

**USAID/Bolivia**

**Operational Plan**

**FY 2006**

June 15, 2006

## **Please Note:**

The attached RESULTS INFORMATION is from the FY 2006 Operational Plan and was assembled and analyzed by the country or USAID operating unit identified on the cover page.

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**Program Performance Summary FY 2005:** This past year has seen significant political and social unrest in Bolivia. In June 2005, former President Mesa resigned from office following months of large-scale protests and blockades on sensitive issues related to nationalization of hydrocarbons and formation of a Constituent Assembly to rewrite the nation's constitution. The country avoided a significant constitutional crisis when former President of the Supreme Court, Eduardo Rodriguez assumed the Presidency. His mandate since June was to ensure elections before the end of 2005. On December 18, Bolivians elected a new President, Congressional representatives, and for the first time, prefects (similar to U.S. governors). The indigenous leader Evo Morales won the elections with 53.7% of the vote and officially took office on January 22. USAID's assistance will focus on strengthening democratic processes and improving the participation of civil society in the country's democracy.

One of the first actions that the new government is expected to take by the first week of February is the passage of a law convening the Constituent Assembly, in order for the elections to take place as planned in July 2006. The elected representatives to the Constituent Assembly will be charged with rewriting the nation's Constitution and presenting a referendum on regional autonomy, which could alter the federal structure of government.

The outgoing government left a relatively healthy economy. Real GDP growth reached 4.0% in 2005, up from 3.7% in 2004. Bolivia has also made important progress in reducing its fiscal deficit to 1.6% down from 5.7% in 2004 and 8.1% in 2003, and exports have reached a historic record of \$2.7 billion, up from \$2.1 billion in 2004. International reserves currently amount to \$1.6 billion. Nevertheless, Bolivia has the second most unequal distribution of national wealth and third highest rate of poverty (62% of the population) in Latin America; however, it is a country rich in natural resources, which, carefully managed, could substantially raise living standards. Bolivia must seek broader and permanent opportunities to export; the U.S. market provides excellent potential for growth, hence the importance of Bolivia joining a free-trade agreement with the U.S. 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 market networks. This will increase employment, reducing poverty and social conflict.

Illegal coca cultivation for the international narcotics trade remains a constant challenge to the country and to Bolivia's counternarcotics strategy. According to State Department figures, there was a 7.7% increase in coca cultivation nationally from 2004 to 2005, with about 26,500 hectares under cultivation. The illegal coca issue requires close and continuous attention and adroit USG/GOB intergovernmental coordination to avoid the rollback of important gains in licit alternative economic and social development in coca-growing areas. Lessons learned indicate that alternative development produces the best results when coordinated with interdiction and eradication. Expanding the licit economy and increasing state presence and basic public service delivery are critical.

High levels of poverty and a consistent pattern of social and political exclusion of the indigenous majority persist. Over 60 percent of the Bolivian population is poor, with correspondingly low levels of education, health and nutrition. According to the last national survey in 2003, infant mortality stands at 54 per thousand live births, and 26.5 percent of children under five 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 NGOs 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. Natural resources are threatened by calls for nationalization of forestry and water resources. Water pollution and soil erosion and degradation are widespread and serious. The GOB lacks sufficient capacity to effectively manage these resources.

Despite the significant turnover in counterparts over the course of the year, the GOB and USAID have maintained a strong and positive partnership. USAID works very closely with key Ministers, including

Health, Agriculture, Economic Development, Popular Participation, and Sustainable Development. That said, the GOB's political weakness and its prolonged and severe fiscal crisis impede its ability to fully meet its policy and financial commitments to the donors, including to USAID's country strategic plan. The USG is looking forward to a continuing partnership with Bolivia on areas of common interest.

#### U.S. Interest and Goals:

Key U.S. objectives in Bolivia focus on promoting democratic stability and mitigating conflict by supporting a well-informed citizenry; improving the responsiveness and transparency of national and local governance and the justice system; increasing economic opportunities for the poor through business development, trade, improved agricultural productivity, and financial services; promoting licit economic growth for rural farm families and expanding state presence in coca-growing and associated areas of the country; enhancing health practices and the quality of, and access to, health services; and sustainably managing natural resources and biodiversity.

