

Bolivia

The Development Challenge: Through January 2003, Bolivia experienced two decades of relative political and economic stability, including 21 uninterrupted years of democracy and 17 years of far-reaching and fundamental reforms in fiscal management, human rights, and democratic decentralization. Since January 2003, Bolivia has been confronted with serious social and political instability, including two periods of severe social unrest and violence that have left dozens dead. This turmoil has resulted in millions of dollars in property damage and forced the resignation of President Gonzalo Sanchez de Lozada, which has put the national government on the political defensive regarding a broad range of national policies. This threatens key initiatives that address major U.S. foreign policy objectives emphasizing support for Bolivian democracy and counter-narcotics efforts. Radical opposition groups, emboldened by their success in ousting President Lozada, are calling for severe restrictions on trade and investment, easing or elimination of restrictions on all coca cultivation, and an overhaul of the national constitution.

With a new President and cabinet in place, USAID is closely supporting peaceful and positive resolution of conflicts through its regular assistance program, continuous policy dialogue with the Government of Bolivia, and a special series of carefully targeted activities in specific areas. Much of Bolivia's political and social conflict is rooted in the deep and widespread poverty and social exclusion of the indigenous majority, inequitable economic growth, over-reliance on price-volatile exports, lack of state presence in most rural and some urban areas, government corruption and administrative incompetence, and a weak and under-capitalized private sector.

Though significant progress has been made over the last 20 years, high levels of poverty and social exclusion remain. Currently, about 58% of the Bolivian population live in poverty, and 24% live in extreme poverty. Rural poverty remains over 80%. Economic growth and job creation are lagging, due to limited financial services, poor productive infrastructure, lack of access to technology and markets, and low levels of education. A worldwide economic downturn, coupled with economic crises in neighboring Argentina and Brazil, has exacerbated Bolivia's economic problems. The crisis and its attendant problems are becoming a threat to the consolidation of Bolivia's democracy and economic stability. Despite important progress in social indicators, Bolivia still has the second highest level of infant, child, and maternal mortality in the hemisphere. Land tenure is becoming the most contentious issue in rural areas, occasionally leading to deadly violence. Illegal coca replanting is a constant threat to the successful implementation of Bolivia's anti-narcotics strategy. These issues require close and continuous attention to avoid the failure of the Bolivian state.

The Government of Bolivia and USAID have a strong and positive partnership. The Government of Bolivia remains committed to the objectives of USAID's collaboratively developed strategy; however, the Government's political weakness and severe fiscal crisis impede its ability to fully meet its commitments. The private sector has also been significantly debilitated by the recession and its own structural weaknesses.

The USAID Program: The Data Sheets provided below cover the six strategic objectives for which USAID is requesting FY 2004 and FY 2005 funds. These objectives are designed to advance key U.S. Government foreign policy objectives regarding Bolivia and the requirements of Bolivia as represented in its government policy agenda, including the Poverty Reduction Strategy Paper. The objectives focus on: improving the responsiveness and transparency of national and local governance and the justice system; increasing economic opportunities for poor rural populations through business development, trade, and improved agricultural productivity; improving health practices and the quality of, and access to, health services; sustainably managing natural resources and biodiversity; promoting licit income alternatives for rural farm families to reduce excess coca production; and providing budget support for the payment of multilateral debt held by the Bolivian Government. USAID is adjusting its current program to help address, in an expedited manner, the causes of the recent violent conflict. Changes include increased focus on the indigenous population especially in conflict-prone geographic areas, such as the city of El Alto, and measures to increase the State's presence in previously underserved rural and urban areas.

“State presence” in this context refers to the presence of the government as a legal authority and arbiter; service provider (including health, education, and basic infrastructure); and maintainer of law and order. The effective absence of the State in many areas is a leading contributor to the underdevelopment, poverty, and disorder that prevails there. USAID will also fund a series of targeted high-impact activities addressing urgent economic and social service needs in conflictive areas.

Other Program Elements: USAID's Office of Private and Voluntary Cooperation supports ongoing child survival projects implemented by three U.S. private and voluntary organizations (PVOs) under the Democracy, Conflict and Humanitarian Assistance Bureau (DCHA). All projects are in under-served rural areas of Bolivia where child health is at greatest risk. Also DCHA funds a political party training activity. Under the Economic Growth, Trade, and Agriculture (EGAT) Bureau, various grants support U.S. non-governmental organizations to expand financial services in Bolivia as well as a Farmer-to-Farmer program. EGAT also funds an adult literacy program and is helping to support the 2003 Demographic and Health Survey. The Centers for Excellence in Teacher Training, managed by the Latin America and Caribbean Bureau's Office of Regional Sustainable Development (LAC/RSD), provides teacher training. USAID also funds vocational education aimed at increasing the employability of poor youth through skills training. LAC/RSD also manages a grant to help fight trafficking in persons in Bolivia. The Global Development Alliance (GDA) Office supports ongoing efforts in the forestry sector through the Bolivian Chamber of Forestry that was matched by the Chamber itself, Fundación PUMA and the Swedish Development Agency. A new GDA activity will increase cocoa production in partnership with the U.S. chocolate industry. USAID is also exploring a potential partnership with a local natural gas producer/distributor which will supply funding for the establishment of a permanent agricultural research and extension service in the Chapare. Finally, as part of USAID's South America Regional program, trade capacity building and malaria control activities are implemented in Bolivia.

