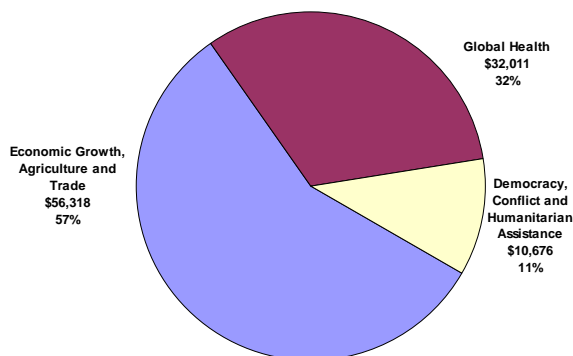
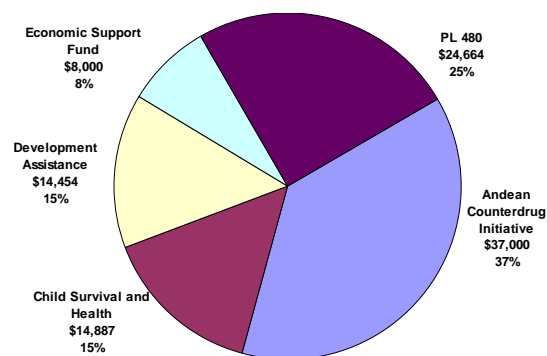


Bolivia

FY 2006 Assistance by Sector



FY 2006 Assistance by Account



Objectives and Budget

Objective	SO Number	FY 2004	FY 2005	FY 2006
Increased Economic Opportunities	511-002	8,550	9,002	12,735
Improved Health	511-003	14,570	16,495	14,887
Natural Resources Sustainably Managed	511-004	4,773	6,036	3,896
Integrated Development	511-005	35,260	37,200	34,000
Balance of Payments Support	511-006	8,000		
Democracy	511-007	5,589	8,560	8,823
PL 480 Title II		22,276	16,802	24,664
Total (in thousands of dollars)		99,018	94,095	99,005

Administrative Expenses and Workforce

Administrative Expenses	FY 2004	FY 2005	FY 2006
Mission Allocation	4,332	4,033	4,187
USDH Salaries & Benefits	2,192	1,962	2,004
Program Funds	2,003	2,103	2,103
Total (in thousands of dollars)	8,527	8,098	8,294

FY 2006 Workforce



Mission Director: Liliana Ayalde

Bolivia

The Development Challenge: While the political prognosis for Bolivia at the beginning of 2004 was grim, following the forced resignation of President Gonzalo Sanchez de Lozada in the face of a massive social revolt, the country has maintained a remarkable, if precarious, political and economic stability. De Lozada's successor, President Carlos Mesa, skillfully parlayed his high personal approval rating into broad public support for a controversial national referendum on Bolivia's vast natural gas reserves. The export of natural gas is vital to the Bolivian Government's (GOB) ability to overcome its severe, recurring fiscal deficits. The GOB adopted a strict austerity plan that significantly reduced its expenditures, consistent with donor advice.

However, the Mesa Government finds itself increasingly stymied by powerful, organized opposition to needed reforms, and by a large and growing fiscal deficit that severely hampers its ability to meet even the most basic demands for services. Last December's municipal elections reveal a highly fragmented political environment that makes coalition-building to carry out a coherent national development program very difficult. Corruption is widespread. Road blockades and strikes by various groups force the GOB into ad-hoc agreements that play havoc with planning. Much needed foreign direct investment is in suspense pending the outcome of the Congressional debate on a new hydrocarbons law that will govern property rights and taxation in Bolivia's potentially lucrative energy sector. The law is seen by outside investors as a bellwether of GOB attitudes toward business. Current versions are widely viewed by potential investors as fundamentally anti-business.

The economy, while beginning to recover from its recent five-year slump, still requires extensive restructuring and considerable direct investment, for which there is little capital domestically, and some painful policy reforms, for which there is scant political will. Bolivia's small domestic market is not large enough to foment significant, broad-based economic and employment growth. The preponderance of employment in the low-skill informal-sector and the lack of sufficient financial intermediation for small and microenterprises further limit the economy's growth potential. Enterprises can grow through external markets, but to do so must significantly increase their competitiveness. Bolivia must seek broader and permanent opportunities to export, particularly to the United States, and make further commercial reforms; hence the importance of joining a free-trade agreement with the United States. Bolivia's agricultural sector, while limited by low productivity, uncertain land tenure, and a poor road network, has demonstrated an ability to compete in niche markets abroad. Much work still needs to be done, however, in increasing productivity and product quality, and in developing marketing networks.

High levels of poverty and a consistent pattern of social and political exclusion of the indigenous majority persist. Almost 60% of the Bolivian population is poor, with correspondingly low levels of education, health and nutrition. Infant mortality stands at 67.5 per thousand live births, and 26% of children under three years old are chronically malnourished. Diseases such as malaria, tuberculosis, leishmaniasis, and yellow and dengue fever are widespread. Health services in rural areas are very sparse and poorly equipped and staffed. The GOB's fiscal difficulties limit its ability to expand services, making it imperative that private providers and nongovernmental organizations take a much larger role in increasing the amount and quality of, and access to, health services, particularly in rural areas.

Bolivia is extraordinarily rich in natural resources, yet severe, widespread rural poverty creates stresses on the environment as the poor exploit these resources in an unsustainable manner. Water pollution and soil erosion and degradation are widespread and serious. The GOB lacks the capacity to effectively manage these resources; therefore, communities and the private sector must take on a larger and more responsible role.