USAID/Bolivia's strategy remains highly flexible, allowing the Mission to respond to the fluid political environment. The Mission's efforts this past year have particularly emphasized support to the strategic, conflict-prone city of El Alto, an area that has contributed importantly to the fall of two presidents over the past two years. At the same time, through OTI and the Democracy SO, the Mission supported the electoral process through wide dissemination of civic and voter education material, election observation, political party development, and conflict mitigation. In addition, Mission programs are working in democracy, economic growth, integrated alternative development, health, and environment to directly address the sources of unrest and tension among the highly-marginalized and impoverished indigenous populations of El Alto and other strategic areas of the country.

#### Donor Relations:

Within Bolivia, USAID is the largest bilateral donor and is the second largest donor overall after the Andean Development Fund, which provides concessionary loans as opposed to grants. Bolivia has one of the highest per capita dependencies on foreign assistance in the hemisphere, with an estimated 66% of public investment coming from donors. Fourteen bilateral and four multilateral donors and the UN system provide an average of \$600 million annually in concessional loans and grants to Bolivia. Donor coordination is strong, and joint donor-GOB working groups have effectively influenced GOB policy. The groups align donor assistance in: the National Dialogue and Poverty Reduction Strategy; the Constituent Assembly; Competitiveness and Productivity; Fiscal Management, and Harmonization. Bolivia is eligible to bid for FY 2004, 2005, and 2006 Millennium Challenge Account (MCA) funds. The GOB has submitted a draft compact proposal.

#### Key Achievements:

1. Increased Income for Bolivia's Poor: USAID/Bolivia's economic opportunities SO takes a strategic approach to promoting economic growth in ways that promote stability and reduce social tension and conflict. The program helped increase non-traditional exports by 24% (\$203 million) in FY 2005, increasing incomes, permanent jobs, and reducing poverty and migration to overburdened urban areas. Through \$7.2 million in assistance in agriculture over five years, USAID helped generate \$47.6 million in increased economic activity in target rural areas. USAID linked producers to local and international markets and helped them to improve skills and production techniques to meet market demand. USAID financial sector activities complemented trade capacity building to improve capital and investment opportunities. Over 16,400 new savings accounts were opened with credit unions collaborating with USAID. In El Alto, a quickly-growing, majority indigenous city with high unemployment, USAID stimulated job creation and promoted value-added, labor-intensive exports. USAID's support directly generated 3,267 new jobs in El Alto and poor areas of Cochabamba and Santa Cruz over the last two years, exceeding the program target of 2,300. Export promotion also generated almost \$1 million in local sales for those conflict-prone areas.

2. Improved Health of the Bolivians, Contributing to their Quality of Life: USAID/Bolivia's health program

focuses on improving the health of Bolivians, particularly those with limited resources who have been historically marginalized. Improving health outcomes relies on a three-pronged approach: promote behavior change and responsible community management of public health services; expand the delivery of high impact, cost-effective interventions that address key public health problems; and build a sustainable service delivery platform in both the public and NGO sectors. As a result of USAID interventions, there is a greater use of modern family planning methods, providing 368,832 couple-years of protection in FY 2005, an over 20% increase from three years ago. With Title II program funds, malnutrition rates continued their steady fall and reached 34%, down from 47% in FY2002. Despite tremendous obstacles, including social unrest and government turnover, the health program exceeded targets for immunization coverage, reaching 81% in USAID-assisted areas. USAID also surpassed initial goals for HIV/AIDS counseling and testing in six new alternative voluntary counseling and testing centers by over 25% in its first year of implementation.

3. Forest, Water, and Biodiversity Resources Managed for Sustained Economic Growth: USAID promotes the sustainable use of Bolivia's rich natural resources while addressing a number of root causes of instability and conflict. This SO is increasing jobs, generating more economic growth, improving democratic practices at the local level, and enhancing inclusion of historically marginalized indigenous populations. Specifically, the environment program works to: improve business practices for forestry exports and broaden the benefits by including more community forest operations; enhance conservation of the eastern slopes of the Andes by engaging municipalities and generating local economic development through ecotourism and sound watershed management; and improve environmental management of urban and industrial pollution. USAID assistance was critical to over nine million of Bolivia's 32 million hectares of designated forest lands falling under approved management plans. Of those, more than 2.2 million hectares of land were independently certified as under adequate management, enabling more than \$21 million in certified wood exports from Bolivia (of \$130 million in total wood exports) and demonstrating Bolivia's global leadership in forest management. Wood exports currently support 50,000 direct jobs and 250,000 indirect jobs, with the potential for much higher numbers with increased investments.