Other Donors: Donor coordination is strong in Bolivia, with the participation of eight multilateral and 15 bilateral donors. Thirteen of the bilateral donors are DAC (Paris Club/Consultative Group) members. Principal areas of donor interest are health, education, democracy and poverty reduction. The United States and Japan are the largest bilateral donors, and collaborate in the health sector through the Common Agenda. Multilateral donors include the U.N. agencies, the World Bank, the Inter-American Development Bank and the European Union. The donors' assistance is organized around the Bolivian Poverty Reduction Strategy Paper and the GOB's Plan of Action. USAID plays an active role in donor coordination and will continue to take a leadership position in the Alternative Development Donor Group. Spain, the United Nations Drug Control Program, and the European Union are active members of this group.

Bolivia PROGRAM SUMMARY

(in thousands of dollars)

Accounts	FY 2002 Actual	FY 2003 Actual	FY 2004 Current	FY 2005 Request
Andean Counterdrug Initiative	39,600	41,727	42,000	42,000
Child Survival and Health Programs Fund	19,690	18,594	15,302	16,139
Development Assistance	12,853	12,082	12,032	14,454
Economic Support Fund	10,000	10,000	8,000	8,000
ESF - Wartime Supplemental	0	2,000	0	0
PL 480 Title II	19,566	31,547	17,827	23,696
Total Program Funds	101,709	115,950	95,161	104,289

STRATEGIC OBJECTIVE SUMMARY

511-001 Democracy				
ACI	4,000	3,500	0	0
DA	2,500	2,500	0	0
ESF	4,000	0	0	0
511-002 Increased Economic Opportunities				
DA	3,500	4,650	5,550	6,632
ESF	5,000	0	0	5,000
PL 480	8,556	13,632	7,827	8,600
511-003 Improved Health				
CSH	19,690	18,594	15,302	16,139
ESF	0	0	0	0
ESF - Wartime Supplemental	0	2,000	0	0
PL 480	11,010	17,915	10,000	15,096
511-004 Natural Resources Sustainably Managed				
DA	6,853	4,932	4,773	5,083
ESF	1,000	0	0	333
511-005 Alternative Development				
ACI	35,600	38,227	38,500	37,500
511-006 Balance of Payments Support				
ESF	0	10,000	8,000	0
511-XXX Democracy				
ACI	0	0	3,500	4,500
DA	0	0	1,709	2,739
ESF	0	0	0	2,667

Mission Director,
Liliana Ayalde

Data Sheet

USAID Mission:	Bolivia
Program Title:	Increased Economic Opportunities
Pillar:	Economic Growth, Agriculture and Trade
Strategic Objective:	511-002
Proposed FY 2004 Obligation:	\$5,550,000 DA; \$8,655,000 PL 480
Prior Year Unobligated:	\$0
Proposed FY 2005 Obligation:	\$6,632,000 DA; \$5,000,000 ESF; \$8,600,000 PL 480
Year of Initial Obligation:	FY 1995
Year of Final Obligation:	FY 2008

Summary: USAID aims to increase the income of Bolivia's poor through technical assistance and training for providing financial services to the poor, producing and marketing agricultural commodities, improving teacher competency to improve student performance, and increasing trade and Bolivia's competitiveness. Poorly equipped schools ultimately contribute to lower economic growth and reduced competitiveness in the global market.

Inputs, Outputs, Activities:

FY 2004 Program:

Rural financial services (\$1,248,000 DA). USAID will continue funding technical assistance to microfinance institutions to strengthen their capacity to expand their client base and generate sufficient profits to ensure sustainability; develop the supervisory capacity of the Superintendency of Banks and Financial Institutions; and create an all-inclusive credit referencing system. USAID will also continue programs to strengthen Bolivia's network of rural credit unions and launch a follow-on activity to promote a policy environment supportive of microfinance. The prime contractors are Development Associates Inc. and a new contractor to be determined.

Rural business and market efficiency (\$3,302,000 DA). USAID will continue to support the adoption of new technologies to increase production and sales of primary commodities for small producers and increase their market access for targeted agricultural products. USAID will continue work in the Valleys region of Bolivia, while extending similar support to the Altiplano. The prime contractor is Chemonics International.

Support to primary schools (\$1,000,000 DA). USAID will provide school building repairs/upgrades, furnishings, classroom supplies, and libraries to primary schools in under-served, high-need, and conflict-prone areas such as El Alto and the broader Altiplano region. The implementers are to be determined.

New technologies for increased food security. The P.L. 480 Title II program will continue introducing new technologies, effective food security assessment tools, and training materials to increase yields and reduce storage losses. The Title II cooperating sponsors will also organize farmers' groups and marketing associations, and deepen existing partnerships with communities and municipalities. Principal cooperating sponsors are: Adventist Development and Relief Agency, Food for the Hungry International, CARE, and Save the Children Foundation.

FY 2005 Program:

Rural financial services (\$1,348,000 DA). USAID will provide technical assistance to microfinance institutions to increase access of microentrepreneurs to financial services; enhance the solvency and efficiency of microfinance institutions; and diversify services by developing new non-credit products. Prime contractor to be determined.

