

Bolivia

The Development Challenge: In recent decades, Bolivia has made significant progress in overcoming its long history of political and economic instability. Among the gains are 20 uninterrupted years of democracy and 17 years of far-reaching and fundamental economic reforms. USAID has closely supported this process through its assistance program and continuous policy dialogue. In spite of this progress, significant levels of poverty and social exclusion remain. Currently, about 58% of the Bolivian population lives in poverty, and 24% lives in extreme poverty. Rural poverty remains over 80%. Economic growth and job creation are lagging due to, among other things, limited financial intermediation, poor productive infrastructure, lack of access to technology and markets, and low levels of education. The economic crisis has been exacerbated by problems in neighboring Argentina and Brazil, which have had a spill-over effect on the Bolivian economy. The crisis and its attendant problems are becoming a threat to the democratic process and economic stability that Bolivia has been trying to maintain for the past two decades. Despite important progress in social indicators, Bolivia still has the second highest level of infant, child and maternal mortality in the hemisphere. Land tenure and water rights are becoming the most contentious issues 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 continuing attention to inhibit the resurgence of major social and political conflict within Bolivia.

U.S. foreign policy priorities in Bolivia emphasize supporting Bolivian democracy and counter-narcotics efforts. A stable democracy is a necessary condition for continued success in combating narcotics production and trafficking. Bolivia is also a committed U.S. ally in the war on terrorism.

The USAID Program: The Data Sheets provided below cover the six strategic objectives for which USAID is requesting funds. These objectives concentrate on improving the responsiveness and transparency of local governance and the justice system, increasing economic opportunities for poor rural populations through business development and trade, improving health practices and services, sustainably managing natural resources and biodiversity, promotion of licit income alternatives for rural farm families to reduce excess coca production, and increasing confidence in democratic institutions and methods of conflict resolution. USAID intends to implement activities under a new strategic objective in the area of democratic governance that will replace the current democracy and governance program. The Data Sheets describe in more detail the specific new activities to be funded by FY 2004 appropriations. USAID will use \$19.2 million of the FY 2004 budget request to fund the new strategic objective in the area of democratic governance, and the remaining amount for fund ongoing efforts.

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 Resolution and Humanitarian Assistance Bureau. These PVOs are Medical Care Development International, Save the Children, and the International Eye Foundation. All projects are in under-served rural areas of Bolivia where child health is at greatest risk. Also under this Bureau is a political party training activity implemented by the National Democratic Institute. 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 provides funding to ALFALIT for an adult literacy program. The Center for Excellence in Teacher Training, managed by the Latin America and Caribbean Bureau's Office of Regional Sustainable Development and USAID/Peru provides teacher training.

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) members. The United States and Japan are the largest bilateral donors. The donors' assistance is organized around the Bolivian Poverty Reduction Strategy Paper and the Government of Bolivia's Plan of Action. USAID is an active player in donor coordination and will continue to take a leadership role 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 2001 Actual	FY 2002 Actual	FY 2003 Prior Request	FY 2004 Request
Andean Counterdrug Initiative	0	39,600	42,000	42,000
Child Survival and Health Programs Fund	6,598	19,690	18,513	14,402
Development Assistance	25,098	12,853	12,230	11,380
Economic Support Fund	1,995	10,000	10,000	8,000
PL 480 Title II	15,918	19,566	21,525	21,655
Total Program Funds	49,609	101,709	104,268	97,437

STRATEGIC OBJECTIVE SUMMARY

511-001 Democracy				
ACI	0	4,000	3,500	0
DA	2,850	2,500	2,500	0
ESF	1,995	4,000	3,500	0
511-002 Increased Economic Opportunities				
DA	3,576	3,500	4,650	4,550
ESF	0	5,000	5,500	4,800
PL 480	6,367	8,556	8,610	8,655
511-003 Improved Health				
CSH	6,598	19,690	18,513	14,402
DA	13,271	0	0	0
PL 480	9,551	11,010	12,915	13,000
511-004 Natural Resources Sustainably Managed				
DA	5,401	6,853	5,080	5,080
ESF	0	1,000	1,000	0
511-005 Alternative Development				
ACI	0	35,600	38,500	38,500
511-XXX Democracy				
ACI	0	0	0	3,500
DA	0	0	0	1,750
ESF	0	0	0	3,200

Data Sheet

USAID Mission:	Bolivia
Program Title:	Democracy
Pillar:	Democracy, Conflict and Humanitarian Assistance
Strategic Objective:	511-001
Status:	Continuing
Proposed FY 2003 Obligation:	\$2,500,000 DA; \$3,500,000 ESF; \$3,500,000 INC
Prior Year Unobligated:	\$0
Proposed FY 2004 Obligation:	\$0
Year of Initial Obligation:	FY 1992
Estimated Completion Date:	FY 2004

Summary: USAID's program to increase citizen support for the Bolivian democratic system includes a mix of technical assistance and training for criminal justice system reform, a more representative Congress, and improved local governance.