Illegal coca replanting for the international narcotics trade is a constant challenge to Bolivia's counter-narcotics strategy. According to U.S. and United Nations figures, the trend towards increased coca cultivation that began in 2001, primarily in the Yungas region, has continued in their most recent surveys. The illegal coca issue requires close and continuous attention and adroit U.S. Government (USG) and GOB coordination to avoid the rollback of gains in economic and social development made to date in coca-growing areas. Alternative development programs must address the coca issue holistically,

addressing problems caused by weak or absent state institutions and the lack of basic public services, as well as the need for economically viable alternatives for coca farmers.

The USAID Program: The five objectives for which USAID is requesting FY 2005 and FY 2006 funds focus on: 1) improving the responsiveness and transparency of national and local governance and the justice system; 2) increasing economic opportunities for the poor through business development, trade, and improved agricultural productivity; 3) improving health practices and the quality of, and access to, health services; 4) sustainably managing natural resources and biodiversity; and 5) promoting licit income alternatives for rural farm families to reduce excess coca production in targeted areas. USAID's programs directly address the root causes of the violent conflict in October 2003 and focus on the indigenous population, especially in conflict-prone geographic areas such as the city of El Alto. USAID's programs also seek to increase state presence in underserved rural and urban areas. "State presence" refers to the presence of the government as a legal authority and arbiter, service provider (including health, education, and basic infrastructure), and enforcer of law.

Other Program Elements: USAID's Office of Private and Voluntary Cooperation funds child survival projects implemented by four U.S. private voluntary organizations under the Democracy, Conflict and Humanitarian Assistance Bureau (DCHA). DCHA also funds a political party training activity. The Economic Growth, Agriculture and Trade Bureau provides grants to U.S. nongovernmental organizations to expand financial services and a Farmer-to-Farmer program that provides short-term, volunteer technical assistance to increase farm and agribusiness productivity; funds an adult literacy program; and supported the 2003 Demographic and Health Survey. The Centers for Excellence in Teacher Training activity, managed by the Latin America and Caribbean Bureau's Office of Regional Sustainable Development (LAC/RSD), provides teacher training. LAC/RSD also manages a grant to fight trafficking in persons. The Global Development Alliance (GDA) office supports sustainable forestry through the Bolivian Chamber of Forestry. A new GDA activity for the Andean region will improve cocoa production in the Yungas in partnership with the U.S. chocolate industry. USAID's South America Regional program managed from USAID/Peru promotes trade capacity-building and malaria control activities.

Other Donors: Within Bolivia, USAID is the largest bilateral donor, and the fourth largest overall donor, after the Andean Development Corporation, the World Bank, and the Inter-American Development Bank, all of which provide concessionary loans as opposed to grants. With respect to possible future assistance, Bolivia has been selected as eligible to bid for funds under the Millennium Challenge Account (MCA); however, the GOB has yet to complete a compact to receive MCA funds. Eighteen multilateral and bilateral donors and nine United Nations agencies provide an average of \$500 million annually in concessional loans and donations to Bolivia. Principal areas of donor coordination are health, education, democracy and poverty reduction. The donors' assistance programs are based on the 2001 Bolivian Poverty Reduction Strategy Paper, which is being updated with donor input, and the GOB's Plan of Action.

Bolivia
PROGRAM SUMMARY

(in thousands of dollars)

Accounts	FY 2003 Actual	FY 2004 Actual	FY 2005 Current	FY 2006 Request
Andean Counterdrug Initiative	41,727	41,740	41,664	37,000
Child Survival and Health Programs Fund	18,594	14,570	16,495	14,887
Development Assistance	12,082	12,032	11,198	14,454
Economic Support Fund	10,000	8,400	7,936	8,000
ESF - Wartime Supplemental	2,000	0	0	0
PL 480 Title II	31,547	22,276	16,802	24,664
Total Program Funds	115,950	99,018	94,095	99,005

STRATEGIC OBJECTIVE SUMMARY

511-001 Democracy				
ACI	3,500	0	0	0
DA	2,500	0	0	0
511-002 Increased Economic Opportunities				
ACI	0	3,000	0	0
DA	4,650	5,550	5,002	7,785
ESF	0	0	4,000	4,950
511-003 Improved Health				
CSH	18,594	14,570	16,495	14,887
ESF	0	0	0	0
ESF - Wartime Supplemental	2,000	0	0	0
511-004 Natural Resources Sustainably Managed				
DA	4,932	4,773	4,100	3,896
ESF	0	0	1,936	0
511-005 Integrated Development				
ACI	38,227	35,260	37,200	34,000
511-006 Balance of Payments Support				
ESF	10,000	8,000	0	0
511-007 Democracy				
ACI	0	3,480	4,464	3,000
DA	0	1,709	2,096	2,773
ESF	0	400	2,000	3,050

Mission Director,
Liliana Ayalde

Data Sheet

USAID Mission:	Bolivia
Program Title:	Increased Economic Opportunities
Pillar:	Economic Growth, Agriculture and Trade
Strategic Objective:	511-002
Status:	Continuing
Planned FY 2005 Obligation:	\$5,002,000 DA; \$4,000,000 ESF
Prior Year Unobligated:	\$0
Proposed FY 2006 Obligation:	\$7,785,000 DA; \$4,950,000 ESF
Year of Initial Obligation:	1998
Estimated Year of Final Obligation:	2009

Summary: USAID aims to increase the income of Bolivia's poor by improving the efficiency of financial institutions and selected educational facilities, supporting market-based agricultural development, and helping the Bolivian public and private sector expand exports and take advantage of international trade agreements. Under the food security program, USAID will introduce new technologies, effective food security assessment tools, and training materials to increase yields, and reduce storage losses.

