

Working together



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In 1964, the United States Government, through the then newly-created Agency for International Development, USAID, approved the first concessional loan to Bolivia. This was used to build the country's international airport in El Alto (La Paz).

In the 1960s and '70s, USAID worked to meet basic needs in rural areas of Bolivia, while in the '80s priority was given to environmental protection and community health, among other areas.

In the 1990s USAID support focused on productivity, competitiveness and exports, health, the environment and alternative development.

From the year 2000 onwards, support has also been provided in the areas of citizen participation, regional development and humanitarian aid in response to natural disasters.

USAID's different projects and programs have always been key players, indefatigable partners and firm allies of the Bolivian people in their aspirations and achievements along the road to development and wellbeing for all Bolivian citizens.

This publication reflects the commitment and trust with which the challenges are being addressed at this historic moment, when the cooperation program of the Government of the United States of America is supporting the changes and goals that the Bolivian people and their government are seeking to achieve with such determination and hard work.







The early days and the first four decades of support

On March 13th, 1961, the President of the United States, John F. Kennedy, announced the launch of the Alliance for Progress, a plan which sought to improve the lives of the American continent's peoples. Nine days later, he sent a message to the United States Congress which led to the creation of the United States Government's Agency for International Development, USAID.

However, the assistance provided by the United States to Bolivia did not begin in the 1960s. In fact, it goes back much further in time. Cooperation began in 1942 with technical assistance in the area of health, followed by education in 1944, agriculture in 1948 and road construction in 1955. Between 1946 and 1963, USAID and its predecessor programs contributed US\$1.286 million in assistance to Bolivia.

In the 1960s, USAID's cooperation program for Bolivia placed emphasis on economic progress through the construction of road and airport infrastructure and the provision of basic services. It also supported sectors such as mining—which in those days accounted for 80 per

cent of the country's exports – as well as transport, agriculture and industry.

The 1970s saw the start of support for improved farming practices to increase the food supply and raise the nutritional status of the low-income population. Programs were also taken forward to upgrade the skills of human resources in the fields of health, nutrition and education, and to encourage the development of renewable and non-conventional sources of energy. Between 1964 and 1979, USAID contributed more than US\$1,506 million to Bolivia.

Due to the political situation in Bolivia in the 1980s, the United States altered its assistance program at the start of that decade, reducing its support for projects and even suspending their implementation, with a consequent reduction in its technical staff. But in 1982, following the return to democracy, USAID's assistance was strengthened

once again to support the new democratic process and alleviate the effects of the economic crisis. To achieve this, USAID backed programs to encourage increased participation by the private sector in production processes.

In the 1990s, USAID decided to support sustainable and participatory economic growth, as well as the democratic process and the antinarcotics program through alternative development activities. Between 1980 and 1999, the assistance provided by USAID amounted to US\$1,219 million. To stimulate economic growth, trade and investment were promoted. The aim was to generate 100 million dollars in new exports, through technical support and marketing assistance.

USAID also helped Bolivia to transform its economy by increasing investment, productivity, and employment in activities that did not involve growing coca. This strategic objective emphasized

that projects should not be oriented solely towards crop substitution but should also promote the sustainable economic growth that would become an alternative to the coca economy.

Bolivia was seeking to achieve sustainable economic development that avoided damaging the environment, but logging and small-scale mining and industry meant that things were going in the opposite direction. USAID therefore supported projects to enhance the management of forest resources and watersheds.

In the area of strengthening democratic institutions, USAID's support was aimed at improving the effectiveness and accountability of the executive, the legislature and the judiciary. Projects were launched to provide technical assistance and support for democratic development in local government, strengthen civic and community institutions, and encourage non-party-political employment.



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The Alliance for Progress

provides roads, airports, health care and more



The Alliance for Progress, a United States program of economic and social assistance for Latin America which operated between 1961 and 1970, not only gave the green light for the start of USAID's work in Bolivia. It also provided strong support for construction and improvement of the country's infrastructure at a time when everything related to roads and the provision of basic and public services was in a very fragile state and therefore required urgent attention.