4. Licit Economic Growth in Coca-Growing and Associated Areas Increasingly Sustainable: USAID's Integrated Alternative Development program underpins achievement of USG and Bolivian counternarcotics objectives. The alternative development program strengthens the sustainability of licit economies in coca growing and associated areas of the Chapare and the Yungas through a mutually-reinforcing set of interventions aimed at: increasing the market competitiveness of licit rural enterprises; supporting more responsive, transparent and inclusive democratic institutions; and improving basic public services and social conditions. In this manner, the program integrates economic, democratic and social development to help farmers as they transition out of coca cultivation to licit crops. The program also helps prevent coca expansion to new areas. Through FY 2005, USAID assistance has benefited 49,901 Chapare and Yungas families, exceeding program targets by 11%. The value of licit crops leaving both regions has reached an estimated total of \$81.7 million. These are helping to win allies for coca control and have contributed to GOB-community agreements declaring 250,000 hectares free of coca. USAID also implemented numerous social and productive projects in both regions including packing plants, road improvements, potable water systems, and health posts, exceeding program goals.

5. Increased Confidence in Democratic Institutions and Processes: USAID's program focuses on helping Bolivia to make its key justice sector institutions more transparent, efficient, and accessible; assisting political representatives to be more responsive to constituent demands; making local governments more effective; and supporting anti-corruption and transparency efforts. In addition, the program has demonstrated its significant flexibility through timely electoral assistance. In 2005, over 6,600 cases were resolved by USAID-supported Integrated Justice Centers, which increase access to justice by historically marginalized populations, particularly indigenous, in conflictive areas. A USAID civil society network of more than 100 NGOs was successful in advocating for transparent nomination procedures for justice sector officials, supporting the merit-based nomination of Supreme Court Ministers, Judicial Council Members, the Attorney General, and the nine district attorneys representing each of the nine departments in the country. This was the first nomination process where political considerations were marginalized in favor of meritocracy, thus increasing judicial independence. The Office of Transition Initiatives (OTI)

contributed substantially to this SO as well through increasing access to balanced information on issues of national importance and promoting peaceful participation and stability in El Alto and other conflict-prone areas.

6. Title II Program: The P.L. 480 Title II program has proven to be one of the Mission's most strategic and durable activities in addressing political instability over the past two years. Continuing to work with Quechua and Aymara populations in the most food-insecure areas of the Altiplano and high valleys, the program has successfully reduced chronic malnutrition by 13%, helped provide more than 60,000 people with new water and/or sanitation systems, developed more than 3,700 hectares of conservation areas to protect economic resources, and increased the income of beneficiaries by more than 7% in FY 2005 as a result of agricultural commercialization and trade capacity building, irrigation system development, and farm to market road improvements. In addition, the Title II program has been agile enough to respond quickly and effectively to the political crisis that brought down the Mesa Government in June 2005, generating temporary employment for 27,000 people, mostly women, through food for work programs that helped to minimize unrest and create needed water, gas and road infrastructure in the city of El Alto. The program also distributed almost 10 tons of food to women and children in orphanages and hospitals whose food supplies were cut off by prolonged blockades in this strategically important city.

Gender: High levels of poverty correlate with gender and indigenous peoples in both rural and urban areas. Gender inequities and political violence hinder Bolivian women's ability to access decision-making positions and participate in development processes. All Mission SOs either directly target or substantially benefit poor rural women, in recognition of both the key role they play in family health, food production, and microenterprise, and of their exclusion from full participation in society and the economy by practices that make them disproportionately under-educated and poor. To better address the needs of women affected by program activities, the Mission is ensuring gender is prominent in the larger Inclusion/Diversity Strategy, including a monitoring and evaluation component with specific activities and targets.

**FY 2006 Program****SO: 511-002 Increased Income for Bolivia's Poor****Achieve Equitable Access to Quality Basic Education**

Achieve Equitable Access to Quality Basic Education (\$882,000 DA). USAID works in the poorer areas of Bolivia which lack adequate municipal government services for schools, such as the city of El Alto and the Altiplano region in Southwest Bolivia. USAID is assisting these schools with the rehabilitation of classrooms and provision of furniture, libraries and computers, and civic education training for teachers and students. Principal grantee: Casals and Associates.