Inputs, Outputs, Activities:

FY 2005 Program: Strengthen Financial Sector's Contribution to Economic Growth (\$1,595,000 DA). USAID will provide technical assistance to promote policy dialogue on overcoming obstacles and distortions to the efficient development of the financial sector. USAID will focus on limiting the use of financial policies and programs to achieve non-financial objectives that can threaten the viability of the financial sector. Technical assistance will also reinforce microfinance industry innovation and consolidation of successes. Activities include helping regulatory entities build their capacity to regulate and supervise microfinance institutions and developing a secured transactions law. Principal contractors and grantees are Development Associates Inc. (prime) and the World Council of Credit Unions (prime).

Increase Agricultural Productivity (\$2,433,000 DA). USAID will provide technical assistance and training to support the adoption of new technologies to increase production and sales of primary commodities for small producers. This assistance will improve small producers' access to markets, thereby raising rural household incomes. USAID will continue work in the Valleys area of Bolivia and increase activity in the Altiplano region. Principal contractor is Chemonics International (prime).

Improve the Quality of Basic Education (\$891,000 DA). One of the major causes of low labor productivity and high unemployment in the Altiplano and El Alto are low levels of literacy and numeracy skills. USAID will provide technical assistance and commodities to improve primary school facilities, including school libraries in El Alto and the Altiplano. Funds will also be used for the development and distribution of educational materials in support of sustainable economic growth. This new program component will help to improve the quality of instruction, educational outcomes, and eventually the employability and income of students. Principal contractor is to be determined.

Increase Participation in Global Trade and Investment (\$83,000 DA, \$4,000,000 ESF). Using ESF, USAID will provide technical assistance and training to improve the business environment and competitiveness of firms by taking advantage of opportunities under the Andean Trade Promotion and Drug Eradication Act. Support will be provided for labor intensive, nontraditional exports in sectors in which Bolivia has a natural competitive advantage or trade preferences. Regional competitiveness hubs will be developed to enhance business skills. Assistance and training to small and medium businesses will improve productivity and competitiveness and link them to markets. Assistance to businesses, associations, and communities on the use of the Internet and other electronic media will help augment their exports. All ESF-funded support is targeted directly to private enterprises to generate income, reduce poverty and mitigate conflicts. DA resources will be used to provide technical assistance to the Government of Bolivia (GOB) on joining a bilateral and/or multilateral free trade agreement and on trade policy issues. Principal contractors are Chemonics International, with others to be determined.

Increase Food Security of Vulnerable Populations. 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. USAID will organize farmers' groups and marketing associations, and deepen existing partnerships with communities and municipalities. Cooperating sponsors are the Adventist Development and Relief Agency, Food for the Hungry International, CARE, and Save the Children.

FY 2006 Program: Strengthen Financial Sector's Contribution to Economic Growth (\$3,001,000 DA). USAID plans to provide technical assistance to promote policy dialogue to develop an inclusive market-based financial system emphasizing innovation and consolidation of the microfinance sector. Principal contractor is Development Associates Inc.

Increase Agricultural Productivity (\$3,766,000 DA). USAID plans to continue providing technical assistance and training to increase rural household incomes through technological change and improved access to markets in the Valleys and Altiplano regions. USAID also plans to provide technical assistance to improve sanitary and phytosanitary standards and other issues related to agricultural trade. Principal contractor to be determined.

Improve the Quality of Basic Education (\$900,000 DA). USAID plans to continue providing technical assistance and commodities to improve primary school facilities, including school libraries in El Alto and the Altiplano areas. Development and distribution of educational material will also continue. Principal contractor to be determined.

Increase Participation in Global Trade and Investment (\$118,000 DA, \$4,950,000 ESF). USAID plans to fund technical assistance and training to help Bolivia take advantage of international trade agreements. ESF will continue to be used to support private enterprises in priority value-added export sectors. DA-funded technical assistance to the GOB will help address free trade agreement and policy issues. Principal contractor to be determined.

Increase Food Security of Vulnerable Populations. The P.L. 480 Title II program will continue to enhance the effectiveness of agriculture, income generation, and community development activities with emphasis on the poorest, most food-insecure areas. New cooperating sponsors are to be determined.

Performance and Results: In FY 2004, USAID engaged financial regulatory and private sector institutions in policy discussions on the need for an enabling regulatory framework to expand markets. Working with rural credit unions, USAID made significant progress in linking services from Bolivian and international institutions into a network to provide liquidity, savings, money transfers, check clearing and remittances. USAID assistance generated \$11.7 million in non-traditional exports and contributed significantly to the \$166 million increase in non-traditional exports at the national level. In addition, Bolivia's international trade negotiation capacities were strengthened. USAID also supported outreach events sponsored by the exporters' chambers to educate and inform about trade issues while providing opportunities for interaction between Bolivian government negotiators, civil society and the private sector.

USAID assisted 16,000 families in ten commodity chains, with beneficiary households' income increasing by an average of 15% per year. Farmers now export fresh produce to Canada, Brazil, Japan, Argentina, Uruguay, United States, and United Kingdom. USAID helped strengthen the sanitary and phytosanitary standards of the Bolivian National Service of Animal and Plant Health and Food Safety. The P.L. 480 Title II program increased food security in rural Altiplano and Valleys communities by combining rural income-generating activity with sustainable natural resource management. The average annual gross income of rural households increased from \$808 in FY 2003 to \$862 in FY 2004.

