a Bolivian institution
- No.
7. FAA Sec. 601(a). Information and conclusions whether project will encourage efforts of the country to: (a) increase the flow of international trade; (b) foster private initiative and competition; and (c) encourage development and use of cooperatives, and credit unions, and savings and loan associations; (d) discourage monopolistic practices; (e) improve technical efficiency of industry, agriculture and commerce; and (f) strengthen free labor unions.
- Project strategy of strengthening the Bolivian Savings and Loan System will have positive effect on b+c.
8. FAA Sec. 601(b). Information and conclusions on how project will encourage U.S. private trade and investment abroad and encourage private U.S. participation in foreign assistance programs (including use of private trade channels and the services of U.S. private enterprise).
- Project will have limited effect in this area except for use of U.S. consulting organization.
9. FAA Sec. 612(b), 636(h); FY 1982 Appropriation Act, Sec. 507. Describe steps taken to assure that, to the maximum extent possible, the country is contributing local currencies to meet the cost of contractual and other services, and foreign currencies owned by the U.S. are utilized in lieu of dollars.
- The GOB will provide a counterpart contribution in local currency during the life-of project equivalent to approximately 4% of the total project cost. The Savings and Loan organizations will contribute approximately 21% of the total project cost.
10. FAA Sec. 612(d). Does the U.S. own excess foreign currency of the country and, if so, what arrangements have been made for its release?
- No.

11. FAA Sec. 601(e). Will the project utilize competitive selection procedures for the awarding of contracts, except where applicable procurement rules allow otherwise? Yes.
12. FY 1986 Continuing Resolution, Sec. 522. If assistance is for the production of any commodity for export, is the commodity likely to be in surplus on world markets at the time the resulting productive capacity becomes operative, and is such assistance likely to cause substantial injury to U.S. producers of the same, similar or competing commodity? N/A
13. FAA 118(c) and (d). Does the project comply with the environmental procedures set forth in AID Regulation 16? Does the project or program take into consideration the problem of the destruction of tropical forests? Yes. I.E.E. has been approved by AID/W in the original project paper.
N/A
14. FAA 121 (d). If a Sahel project, has a determination been made that the host government has an adequate system for accounting for and controlling receipt and expenditures of project funds (dollars or local currency generated therefrom)? N/A
15. FY 1986 Continuing Resolution Sec. 533. Is disbursement of the assistance conditioned solely on the basis of the policies of any multilateral institution? No.
16. ISDCA of 1985 Sec. 310. For development assistance projects, how much of the funds will be available only for activities of economically and socially

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disadvantaged enterprises, historically black colleges and universities, and private and voluntary organizations which are controlled by individuals who are black Americans, Hispanic Americans, or Native Americans, or who are economically or socially disadvantaged (including women)?

Contracting process for TA will be open to such entities.

B. Funding Criteria for Project

1. Development Assistance Project Criteria

a. FAA Sec.102(b), 11, 113, 281(a).
Extent to which activity will (a) effectively involve the poor in development, by extending access to economy at local level, increasing labor-intensive production and the use of appropriate technology, spreading investment out from cities to small towns and rural areas, and insuring wide participation of the poor in the benefits of development on a sustained basis, using the appropriate U.S. institutions; (b) help develop cooperatives, especially by technical assistance, to assist rural and urban poor to help themselves toward better life, and otherwise encourage democratic private and local governmental institutions; (c) support the self-help efforts of developing countries; (d) promote the participation of women in the national economies of developing countries and the improvement of women's status; and (e) utilize and encourage regional cooperation by developing countries?

(a) Project is geared to finance housing for families in lower 50% of income brackets. It will promote use of appropriate technologies in construction.

(b) N/A.

(c) S&Ls are Mutual organizations.

(d) The income of female family members plays an important role in the credit worthiness of the target population. Equitable credit treatment will be provided for the female heads of households.

(e) N/A.