The Alliance for Progress was the name that appeared at the top of all the agreements signed by USAID and the different governments of Bolivia between 1964 and 1970. Not all these agreements were aimed solely at supporting works of infrastructure, however, because United States assistance covered a range of initiatives from economic projects to health programs.

The first project

The first economic project dates back to April 1964. That month saw

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Before the creation of the Alliance for Progress and USAID, cooperation between the people of the United States and Bolivia had already begun with technical assistance programs in health (1942) and education (1944), followed by agriculture (1948) and road building (1955).

the signing of an agreement through which USAID provided a loan of 84,000 Bolivian pesos (the currency in those days) to the Blanca Flor Integrated Cooperative to finance the shipping and overland transport of tools and equipment, as well as diesel and other inputs, to support the work of a nut factory that had started to operate in 1962 on the banks of the River Beni (Pando).

Airport improvement

The site of El Alto International Airport is 14 kilometers south-west of the city of La Paz, at an altitude of 4,061 meters above sea level. The airport building and runway were constructed thanks to a loan of 1,892,453 Bolivian pesos, provided in April 1964. This airport, which was then named after John F. Kennedy, was not the only beneficiary. Four years later, on De-

cember 20th, 1968, the Bolivian Government signed an agreement for the sum of 40,800,000 Bolivian pesos to improve the facilities and communication systems at the airports in La Paz, Cochabamba, Santa Cruz and Trinidad. This agreement also included navigation equipment and training for technical staff in the aviation authority, AASANA.

In the case of the airport in Cochabamba, the improvements included the construction of paved taxiways and parking areas for planes; the re-paving of a landing strip; and the installation of medium-intensity lighting on the landing strip, the taxiways and the parking area, warning lights in critical locations and perimeter fences, among other work.

USAID also provided three million Bolivian pesos to "meet the immediate needs of LAB

[the former Bolivian state airline] and the country's railways."

Roads and bridges

Despite the efforts made by different governments, it took a long time to complete the early road from Cochabamba to Santa Cruz. The Enrique Peñaranda administration (1940-1943) had started to build this road in 1941, but 10 years later the construction work had not even reached the half-way mark.

On September 14th, 1966, the Government of Bolivia and USAID signed an agreement whereby the cooperation agency provided a loan of 19,740,000 Bolivian pesos for the repair of a 498 km stretch of this road. That same year, Bolivia also received support amounting to 51,120,000 Bolivian pesos to pave the road from El Alto to Oruro.





A loan of 3,300,000 Bolivian pesos in June 1969 enabled the country to build the Pilcomayo bridge, 51 km from Sucre on the road to Potosí. This two-lane concrete bridge is 30 meters long and seven meters wide.

Health and basic services

During the 1960s, about 80 per cent of Bolivia's exports were the result of the labor of some 60,000 miners, who began to suffer disabilities and even death caused by silicosis. Through the Ministry of Health, the Bolivian Government had gathered enough information to demonstrate how serious the problem of silicosis was in the country. It not only affected the miners' families but also the state, due to the cost of paying compensation, but it did not have the resources to tackle the disease.

USAID occupational health consultant Amedeé S. Landry was in

Bolivia at that time. He obtained approval from the Alliance for Progress to finance the Bolivian Government's plan to combat this and other diseases that affected workers in general as well as miners.

As for the basic and public services that are so important to keep people healthy and promote a country's economic development, electricity and telecommunications were the ones that received the most support from USAID in the 1960s. In the department of Santa Cruz, for example, the electricity supply was expanded thanks to an agreement signed on September 24th, 1966, whereby Bolivia was provided with a loan of 18,810,000 Bolivian pesos. In June 1967, the state telecommunications company, Entel, received support amounting to 400,000 Bolivian pesos to buy a range of equipment.