Upon the completion of this program, several thousand farm families will have achieved significant, permanent increases in income through more and better products and through market linkages inside and outside Bolivia. Bolivia's artisan exporters will have established long-term export markets that generate permanent jobs. Affordable credit will be available nationwide for small and micro-entrepreneurs. The relative attractiveness of illicit coca cultivation will have been reduced.

US Financing in Thousands of Dollars

Bolivia

511-002 Increased Economic Opportunities	ACI	DA	ESF
Through September 30, 2003			
Obligations	3,000	26,429	4,973
Expenditures	0	20,551	1,524
Unliquidated	3,000	5,878	3,449
Fiscal Year 2004			
Obligations	3,000	4,525	0
Expenditures	622	4,809	3,415
Through September 30, 2004			
Obligations	6,000	30,954	4,973
Expenditures	622	25,360	4,939
Unliquidated	5,378	5,594	34
Prior Year Unobligated Funds			
Obligations	0	0	0
Planned Fiscal Year 2005 NOA			
Obligations	0	5,002	4,000
Total Planned Fiscal Year 2005			
Obligations	0	5,002	4,000
Proposed Fiscal Year 2006 NOA			
Obligations	0	7,785	4,950
Future Obligations	0	19,020	21,000
Est. Total Cost	6,000	62,761	34,923

Data Sheet

USAID Mission:	Bolivia
Program Title:	Improved Health
Pillar:	Global Health
Strategic Objective:	511-003
Status:	Continuing
Planned FY 2005 Obligation:	\$16,495,000 CSH
Prior Year Unobligated:	\$0
Proposed FY 2006 Obligation:	\$14,887,000 CSH
Year of Initial Obligation:	1998
Estimated Year of Final Obligation:	2009

Summary: USAID seeks to improve the health of Bolivians by promoting behavior change and community empowerment; expanding the delivery of high impact, cost-effective interventions that address key public health problems; and building sustainable service delivery in both the public and nongovernmental sectors. USAID's program provides technical assistance and training in reproductive health/family planning, child health and nutrition, HIV/AIDS, and other infectious diseases (i.e. tuberculosis, malaria, leishmaniasis, Chagas, and dengue fever).

All family planning assistance agreements will incorporate clauses that implement the U.S. President's directive restoring the Mexico City Policy.

Inputs, Outputs, Activities:

FY 2005 Program: Support Family Planning Programs (\$6,386,000 CSH). USAID will provide technical assistance to improve the quality and coverage of high-impact reproductive health and family planning services at the clinical and community level. USAID will support social marketing of contraceptives and activities that promote behavior change to reduce unintended pregnancy and improve reproductive behavior. Principal contractors and grantees: A U.S. contractor, to be selected (prime) and a variety of nongovernmental organizations (NGOs) that provide clinical and community-based health services and client education (prime).

Build Health Systems Capacity (\$3,547,000 CSH). USAID will provide training and technical assistance to help the Ministry of Health, NGOs, and local governments develop the necessary skills to provide consistent, high-quality service delivery through improved planning, resource allocation and management, and performance monitoring and evaluation. Principal contractor and grantees to be selected. Title II cooperating sponsors are CARE, Adventist Development and Relief Agency, Food for the Hungry International, and Save the Children (all prime).

Prevent and Control Infectious Diseases of Major Importance (\$2,237,000 CSH). USAID will provide technical assistance and training to promote behavior change; improve infectious disease surveillance systems; perform epidemiologic and entomologic research; increase laboratory capacity; mobilize community resources; and improve the quality of diagnosis and treatment of infectious diseases. Contractors and grantees: U.S. contractor, to be selected, and a variety of local NGOs (all prime).

Improve Child Survival, Health, and Nutrition (\$2,777,000 CSH). USAID will provide technical assistance to improve the quality and coverage of high impact child health and nutrition services at the clinical and community level. Using P.L. 480 Title II funds, USAID will systematically address immediate, underlying causes of childhood malnutrition 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. Principal contractors and grantees: U.S. contractor, to be selected; local NGOs; and Title II Cooperating Sponsors (all prime).

Reduce Transmission and Impact of HIV/AIDS (\$688,000 CSH). USAID will provide technical assistance to support behavior change activities and social marketing of condoms. Technical assistance will be used

to improve the quality and coverage of HIV/AIDS prevention services at the clinical and community level, including voluntary counseling and testing. Principal contractor and grantees to be selected.

Improve Maternal Health and Nutrition (\$858,000 CSH). USAID will provide technical assistance to improve the quality and coverage of a basic package of maternal health services at the clinical and community level. Principal contractors and grantees: U.S. contractor, to be selected; local NGOs; and EngenderHealth (all prime).

FY 2006 Program: Working with the same partners in each program element as described for the FY 2005 program, USAID will expand the health program to a total of 100 municipalities.

Support Family Planning Programs (\$4,757,000 CSH). USAID will continue to provide technical assistance and training to emphasize behavior change and for contraceptive social marketing activities. Technical assistance will help improve reproductive health and family planning services in clinics and communities.

Build Health Systems Capacity (\$3,287,000 CSH). USAID will continue to provide training, technical assistance, and financial support to strengthen health systems in the public and non-profit health sectors.