Rural business and market efficiency (\$3,302,000 DA). Technological services will be provided to farmers to increase yields and improve their access to markets, thereby raising household incomes. USAID will expand current agricultural activities to other areas of Bolivia. Implementers will be Chemonics International and another contractor to be determined.

Increased trade and competitiveness (\$6,000,000 ESF). USAID will continue to support the Bolivian Trade and Business Competitiveness program in its initial trade building capacity activities. A contract to implement the second, more comprehensive phase of this program will be competed. The prime contractor is Chemonics International and a contractor for the second phase to be determined.

Support to primary schools (\$912,000 DA). USAID will continue support for primary schools as described above. The implementer is to be determined.

Improved agricultural technologies for increased food security. The P.L. 480 Title II program will continue to enhance the effectiveness of agriculture, income generation and community development activities while targeting the Bolivian poor. Same implementers as above.

Performance and Results: As a result of USAID activities supporting access to rural financial services, over 56,000 new deposit accounts were opened, a 40% increase from last year. USAID supported new deposit services and 58 new points of service in rural and peri-urban areas. The microfinance credit bureau began operations and laws are being drafted to allow Private Financial Funds (regulated microfinance institutions) to offer more services. The financial situation and efficiency of 14 credit unions receiving technical assistance has improved.

USAID's market access and poverty alleviation activities directly assisted almost 6,300 families in seven commodity chains (onions, chilies, peppers, oregano, berries, table grapes and tomatoes), increasing average sales by 38% and reducing the use of agricultural chemicals. Beneficiary households' income continued to rise to an average of \$1,729. Over 50% of farmers assisted are women. USAID-provided market information in Spanish and indigenous languages over the radio was used by 72% of small farmers nationwide to obtain information to negotiate better prices for their products. Recipient farmers export to Canada, Brazil, Argentina, and other countries.

USAID training and technical assistance to small and micro businesses directly generated over 400 jobs and \$2.5 million in additional exports. At the same time, total non-traditional exports at the national level rose by \$19 million (three percent), but increased by 50% in areas of focus under the USAID-supported Bolivian Trade and Business Competitiveness program: textiles and apparel, wood products, jewelry and leather products. The Bolivian Government prepared a trade capacity building strategy needed for effective participation in the Free Trade Area of the Americas' Hemispheric Cooperation Program. USAID promoted the adoption of the Patent Cooperation Treaty and other measures to promote intellectual property rights.

During the past year, the P.L. 480 Title II program helped about 393,000 beneficiaries increase their incomes through technical assistance in agricultural production, marketing and productive infrastructure. Average annual gross income of rural households increased from \$675 in FY 2002 to \$808 in FY 2003.

Upon the completion of this strategic objective, several thousand farm families in the Valleys region will have achieved significant, permanent increases in their income through better quality and quantity of products and the establishment of market linkages inside and outside Bolivia. Bolivia's artisan exporters will have established long-term export markets that generate thousands of permanent jobs. Affordable credit will be available nationwide for small- and micro-entrepreneurs.

US Financing in Thousands of Dollars

Bolivia

511-002 Increased Economic Opportunities	ACI	DA	ESF	PL 480
Through September 30, 2002				
Obligations	0	21,856	4,913	0
Expenditures	0	14,969	0	0
Unliquidated	0	6,887	4,913	0
Fiscal Year 2003				
Obligations	3,000	4,573	60	0
Expenditures	0	5,582	1,524	0
Through September 30, 2003				
Obligations	3,000	26,429	4,973	0
Expenditures	0	20,551	1,524	0
Unliquidated	3,000	5,878	3,449	0
Prior Year Unobligated Funds				
Obligations	0	0	0	0
Planned Fiscal Year 2004 NOA				
Obligations	0	5,550	0	7,827
Total Planned Fiscal Year 2004				
Obligations	0	5,550	0	7,827
Proposed Fiscal Year 2005 NOA				
Obligations	0	6,632	5,000	8,600
Future Obligations	0	13,950	18,000	25,800
Est. Total Cost	3,000	52,561	27,973	42,227

Data Sheet

USAID Mission:	Bolivia
Program Title:	Balance of Payments Support
Pillar:	Economic Growth, Agriculture and Trade
Strategic Objective:	511-006
Proposed FY 2004 Obligation:	\$8,000,000 ESF
Prior Year Unobligated:	\$0
Proposed FY 2005 Obligation:	\$0
Year of Initial Obligation:	FY 2003
Year of Final Obligation:	FY 2004

Summary: USAID's program will help the Government of Bolivia to stabilize its dire fiscal situation. Bolivia's fiscal crisis is due to a weak economy caused largely by a general downturn in the region that has severely affected its major trading partners (Brazil and Argentina). Tax revenues have also been insufficient. The balance of payments program is used to pay multilateral development debt owed by the Bolivian Government and has leveraged additional bilateral and multilateral contributions.

Inputs, Outputs, Activities:

FY 2004 Program:

Balance of payments support (\$8,000,000 ESF). USAID's cash transfer assistance will contribute to the Government of Bolivia's payment of multilateral development debt. The assistance is part of a package of international donor assistance to help the Government of Bolivia address its immediate financial crisis and restore public and investor confidence. The program is intended to provide quick-disbursing support to help address the Bolivian Government's financial difficulties.

FY 2005 Program:

USAID does not plan to request FY 2005 funding for this program.