**Increase Agricultural Sector Productivity**

Increase Agricultural Sector Productivity (\$1,950,000 DA). USAID is providing technical assistance and training to link farmers with trade and market opportunities and to support the adoption of improved production techniques by small producers. This assistance will open access to markets for small producers, thereby raising rural household incomes and quality of life. USAID is working in some of the poorest regions of Bolivia, providing technical assistance to strengthen key local organizations and to provide financial support for local farmers. Principal contractors and grantees: Chemonics International, The Valleys Foundation.

**Increase Trade and Investment**

Increase Trade and Investment (\$2,475,000 ESF). USAID assistance is helping to increase exports and create jobs, especially in key areas such as El Alto and Santa Cruz. Technical assistance and training will target labor intensive, value-added, nontraditional export sectors in which Bolivia has a competitive advantage. Business development centers in El Alto, Cochabamba, and Santa Cruz will connect producers with market opportunities and provide the techniques and skills needed to compete effectively, including clean production concepts. Technical assistance is also being provided to guide private enterprises to generate income, reduce poverty and mitigate conflicts. Principal contractors and grantees: Chemonics International, Florida International University, Bolivian Catholic University, and others to be determined.

**Protect and Increase Food Security of Vulnerable Populations**

Protect and Increase Food Security of Vulnerable Populations. The P.L. 480 Title II program continues to introduce new agricultural technologies, effective food security assessment tools, and training materials to increase yields and reduce storage losses in the most food insecure areas of the country. USAID is organizing farmers' groups and marketing associations, and strengthening existing partnerships with communities. These efforts help to address both food security and economic inclusion of rural indigenous populations. Cooperating sponsors are the Adventist Development and Relief Agency, Food for the Hungry International, CARE, and Save the Children.

**Strengthen The Financial Services Sector & Increase Access to Capital**

Strengthen the Financial Services Sector & Increase Access to Capital (\$1,020,000 DA). USAID is providing technical assistance to promote policy dialogue and to strengthen Bolivia's market-based financial system. Principal contractors and grantees: World Council of Credit Unions and others to be determined.

**FY 2007 Program****SO: 511-002 Increased Income for Bolivia's Poor**

### **Achieve Equitable Access to Quality Basic Education**

Achieve Equitable Access to Quality Basic Education (\$900,000 DA). USAID will continue working in the poorer areas of Bolivia which lack adequate municipal government services for schools, such as El Alto and the Altiplano. USAID plans to assist these schools by rehabilitating classrooms and providing furniture, libraries and computers, and training for teachers and students. Principal grantee: Casals and Associates.

### **Increase Agricultural Sector Productivity**

Increase Agricultural Sector Productivity (\$2,084,000 DA). USAID plans to continue to link farmers with markets. It will also provide technical assistance on new production techniques as well as help the Valleys Foundation strengthen its management capability and diversify funding sources. Principal contractors and grantees: Chemonics International, The Valleys Foundation.

### **Increase Trade and Investment**

Increase Trade and Investment (\$2,900,000 ESF). USAID will further increase exports and create jobs throughout the country, including in key conflict-prone areas, by connecting producers with market opportunities, technical assistance, and training. Principal contractors and grantees: Chemonics International and others to be determined.

### **Protect and Increase Food Security of Vulnerable Populations**

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

### **Strengthen The Financial Services Sector & Increase Access to Capital**

Strengthen the Financial Services Sector & Increase Access to Capital (\$850,000 DA). USAID plans to continue providing technical assistance to promote policy dialogue and to preserve and strengthen Bolivia's market-based financial system. Principal contractors and grantees: To be determined.

### **FY 2006 Program**

**SO: 511-003 Improved Health of the Bolivian Population, Contributing to Their Quality of Life**

### **Improve Child Survival, Health & Nutrition**

Improve Child Survival, Health & Nutrition (\$5,787,000 CSH). USAID is providing technical assistance to the Government of Bolivia (GOB) on policy development and service delivery guidelines, while working with local partners to implement maternal and child health activities in 18 networks at both the clinical and community levels. The program will expand coverage of the national immunization program. Technical assistance is helping launch a municipal matching fund that will leverage local financing. This will allow for expanded access to services and facilitate sustainability. USAID's health program will also incorporate a tailored model for improving access to health services in the indigenous city of El Alto. Under the P.L. 480 program, USAID provides technical assistance to local and government partners to standardize approaches to a community-based "growth promotion" strategy. This will further reduce childhood (under three years of age) malnutrition rates, improve food production, and reinforce long-term sustainability in the poorest areas. Primary contractors and grantees: John Snow International, Save the Children, Food for the Hungry, CARE, and Adventist Development and Relief Agency.