The 1960s in brief

United States assistance to Bolivia in the 1960s totaled US\$304 million, US\$100 million of which was grant funding. This cooperation placed emphasis on speeding up economic progress and improving social welfare. It included support for the mining, transport, agriculture and industrial sectors, as well as administrative and fiscal reforms

Other important programs carried out during this decade included human resources development through training, and the construction of major roads such as the Cochabamba-Puerto Villarroel highway, the Santa Cruz-Yapacaní highway and the Santa Cruz-Okinawa-Saavedra roads.

USAID assistance also enabled the electricity supply and distribution network to be expanded in the department of Santa Cruz and facilitated the improvement of the civil aviation system.







A creative option

for tackling unemployment

In the 1970s, poverty, unemployment, rural-urban migration and the lack of opportunities in developing countries made it urgent to seek solutions. One of these was microcredit, a seed planted at that time in Latin America and Asia to enable the rural and urban poor to easily obtain loans so that they could set up a viable business. A few years later, the benefits of this initiative reached Bolivia with the support of USAID.

In 1973, the private organization AC-CION International (founded in the

United States in 1961) decided to change the way it had been working with the informal sector - sending volunteers to Brazil, Peru and Colombia - and shift to providing loans at low commercial interest rates. This would allow people to avoid having to resort to moneylenders, who charged exorbitant interest.

The experiment bore fruit in Brazil. Solidarity groups of between three and ten people were set up to guarantee each other when they applied

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for a loan. The amount was calculated depending on the group's needs, and each member of the group received an equal share of the money. The collateral requirements traditionally demanded by the banks were consigned to the past. Instead, the borrower's position in the community was taken into account as "social capital." This was the start of microenterprise.

Microcredit started to become available in Bolivia in the first half of the 1980s. The country was still suffering from the effects of hyperinflation, exacerbated by a wave of rural-urban migration. Unemployment soared with the mass dismissal of employees

from state institutions. People had no option but to set up their own business in order to survive. These businesses are called microenterprises because they have no more than ten employees.

In 1984, a group of Bolivian entrepreneurs asked ACCION International to study the possibilities of setting up a non-profit institution to help microentrepreneurs. The negotiations culminated in November 1986 with the founding of the non-governmental organization Prodem, with support from ACCION International. The funds for setting up Prodem came

initially from USAID, the Bolivian Social Emergency Fund, private companies and the Calmeadow Foundation.

Prodem opened its first office in 1987, in a rented room near the popular Rodríguez market in La Paz, in order to be close to the growing numbers of microentrepreneurs. In the space of five years it helped 45,000 microenterprises and awarded loans worth more than US\$28 million.

Later, the Prodem board decided to set up a commercial bank that would no longer work with donated funds. It would demand efficiency, which would in itself allow interest rates to be lowe-

red. The bank's structure would enable it to operate profitably as a viable business in the long term, offer security to clients, and provide savings services to the general public with legal backing.

This was how BancoSol was born in February 1992, with 22,000 borrowers and a portfolio worth 26 million bolivianos. In just six years, the figures grew to 81,500 borrowers and a portfolio totaling 422.9 million bolivianos.

In the year 2000, the board decided to expand its services to meet the growing demand. In addition to solidarity group loans, the bank would now offer individual loans.

micromortgages for housing, short term working capital, medium to long term investment credit, billpaying services, debit cards, automatic cash machines, foreign currency exchange services and a wider range of deposit and savings accounts, as well as other services designed to meet the needs and capabilities of microentrepreneurs.

The success of BancoSol is not only due to its services and interest rates, but also to its respectful treatment and understanding of its clients, the majority of whom are people living in poverty who had never before had access to formal financial services or credit.