- b. FAA Sec.103, 103A, 104, 105, 106.
Does the project fit the criteria for the type of funds (functional account) being used? Yes
- c. FAA Sec.107. Is emphasis on use of appropriate technology (relatively smaller, cost-saving, labor-using technologies that are generally most appropriate for the small farms, small businesses, and small incomes of the poor)? Yes.
- d. FAA Sec.110(a). Will the recipient country provide at least 25% of the costs of the program, project, or activity with respect to which the assistance is to be furnished (or is the latter cost-sharing requirement being waived for a "relatively least developed" country)? Twenty-five percent (25%) will be provided.
- e. FAA Sec.122(b). Does the activity give reasonable promise of contributing to the development of economic resources, or to the increase of productive capacities and self-sustaining economic growth? Yes
- f. FAA Sec. 128(b). If the activity attempts to increase the institutional capabilities of private organizations or the government of the country, or if it attempts to stimulate scientific and technological research, has it been designed and will it be monitored to ensure that the ultimate beneficiaries are the poor majority? Yes.

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- g. FAA Sec.281(b). Describe extent to which program recognizes the particular needs, desires, and capacities of the people of the country; utilizes the country's intellectual resources to encourage institutional development, and supports civil education and training in skills required for effective participation in governmental processes essential to self-government. Very little.

2. Development Assistance Project Criteria
(Loans Only)

- a. FAA Sec.122 (b). Information and conclusions on capacity of the country to repay the loan, at a reasonable rate of interest. N/A

- b. FAA Sec.620(d). If assistance is for any productive enterprise which will compete with U.S. enterprises, is there an agreement by the recipient country to prevent export to the U.S. of more than 20% of the enterprise's annual production during the life of the loan? N/A

3. Economic Support Fund Project Criteria

- a. FAA Sec.531(a). Will this assistance promote economic or political stability? To the extent possible, does it reflect the policy directions of FAA Section 102? N/A

- b. FAA Sec.531(c). Will assistance under this Chapter be used for military, or paramilitary activities? N/A

- c. ISDCA of 1985 Sec. 207. Will ESP funds be used to finance the construction of, or the operation or maintenance of, or the supplying of fuel for, a nuclear facility? If so, has the President certified that such country is a party to the Treaty on the Non-Proliferation of Nuclear Weapons or the Treaty for the Prohibition of Nuclear Weapons in Latin America (the "Treaty of Tlatelolco"), cooperates fully with the IAEA, and pursues nonproliferation policies consistent with those of the United States? N/A
- d. FAA Sec.609. If commodities are to be granted so that sale proceeds will accrue to the recipient country, have Special Account (counterpart) arrangements been made N/A

II. Standard Item Checklist

A. Procurement

1. FAA Sec. 602. Are there arrangements to permit U.S. small businesses to participate equitably in the furnishing of commodities and services financed? Yes.

2. FAA Sec. 604(a). Will all procurement be from the U.S. except as otherwise determined by the President or under delegation from him? Yes. U.S. and Bolivia

3. FAA Sec. 604 (d). If the cooperating country discriminates against marine insurance companies authorized to do business in the U.S., will commodities be insured in the United States against marine risk with such a company? Bolivia does not so discriminate.

4. FAA Sec. 604 (e), ISDCA of 1980 Sec. 705 (a). If offshore procurement of agricultural commodity or product is to be financed, is there a provision against such procurement, when the domestic price of such commodity is less than parity? (Exception where commodity financed could not reasonably be procured in U.S.) N/A.

5. FAA Sec. 604(g). Will construction or engineering services be procured from firms of countries which receive direct economic assistance under the FAA and which are otherwise eligible under Code 941, but which have attained a competitive capability in international markets in one of these areas? Do these countries permit United States firms to compete for construction or engineering services financed from assistance programs of these countries? No.