Inputs, Outputs, Activities:

FY 2003 Program:

A more representative Congress (\$2,500,000 DA). Technical assistance will foster better relations between Congressional representatives and their constituents by increasing the representatives' ability to respond to constituent interests and concerns. The diverse nature of the new Congress reflects the myriad political and development issues representatives must address. The prime implementer is the State University of New York.

Improve local governance (\$3,500,000 ESF). Technical assistance is intended to support municipal governments to strengthen their role in Bolivia's development, and will focus on citizen participation, which has remained at very high levels due in large part to USAID-developed participative methodologies. Chemonics International (prime).

Implementation of the Code of Criminal Procedures (CCP) (\$3,500,000 INC). USAID will continue support to implement the new CCP, which has been in full effect since June 2001. It is expected that the new CCP will continue to reduce delays in the administration of justice. Management Sciences for Development (prime).

FY 2004 Program:

No obligations are planned in FY 2004. A new program in support of the Bolivian democratic system will start in FY 2004 as described in Strategic Objective No. 511-XXX.

Performance & Results: As a result of USAID assistance, there have been about three oral trials per day throughout Bolivia since the implementation of the new CCP. This is in contrast to the previous system where trials were conducted under the written, inquisitive system, which was highly conducive to corruption and delays due to the lack of transparency and efficiency. The CCP has contributed to the democratization of justice with more than 1,300 citizens having gone through the selection process for citizen judges from June 2001 to June 2002. Twenty five percent of those were selected to preside over oral trials. These citizen judges serve during trial cases along with a technical judge. Justice system efficiency has also improved under the new CCP; whereas, in the past, the typical criminal case took more than three years to process. Cases are now being processed from investigation to sentencing in less than a year.

Citizen satisfaction with municipal government remained high according to the 2002 data from the Democracy Values Survey (DVS). The latest DVS data demonstrated dramatic differences between USAID supported municipalities and the average Bolivian municipality in terms of satisfaction with

municipal responses, citizen demands made on local governments, and public participation in budget meetings. In 2002, two USAID-sponsored pilot efforts to improve women's participation in municipal meetings to discuss the annual budget and work plan also yielded impressive results. Women's participation increased from 18 to 63 women out of a total of 118 participants, in one case, and from 24 to 106 women out of a total of 132 participants in the other. The model will now be integrated into all of USAID's municipal participation efforts. In 2002, USAID provided assistance to 175 municipalities nationwide through a network of municipal associations and sub-regional organizations.

The USAID-sponsored internet portal for Bolivian municipalities has recently been officially adopted by the Ministry of Municipal Development and the National Federation of Municipal Associations as their primary instrument for providing municipal information and communication via the internet. The portal is on the verge of launching an important on-line auction of municipal supplies, which will make the acquisition of these supplies less expensive and more transparent. If successful, these auctions have the potential to generate revenue for sustaining the portal.

This year's congressional elections brought about a large-scale (77%, or 121 out of 157 Congress members) turnover in the Congress. USAID's legislative strengthening program adapted successfully to this transition and continued to provide an important vehicle for improving the relationship between district representatives and their constituencies. During the period prior to elections, several constituent outreach methodologies were developed and tested, including public hearings, regional caucus or brigade meetings, and encounters between the single-member district Deputy with constituents. An important accomplishment has been the official recognition by the Congress of these USAID-developed participation instruments. The USAID-supported program promoted their approval during the previous Congress, which enabled full implementation after the elections.

Continued progress under this program will mean that by the end of 2004, there will be increased citizen support for the Bolivian democratic system, including the judicial branch, legislative branch and municipal governments. Single-district representatives will be holding frequent meetings with their constituents to be more responsive to their needs; up to 35 such encounters will be held each year by 2004. Citizens will be participating more actively in municipal meetings, with up to 17% of the population participating in meetings to discuss their municipalities' annual operating plan and at least 50% of the population expressing satisfaction with the performance of their local governments. The judicial branch will have greatly improved the efficiency of the justice system by greatly reducing the time to process criminal cases, down to less than a year, from investigation to sentencing. More than 60% of the population will be aware of the new, improved criminal procedures code.

US Financing in Thousands of Dollars

Bolivia

511-001 Democracy	ACI	DA	ESF	Plan Colombia
Through September 30, 2001				
Obligations	6,588	19,662	10,245	2,000
Expenditures	5,518	13,829	8,200	0
Unliquidated	1,070	5,833	2,045	2,000
Fiscal Year 2002				
Obligations	3,974	2,500	3,940	0
Expenditures	0	3,519	1,410	0
Through September 30, 2002				
Obligations	10,562	22,162	14,185	2,000
Expenditures	5,518	17,348	9,610	0
Unliquidated	5,044	4,814	4,575	2,000
Prior Year Unobligated Funds				
Obligations	0	0	0	0
Planned Fiscal Year 2003 NOA				
Obligations	3,500	2,500	3,500	0
Total Planned Fiscal Year 2003				
Obligations	3,500	2,500	3,500	0
Proposed Fiscal Year 2004 NOA				
Obligations	0	0	0	0
Future Obligations	0	0	0	0
Est. Total Cost	14,062	24,662	17,685	2,000