## **Prevent & Control Infectious Diseases Of Major Importance**

Prevent & Control Infectious Diseases Of Major Importance (\$3,465,000 CSH). USAID is providing technical assistance and policy support in the prevention and control of tuberculosis, chagas and leishmaniasis. USAID assists the Ministry of Health and local nongovernmental organizations (NGOs) to expand access to voluntary testing and counseling for HIV/AIDS. A formative research study on hard-to-reach groups is being conducted as a first step toward developing a program of prevention messages and voluntary testing and counseling for HIV/AIDS. USAID continues to assist the Ministry, local health providers, and health service clients to prepare for contagious influenza in general, and for contingency plans related to avian influenza should an outbreak occur. USAID is also working with partners on contingency plans for a possible influenza pandemic. Principal contractors and grantees: John Snow International, the Centers for Disease Control (CDC), and local NGOs.

## **Reduce Transmission & Impact Of HIV/AIDS**

### **Support Family Planning**

Support Family Planning (\$7,227,000 CSH). Technical assistance is helping to ensure that women and couples have greater access to voluntary family planning services. USAID is implementing a basic package of family planning services in 18 health networks (each consisting of several local health centers/posts and a hospital). USAID continues to support a national social marketing program to promote family planning among urban and rural populations that historically have lacked access to reproductive health services. USAID is also working on improving the financial sustainability of key Bolivian public health entities. Principal contractors and grantees: John Snow International, EngenderHealth, and local NGOs.

### **FY 2007 Program**

**SO: 511-003 Improved Health of the Bolivian Population, Contributing to Their Quality of Life**

### **Improve Child Survival, Health & Nutrition**

Improve Child Survival, Health & Nutrition (\$5,500,000 CSH). USAID will provide technical assistance to reduce newborn illness and mortality, strengthen routine immunization services, and enhance management capacities at the local level. The matching fund will expand into additional municipalities and USAID will assist these municipalities to supplement funding for community-based health services. An additional seven to 15 health networks may be incorporated. The P.L. 480 Title II program will continue to implement the growth promotion strategy. Principal contractors and grantees: John Snow International, Engender Health, and local NGOs.

## **Prevent & Control Infectious Diseases Of Major Importance**

Prevent & Control Infectious Diseases Of Major Importance (\$3,485,000 CSH). USAID will continue to work with the Bolivian Ministry of Health to expand prevention and control efforts for tuberculosis, chagas and leishmaniasis. USAID will also expand access to voluntary testing and counseling for HIV/AIDS, especially for high risk groups. Principal contractors and grantees: John Snow International, CDC and local NGOs.

### **Support Family Planning**

Support Family Planning (\$5,704,000 CSH). USAID will continue to provide technical assistance for the

delivery of family planning counseling and services. The delivery of basic health services, including family planning, will be expanded from 18 to at least 25 health networks. Continuous quality improvement techniques will be reinforced to ensure that health facilities are focusing on quality of care and client satisfaction. USAID will continue to work toward greater partner cost-recovery through technical assistance in management and finance. An external evaluation of the social marketing program will be conducted. Principal contractors and grantees: John Snow International, EngenderHealth and local NGOs.

#### **FY 2006 Program**

#### **SO: 511-004 Forest, Water and Biodiversity Resources Managed for Sustained Economic Growth**

##### **Improve Sustainable Management Of Natural Resources & Biodiversity**

Improve Sustainable Management of Natural Resources & Biodiversity (\$3,665,000 DA). USAID is providing technical assistance to promote a public-private alliance among landholders, indigenous communities, and municipal development authorities. This will result in the creation of a centralized wood collection and processing center in northern Bolivia to increase wood exports and generate higher incomes. Public-private partnerships with the Bolivian Forestry Chamber and the Amazonian Center for Sustainable Forestry are strengthening institutional capabilities to preserve Bolivia's natural resources. Technical assistance is exploring use of partnerships and approaches to resolve illegal logging in Bolivia. USAID is also providing technical assistance to strengthen conservation efforts and natural resource use policies in the bio-diverse Amboro-Madidi Corridor of Bolivia by developing compatible land use planning processes, implementing sustainable natural resource management practices, and increasing awareness of local populations on the benefits of conservation. USAID is working with university programs to incorporate environmental economics curricula, build capacity through enhanced secondary classroom instruction and provide scholarships for promising students. Principal Contractors and Grantees: Virginia Tech University, Conservation International, World Wildlife Federation (WWF), Wildlife Conservation Society, and local non-governmental organizations.