6. FAA Sec. 603. Is the shipping excluded from compliance with requirement in Section 901(b) of the Merchant Marine Act of 1936, as amended, that at least 50 percent of the gross tonnage of commodities (computed separately for dry bulk carriers, dry cargo liners, and tankers) financed shall be transported on privately owned U.S. flag commercial vessels to the extent that such vessels are available at fair and reasonable rates. No.
7. FAA Sec. 621. If technical assistance is financed, will such assistance be furnished by private enterprise on a contract basis to the fullest extent practicable? If the facilities of other Federal Agencies will be utilized, are they particularly suitable, not competitive with private enterprise, and made available without undue interference with domestic programs? Yes.
N/A
8. International Air Transport. Fair Competitive Practices. Act. 1974. If air transportation of persons or property is financed on grant basis, will U.S. carriers be used to the extent such service is available? Yes.
9. FY 1986 Continuing Resolution Sec. 504. If the U.S. Government is a party to a contract for procurement, does the contract contain a provision authorizing termination of such contract for the convenience of the United States? Yes.

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B. Construction

1. FAA Sec. 601(d). If capital (e.g. construction) project, will U.S. engineering and professional services be used? N/A.
2. FAA Sec. 611(c). If contracts for construction are to be financed, will they be let on a competitive basis to maximum extent practicable? N/A.
3. FAA Sec. 620(k). If for construction of productive enterprise, will aggregate value of assistance to be furnished by the U.S. not exceed \$100 million (except for productive enterprises in Egypt that were described in the CP)? N/A.

C. Other Restrictions

1. FAA Sec. 122(b). If development loan, is interest rate at least 2% per annum during grace period and at least 3% per annum thereafter? N/A.
2. FAA Sec. 301(d). If fund is established solely by U.S. contributions and administered by an international organization, does Comptroller General have audit rights? N/A.
3. FAA Sec. 620(h). Do arrangements exist to insure that United States foreign aid is not used in manner which, contrary to the best interests of the United States, promotes or assists the foreign aid projects or activities of Communist-bloc countries? Yes.
4. Will arrangements preclude use of financing?

- a. FAA Sec. 104(f); FY 1986 Continuing Resolution Sec.526: (1) To pay for performance of abortions as a method of family planning or to motivate or coerce persons to practice abortions; (2) to pay for involuntary sterilization as method of family planning, or coerce or provide financial incentive to any person to undergo sterilization; (3) to pay for any biomedical research which relates, in whole or in part, to methods or the performance of abortions or involuntary sterilizations as a means of family planning; (4) to lobby for abortion? Yes.

- b. FAA Sec.488. To reimburse persons, in the form of cash payments, whose illicit drug crops are eradicated? Yes.

- c. FAA Sec. 620(g). To compensate owners for expropriated nationalized property? Yes.

- d. FAA Sec. 660. To provide training or advice or provide any financial support for police, prisons, or other law enforcement forces, except for narcotics programs? Yes.

- e. FAA Sec. 662. For CIA activities? Yes.

- f. FAA Sec. 636(i). For purchases, sale, long-term lease, exchange or guaranty of the sale of motor vehicles manufactured outside U.S., unless a waiver is obtained? Yes.

- g. FY 1986 Continuing Resolution, Sec.503. To pay pensions, annuities, retirement pay, or adjusted service compensation for military personnel? Yes.

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- h. FY 1986 Continuing Resolution, Sec. 505
To pay U.S. assessments, arrearages
or dues? Yes.
- i. FY 1986 Continuing Resolution, Sec. 506
To carry out provisions of FAA Sec-
tion 209(d) (Transfer of FAA funds
to multilateral organizations for
lending? Yes.
- j. FY 1986 Continuing Resolution, Sec. 510.
To finance the export of nuclear
equipment, fuel, or technology? Yes.
- k. FY 1986 Continuing Resolution, Sec. 511.
For the purpose of aiding the efforts
of the government of such country to
repress the legitimate rights of the
population of such country contrary
to the United States Declaration of
Human Rights? Yes.
- l. FY 1986 Continuing Resolution, Sec. 516.
To be used for publicity or propa-
ganda purposes within U.S. not
authorized by Congress? Yes.