Performance and Results: Ten million dollars of cash transfer assistance has been used to pay a portion of the multilateral development debt owed by the Government of Bolivia. Results will be considered to be achieved when the second tranche of \$8,000,000 has been used by the Government of Bolivia to pay additional multilateral debt.

US Financing in Thousands of Dollars

Bolivia

511-006 Balance of Payments Support	ESF
Through September 30, 2002	
Obligations	0
Expenditures	0
Unliquidated	0
Fiscal Year 2003	
Obligations	10,000
Expenditures	10,000
Through September 30, 2003	
Obligations	10,000
Expenditures	10,000
Unliquidated	0
Prior Year Unobligated Funds	
Obligations	0
Planned Fiscal Year 2004 NOA	
Obligations	8,000
Total Planned Fiscal Year 2004	
Obligations	8,000
Proposed Fiscal Year 2005 NOA	
Obligations	0
Future Obligations	50,000
Est. Total Cost	68,000

Data Sheet

USAID Mission:	Bolivia
Program Title:	Alternative Development
Pillar:	Economic Growth, Agriculture and Trade
Strategic Objective:	511-005
Proposed FY 2004 Obligation:	\$38,500,000 ACI
Prior Year Unobligated:	\$0
Proposed FY 2005 Obligation:	\$37,500,000 ACI
Year of Initial Obligation:	FY 1998
Year of Final Obligation:	FY 2008

Summary: USAID's program to eliminate illegal and excess coca from Bolivia includes technical assistance and infrastructure investments to establish sustainable farm-level production capacity and market linkages; increase licit net household income; and improve municipal planning capacity, social infrastructure, and public health in targeted communities.

Inputs, Outputs, Activities:

FY 2004 Program:

Sustainable production of licit crops/Chapare region (\$11,000,000 ACI): USAID will provide 4,000 additional farm families with training and grants to improve the licit crop production, forestry, and livestock; diversify income; reduce costs; and increase employment. Prime implementers are Development Alternatives, Inc. (DAI), CHF International, the U.N. Food and Agriculture Organization (FAO), the Center for the Promotion of Sustainable Technology, the Bolivian Institute of Agricultural Technology, and the Bolivian Government's Regional Alternative Development Program (PDAR).

Improved market access and increased competitiveness/Yungas region (\$3,600,000 ACI). USAID will increase licit crop production, sales and market access, and will support the adoption of improved harvest and post-harvest technologies for coffee and tea. Low-cost forestry and agro-forestry practices will improve soil fertility, increase crop yields and promote sustainable use of forest resources. Prime implementers are Chemonics and the FAO.

Improved social and productive infrastructure/Yungas region (\$9,900,000 ACI). USAID will support the Bolivia's voluntary coca reduction strategy through projects in communities that signed coca reduction and non-proliferation agreements. USAID will fund infrastructure projects such as bridges, road improvement, electrification, potable water, sanitation systems, or health and education facilities. Prime implementers are Agricultural Cooperative Development International/Volunteers for Overseas Cooperative Assistance (ACDI/VOCA), the National Rural Electric Cooperative Association (NRECA), the CCVV, and PDAR.

Market linkages and improved roads/Chapare region (\$8,000,000 ACI). A USAID marketing campaign will enhance positioning of licit products in domestic and export markets, increasing sales of fresh produce by 20-30%. USAID-financed local road maintenance associations will maintain at least one-fifth of roads in good condition. Prime implementers are DAI, CHF International, the AMVI, and the CCVV.

Social capital and democracy activities/Chapare region (\$4,500,000 ACI). USAID will enhance the capacity of selected municipalities to respond to the needs of under-served communities. Their administrative-financial management, leadership and business planning capacity will be strengthened, and their decision-making roles in the development of the region enhanced. The National Institute of Land Reform and the Land Survey Registry Office will provide at least 6,000 additional land titles to increase security of property rights. Complementary administration of justice interventions will improve

access to justice and the rule of law. Prime implementers are DAI, Chemonics, International Labor Organization, Management Sciences for Development (MSD), and PDAR.

Social development programs/Yungas region (\$1,500,000 ACI). USAID will strengthen municipalities and providing health and higher education programs for under-served rural areas to increase access to critical services. Prime implementers are International City/County Management Association (ICMA), SERVIR (Bolivian non-governmental organization) and the Bolivian Catholic University's Carmen Pampa campus.

FY 2005 Program:

Sustainable production of licit crops/Chapare region (\$11,174,000 ACI). USAID will continue funding technology transfer and agricultural extension services and grants, coupled with extensive training, to improve the competitiveness of licit products in domestic and export markets. Prime implementers are CHF International, AMVI, CCVV, and a contractor to be selected through a competitive process.

Market linkages and improved roads/Chapare region (\$8,126,000 ACI). At least 20 producer organizations and businesses will double their sales volume or gross income. USAID-financed local road maintenance associations will maintain at least one-fourth of roads. Prime implementers are CHF International, AMVI, CCVV, and a contractor to be selected through a competitive process.

Technical assistance and infrastructure improvements/Yungas region (\$12,900,000 ACI). USAID will fund improved infrastructure in communities that engage in coca reduction and non-proliferation agreements. Prime implementers are ACDI/VOCA, NRECA, CCVV, PDAR, the FAO, and Chemonics.