Data Sheet

USAID Mission:	Bolivia
Program Title:	Increased Economic Opportunities
Pillar:	Economic Growth, Agriculture and Trade
Strategic Objective:	511-002
Status:	Continuing
Proposed FY 2003 Obligation:	\$4,650,000 DA; \$5,500,000 ESF; \$8,610,000 PL 480
Prior Year Unobligated:	\$0
Proposed FY 2004 Obligation:	\$4,550,000 DA; \$4,800,000 ESF; \$8,655,000 PL 480
Year of Initial Obligation:	FY 1995
Estimated Completion Date:	FY 2008

Summary: USAID's program to increase the income of Bolivia's poor will provide technical assistance and training for increasing financial services to the poor; improving production and marketing of agricultural commodities; and increasing trade and Bolivia's competitiveness.

Inputs, Outputs, Activities:

FY 2003 Program:

Increased access to financial services in underserved areas (\$2,650,000 DA). USAID will fund technical assistance to microfinance institutions to strengthen their capacity to expand their client base and generate sufficient profits to ensure sustainability, to develop the supervisory capacity of the Superintendency of Banks and Financial Institutions, and to create an all-inclusive credit referencing system. USAID will also initiate programs to strengthen Bolivia's network of rural credit unions. USAID will also support the use of Development Credit Authority guarantees for two microfinance institutions to expand their portfolio of micro-credit loans. The prime contractor is Development Associates Inc.

Increased access to agriculture technology and marketing services (\$2,000,000 DA). USAID will 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. The prime contractor is Chemonics International.

Increased trade capacity and competitiveness (\$5,500,000 ESF). USAID will support the Bolivian Trade and Business Competitiveness (BTBC) program, that builds Bolivia's capacity to participate in, and take advantage of, the increasingly globalized world trading system. This will be the first year of an initial phase of a program to build the country's trade capacity. Contractors/grantees will be determined through a competitive process.

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 (CS) will also continue organizing large numbers of farmer groups and marketing associations. The CSs will form new and deepen existing partnerships with communities and municipalities that participate in the Title II program. The prime implementers are Adventist Development and Relief Agency, Food for the Hungry International, CARE and Save the Children.

FY 2004 Program:

Increased Access to Financial Services in Underserved Areas (\$2,550,000 DA). USAID will provide technical assistance to microfinance institutions to increase access of microentrepreneurs to financial services, to enhance the solvency and efficiency of microfinance institutions, and to diversify services by developing new non-credit products.

Increased Access to Agriculture Technology and Marketing Services (\$2,000,000 DA). USAID will provide technological services to farmers to increase yields and improve their access to markets, thereby raising household incomes.

Increased Trade Capacity and Competitiveness (\$4,800,000 ESF). The BTBC will continue initial trade building capacity activities and USAID will initiate the second, more comprehensive phase of this program.

Improved Agricultural Technologies for Increased Food Security. The P.L. 480 Title II development food aid program will buttress the Strategic Objectives of USAID/Bolivia, enhancing the effectiveness of agriculture, income generation and community development activities while targeting the Bolivian poor.

Performance & Results: As a result of USAID activities supporting access to financial services, the number of deposit accounts has increased from 68,386 to 104,875 (53% increase) over the past year. The number of rural borrowers with an active loan was 114,565. Over 65% of the recipients of these loans were women. Despite the economic and financial crisis affecting Bolivia, microfinance institutions performed better than other financial intermediaries, such as commercial banks and credit unions, in terms of loan portfolio quality, solvency, and profitability. For example, 14.8% of microfinance loans were in arrears compared to 18.7% of commercial bank loans.

Under the market access and poverty alleviation activity, 2,190 rural households received technological and marketing services, of which 64% have fully adopted new technologies and accessed markets. The income of Bolivia's poor farmers receiving USAID agricultural assistance in onion production increased from an annual average of \$1,034 to \$1,428 in FY 2002 (a 38% increase). Sales by beneficiaries at the farm level have increased on average by 27% from \$879 in 2001 to \$1,118 in 2002.

The Title II program is working with approximately 94,000 families to increase income via technical assistance in production and marketing and infrastructure improvements.

Continued progress under this program will mean that by the end of FY 2008 USAID's activities will have contributed to the income of Bolivia's poor increasing by 15% for participating rural families. USAID-assisted microfinance institutions will be providing credit services to over 250,000 rural households and deposit services to 200,000 poor Bolivians. In addition, 15,000 rural households will have access to technology and market services and sales of products at farm gate will have increased by 25%. 20 commodity sub-sectors will be established or improved. In addition, Bolivia will be better positioned to take advantage of export trade preferences granted under the Andean Trade Preference and Drug Eradication Act and under the Free Trade Area of the Americas scheduled to take effect in 2006.