0091L

410 1000-70 (2-77)
SUPPLEMENT 1

PROJECT DESIGN SUMMARY
LOGICAL FRAMEWORK

(INSTRUCTION: THIS IS AN OPTIONAL FORM WHICH CAN BE USED AS AN AID TO ORGANIZING DATA FOR THE PAR REPORT. IT NEED NOT BE RETAINED OR SUBMITTED.)

ANNEX C

Life of Project:
From FY 86 to FY 88
Total U.S. Funding 1,500,000
Date Prepared: 6/86

Project Title & Number: Low Cost Shelter Through the Private Sector

PAGE 1

NARRATIVE SUMMARY	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	IMPORTANT ASSUMPTIONS
<p>Program or Sector Goal: The broader objective to which this project contributes:</p> <p>to improve the shelter conditions of Bolivia's low income families.</p>	<p>Measures of Goal Achievement:</p> <p>Increased number of low income families with access to housing finance and shelter related loans.</p>	<p>CACEN, and individual S&L's loan documentation.</p> <p>Quarterly reports from S&Ls</p>	<p>Assumptions for achieving goal targets:</p> <p>The S&L System is successful in effecting basic structural changes in its savings and loan operations so as to strengthen its long-run financial viability.</p>

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PROJECT DESIGN SUMMARY
 LOGICAL FRAMEWORK

ANNEX C

Life of Project:
 From FY 86 to FY 88
 Total U.S. Funding 1,500,000
 Date Prepared: 6/85

Project Title & Number: Low Cost Shelter Through the Private Sector

NARRATIVE SUMMARY	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	IMPORTANT ASSUMPTIONS
<p>Project Purpose:</p> <p>To improve the private sector's capacity to address the shelter related needs of Bolivia's low income families, and diversify the S&L loan portfolio.</p>	<p>Conditions that will indicate purpose has been achieved: End of project status.</p> <ol style="list-style-type: none"> 1. The Bolivian Savings and Loan System's managerial skills will be strengthened in the areas of finance, marketing and administration. 2. The S&L System will have attracted increased deposits to permit the self-financed expansion of lending activities. 3. The S&L System will have successfully expanded and diversified its portfolio into short and medium-term lending housing and other needs. 4. The GOB will have improved its capacity to formulate a comprehensive shelter sector strategy. 5. INE will have strengthened its capacity in the area of national household income data collection and will have begun publishing this data on a regular basis. 	<p>CACEN & S&L records.</p> <p>Evaluations of project.</p> <p>GOB laws and regulations.</p> <p>INE statistics.</p> <p>Development Departments at the S&Ls and CACEN staffed and responsibilities assigned.</p>	<p>Assumptions for achieving purpose:</p> <p>Lower income (below medium income families' purchasing power is not so severely restricted as to preclude borrowing for housing needs.</p> <p>Cooperation exists between the GOB and S&L System.</p> <p>GOB assumes CACEN's foreign debt.</p> <p>Legal authorization for the diversification of operations of the S&L System.</p>

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PROJECT DESIGN SUMMARY
LOGICAL FRAMEWORK

ANNEX C

Life of Project: _____
From FY 86 to FY 88
Total U.S. Funding 1,500,000
Date Prepared: 6/85