The 1970s in briefs

Between 1971 and 1975, the United States provided Bolivia with US\$137.8 million in loans and a further US\$34.1 million in grant funds. This funding was allocated to programs in farming and industry, housing, urban and rural development and balance of payments support, with the aim of stimulating public and private investment.

In the second half of the 1970s, USAID's economic and financial assistance placed emphasis on improving the living conditions of low-income groups in both rural and urban areas of Bolivia. Farming practices were improved to increase the food supply and raise the nutritional status of the poorest people, skills development programs were designed for human resources in the fields of health, nutrition and education, and programs to encourage the development of renewable and non-conventional sources of energy were launched.







Care centers

for low-income people

When Mirtha Guzmán goes to Prosalud in Achumani, a neighborhood in the south of the city of La Paz, she may not be aware that she and her children Vania (10), Ana (7) and Marito (6) are receiving just a few of the half a million medical consultations provided every year by this organization

The national executive director of Prosalud, Dr Luis Fernández, says that

in its 28 health care centers. These are present in six of the country's nine de-

partments, and still have the capacity to

see half a million more patients per year.

since the organization was founded in 1985, it has carried out 6,700,000 consultations in Prosalud's 22 health centers, five clinics and one child development center. "That means that we are providing care to five per cent of the population every year."

These primary health care centers, which offer services ranging from outpatient consultations, nursing and pharmacy to specialist care in areas such as pediatrics, gynecology and obstetrics, general medicine and, in some cases,

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even dentistry and physiotherapy, do not seek to compete with either public or private health care facilities.

"Prosalud was set up to complement a public service," Fernández recalls. "The Prosalud centers are located in places where there aren't any other facilities within a certain distance, because we serve the people who come to us. For example, if there's someone in Achumani who's coughing a lot and we give them the sputum smear test (a bacteriological test used to diagnose tuberculosis), we also have to give them treatment in the same center."

Sputum smear tests are offered free in all the Prosalud centers and "in some of our centers in La Paz, such as the one in Achumani, we analyze samples from other public health facilities be-

cause the Ministry of Health prefers Prosalud to do the reading."

In line with its aim of complementing the public health system, Prosalud supports the Bolivian Government's Expanded Immunization Program, which vaccinates babies and children under the age of five free of charge. The vaccines are provided by the Ministry of Health.

Hand in hand with this program goes another called Child Growth and Development. This involves checking children's height and weight, and giving advice to mothers to keep their little ones in good health. Again, all these services are free.

Another service the general public can access for free is the Family Health Advice program, which gives

women of reproductive age advice about pregnancy and information about sexually transmitted infections.

Five of the 22 Prosalud centers offer the HIV test without charging a cent. If someone is found to be HIV positive, they are referred to one of the Departmental Health Services (Sedes), where they are provided with the relevant treatment and counseling.

"Between 10 and 15 per cent of our services are provided free," Fernández explains. When Prosalud does charge for a service, it thinks about people who cannot afford to pay. Thus, while people in higher-income neighborhoods such as Achumani pay 30 to 40 bolivianos for a consultation, in others such as Chuquiaguillo in La Paz the charge is as little as 13 bolivianos. It is a form of cross-subsidy between those who earn more and those who have less.

Even so, the level of people's earnings is sometimes relative. Mirtha Guzmán is an agricultural engineer, but her divorce left her on her own with three small children. In order to look after them, she had to start giving piano lessons and, of course, her income is low.

Commenting on this, Fernández points out that, "at the national level, the people who come to Prosalud are those who have had formal schooling up to secondary level and graduated from high school. Many are young professionals whose incomes might be two to three thousand bolivianos a month. They are not people with very high incomes, but they do know that health is important."

Prosalud, which employs more than a thousand people, has bought a house in Villa Ingenio in El Alto to open a new primary care center, while in Cochabamba it has started building one clinic and in Yacuiba it has finished refurbishing another.