##### **Reduce, Prevent & Mitigate Pollution**

#### **FY 2007 Program**

#### **SO: 511-004 Forest, Water and Biodiversity Resources Managed for Sustained Economic Growth**

##### **Improve Sustainable Management Of Natural Resources & Biodiversity**

Improve Sustainable Management of Natural Resources & Biodiversity (\$3,700,000 DA). USAID will continue to strengthen linkages between small-holder forestry concessions, municipal development planning, and medium-large scale forest concessions. Lessons learned from application of these models in three different sites will inform other local forestry initiatives in the country. Public-private alliances will produce jobs and market opportunities for both small and large holders, produce a steady supply of quality wood to meet local and export demand, and may begin to address illegal logging. USAID will continue to provide technical assistance to local organizations to conserve the ecologically important eastern slope of the Andes. Primary Contractors and Grantees: Virginia Tech University, Conservation International, Pact Inc., and local non-governmental organizations.

#### **FY 2006 Program**

#### **SO: 511-005 Licit Economic Growth in Coca-Growing and Associated Areas Increasingly Sustainable**

##### **Develop & Expand Alternative Development**

Develop and Expand Alternative Development (\$33,660,000 ACI). The program will be implemented through the following activities:

USAID continues to strengthen the market-driven competitiveness of key licit on and off-farm (e.g. tourism and agro-processing) sectors so that farmers have alternatives as they transition out of coca cultivation due to law enforcement or voluntary reduction. USAID technical assistance will increase incomes generated from licit crops and increase employment opportunities along the value chain in coca growing regions. USAID is assisting financial institutions to increase access to diverse financial services for licit sectors of the economy. USAID also continues to improve sustainable management of natural resources and biodiversity conservation in coca-growing regions through technical assistance and training to families in vulnerable areas, including isolated buffer zones and neighboring protected national parks. Additionally, USAID funds transportation improvements in coca-growing regions and associated areas to expand market access for licit products. These efforts are closely coordinated with, and often co-financed by, municipalities and communities.

USAID supports GOB presence, democratic institutions and processes, and citizen rights in coca-growing regions. USAID funds technical assistance and training to improve citizen participation in and oversight of democratically elected local governments, as well as improve municipal transparency and performance in all municipalities in the Chapare and Yungas. USAID supports Integrated Justice Centers in coca-growing areas to provide citizens with access to the formal justice system and state-sanctioned conflict resolution services. Support includes training, technical assistance, and equipment to help justice sector staff (judges, prosecutors, human rights defenders, conciliators, mediators, forensic doctors) increase their effectiveness in mediating conflict, applying the law, ensuring due process, and extending civic education to citizens. Depending on other donors' efforts, USAID may also expand current efforts to extend legal land titles to Chapare citizens, so that they can exercise their constitutional right to land ownership. This effort also strengthens judicial security and land markets in the Chapare.

USAID is building local support for coca reduction by funding small grants for local community social and economic development. Additionally, USAID funds technical assistance, training, equipment, and infrastructure to improve the delivery of health services and citizens' health knowledge, attitudes, and practices. These services strengthen primary health care, maternal and child health, and control of infectious diseases. These efforts help strengthen state presence and local commitment to coca control in these regions.

USAID's expansive social communications activity supports the GOB counter narcotics communication strategy and assists the GOB with monitoring, coordination and conflict management for its integrated alternative development program.

Principal Contractors and Grantees: Chemonics International, United Nations Office on Drugs and Crime/Food and Agriculture Organization (UNODC/FAO), John Snow International, Agricultural Cooperative Development International/Volunteers in Overseas Cooperative Assistance (ACDI/VOCA), and Checchi and Company Consulting Incorporated.