Project Title & Number: Low Cost Shelter Through the Private Sector

PAGE 3

NARRATIVE SUMMARY	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	IMPORTANT ASSUMPTIONS
<p>Outputs:</p> <ol style="list-style-type: none"> 1. Strengthened S&L System's managerial skills in the areas of finance, marketing and general operations. 2. Increased deposits of the S&L System to permit the expansion of lending activities. 3. Successful expansion and diversification of the S&L System's short and medium-term commercial lending. The number of lines of credit offered will have increased to 11, i.e. to include agricultural credit, livestock raising, handicrafts, small industry, electricity, sewage and telephone systems, in addition to the housing related family loans and water supply currently offered. 4. Trained individuals from Mutuels and CACEN. 5. Improved GOB capability to formulate a comprehensive shelter sector strategy. 6. Strengthened INE capacity in the area of national household income data collection and analysis; data will be published on a regular basis. 	<p>Magnitude of Outputs:</p> <ol style="list-style-type: none"> 1. Mutual and CACEN staff members trained in management and technical aspects of S&L operations 2. All of the 12 Mutual associations and CACEN will have improved their computer systems and financial planning capabilities. 3. A nation wide savings mobilization and service publicity program will have been activated and will have increased the S&L System's active savings client to 50,000 by 12/87 and 70,000 by 12/88. 4. The S&L System will maintain a minimum of 100% overall loan to savings ratio. 5. The S&L System's share of the Bolivian savings market will be increased to 6.0% by 12/87 and 8.0% by 12/88. 6. The S&L System will generate approximately \$2.1 million by 12/87 and \$9.7 million by 12/88. 7. 137 persons will receive training in finance, marketing & administration 77 persons will be trained through LATC courses. 60 persons will be trained through IDEA courses. 8. Periodic publication on national household income data. 9. The S&L System will have financed 19,000 housing and shelter related loans. 10. National housing policy is developed by a Committee with members from the Public and private sectors. 	<p>Coursework/attendance shown from international courses, local IDEA and university courses.</p> <p>CACEN, S&L and INE records.</p> <p>USAID PIO/P and CACEN S&L records.</p> <p>S&L loan records.</p>	<p>Assumptions for achieving outputs:</p> <p>GOB continues its support for the S&L System's diversification.</p> <p>GOB supports INE's publication of national income data.</p> <p>MOF will review S&L lending activities as part of the role in regulating the diversification of the System's portfolio.</p> <p>Project can identify appropriate types of training and sufficient number of candidates.</p>

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PROJECT DESIGN SUMMARY
LOGICAL FRAMEWORK

Low Cost Shelter through the Private Sector

ANNEX C

Life of Project: _____
From FY 86 to FY 88
Total U.S. Funding 1,500,000
Date Prepared: 5/88

Project Title & Number: _____

PAGE 4

NARRATIVE SUMMARY	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	IMPORTANT ASSUMPTIONS
<p>Inputs: *</p> <p><u>AID Contribution</u></p> <p>I. Technical Assistance: Long Term Advisor</p> <p>Short Term Technical Assistance</p>	<p>Implementation Target (Type and Quantity) \$1,100,000 (Amendment only)</p> <p>Original 24 p/m: \$216,000 Amendment 24 p/m: \$358,000</p> <p>Original 23 p/m: \$253,935</p> <ol style="list-style-type: none"> 1) Savings mobilization 5 p/m 2) Lending diversification 4 p/m 3) Financial Planning 4 p/m 4) Marketing 4 p/m 5) Family income and expenditure analysis 2 p/m 6) Shelter policy and strategy studies 2 p/m 7) Personnel management 1 p/m 8) Data Processing 1 p/m <p>Amendment. Institutional (U.S.) Contract: 22 p/m \$294,000</p> <ol style="list-style-type: none"> 1) Savings mobilization 4 p/m 2) Lending diversification 4 p/m 3) Financial planning and economic analysis 3 p/m 4) Personnel management and organizational structure 2 p/m 5) Information systems 3 p/m 6) Insurance services 2 p/m 7) Shelter construction and cost analysis 1 p/m 8) Shelter Policy and Strategy Studies 1 p/m 9) Other (to be determined) 2 p/m <p>Local Hire (Bolivian) Contract: \$20,000</p> <ol style="list-style-type: none"> 1) Accounting and financial reporting 5 p/m 	<p>Project Implementation Documents</p>	<p>Assumptions for providing inputs:</p>
<p>* If not indicated as under the original project, all such items are provided under the Amendment.</p>			