US Financing in Thousands of Dollars

Bolivia

511-002 Increased Economic Opportunities	ACI	CSH	DA	ESF
Through September 30, 2001				
Obligations	0	0	19,696	5,893
Expenditures	0	0	11,765	5,859
Unliquidated	0	0	7,931	34
Fiscal Year 2002				
Obligations	52	26	3,526	4,939
Expenditures	0	0	3,902	26
Through September 30, 2002				
Obligations	52	26	23,222	10,832
Expenditures	0	0	15,667	5,885
Unliquidated	52	26	7,555	4,947
Prior Year Unobligated Funds				
Obligations	0	0	0	0
Planned Fiscal Year 2003 NOA				
Obligations	0	0	4,650	5,500
Total Planned Fiscal Year 2003				
Obligations	0	0	4,650	5,500
Proposed Fiscal Year 2004 NOA				
Obligations	0	0	4,550	4,800
Future Obligations	0	0	18,600	24,000
Est. Total Cost	52	26	51,022	45,132

Data Sheet

USAID Mission:	Bolivia
Program Title:	Improved Health of the Bolivian Population
Pillar:	Global Health
Strategic Objective:	511-003
Status:	Continuing
Proposed FY 2003 Obligation:	\$18,513,000 CSH; \$12,915,000 PL 480
Prior Year Unobligated:	\$0
Proposed FY 2004 Obligation:	\$14,402,000 CSH; \$13,000,000 PL 480
Year of Initial Obligation:	FY 1998
Estimated Completion Date:	FY 2008

Summary: USAID 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) improve the quality and increase the coverage of health services according to established technical norms and culturally acceptable standards. USAID will help the relevant central, departmental and municipal government agencies to assume new, complementary roles in a decentralized and participatory health system. USAID's program supports and complements the health-sector priorities of the new Government of Bolivia (GOB) and focuses on reproductive and sexual health, child survival, infectious diseases and HIV/AIDS, giving priority to underserved (particularly peri-urban and rural) populations and those at a highest risk of specific diseases.

Inputs, Outputs, Activities:

FY 2003 Program:

Improved health practices by individuals, family and the community (\$6,447,000 CSH). USAID will support community-based activities that will empower community groups to effectively demand quality health services and to improve their own health and nutrition through improved health practices in areas related to child survival, reproductive and sexual health, HIV/AIDS and infectious diseases. The Title II program will also expand the reach of these activities. The prime implementers are PROSIN (within the GOB's Ministry of Health); PROCOSI (a network of 24 NGOs); the local NGOs ProSalud, Center for Education, Investigation and Services (CIES) and the Center for Communication Programs (CPC); and Population Services International.

Improved quality and increased coverage of health networks (\$10,210,000 CSH). This program will bolster the national immunization program, institutionalize the integrated management of childhood illness. The program will also reinforce reproductive and sexual health services, promote the prevention and control of infectious diseases, and increase coverage and quality of services. USAID will also work to improve disease surveillance, population research and demographic analysis. These activities involve improving the technical and administrative capacity of personnel, as well as strengthening the logistic capacity of the health networks. P.L. 480 Title II resources will also support these activities. The prime implementers are PROSIN, PROCOSI, ProSalud, and CIES.

A decentralized, participatory and equitable Bolivian health system (\$1,856,000 CSH). USAID will provide technical assistance to municipalities in increasing their managerial capacity and establishing mechanisms to strengthen the health network. These activities will complement the municipal capacity-building activities. PROSIN and PROCOSI (all prime).

Child health and survival. USAID will use P.L. 480 Title II resources to provide technical assistance to address the immediate and underlying causes of childhood malnutrition by improving household food security and strengthening childcare practices. To improve health and nutrition conditions, the Title II program will raise local capacities at all levels, increase access to key services and improve child care and feeding practices. PROSIN and PROCOSI (all prime).

Continued progress under this program will mean that by the end of FY 2008, USAID maternal and child health activities will have contributed extensively to reductions of at least 40% in maternal mortality and 35% in infant mortality, while reproductive health activities will bring about an increase to 60% in contraceptive prevalence. USAID support to improved access to and quality of public health services will lead to measurable decreases in the transmission of major infectious diseases. USAID's activities to combat the spread of HIV/AIDS will result in its continued containment, so that the epidemic remains in the nascent stage in Bolivia.

FY 2004 Program:

Health practices (\$6,048,000 CSH). USAID may expand activities to improve community health practices contingent upon the results of a new program to promote community participation in health services.

Improved quality and increased coverage of health networks (\$7,906,000 CSH). Activities to improve the quality and accessibility of health services will continue.

Decentralized, participatory and equitable Bolivian health system (\$984,000 CSH). USAID will continue support to the decentralization of health services and to local NGOs to promote community participation and oversight.

Child health and survival. The program will continue to improve child health, nutrition and household food security using P.L. 480 Title II resources which are principally aimed at improving health practices, and increasing the coverage of health services.