Prevent and Control Infectious Diseases of Major Importance (\$2,170,000 CSH). USAID will continue to provide technical assistance to implement interventions which improve prevention, diagnosis, and treatment of infectious diseases.

Improve Child Survival, Health, and Nutrition (\$3,039,000 CSH). USAID will continue to undertake behavior change and contraceptive social marketing activities. Technical assistance will continue to improve child health and services at the clinical and community level. P.L 480 Title II activities to improve child care and feeding practices, and for better food security, will also continue.

Reduce Transmission and Impact of HIV/AIDS (\$695,000 CSH). USAID will provide technical assistance to continue support for behavior change, social marketing, and other activities for HIV/AIDS prevention and surveillance.

Improve Maternal Health and Nutrition (\$939,000 CSH). USAID will continue to enhance behavior change and contraceptive social marketing activities and will provide technical assistance to improve maternal health services at the clinical and community level.

Performance and Results: As a result of this program, there is greater use of modern family planning methods (over 368,000 couple-years of protection during FY 2004). More than half (54%) of pregnant women received their first pre-natal consultation before the fifth month of pregnancy and a higher percentage (62%) of births were attended by trained personnel. Seventy-seven percent of children under one year of age received their third dose of the pentavalent vaccine for protection against pertussis, tetanus, polio, hepatitis B, and Hemophilus influenza. USAID began supporting voluntary counseling and testing services as part of its HIV prevention activities and 391 people were tested in FY 2004. USAID supported 31 community projects during FY 2004, enabling a broader participation in health activities. Bolivian NGO networks expanded their geographic coverage and continue to make progress in strengthening their management procedures and financial sustainability.

Upon completion of the health program, Bolivia's population will be better able to address the factors compromising their health, resulting in more healthful behaviors and environments. The coverage and quality of public health interventions will be improved; and, the capacity of the public sector and NGOs to deliver and manage quality decentralized health services will be enhanced.

US Financing in Thousands of Dollars

Bolivia

511-003 Improved Health	CSH	DA	ESF
Through September 30, 2003			
Obligations	55,025	31,666	2,000
Expenditures	33,664	31,042	0
Unliquidated	21,361	624	2,000
Fiscal Year 2004			
Obligations	10,389	-6	0
Expenditures	10,287	2,689	0
Through September 30, 2004			
Obligations	65,414	31,660	2,000
Expenditures	43,951	33,731	0
Unliquidated	21,463	-2,071	2,000
Prior Year Unobligated Funds			
Obligations	0	0	0
Planned Fiscal Year 2005 NOA			
Obligations	16,495	0	0
Total Planned Fiscal Year 2005			
Obligations	16,495	0	0
Proposed Fiscal Year 2006 NOA			
Obligations	14,887	0	0
Future Obligations	46,200	0	0
Est. Total Cost	142,996	31,660	2,000

Data Sheet

USAID Mission:	Bolivia
Program Title:	Natural Resources Sustainably Managed
Pillar:	Economic Growth, Agriculture and Trade
Strategic Objective:	511-004
Status:	Continuing
Planned FY 2005 Obligation:	\$4,100,000 DA; \$1,936,000 ESF
Prior Year Unobligated:	\$0
Proposed FY 2006 Obligation:	\$3,896,000 DA
Year of Initial Obligation:	1998
Estimated Year of Final Obligation:	2008

Summary: To generate economic growth based on sound use of natural resources, USAID employs a three-pronged strategy to: 1) promote sustainable management of natural forests through improved community management and increased trade in forest products; 2) improve park and protected area management, fostering local participation to increase awareness and generate economic benefits, particularly through tourism and the valuation of environmental services; and 3) help industries become more efficient, more competitive, and less polluting through cleaner production practices. Both forestry and cleaner production activities seek to improve the competitiveness of Bolivian industry and products.

Inputs, Outputs, Activities:

FY 2005 Program: Improve Sustainable Management of Natural Resources and Biodiversity Conservation (\$3,800,000 DA, \$1,936,000 ESF). Using DA, USAID will provide technical assistance to communities to better manage their forests, with continued attention to securing independent certification of forest management practices. Increased involvement of the private sector will be promoted through the creation of public-private alliances. Technical assistance will help government institutions to develop and implement policies that support sustainable forest management. USAID will support a communications campaign to raise the national profile of the forestry sector. ESF funding will be used to assist private sector companies to reduce their operating costs, become more competitive, and foster partnerships with communities and U.S. firms to increase sales of timber and non-timber forest products. Working in partnership with international nongovernmental organizations (NGOs), USAID will also provide technical assistance to communities living in and around protected areas, indigenous groups, and local NGOs in conserving the critically biodiverse eastern slope of the Andes and other key Bolivian protected areas. Principal grantees are the Nature Conservancy, the Amazonian Center for Sustainable Forest Enterprise, the U.S. Forest Service, the World Wildlife Fund, the Wildlife Conservation Society, and Tahuamanu SA.

Reduce, Prevent and Mitigate Pollution (\$300,000 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 been proven to increase operating efficiency, reduce production costs, and improve environmental performance, all of which contribute to improved competitiveness in the marketplace. The program will continue to train university students in cleaner production methods to help build the cadre of Bolivian professionals qualified to do audits, and will capture lessons learned from the many years of performing industrial audits by publishing a series of environmental audit how-to manuals for industry experts. Principal contractors and grantees are the Center for the Promotion of Sustainable Technologies and PA Consulting.