## **FY 2007 Program**

### **SO: 511-005 Licit Economic Growth in Coca-Growing and Associated Areas Increasingly Sustainable**

#### **Develop & Expand Alternative Development**

Develop and Expand Alternative Development (\$29,000,000 ACI). USAID plans to continue providing technical assistance, training and related support to farmers and businesses to increase the competitiveness of farming, tourism, and agroprocessing sectors, and improve access to domestic and international markets, including support for natural resources management in coca-growing and associated regions. USAID plans to initiate a new decentralization activity to strengthen local democratic governance in the coca-growing regions. The new activity will support Integrated Justice Centers, improving their ability to manage conflict, apply the law, ensure due process, and advance civic education. USAID plans to continue efforts to extend land titles in the Chapare in order to strengthen citizen rights to land ownership, strengthen judicial security, and improve land markets. USAID also plans to continue funding small social and economic development grants in coca-growing areas to strengthen

social capital, community development, and local support for coca control. This will include support for emergency and immediate impact activities to help the GOB mediate conflict and preserve peace in these areas. Finally, USAID plans to continue the social communications activity to support the GOB counter narcotics communication strategy and to continue assistance to the GOB monitoring, coordination and conflict management unit. Principal Contractors and Grantees: Chemonics International, UNODC/FAO, ACDI/VOCA, Checchi and Company Consulting Incorporated.

## **FY 2006 Program**

### **SO: 511-007 Increased Confidence in Democratic Institutions and Processes**

#### **Promote And Support Anti-Corruption Reforms**

##### **Strengthen Civil Society**

Strengthen Civil Society (\$1,109,000 ESF). USAID provides technical assistance to enhance the capacity of civil society to monitor the activities of the public sector as an important element of Bolivian democracy. As part of this support, and as a reflection of the importance of indigenous groups in pluralistic debates on issues, USAID also is identifying and supporting indigenous leaders and their participation in public discourse. Principal contractors: Casals and Associates.

##### **Strengthen Democratic Political Parties**

##### **Strengthen the Justice Sector**

Strengthen the Justice Sector (\$2,470,000 ACI, \$1,356,000 ESF). Justice sector activities focus on increased access to justice, implementation of justice reforms, and strengthening key justice sector institutions. ACI is being used to fund additional Integrated Justice Centers, increasing access to justice services by traditionally marginalized populations (women, youth, and indigenous) in coca growing regions. ACI is also strengthening the Public Defense Service by establishing a training institute, and providing technical assistance for legal reforms to improve both the investment climate and the criminal procedures code. ESF is being used to assist a national advocacy network of civil society organizations to promote accountability and transparency in the sector. Principal contractors and grantees: Checchi and Company Consulting, Inc., State University of New York at Albany (SUNY-Albany), Partners of the Americas.

##### **Strengthen the Legislative Function/Legal Framework**

Strengthen the Legislative Function/Legal Framework (\$480,000 DA, \$1,000,000 ESF). DA funds support technical assistance and training to new congressional representatives elected in December 2005 on their duties and responsibilities. ESF funds are being used to promote constituent consultation in order to increase Congress' effectiveness and responsiveness, as well as civil society oversight and interaction with deliberative bodies (e.g., Congress and Constituent Assembly). Principal contractors and grantees: SUNY-Albany, Vanderbilt University.

##### **Support Democratic Local Government & Decentralization**

Support Democratic Local Government and Decentralization (\$500,000 ACI, \$2,094,000 DA). DA funds provide technical assistance to address social conflict at the local level by enhancing effectiveness of local governments in transparent financial management, local economic development, and inclusion in decision-making of marginalized populations. ACI is being used to provide technical assistance to support governance efforts in coca-growing regions. This is the first year that democratically-elected

prefects, equivalent to U.S. governors, will exercise their authority over departmental governments. DA is being provided to assist and train prefects in the execution of their responsibilities. Principal contractors and grantees: International City/County Management Association, Federation of Municipal Associations, and others to be determined.

## **FY 2007 Program**

### **SO: 511-007 Increased Confidence in Democratic Institutions and Processes**

#### **Strengthen Civil Society**

Strengthen Civil Society (\$1,100,000 ESF). USAID plans to continue to provide technical assistance to support an active, credible civil society as an important element for Bolivian democracy. As part of this support, USAID plans to continue to identify and assist indigenous leaders and their participation in public discourse. Principal contractors: Casals and Associates.