Performance & Results: As a result of USAID's interventions, more women are demanding and receiving timely medical services, such as prenatal consultation before the fifth month of pregnancy and more births are assisted by trained personnel. Demand for contraception has increased. More parents are recognizing the need for, and demanding, vaccination for their children. Bolivia has continued to be free of polio and measles for the last two years and there has been a marked reduction in the incidence of other preventable diseases. Furthermore, USAID's leadership role and status as a major donor in HIV/AIDS prevention has played a key role in maintaining Bolivia's low infection rate. USAID has also strengthened the diagnosis and prevention of infectious disease such as malaria through operations research, prevention, diagnosis and treatment activities. USAID-sponsored activities have been in the forefront of efforts to strengthen municipalities' capacity to manage decentralized health services, and in organizing community participation in, and oversight of, health services. The new government, recognizing USAID's successful leadership in this field, has already requested its support in setting up norms and implementing strategies that will strengthen local health systems.

Continued progress under this program will mean that by the end of FY 2008 USAID maternal and child health activities will have contributed extensively to reductions of at least 40% in maternal mortality and 35% in infant mortality. Reproductive health activities will bring about an increase to 60% in contraceptive prevalence. USAID support to improved access to and quality of public health services will lead to measurable decreases in the transmission of major infectious diseases. USAID's activities to combat the spread of HIV/AIDS will result in the continued containment of the epidemic.

US Financing in Thousands of Dollars

Bolivia

	CSH	DA
511-003 Improved Health		
Through September 30, 2001		
Obligations	48,408	122,799
Expenditures	39,963	108,599
Unliquidated	8,445	14,200
Fiscal Year 2002		
Obligations	18,604	250
Expenditures	5,719	11,775
Through September 30, 2002		
Obligations	67,012	123,049
Expenditures	45,682	120,374
Unliquidated	21,330	2,675
Prior Year Unobligated Funds		
Obligations	0	0
Planned Fiscal Year 2003 NOA		
Obligations	18,513	0
Total Planned Fiscal Year 2003		
Obligations	18,513	0
Proposed Fiscal Year 2004 NOA		
Obligations	14,402	0
Future Obligations	61,620	0
Est. Total Cost	161,547	123,049

Data Sheet

USAID Mission:	Bolivia
Program Title:	Natural Resources Sustainably Managed
Pillar:	Economic Growth, Agriculture and Trade
Strategic Objective:	511-004
Status:	Continuing
Proposed FY 2003 Obligation:	\$5,080,000 DA; \$1,000,000 ESF
Prior Year Unobligated:	\$0
Proposed FY 2004 Obligation:	\$5,080,000 DA
Year of Initial Obligation:	FY 1997
Estimated Completion Date:	FY 2008

Summary: To generate economic growth based on sound natural resources use, USAID will finance technical assistance and training to: 1) promote sustainable forest management through 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 implement cleaner production practices, becoming more efficient and competitive, and less polluting. Forestry and cleaner production activities help prepare Bolivia for participation in the Free Trade Area of the Americas.

Inputs, Outputs, Activities:

FY 2003 Program:

Promoting sustainable forest management through trade in forest products (\$3,001,000 DA, \$1,000,000 ESF). USAID will provide technical assistance to communities to manage their forests, assist companies to reduce their costs, become more competitive, and partner with communities and international (U.S.) firms to grow sales, and assist government institutions to implement policies that support forest management. USAID will also initiate a new forestry effort, which will consolidate the gains made in the sector. The prime implementers are Chemonics International, the Amazonian Center for Sustainable Forest Enterprise, and the U.S. Department of Agriculture's Forest Service.

Improving park and protected area management (\$979,000 DA). USAID will provide technical assistance to local organizations in conserving the globally important eastern slope of the Andes. USAID will assist local communities to develop income-generating activities, develop sustainable benefits from lands, foster local participation in park management, train local leaders in conflict management techniques and help resolve conflicts over land, and carry out research to inform management decisions. The prime implementers are Conservation International, The Nature Conservancy, the World Wildlife Fund, and the Wildlife Conservation Society.

Implementation of cleaner production practices by Bolivian industry (\$500,000 DA). USAID will provide technical assistance and training to assist the private sector in adopting cleaner production technologies which simultaneously increase efficiency and reduce costs. The prime implementer is the Center for the Promotion of Sustainable Technologies.

FY 2004 Program:

Promoting sustainable forest management (\$2,400,000 DA). USAID will continue technical assistance in sustainable forest management.

Improving park and protected area management (\$2,180,000 DA). USAID will continue to provide technical assistance to local organizations to conserve the globally important eastern slope of the Andes.

Implementation of cleaner production practices by Bolivian industry (\$500,000 DA). USAID technical assistance and training in adopting cleaner production technologies will continue.

Performance & Results: As a result of investments catalyzed by USAID, Bolivia has become the global leader in tropical forest management, with 983,260 hectares of forests independently (and voluntarily) certified as well managed. Certified forestry remains one of the few relatively bright spots in Bolivia's economy. While Bolivian exports as a whole fell, the value of certified forest products exported increased from \$17,433 in 1996 to \$13,362,393 in 2002.