FY 2006 Program: Improve Sustainable Management of Natural Resources and Biodiversity Conservation (\$3,596,000 DA). USAID will continue technical assistance in sustainable forest management, targeting community managed forests and private sector firms. A focus will be placed on certification of forest management and in promoting value-added forest-product exports. Through a new consolidated program, USAID will continue to provide technical assistance to local organizations to conserve the critically biodiverse eastern slope of the Andes and other key protected areas in Bolivia. The focus will continue to be on valuing conservation and sustainable development and use of forest

resources through identification of local alternative income-generation activities. Principal contractors and grantees are the Nature Conservancy, Amazonian Center for Sustainable Forest Enterprise, and the U.S. Forest Service.

Reduce, Prevent and Mitigate Pollution (\$300,000 DA). USAID will provide technical assistance to expand the benefits of industrial clean production to include municipal environmental management. USAID will continue to work with industries in improving their internal environmental performance. Technical assistance will be provided to address environmental issues associated with where the industries are located through support of municipal governments and other local institutions. Principal contractors and grantees 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 1.6 million hectares independently and voluntarily certified as well managed, with another 700,000 pending certification. Additionally, certified forestry is one of the few relatively bright spots in Bolivia's economy; 2004 exports are estimated to be \$20 million, a more than \$5 million increase from 2003.

In FY 2004, significant gains were made in promoting tourism and eco-tourism activities. As examples, Chalalan EcoLodge, a community-managed and operated effort in Madidi National Park, was cited as one of the premier jungle experiences by National Geographic Traveler. The community of San Miguel del Bala has ceased subsistence hunting to concentrate community efforts on new eco-tourism venture. These efforts are directly linked with conservation at some of Bolivia's most important protected areas and all provide economic benefits to local communities.

Through USAID's partnership with Bolivian industry, a total of 64 industrial plants have adopted cleaner production practices through December 2004. A sub-set of 43 companies have been environmentally audited for cleaner production practices.

In a little over one year of operations, Fundación PUMA, the environmental foundation established through a debt-for-nature swap under the Enterprise for the Americas Initiative, is fulfilling its mission of funding natural resource management activities through grants to civil society organizations. In its first year of activity, Fundación PUMA approved over 25 projects for almost \$1.7 million in grants to community based groups. The resources of Fundación PUMA, which come to about \$17.5 million, are a significant complement to USAID environmental programs in Bolivia.

In 2004, USAID established an alliance to develop Bolivia's first wood collection, processing, and distribution center. Total investment including cash and in-kind contributions by alliance members is close to \$5 million. The facility is expected to be in operation by April 2005 in time for the seasonal timber harvest.

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 enjoy increased income through diverse activities, consistent with sustainable resource management principals. Significant numbers of private industries will adopt new 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, 2003		
Obligations	37,984	1,000
Expenditures	34,075	666
Unliquidated	3,909	334
Fiscal Year 2004		
Obligations	4,018	0
Expenditures	2,367	93
Through September 30, 2004		
Obligations	42,002	1,000
Expenditures	36,442	759
Unliquidated	5,560	241
Prior Year Unobligated Funds		
Obligations	0	0
Planned Fiscal Year 2005 NOA		
Obligations	4,100	1,936
Total Planned Fiscal Year 2005		
Obligations	4,100	1,936
Proposed Fiscal Year 2006 NOA		
Obligations	3,896	0
Future Obligations	16,770	0
Est. Total Cost	66,768	2,936

Data Sheet

USAID Mission:	Bolivia
Program Title:	Integrated Development
Pillar:	Economic Growth, Agriculture and Trade
Strategic Objective:	511-005
Status:	Continuing
Planned FY 2005 Obligation:	\$37,200,000 ACI
Prior Year Unobligated:	\$0
Proposed FY 2006 Obligation:	\$34,000,000 ACI
Year of Initial Obligation:	2005
Estimated Year of Final Obligation:	2009

Summary: USAID's integrated development program provides technical assistance and training that complements the Bolivian Government's illegal and excess coca eradication and interdiction efforts. An integrated package of interventions is aimed at increasing licit sustainable economic development, underpinned by strengthened democratic and social development in coca growing and associated areas.

Inputs, Outputs, Activities:

FY 2005 Program: Develop and Expand Alternative Development). The program will be implemented through the following activities:

Increase Private Sector Growth (\$12,246,000 ACI). USAID will provide technical assistance to remove constraints to more efficient rural enterprises in the Chapare and Yungas regions through a market-led approach. Strengthening the competitiveness of selected product chains will be facilitated. Principal contractors to be determined.

Improve Sustainable Management of Natural Resources and Biodiversity Conservation (\$1,590,000 ACI). Technical assistance and training will be provided to approximately 1,000 new families in vulnerable areas including isolated buffer zones neighboring protected national parks. This assistance is intended to block the migration of coca cultivation to these areas of the Chapare and Yungas regions. Principal grantee is the United Nations' Food and Agriculture Organization.

Protect and Increase the Assets and Livelihood of the Poor during Periods of Stress (\$1,590,000 ACI). USAID will continue providing assistance to entities involved in land titling for about 16,000 families in the Chapare. Principal contractor is Chemonics International.

Expand and Improve Access to Economic and Social Infrastructure (\$19,464,000 ACI). USAID will provide technical assistance for community development in the Yungas and Chapare to improve social and economic conditions. USAID will support the Government of Bolivia's coca reduction strategy through road, electrification and gas initiatives in coca growing regions. Principal grantees are the National Rural Electric Cooperative Association, and the Rural Roads Authority.