Social capital and democracy activities/Chapare region (\$4,000,000 ACI). USAID will assist municipalities to ensure their annual plans respond to needs of farm communities. Approximately 10,000 land titles will be delivered to farmers, and a cadastral system will be established in some municipalities. A center will be established to provide integrated justice services. Prime implementers are Chemonics, MSD and PDAR.

Citizen participation, health and education investments/Yungas region (\$1,300,000 ACI). USAID will continue supporting municipal governments and associations to increase participation in health and education initiatives. Endemic diseases like leishmaniasis and tuberculosis will continue to be a primary focus of health activities. Continued support will be provided to university scholarship students. Prime implementers are ICMA, SERVIR and the Bolivian Catholic University's Carmen Pampa campus.

Performance and Results: Through September 2003, about 26,000 families received USAID-project assistance. Licit crops hectareage in the Chapare increased to about 135,000 by December 2003. Over 5,000 families improved coffee harvest and post-harvest techniques, increasing their income by an average of 38%. CCW completed 149 kilometers of road maintenance, 27 kilometers of road improvement, 5.4 kilometers of stone paving and the construction of six bridges. Forty small grant projects have been completed, including potable water systems, schools, and coffee post-harvesting plants. Seven out of eight municipalities of the Yungas have been strengthened. Through September 2003, 907 people received successful attention for tuberculosis (102% of target), and 1,250 people were cured of leishmaniasis (127% of target).

Upon completion of this strategic objective, illicit coca production in the Chapare and Yungas regions will be at negligible levels, and hectareage of licit crops will be over 150,000 and permanent. The two regions will enjoy improved communications and energy infrastructure, health and justice services, and more effective and responsive municipal government.

US Financing in Thousands of Dollars

Bolivia

511-005 Alternative Development	ACI	ESF	Plan Colombia
Through September 30, 2002			
Obligations	35,514	40,043	48,000
Expenditures	0	26,591	30,909
Unliquidated	35,514	13,452	17,091
Fiscal Year 2003			
Obligations	38,287	0	0
Expenditures	17,705	4,147	14,859
Through September 30, 2003			
Obligations	73,801	40,043	48,000
Expenditures	17,705	30,738	45,768
Unliquidated	56,096	9,305	2,232
Prior Year Unobligated Funds			
Obligations	0	0	0
Planned Fiscal Year 2004 NOA			
Obligations	38,500	0	0
Total Planned Fiscal Year 2004			
Obligations	38,500	0	0
Proposed Fiscal Year 2005 NOA			
Obligations	37,500	0	0
Future Obligations	142,500	0	0
Est. Total Cost	292,301	40,043	48,000

Data Sheet

USAID Mission:	Bolivia
Program Title:	Natural Resources Sustainably Managed
Pillar:	Economic Growth, Agriculture and Trade
Strategic Objective:	511-004
Proposed FY 2004 Obligation:	\$4,773,000 DA
Prior Year Unobligated:	\$0
Proposed FY 2005 Obligation:	\$5,083,000 DA; \$333,000 ESF
Year of Initial Obligation:	FY 1997
Year of Final Obligation:	FY 2008

Summary: To generate economic growth based on sound use of natural resources, USAID will finance technical assistance and training to: 1) promote sustainable forest management through improved community management and increased trade in forest products; 2) improve park and protected area management, fostering participation to create local benefits, particularly through tourism; and 3) help Bolivian industries become more efficient, more competitive, and less polluting through cleaner production practices. Forestry and cleaner production activities help prepare Bolivia for participation in the Free Trade Area of the Americas.

Inputs, Outputs, Activities:

FY 2004 Program:

Sustainable forest management (\$2,480,000 DA). USAID will provide technical assistance to communities to better manage their forests with continued attention to securing independent certification of forest management practices. Assistance to private sector companies will reduce their operating costs, help them become more competitive, and foster partnerships with communities and U.S. firms to increase sales of timber and non-timber forest products. Technical assistance will be provided to government institutions to develop and implement policies that support sustainable forest management. USAID will also support a communications activity to raise the national profile of the forestry sector. Prime implementers are The Nature Conservancy, the Amazonian Center for Sustainable Forest Enterprise, and the U.S. Forest Service.

Parks and protected area management (\$1,600,000 DA). USAID will provide technical assistance to local organizations (e.g., communities living in and around protected areas, indigenous groups, and local non-governmental organizations) in conserving the globally important eastern slope of the Andes and other key Bolivian protected areas. Activities include: 1) assistance to local communities to develop sustainable benefits from the protected areas through the development of income-generating activities, such as ecotourism; 2) fostering local participation in park management; (3) training local leaders in conflict management techniques; and (4) carrying out scientific research to inform management decisions. Prime implementers are Conservation International, The Nature Conservancy, the World Wildlife Fund, and the Wildlife Conservation Society.

Cleaner production practices by Bolivian industry (\$1,000,000 DA). Through technical assistance, training, and environmental audits of facilities, USAID will assist the private sector in adopting cleaner production technologies and practices. These methods have proven to increase operating efficiency, reduce production costs, and improve environmental performance, all of which contribute to improved competitiveness. USAID also will continue to train university students in cleaner production methods to help build the cadre of Bolivian professionals qualified to do audits. Prime implementers are the Center for the Promotion of Sustainable Technologies and PA Consulting.