USAID's forestry program has made impressive gains: 943,715 hectares of forest are now managed by municipal associations, 499,309 hectares are under local peasants' organizations management (about 64% more than last year's 302,676 hectares), and 444,406 hectares are managed by indigenous groups (also about 44% more than last year's 308,765 hectares). USAID is helping communities organize themselves, manage their forests, and work productively with the private sector to create tangible local benefits. Working with established wood products companies, communities that improved their organization increased the prices they received for their wood. In one community, wood prices increased from \$4.50 to \$35 per cubic meter from 2001 to 2002.

USAID supports the Wildlife Conservation Society and the Izoceno Indian's dry forest ecosystems management activity in eastern Bolivia. The Izocenos manage Bolivia's largest national park (Kaa Iya) which, by the end of 2003, will receive from the Government of Bolivia (GOB) 600,000 hectares that will become part of their indigenous territory. This land grant represents the first time that the GOB has favored an indigenous land claim over other actors that were seeking land. The Izocenos also reached an agreement with a gas company to address the environmental impact of gas extraction.

In 2002, with support from the World Wildlife Fund, The Nature Conservancy, Conservation International and their local partner, the Cochabamba departmental government created the 640,000 hectare Altamachi Cotacajes Protected Area. The large area spectacularly diverse, largely uninhabited, and benefits from strong support from local communities.

Harvard University's John F Kennedy School of Government developed the Roy Family Award to recognize public-private partnerships that enhance the environment or protect natural resources of unique value. Harvard unanimously selected Bolivia's Noel Kempff Mercado National Park Climate Action Program as the first recipient of this award. This 30 year partnership was selected because it conserves biological diversity, promotes sustainable micro enterprise development, and is replicable. The partners receiving the 2002 award are The Nature Conservancy, Friends of Nature Foundation, American Electric Power, Pacificorp, BP-Amaco, and the GOB. This Climate Action Program grew directly out of four years of USAID support through the Parks in Peril Program. In 1990, there was no on-the-ground management of any kind in Noel Kempff National Park. The Parks in Peril Program strengthened the Friends of Nature Foundation and provided them with resources to work in the park. Their strengthened capacity, coupled with their proposal to both manage and triple the size of the park were the basis for this successful public-private partnership.

Through USAID's partnership with Bolivian industry, a total of 44 plants had adopted cleaner production practices in 2002. These companies made a one-time total investment of \$2,425,403 to implement recommended improvements in their production systems, resulting in annual savings of \$1,245,290 and significant environmental benefits. Water consumption has been reduced by the equivalent of two months of water consumption of La Paz. Organic waste has been reduced by the equivalent of two months of La Paz's organic sewage. Bolivian industries implementing cleaner production practices have become more competitive as well as less polluting, which helps prepare the country for participation in the Free Trade Area of the Americas.

Continued progress under this program will improve the management of commercial forests and protected areas and reduce pollution generated by manufacturers and hospitals. By 2008, the area of forest internationally certified as "well managed" is expected to climb to 3 million hectares and certified sales will surpass \$30 million. Progress in these areas will continue to produce local benefits in the form of increased household income, will enhance equitable and participatory local governance, foster sustainable economic development, and create strong incentives for effective natural resource stewardship.

US Financing in Thousands of Dollars

Bolivia

	DA	ESF
511-004 Natural Resources Sustainably Managed		
Through September 30, 2001		
Obligations	32,286	0
Expenditures	25,818	0
Unliquidated	6,468	0
Fiscal Year 2002		
Obligations	6,757	1,000
Expenditures	6,570	0
Through September 30, 2002		
Obligations	39,043	1,000
Expenditures	32,388	0
Unliquidated	6,655	1,000
Prior Year Unobligated Funds		
Obligations	0	0
Planned Fiscal Year 2003 NOA		
Obligations	5,080	1,000
Total Planned Fiscal Year 2003		
Obligations	5,080	1,000
Proposed Fiscal Year 2004 NOA		
Obligations	5,080	0
Future Obligations	23,092	0
Est. Total Cost	72,295	2,000

Data Sheet

USAID Mission:	Bolivia
Program Title:	Alternative Development
Pillar:	Economic Growth, Agriculture and Trade
Strategic Objective:	511-005
Status:	Continuing
Proposed FY 2003 Obligation:	\$42,000,000 INC
Prior Year Unobligated:	\$0
Proposed FY 2004 Obligation:	\$34,500,000 INC
Year of Initial Obligation:	FY 1998
Estimated Completion Date:	FY 2008

Summary: USAID's program to eliminate illegal and excess coca from Bolivia will 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 2003 Program:

Sustainable farm-level production of licit crops (\$6,100,000 INC). USAID activities to prevent the resurgence of coca and cocaine production include road maintenance and improvement, energy distribution, small farmer livestock research, and agroforestry. Agricultural and marketing technology transfer and extension systems will be improved, and critical land titling interventions developed. The prime implementers are Development Alternatives, Inc., the Bolivian Institute of Agricultural Technology and the GOB Regional Alternative Development Program.