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PROJECT DESIGN SUMMARY
LOGICAL FRAMEWORK

ANNEX C

Life of Project: _____
From FY 86 to FY 88
Total U.S. Funding 1,500,000
Date Prepared: 6/85

Project Title & Number: Low Cost Shelter through the Private Sector

NARRATIVE SUMMARY	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	IMPORTANT ASSUMPTIONS
<p>Inputs:</p> <p>II. Training:</p>	<p>Implementation Target (Type and Quantity)</p> <p>Original: \$ 9,080 Amendment: \$53,000 Amendment:</p> <p>LATC Sponsored Courses - Approx. 18 p/m</p> <p>1) In Bolivia - Approx. 15 p/m</p> <p>a) Accounting/Financial Reporting - 5 p/m (20 persons x day)</p> <p>b) Financial Planning/Analysis 10 p/m (45 persons x 5 days)</p> <p>2) In Third Countries - Approx. 3 p/m</p> <p>a) Credit - 1 p/m (4 persons x 5 days)</p> <p>b) Personnel - 1 p/m (4 persons x 5 days)</p> <p>c) EDP - 1 p/m (4 persons x 5 days)</p> <p>IBEA courses - Approx. 15 p/m</p> <p>1) Marketing - 5 p/m (20 persons x 5 days)</p> <p>2) EDP - 5 p/m (20 persons x 5 days)</p> <p>3) Personnel - 5p/m (20 persons x 5 days)</p>	<p>Project Implementation Documents</p>	<p>Assumptions for providing inputs:</p>

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ANNEX C

PROJECT DESIGN SUMMARY :
LOGICAL FRAMEWORK

Life of Project:
From FY 86 to FY 88
Total U.S. Funding 1,500,000
Date Prepared: 2/88

110 10-20-78 (1-77)
SUPPLEMENT 1

Project Title & Number: Low Cost Shelter through the Private Sector

PAGE 4

NARRATIVE SUMMARY	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	IMPORTANT ASSUMPTIONS
Inputs:	Implementation Target (Type and Quantity)		Assumptions for providing inputs:
III. Commodities	Original: \$70,985 (for vehicles and other commodities)	Project Implementation Documents	
	Amendment: \$60,000		
	a) Compatible computer systems: \$50,000		
	b) Printing Press: \$10,000		
IV. Project Support	Amendment: \$194,000		
	a) Project Coordinator 15 p/m \$158,000		
	b) Project Manager 20 p/m \$ 36,000		
V. Housing Policy & INE Study	\$15,000		
VI. External Evaluations/Audits	\$50,000		
VII. Contingencies/Inflation	\$42,000		
<u>Host Country Contribution</u>	<u>\$ 85,000 (Amendment only)</u>		
I. <u>GOB</u>			
A. Project Support	\$ 25,000		
1. Salaries and administrative expenses			
2. INE Support	\$ 60,000		
II. <u>S&L Contribution</u>	<u>\$475,000 (Amendment only)</u>		
A. Training	\$ 25,000		
B. Commodities	\$100,000		
C. Publicity	\$200,000		
D. Project Support	\$150,000		