FY 2005 Program:

Sustainable forest management (\$2,500,000 DA; \$2,000,000 ESF). Using DA, USAID will continue technical assistance in sustainable forest management, targeting community managed forests and private sector firms. ESF funds will be used to increase the competitiveness of the Bolivian private sector in the exporting of timber and non-timber forest products. A focus will be placed on continued certification of forest management and in providing value-added exports. Same implementers as above.

Parks and protected area management (\$2,273,000 DA). USAID will continue to provide technical assistance to local organizations to conserve the globally important eastern slope of the Andes and other key protected areas in Bolivia. The focus will continue to be on promoting conservation through the identification of local alternative income-generation activities. Same implementers as above.

Cleaner production practices by Bolivian industry (\$1,000,000 DA). USAID technical assistance and training in adopting cleaner production technologies will continue. Funds also may be used to support municipal environmental management systems. Prime implementers include the Center for the Promotion of Sustainable Technologies and a new recipient to be determined.

Performance and Results: As a result of investments catalyzed by USAID, Bolivia remains the global leader in tropical forest management, with almost 1.2 million hectares of forest independently (and voluntarily) certified as well-managed, with another million pending certification. Certified forestry remains one of the few relatively bright spots in Bolivia's economy; 2003 exports are estimated at \$15,000,000, more than a \$1,000,000 increase from 2002.

In 2003, with assistance from USAID, two indigenous communities were granted title to their territory. One community received title to 325,000 hectares of intact tropical forest and grassland critical for the conservation of Madidi National Park. The second received title to 297,000 hectares (another 350,000 hectares are pending) adjacent to Kaa-lyá National Park in the Bolivian Chaco, the largest protected area in Bolivia and one of the best examples of remaining dry tropical forest.

Through USAID's partnership with Bolivian industry, 52 industrial plants have adopted cleaner production practices. A sub-set of 14 companies made a one-time total investment of \$2.5 million to implement recommended improvements in their production systems. The improvements result in annual savings of \$1.5 million, in addition to the significant environmental benefits. Bolivian industries implementing cleaner production practices have become more competitive.

Fundación PUMA, established under the Enterprise for the Americas Initiative, is now a well-organized environmental fund, fulfilling its mission of funding natural resource management activities through grants to civil society organizations. The resources of Fundación PUMA, approximately \$17.5 million, will be a significant complement to USAID environmental programs in Bolivia.

Upon completion of the environment strategic objective, sustainable forestry management will be institutionalized through both private sector bodies and the strengthening of Government of Bolivia oversight agencies, such as the Superintendancy of Forests. Communities living in and around parks and protected areas will see increased income through diverse activities, consistent with sustainable resource management principals. Significant numbers of private industries will adopt technologies, lessening their negative impact on the environment while lowering operating costs.

US Financing in Thousands of Dollars

Bolivia

	DA	ESF
511-004 Natural Resources Sustainably Managed		
Through September 30, 2002		
Obligations	33,588	1,000
Expenditures	28,902	0
Unliquidated	4,686	1,000
Fiscal Year 2003		
Obligations	4,396	0
Expenditures	5,173	666
Through September 30, 2003		
Obligations	37,984	1,000
Expenditures	34,075	666
Unliquidated	3,909	334
Prior Year Unobligated Funds		
Obligations	0	0
Planned Fiscal Year 2004 NOA		
Obligations	4,773	0
Total Planned Fiscal Year 2004		
Obligations	4,773	0
Proposed Fiscal Year 2005 NOA		
Obligations	5,083	333
Future Obligations	17,319	0
Est. Total Cost	65,159	1,333

Data Sheet

USAID Mission:	Bolivia
Program Title:	Improved Health
Pillar:	Global Health
Strategic Objective:	511-003
Proposed FY 2004 Obligation:	\$15,302,000 CSH; \$13,000,000 PL 480
Prior Year Unobligated:	\$0
Proposed FY 2005 Obligation:	\$16,239,000 CSH; \$12,900,000 PL 480
Year of Initial Obligation:	FY 1998
Year of Final Obligation:	FY 2008

Summary: This Strategic Objective (SO) seeks to improve the health of the Bolivian population by improving individual, family, and community health practices; assisting local governments and non-governmental organizations (NGOs) to improve the quality and coverage of health services according to established technical norms and culturally acceptable standards; and helping central, departmental, and municipal governments to assume new, complementary roles in a decentralized and participatory health system. USAID's program supports the health sector priorities of the Government of Bolivia and focuses on reproductive and sexual health, child survival, HIV/AIDS, and other infectious diseases, with activities targeted for under-served populations (particularly in peri-urban and rural areas) and those at high risk for specific diseases.

Inputs, Outputs, Activities:

FY 2004 Program:

Improved health practices (\$3,774,800 CSH). USAID will continue to provide technical assistance and training to develop community-based activities that empower local groups to effectively demand quality health services; improve their own child survival rates and reproductive and sexual health; and prevent HIV/AIDS and other infectious diseases through improved health practices. Non-governmental organizations will be assisted to provide clinical and community health services. USAID will continue to support a reproductive health hotline and a health education materials clearinghouse. Prime implementers are PROSIN (within the Bolivian Government's Ministry of Health); the Coordination Program for Integrated Health (PROCOSI--a network of 36 non-governmental organizations); the Health Protection Association (PROSALUD--a non-governmental organization (NGO) operating the social marketing program); the Center for Research, Education and Services (CIES); the Communications Programs Center (CPC); and the P.L. 480 Title II partners: Adventist Development and Relief Agency, Save the Children Foundation, CARE, and Food for the Hungry International.