Implementation of social development programs to strengthen social capital (\$3,000,000 INC). USAID will support municipal strengthening, health and higher education programs for under-served rural areas in order to increase access to critical services. The prime implementers are Chemonics International and the Bolivian Catholic University.

Sustainable market linkages developed and roads maintained and improved (\$8,000,000 INC). USAID will provide marketing assistance and partial grants to increase production and market potential of licit crops. Chapare road maintenance and improvement assistance will reduce transportation costs and improve export quality, while marketing services and grants will address shorter-term problems of farm families in areas where coca is eradicated. Tourism activities will establish small farmer businesses and generate additional sources of employment and income. Development Alternatives, Inc., the GOB Rural Roads Authority and the GOB Regional Alternative Development Program (all prime).

Improve market access and increased competitiveness for Yungas small agricultural producers (\$3,500,000 INC). To increase licit crop production and sales and enhance market access, USAID will promote the adoption of improved agricultural technologies for selected products through farmers associations, cooperatives and local agribusinesses. It will also encourage the adoption of low-cost forestry and agro-forestry practices to improve soil fertility and increase licit crop yields. Chemonics International (prime).

Organizational strengthening, education, training, and investment promotion (\$8,500,000 INC). USAID will provide technical assistance, training and management services to farmer groups and producer organizations. The project will enhance capacities, mechanisms and networks of local public- and private-sector organizations to promote the sustainable development of the region. USAID will support education and training in marketable skills (e.g. food processing, mechanized agriculture, harvesting and packing of products, carpentry, mechanics, handicrafts and others). Funds will be provided for investment-related programs supporting long-term financial services and credit. Special attention will be

given to create economic incentives that benefit women and youth. Development Alternatives, Inc., the International Labor Organization and the GOB Regional Alternative Development Program (all prime).

Improved social and productive infrastructure (\$9,400,000 INC). In the Yungas, USAID will focus resources on highly visible, high-priority projects (such as bridges, road improvement, electrification, potable water, sanitation systems or health and education facilities) defined by the communities and conditioned upon coca reduction and non-proliferation. USAID will fund investments at the household, village and regional levels to indirectly increase household income. Agricultural Cooperative Development International/Volunteers for Overseas Cooperative Assistance (prime) and the National Rural Electric Cooperative Association (prime).

FY 2004 Program:

Sustainable farm-level production, improved market linkages and road infrastructure (\$12,900,000 INC). USAID will finance activities to improve the transfer of agriculture and marketing technology. Road maintenance and improvement activities will also continue.

Assistance to Yungas farmers' groups and communities (\$14,600,000 INC). USAID will continue to provide technical assistance and improved infrastructure to communities that engage in coca reduction and non-proliferation agreements.

Organizational strengthening, education, training and social capital investments (\$9,000,000 INC). USAID will support local Chapare institutions that play a major decision-making role in socio-economic development. Women and indigenous groups will be assisted to become more involved in decision-making regarding the Chapare's development. Additional investments will be made in education, health and housing to manage and mitigate social conflict in the region.

Performance & Results: Through September 2002, 21,410 farm families received USAID-assistance exceeding the end of calendar year target of 20,000 families. The area of licit crops planted in the Chapare increased to 120,727 hectares in 2001 and to 125,000 hectares by December 2002 (97% of the 2002 target). However, the value of licit produce leaving the Chapare through September 2002 was 55% below the annual target due to reduced sales and wholesale prices caused by the economic recession in Bolivia and the severe economic crisis in Argentina, the major foreign market.

Through September 2002, the Yungas Development Initiative's Community Development Fund reviewed 76 project priorities from participating communities, 35 of which are being implemented while the rest are under design. Of the 35 projects, 27 are for social infrastructure and eight are for productive infrastructure. As of September 2002, the Rural Roads Authority completed 21 kilometers of road maintenance, six kilometers of road improvement, 10 kilometers of stone paving and the construction of three bridges. Seven out of eight municipalities of the Yungas have been strengthened using the Bolivian Democratic Decentralization and Citizen Participation model. The USAID-funded scholarship program at Catholic University's Carmen Pampa campus continues to provide 33 full scholarships to students in the traditional licit coca producing areas of the Yungas, in the fields of agronomy, veterinary medicine, nursing and primary education.

Continued progress under the program will mean that in the Chapare, the licit economy will be consolidated, as USAID continues to develop approaches reaching more than 30,000 families by the end of June 2003. At least 50 producer organizations and businesses will have doubled or tripled their sales volume or gross income. Increased investments by the business sector, and the opening of commercial bank services will attract more than \$38 million from the private sector.