#### **Strengthen the Justice Sector**

Strengthen the Justice Sector (\$1,500,000 ACI, \$466,000 DA, and \$1,000,000 ESF). USAID plans to use DA to provide technical assistance to support the strengthening and independence of the Supreme Court. Because many conflicts in Bolivia reflect the marginalization of large segments of the population, particularly the indigenous, USAID plans to use ACI to expand access to justice through the establishment of new Integrated Justice Centers in coca-growing regions. ACI may also support additional legal reforms related to terrorism and money laundering, public disclosure for government officials, and to provide technical assistance and training to strengthen the Public Ministry (Attorney General's Office) to better direct criminal investigations. USAID anticipates using ACI to support the integration of the Supreme Court and Public Ministry's internal systems to enhance their policy making ability. ESF is planned for consolidation of civil society coalitions that advocate for justice reforms and can serve as effective watch-dog entities. Principal contractors and grantees: Checchi and Company Consulting, Inc., and others to be determined.

#### **Strengthen the Legislative Function/Legal Framework**

Strengthen the Legislative Function/Legal Framework (\$650,000 DA, \$1,000,000 ESF). With DA, USAID expects to continue supporting the legislative branch while the Constituent Assembly rewrites the Constitution in FY 2007. USAID may support constituent outreach mechanisms of the Congress and/or Assembly and may provide substantive input on issues being deliberated in the Assembly. USAID will adapt to the new political processes that emerge from the Assembly, and adjust activities as required. USAID plans to use ESF to reach out to moderate indigenous leaders, and support conflict mitigation, and civil society oversight of deliberative bodies (e.g., Congress and Assembly). Principal contractors and grantees to be determined through a competitive process.

#### **Support Democratic Local Government & Decentralization**

Support Democratic Local Government and Decentralization (\$1,350,000 DA, \$500,000 ACI). The Constituent Assembly and the Autonomy Referendum scheduled for July 2006 are expected to alter the interaction between different levels of government. The nascent departmental governments will still be evolving and the potential for social instability will continue to exist. Possible assistance using DA includes technical assistance to strengthen different levels of government, their relationship to one another, and each level's ability to provide checks and balances with other levels of government. USAID will further public-private alliances as well as coordinated initiatives between levels of government such as joint planning between municipal and departmental officials. USAID plans to use ACI to promote governance in coca-growing regions. Principal contractors and grantees to be determined through a competitive process.

## **Results Framework**

### **511-002 Increased Income for Bolivia's Poor**

#### **Program Title: Increased Economic Opportunities**

**IR 2.1:** Increased access to financial services in underserved areas

**IR 2.2:** Increased access to agricultural technology and marketing services

**IR 2.3:** Increased trade capacity and competitiveness

### **511-003 Improved Health of the Bolivian Population, Contributing to Their Quality of Life**

#### **Program Title: Improved Health**

**IR 3.1:** Increased ability of individuals, families, and communities to take action to improve health

**IR 3.2:** Expanded delivery of quality, high-impact services through health networks

**IR 3.3:** Strengthened institutional capacity for health care management and sustainability

### **511-004 Forest, Water and Biodiversity Resources Managed for Sustained Economic Growth**

#### **Program Title: Natural Resources Sustainably Managed**

**IR 4.1:** Forestry Management Improved

**IR 4.2:** Targeted Parks and Protected Areas Conserved

**IR 4.3:** Urban and Industrial Pollution Reduced through Improved Environmental Management

### **511-005 Licit Economic Growth in Coca-Growing and Associated Areas Increasingly Sustainable**

#### **Program Title: Integrated Development**

**IR 5.1:** Increased Market Competitiveness of Licit Rural Enterprises.

**IR 5.2:** More Responsive, Transparent, and Inclusive Democratic Institutions

**IR 5.3:** Basic Public Services and Social Conditions Improved

### **511-006 Economic Stabilization**

#### **Program Title: Balance of Payments Support**

### **511-007 Increased Confidence in Democratic Institutions and Processes**

#### **Program Title: Democracy**

**IR 007.1:** Key institutions of the Rule of law are more transparent, efficient, and accessible

**IR 007.2:** Political representatives are more responsive to citizen demands

**IR 007.3:** Local Governments are more effective and efficient in responding to increased citizen demands

**IR 007.4:** Anti-corruption efforts yield more transparent and effective Government