Improved quality and increased coverage of health networks (\$5,935,000 CSH). USAID will strengthen local immunization programs, increase coverage and quality of clinical services in priority areas, promote the prevention and control of infectious diseases, and improve disease surveillance, population research, and demographic analysis. These activities will improve the technical and administrative capacity of health program personnel and the logistics capacity of health networks. Prime implementers include PROSIN, PROCOSI, PROSALUD, CIES, Partners in Health, and the Title II partners.

Bolivian health system strengthened (\$2,692,200 CSH). USAID will provide technical assistance to regional and municipal health systems to increase their managerial capacity and technical competence. In addition, USAID will foster greater communication and collaboration among health officials, political leaders, and the community. Prime implementers include PROSIN, Partners in Health, PROCOSI, the Title II partners, and CODEPO (a project with the Ministry of Sustainable Development for population data collection, analysis, and use).

P.L. 480 Assistance. The objective of the Title II program is to systematically address immediate and underlying causes of childhood nutrition by improving household food security and strengthening child health care practices. The Title II program will enhance local capacities, increase access to key services, improve child care and feeding practices, and improve food security.

FY 2005 Program:

Improved health practices (\$4,621,500 CSH). USAID will continue to support effective behavior change communication programs, community mobilization activities for health, and enhanced support for grassroots NGOs and other organizations to improve community health practices. Prime implementing partners include: PROCOSI, Partners in Health, and PROSALUD.

Improved quality and increased coverage of health services (\$7,394,400 CSH). Activities to improve the quality and accessibility of health services will also be continued. Prime implementers include: PROSIN, PROCOSI, Partners in Health, and PROSALUD.

Improved government policies and administrative system (\$3,389,100 CSH). USAID will continue to support the decentralization of health services and local NGOs to promote community participation and oversight. Prime implementers include: PROCOSI, Partners in Health and PROSALUD.

P.L. 480 Title II resources will continue to support activities to improve child health, nutrition and household food security.

All family planning agreements will incorporate clauses that implement the President's directive reinstating the Mexico City Policy.

Performance and Results: As a result of USAID's interventions, there is greater use of modern methods of family planning (almost 334,000 couple-years of protection). Half of pregnant women received their first pre-natal consultation before the fifth month of pregnancy and a higher percentage (54%) of births were attended by trained personnel. A greater percentage (96%) of children under one year of age received their third pentavalent vaccine for protection against pertussis, tetanus, polio, hepatitis B, and Hemophilus Influenza B meningitis. Bolivians have greater access to quality health services. NGO networks have expanded their membership and geographic scope and have strengthened their internal management procedures and financial sustainability.

Upon completion of the health strategic objective, Bolivia will have a successfully institutionalized network of quality health services oriented toward maternal and child and reproductive health, and will maintain a regular program of child immunization, which will maintain immunization levels above 80%. Communities, particularly in previously under-served areas, will be better able to identify their own health needs and problems and effectively demand appropriate, high-quality health services.

US Financing in Thousands of Dollars

Bolivia

511-003 Improved Health	CSH	DA	ESF	PL 480
Through September 30, 2002				
Obligations	39,086	31,666	0	0
Expenditures	23,181	29,463	0	0
Unliquidated	15,905	2,203	0	0
Fiscal Year 2003				
Obligations	15,939	0	2,000	0
Expenditures	10,483	1,579	0	0
Through September 30, 2003				
Obligations	55,025	31,666	2,000	0
Expenditures	33,664	31,042	0	0
Unliquidated	21,361	624	2,000	0
Prior Year Unobligated Funds				
Obligations	0	0	0	0
Planned Fiscal Year 2004 NOA				
Obligations	15,302	0	0	10,000
Total Planned Fiscal Year 2004				
Obligations	15,302	0	0	10,000
Proposed Fiscal Year 2005 NOA				
Obligations	16,139	0	0	15,096
Future Obligations	46,215	0	0	38,700
Est. Total Cost	132,681	31,666	2,000	63,796

Data Sheet

USAID Mission:	Bolivia
Program Title:	Democracy
Pillar:	Democracy, Conflict and Humanitarian Assistance
Strategic Objective:	511-XXX
Proposed FY 2004 Obligation:	\$3,500,000 ACI; \$1,709,000 DA
Prior Year Unobligated:	\$0
Proposed FY 2005 Obligation:	\$4,500,000 ACI; \$2,739,000 DA; \$2,667,000 ESF
Year of Initial Obligation:	FY 2004
Year of Final Obligation:	FY 2008

Summary: USAID's program will help to increase confidence in Bolivia's democratic institutions and processes. The program provides technical assistance and training to achieve the following results: 1) key justice sector institutions are more transparent, efficient, and accessible; 2) political representatives are more responsive to citizen demands; 3) local governments are more effective and efficient in responding to increased citizen demands; and 4) anti-corruption efforts yield more transparent and effective government.