Build Health System Capacity (\$1,080,000 ACI). USAID will continue to provide technical assistance and training to reduce disease in underserved communities of the Chapare and Yungas regions. Assistance will focus on: reliable diagnosis and treatment for diseases and accidental injuries; public education to prevent disease spread; and cure and follow-up services for patients. Limited resources will also be used to improve child survival and reproductive health, dental health and the management and technical capabilities of local health networks. Principal contractors and grantees to be determined.

Support Democratic Local Governance and Decentralization (\$1,230,000 ACI). USAID will provide technical assistance to enhance the capacity of selected Yungas and Chapare municipalities to respond to the needs of underserved communities. Administrative, financial management, leadership, and business planning capacity will be strengthened, and decision-making roles in the development of the region enhanced. Principal contractor is the International City/County Management Association (prime).

FY 2006 Program: Develop and Expand Alternative Development. USAID plans to implement the following activities in the Chapare and Yungas regions. Contractors and grantees are not expected to change.

Increase Private Sector Growth (\$13,057,000 ACI). USAID will continue to provide technical assistance for competitiveness related activities to increase licit value, employment and income for around 5,000 new families. Efforts will be focused on service providers, trade systems and exporters.

Improve Sustainable Management of Natural Resources and Biodiversity Conservation (\$1,915,000 ACI). USAID will provide technical assistance and training to approximately 1,000 new families to increase family income through sustainable forestry and agro-forestry practices.

Protect and Increase the Assets and Livelihood of the Poor During Periods of Stress (\$911,000 ACI). USAID will provide technical assistance to land titling entities to issue approximately 4,000 titles.

Expand and Improve Access to Economic and Social Infrastructure (\$14,850,000 ACI). USAID will continue to provide technical assistance to improve social and economic conditions in the Chapare and Yungas regions. USAID will also finance road maintenance and improvement and expand electrification/gas services to benefit approximately 12,000 families.

Build Health System Capacity (\$1,414,000 ACI). USAID will continue to provide technical assistance and training to improve the health of residents by enhancing the public health system and private networks to address pressing health needs and manage health threats.

Support Democratic Local Governance and Decentralization (\$939,000 ACI). USAID will continue strengthening municipalities through technical assistance, training and capacity building.

Protect Human Rights and Equal Access to Justice (\$914,000 ACI). USAID will provide technical assistance through at least two integrated justice centers to provide residents with broad access to justice and knowledge about their rights and responsibilities.

Performance and Results: In the Chapare, USAID assisted 28,291 farm families through September 2004. The area of licit crops planted increased from 135,342 hectares in 2003 to 143,887 in 2004. The annual income for assisted families increased to approximately \$2,390, which is \$961 higher than farm income generated by families that did not receive support. The value of licit crops leaving the Chapare for the first nine months of 2004 was \$33.2 million, 25% higher than in 2003. The value of private sector investment increased to \$85 million in 2004. Bridge and road improvement/maintenance continued. The presence of the state also has been increased by financing health, land titling and administration of justice activities in closer collaboration with municipal governments.

In the Yungas, close to 10,000 families received assistance for improved harvest and post-harvest techniques increasing their income by 40%. Electrical distribution lines, road construction and maintenance, and bridge construction was completed. A new justice center is providing access to justice with 200 cases having been resolved. Health services and student scholarships are being provided.

By the end of the strategy period in 2009, 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 Integrated Development	ACI	ESF	Plan Colombia
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
Fiscal Year 2004			
Obligations	35,272	0	0
Expenditures	37,535	7,970	1,617
Through September 30, 2004			
Obligations	109,073	40,043	48,000
Expenditures	55,240	38,708	47,385
Unliquidated	53,833	1,335	615
Prior Year Unobligated Funds			
Obligations	0	0	0
Planned Fiscal Year 2005 NOA			
Obligations	37,200	0	0
Total Planned Fiscal Year 2005			
Obligations	37,200	0	0
Proposed Fiscal Year 2006 NOA			
Obligations	34,000	0	0
Future Obligations	142,500	0	0
Est. Total Cost	322,773	40,043	48,000

Data Sheet

USAID Mission:	Bolivia
Program Title:	Democracy
Pillar:	Democracy, Conflict and Humanitarian Assistance
Strategic Objective:	511-007
Status:	New in FY 2004
Planned FY 2005 Obligation:	\$4,464,000 ACI; \$2,096,000 DA; \$2,000,000 ESF
Prior Year Unobligated:	\$0
Proposed FY 2006 Obligation:	\$3,000,000 ACI; \$2,773,000 DA; \$3,050,000 ESF
Year of Initial Obligation:	2004
Estimated Year of Final Obligation:	2009

Summary: USAID's program will increase confidence in Bolivia's democratic institutions and processes. The program provides technical assistance and training in order that: 1) 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) anticorruption efforts yield more transparent and effective government. State presence will be increased, especially in the Chapare and Yungas regions where illicit coca is grown.

Inputs, Outputs, Activities:

FY 2005 Program: Strengthen Democratic Political Parties (\$306,000 DA, \$550,000 ESF). Using DA, USAID will provide technical assistance in the analysis of issues to be discussed during the Constituent Assembly in reform of the Bolivian constitution. USAID will support the Congress in research, bill drafting, and discussion of key legislation. Assistance will be provided to newly formed citizen groups and indigenous communities that now participate in elections. Citizen education for democracy will continue, particularly aimed at high school students. Using ESF, USAID will work through a local nongovernmental organization (NGO) to: 1) consolidate and expand assistance to indigenous leaders within civil society organizations, focusing on conflict-prone regions; 2) enhance the participation of indigenous leaders in democratic processes; and 3) increase the understanding of emerging civil society indigenous leaders about political, economic, and social issues. ESF will also be used to complete two national democratic values surveys to assess the state of Bolivia's democracy as perceived by its citizenry, particularly in light of ongoing political and social instability around the country. These surveys will be used to help ensure that appropriate strategies are implemented by the U.S. Government. Survey results are also publicized to the broader Bolivian public. Implementing entities to be determined.