In the Yungas, producers of legal and illegal coca will be fully engaged in an initiative to voluntarily reduce coca production to a level equivalent to licit demand for traditional purposes. Licit household income will be increased by improving the post-harvest and marketing capabilities of local producers' organizations, and 80% of communities will participate in the municipal planning process, thus increasing stakeholders' access to and control of public goods and services. The prevalence of the two key Yungas infectious diseases (tuberculosis and leishmaniasis) will be substantially reduced.

US Financing in Thousands of Dollars

Bolivia

511-005 Alternative Development	ACI	ESF	Plan Colombia
Through September 30, 2001			
Obligations	26,643	0	78,000
Expenditures	26,130	0	38,306
Unliquidated	513	0	39,694
Fiscal Year 2002			
Obligations	35,514	13,400	0
Expenditures	0	21,723	22,592
Through September 30, 2002			
Obligations	62,157	13,400	78,000
Expenditures	26,130	21,723	60,898
Unliquidated	36,027	-8,323	17,102
Prior Year Unobligated Funds			
Obligations	0	0	0
Planned Fiscal Year 2003 NOA			
Obligations	38,500	0	0
Total Planned Fiscal Year 2003			
Obligations	38,500	0	0
Proposed Fiscal Year 2004 NOA			
Obligations	38,500	0	0
Future Obligations	190,000	0	0
Est. Total Cost	329,157	13,400	78,000

Data Sheet

USAID Mission:	Bolivia
Program Title:	Democracy
Pillar:	Democracy, Conflict and Humanitarian Assistance
Strategic Objective:	511-XXX
Status:	
Proposed FY 2003 Obligation:	\$0
Prior Year Unobligated:	\$0
Proposed FY 2004 Obligation:	\$1,750,000 DA; \$3,200,000 ESF; \$3,500,000 INC
Year of Initial Obligation:	2004
Estimated Completion Date:	2008

Summary: USAID's program to increase citizen support for the Bolivian democratic system will promote more transparent, efficient and accessible rule of law institutions; a Congress more representative of constituent demands; more effective and efficient local governments; more democratic political parties; and more effective participation of civil society in the democratic system to manage conflict.

Inputs, Outputs, Activities:

FY 2003 Program:

This Strategic Objective will begin in FY 2004.

FY 2004 Program:

Political party reform (\$1,000,000 DA). USAID will provide technical assistance in support of political parties, which have lost credibility over the past few years in part due to the lack of inclusion. The activity will enhance political parties' capacity to develop platforms, evaluate policy and communicate with voters.

Legislative strengthening (\$750,000 DA): Technical assistance to Bolivia's Congress will focus on building a culture of responsiveness to the electorate and constituency.

Support to the new Code of Criminal Procedures (\$3,500,000 INC): USAID will provide technical assistance fund to help guarantee the successful implementation of the new criminal procedures code. New focus areas will include: a) anti-corruption, b) establishment of the new Forensic Investigations Unit, c) institutional strengthening of the office of the Public Defender, d) justice sector institutional support to address rising public concerns regarding public safety and crime, e) human rights via local non-governmental organizations, and f) possible support to civil and commercial legal reforms.

Strengthening municipal governance (\$3,200,000 ESF): In the area of municipal governance, USAID will support the municipal association structure, including national, departmental and regional level associations. Technical assistance will strengthen basic municipal functions, especially those that increase local revenue generation. More emphasis will be placed on moving both municipalities and associations into providing basic services to the populations they serve. The internet-based services platform for municipalities that USAID launched in 2001 will begin to provide municipalities with a tool to improve resource generation, share information and access goods and services via municipal auctions.

More effective participation of civil society in the democratic system to manage conflict: USAID will provide technical assistance to civil society organizations to help them develop more productive forms of dialogue and conflict resolution with the government and with each other that achieve legitimate aims without resorting to economic and social disruption.

Performance & Results: At the end of the program, USAID will have increased political parties' capacity to develop platforms, evaluate policy and communicate with voters will be enhanced. Members of Bolivia's Congress will be trained to better represent and be more responsive to their constituents.

Successful implementation of the new criminal procedures code will continue and be expended to new focus areas. Basic municipal government functions will be strengthened, especially those that increase local revenue generation. Finally, civil society organizations will have develop more productive forms of dialogue and conflict resolution with the government and with each other that achieve legitimate aims without resorting to economic and social disruption.

US Financing in Thousands of Dollars

Bolivia

511-XXX Democracy	ACI	DA	ESF
Through September 30, 2001			
Obligations	0	0	0
Expenditures	0	0	0
Unliquidated	0	0	0
Fiscal Year 2002			
Obligations	0	0	0
Expenditures	0	0	0
Through September 30, 2002			
Obligations	0	0	0
Expenditures	0	0	0
Unliquidated	0	0	0
Prior Year Unobligated Funds			
Obligations	0	0	0
Planned Fiscal Year 2003 NOA			
Obligations	0	0	0
Total Planned Fiscal Year 2003			
Obligations	0	0	0
Proposed Fiscal Year 2004 NOA			
Obligations	3,500	1,750	3,200
Future Obligations	14,000	10,000	16,000
Est. Total Cost	17,500	11,750	19,200