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CAJA CENTRAL DE AHORRO Y PRESTAMO
PARA LA VIVIENDA

La Paz, Junio 27 de 1986

CITE: G.O. N° 113/ 0948

ASOCIACIONES
MUTUALES

MUTUAL "LA PRIMERA"
Av. Mcel. Ste. Cruz No. 1364
Casilla 4807
LA PAZ

MUTUAL "GUAPAY"
Calle Sucre No. 188
Casilla No. 100
SANTA CRUZ

MUTUAL "LA PROMOTORA"
Calle España 6028 esd. Av. Mariscal
Casilla 206
COCHABAMBA

MUTUAL "EL PROGRESO"
Calle Cochabamba esd. Potosí
Casilla 537
ORURO

MUTUAL "TARIJA"
Plaza Luis de Fuentes
Casilla 137
TARIJA

MUTUAL "POTOSI"
Plaza 8 de Agosto No. 13
Casilla 294
POTOSI

MUTUAL "LA PLATA"
Calle España No. 17
Casilla 336
SUCRE

MUTUAL "LA PAZ"
Av. 18 de Julio 1821 esd. Buena
Casilla 700
LA PAZ

MUTUAL "PAITITI"
Calle Cochabamba No. 623
Casilla 99

MUTUAL "MANUTATA"
Orbigny esd. Rafael Peña
Casilla 88

MUTUAL "PANDO"
Plaza Germán Busch
Casilla 213

MUTUAL "LA FRONTERA"
Calle Federico Román No. 969
QUAYARAMERIN

LA CAJA CENTRAL

AFILIADA A LA UNION IN-
TERAMERICANA DE AHO-
RRO Y PRESTAMO PARA LA
VIVIENDA - UNIAPRAVI

ACCIONISTA DEL BANCO
INTERAMERICANO DE A-
HORRO Y PRESTAMO
BIAPE

Señor
David A. Cohen
Director,
USAID/BOLIVIA
Presente.

Señor Director:

Ref.: SOLICITUD AMPLIACION DE ASISTENCIA
TECNICA /

Por la presente, tenemos el agrado de so-
licitar a la Misión de su digna Dirección, asistencia técnica
adicional en los siguientes rubros:

- a) Movilización de Ahorros
- b) Diversificación de Cartera
- c) Planificación Financiera y Análisis Económico
- d) Contabilidad
- e) Administración de Personal y Estímulos a la Producción
- f) Sistemas de Información
- g) Análisis Costos de Contrucción de Vivienda
- h) Servicios de Seguros
- i) Política de Vivienda

Nuestro Sistema de Ahorro y Préstamo para
la Vivienda es la única Institución privada de carácter mutua-
lista que canaliza ahorros y recursos de fuentes internas y ex-
ternas para financiar la solución del problema habitacional de
distintos sectores de la población y, en particular, de las fa-
milias de ingresos limitados y bajos, que habitan en las áreas
urbanas y rurales en que operan nuestras Mutuales.

Por otra parte, la puesta en marcha del -
Plan de Fortalecimiento de nuestro Sistema y la concreción de
los recursos bajo el Convenio 511-HG-007 permitirán no solamen-
te la movilización del ahorro interno sino también que es-
timulará el desarrollo de sectores económicos del país median-
te el empleo de mano de obra en el sector de la construcción y
de la producción de materiales, afines de origen nacional.

/// ... 2).

SISTEMA BOLIVIANO DE AHORRO Y PRESTAMO PARA LA VIVIENDA

CABILLA No. 4808 TELFOS. 371880-81 367423 Avenida Mcel. Santa Cruz No. 1364 Piso 20 Telex CACEN BX 5811

FILE	ACTION	INI
DIR		✓
DD		
EXO		
DP		
PCBI		✓
CONT		✓
PRD	✓	
HMR		
Reply due 7/14		
Action item NAN 6/30 AB		

PP contract not being prepared to extend
increased TA.



Xld

... ///

2).

CITE: G.O. N° 113/_____

La ampliación de Asesoramiento Técnico - arriba mencionado nos permitirá mejorar notablemente nuestras políticas y procedimientos operacionales de manera de asegurar el éxito que perseguimos en nuestros planes de crecimiento y - fortalecimiento del Sistema.

Sin otro particular y confiando en que es ta nuestra solicitud merecerá su favorable atención, nos es - grato reiterarle las seguridades de nuestra distinguida consi- deración.


Ernesto Wende F.
PRESIDENTE

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