Inputs, Outputs, Activities:

FY 2004 Program:

Administration of justice/rule of law (\$1,000,000 ACI). USAID will provide technical assistance to the justice sector institutions and the Bolivian Congress to consolidate criminal justice reform; implement institutional reforms; and provide training to justice system operators to increase effectiveness, improve efficiency, and promote transparency. Public education campaigns and civil society advocacy will promote citizen participation in, access to, and sustainability of justice system reforms. In light of the recent social unrest and subsequent democratic crisis, priority initiatives include technical assistance to the constitutional committee of Congress on a Constitutional Assembly and establishment of pilot justice centers in the most conflictive areas of the country (El Alto, Chapare, and Yungas). The prime implementers are Management Sciences for Development and Partners of the Americas.

Institutional strengthening of the national legislature (\$1,750,000 DA). USAID will intensify its technical assistance and training to focus on key Congressional concerns that have surfaced due to the recent democratic crisis, including: single district Congressional representatives to interact effectively with their constituents; the women legislators' caucus; and indigenous legislators. The program will provide technical assistance and training to democratize internal party structures; improve internal party communications; strengthen communication between parties and society; and promote civic education activities. Technical assistance and training will also be provided to help increase indigenous participation in the democratic process and for conflict resolution activities. Prime implementers are the National Democratic Institute, International Republican Institute, State University of New York (SUNY), and the Organization of American States.

Local government capacity building (\$1,200,000 ACI). Technical assistance and training will be provided to strengthen municipal management; increase local revenue collection; and improve basic service provision and planning capacity. The participatory municipal governance model will be expanded to include women and other under-represented groups and will be disseminated for use in urban areas. Technical assistance will be provided to municipalities to better promote economic growth through innovative use of their own purchasing power and through developing projects in partnership with local employers of all sizes. The sustainability of inter-municipal organizations will be promoted. The prime contractor is the International City/County Management Association.

Anti-corruption (\$1,300,000 ACI). USAID will provide technical assistance and training to create an integrated capacity within the Government of Bolivia to recognize, denounce, and successfully prosecute corruption. Activities will focus on strengthening enforcement institutions in the investigation and prosecution of acts of corruption; supporting civil society organizations to monitor, make known and challenge corrupt practices; enhancing institutional capacity and government leadership; and promoting implementation of a law that addresses greater access to information. Prime implementers are Casals and Associates and the Carter Center.

FY 2005 Program:

Administration of justice/rule of law (\$4,200,000 ACI). USAID will continue the activities identified above and initiate a new program to promote the transparency, consistency, and predictability of judicial decision-making in the commercial, administrative, and civil arena to increase confidence in the country's business climate. The prime implementer will be Partners of the Americas.

Institutional strengthening of the national legislature (\$2,500,000 DA; \$800,000 ESF). Technical assistance and training activities described above will continue to be provided to further strengthen the national legislature. The implementers are the same as above.

Local government capacity building (\$1,900,000 ESF). Technical assistance and training will continue to enhance the capacity of local government in areas described above. The implementers are the same as above.

Anti-corruption (\$1,300,000 ESF; \$300,000 ACI). Technical assistance and training will continue to be provided for anti-corruption activities described above. The implementers are the same as above.

Performance and Results: The Bolivian Code of Criminal Procedures (CCP) moved Bolivia to an oral, accusatory criminal justice system that is significantly more transparent, efficient, and participatory. Through USAID's support, trial time has been dramatically reduced, the legislative capacity of Congress has been enhanced and the courts' capacity to monitor judicial performance and combat corruption has been improved. Under the Congressional component, 52 outreach mechanisms have been implemented. USAID has also helped Congress implement 17 public hearings covering all nine departments. USAID has assisted the women legislators' caucus in the successful passage of two laws on their agenda: the Domestic Workers law and the Free Rural Registration Law. Implementation of a local participation model has dramatically increased citizen participation in municipal governance, including budget meetings and other key decision-making fora. Four departmental municipal associations are now generating revenues that account for between 20% and 40% of their operating budgets. A municipal government transparency program has led to 108 municipalities presenting current and accurate financial statements. USAID has assisted in creating 37 municipal websites and in developing electronic systems for municipal procurement.

With the completion of this strategic objective, key Bolivian Government institutions will operate more effectively and transparently, and be more responsive to legitimate citizen demands. Elected representatives will be better able to represent the needs of their constituents at the national level. Administration of justice will be more fair, equitable, transparent, and expeditious. Corruption in governance will be reduced and prosecuted when exposed. The overall impact of these changes will be a much greater confidence by citizens in their political system and institutions of government, consolidating Bolivia's democracy through a high degree of public legitimacy.

US Financing in Thousands of Dollars

Bolivia

511-XXX Democracy	ACI	DA	ESF
Through September 30, 2002			
Obligations	0	0	0
Expenditures	0	0	0
Unliquidated	0	0	0
Fiscal Year 2003			
Obligations	0	0	0
Expenditures	0	0	0
Through September 30, 2003			
Obligations	0	0	0
Expenditures	0	0	0
Unliquidated	0	0	0
Prior Year Unobligated Funds			
Obligations	0	0	0
Planned Fiscal Year 2004 NOA			
Obligations	3,500	1,709	0
Total Planned Fiscal Year 2004			
Obligations	3,500	1,709	0
Proposed Fiscal Year 2005 NOA			
Obligations	4,500	2,739	2,667
Future Obligations	10,500	7,500	12,000
Est. Total Cost	18,500	11,948	14,667