Support Democratic Local Government and Decentralization (\$1,100,000 DA). Technical assistance and training will strengthen municipal management, increase local revenue collection, and improve basic service provision and planning capacity in non-coca growing areas of Bolivia. The participatory municipal governance model will be expanded to include women and other under-represented groups and will be implemented in selected municipalities, with emphasis on economic development. The prime contractor is the International City/County Management Association (ICMA).

Protect Human Rights and Equal Access to Justice (\$640,000 DA, \$1,450,000 ESF). DA will be used to fund technical assistance and training to replicate justice centers in non-coca growing, underserved areas of Bolivia. ESF will be used to support civil society organizations in monitoring and reporting on justice sector reform, including implementation of the Code of Criminal Procedures and the transparent appointment of court officials. Implementing entity to be determined.

Develop and Expand Alternative Development (\$4,464,000 ACI). Technical assistance and training will be provided to strengthen justice sector institutions, create the capacity within the Government of Bolivia to investigate and prosecute public corruption, strengthen the capacity of civil society organizations to create a solid base for advocacy for justice and other democratic reforms, and to strengthen local governance. USAID will also provide technical assistance and training to Congress, the Judiciary and universities to undertake commercial and administrative law reform. Anticorruption activities will include

support for task forces to prosecute high profile corruption cases including narco-trafficking related cases such as money laundering. Activities are aimed at increasing the presence of the state and the responsiveness of government and community organization to address the needs of people living in coca growing and associated areas. Prime contractors and grantees are Partners of the Americas, ICMA, Casals and Associates, and others to be determined.

FY 2006 Program: Promote and Support Anticorruption Reforms (\$123,000 DA). USAID plans to consolidate and replicate special Bolivian Government task forces created to help in the investigation and prosecution of major corruption cases. Implementing entity to be determined.

Support Democratic Local Government and Decentralization (\$2,650,000 DA, \$1,050,000 ESF). Using DA, USAID plans to provide technical assistance and training to strengthen municipal management, increase local revenue collection, and improve basic service provision and planning capacity in non-coca growing areas of Bolivia. ESF is planned to be used to further expand and consolidate the participatory municipal governance model in additional municipalities, working with civil society and community groups. Prime contractors are ICMA and the Municipal Association Federation (a local organization).

Strengthen Democratic Political Parties (\$3,000,000 ESF). USAID plans to provide technical assistance in revising regulations to improve legislative functions and to assist political parties and/or citizen groups that demonstrate potential as long-term actors and show the political will to modernize. Implementing entity to be determined.

Develop and Expand Alternative Development (\$3,000,000 ACI). USAID plans to continue providing technical assistance to consolidate criminal justice system reforms, including commercial, administrative and civil reforms. Technical assistance and training is planned to enhance access to justice through continued support for integrated justice centers in the most conflictive and remote areas of the country, including the Yungas and Chapare regions where illicit coca is grown. Technical assistance to civil society organizations will expand a solid domestic base for wider and more sustainable civil society advocacy capacity to promote justice and other democratic reforms. Activities are aimed at providing strong government presence involving citizen participation to counter the negative effects that illicit activities have on democracy. Implementing entity to be determined.

Performance and Results: USAID's assistance has reduced the average length of criminal trials from seven to 18 months and the average cost from \$2,400 to \$600. Eight justice centers are providing conflict resolution and other justice services to underserved populations. USAID is assisting municipal governments to increase transparency and social inclusion in their management processes and promote economic development more effectively. Assistance was provided to the Congress in drafting and approval of legislation aimed at enacting new participatory initiatives, and constituent outreach mechanisms have been developed. A political party strengthening activity successfully involved all parties and several citizen groups that are participating in elections for the first time. A manual on democratic values for high school students was approved by the Ministry of Education. USAID also assisted in the establishment of task forces in three districts of the country to investigate and prosecute corruption cases. With the completion of this program, key Bolivian Government institutions will operate more effectively and transparently, and be more responsive to legitimate citizen demands. Citizens will have a much greater confidence in their political system and institutions of government. State presence will have increased, especially in the Chapare and Yungas regions where illicit coca is grown.

US Financing in Thousands of Dollars

Bolivia

511-007 Democracy	ACI	DA	ESF
Through September 30, 2003			
Obligations	0	0	0
Expenditures	0	0	0
Unliquidated	0	0	0
Fiscal Year 2004			
Obligations	3,480	1,684	400
Expenditures	0	0	0
Through September 30, 2004			
Obligations	3,480	1,684	400
Expenditures	0	0	0
Unliquidated	3,480	1,684	400
Prior Year Unobligated Funds			
Obligations	0	0	0
Planned Fiscal Year 2005 NOA			
Obligations	4,464	2,096	2,000
Total Planned Fiscal Year 2005			
Obligations	4,464	2,096	2,000
Proposed Fiscal Year 2006 NOA			
Obligations	3,000	2,773	3,050
Future Obligations	10,500	7,500	13,000
Est. Total Cost	21,444	14,053	18,450