Some Prosalud programs are still in the design phase, such as the program for people with diabetes, a disease currently considered a public health problem in many countries. The organization also has objectives it hopes to achieve in the future, such as reducing the cost of a medical consultation for the poorest people even further or providing them with more services.

USAID/Bolivia helped to set up Prosalud in 1985 and has continued to support it ever since. The current agreement with the United States cooperation agency, which runs from 2003 to 2010 with total funding of seven million dollars, enables Prosalud to carry out all these acquisitions and refurbishments and provide free services or charge very little for medical care in Bolivia.

The 1980s in brief

Political instability in Bolivia at the start of the 1980s meant that the United States Government altered its assistance program, suspending or reducing its support for development projects and lowering the number of technical staff.

Once the democratic process had been restored in the country in 1982, USAID sought to support it and alleviate the effects of the economic crisis. It therefore backed programs to encourage increased participation by the private sector in production processes, with the aim of facilitating economic recovery and stability.

With this in mind, USAID supported programs to develop small and medium enterprises and financial institutions, as well as the export of non-traditional products. The objective was not just to help to increase incomes but also to diversify production so that the country would not be dependent on a very small number of products.





ALTERNATIVE DEVELOPMENT

A long road

with many lessons learned along the way



The Single Convention on Narcotic Drugs, signed by the United Nations member states in 1961, included coca for the first time as a narcotic drug and recommended that it should be eradicated, setting a timeframe of 25 years for coca consumption to be definitively banned. Fifteen years later, coca leaf was still being grown in Bolivia. The US Secretary of State, Henry Kissinger, then visited the country and offered a donation of five million dollars to initiate coca eradication. This was the

start of the long road of Alternative Development, which was not even known by that name in the early days.

Following the Secretary of State's visit, the National Office for Controlled Substances was set up, together with what would later be known as the Chapare Yungas Development Project (Prodes). The former was a government agency specializing in the fight against drugs and the latter sought to promote crops that could replace coca.





The 25-year deadline set in 1961 came and went, and coca crops were as abundant as ever. The issue was addressed at the Vienna Convention meeting in December 1988, five months after Law 1008 was approved in Bolivia. At that international meeting, the Government of Bolivia obtained recognition of the traditional use of the leaf for chewing.

Law 1008 set a target for reducing coca crops by five to eight thousand hectares per year. At the time, this meant that all the coca in the Chapare region would be eradicated in the space of five years. But what products should be planted instead of coca, and should this be done on all the hectares that were now free of the leaf? This was one of the questions that some authorities started to ask.

This was the start of a lengthy learning process. To start with, the idea was just to replace one hectare of crops with another. In 1989, the thinking went a step further as people started to talk about replacing a whole economy: the economy based on coca. This phase is remembered as the period of the integrated vision, as it included more than just the agricultural point of view.

The two stages in Alternative Development

USAID identifies two different stages in Alternative Development. The first was in the 1990s and the second lasted until 2008, when the United States agency ceased to operate in the Chapare to devote itself exclusively to the Yungas in the department of La Paz, under a vision of integrated support for the region's development.

The first stage could be described as a time of continuous learning about how to adapt different crops to the various microclimates in the Chapare and meet farmers' needs. A wide range of products was introduced to replace coca crops. They did not always achieve the expected results, for various reasons. The choice of products such as rubber, for example, turned out to be unsuitable because although they generate a good income, the returns are not immediate.

The specialists therefore had to set up an experimental farm to carry out regional tests that would enable them to achieve the objectives in terms of the quality, quantity and timeliness required for the products to allow the farmers to earn the money they needed in order to avoid planting coca again.

This turned out to be hard work. It was then decided to launch what would become the second stage of Alternative Development. Seeds were brought from countries such as Costa





The 1990s in brief



Rica and Peru, where sufficient technological development had taken place to allow the genetic material to be transferred to farmers on a large scale.

Another problem the small-scale farmers had to struggle with year after year was the sharp practices of the agents who bought the farmers' products and transported them to market, paying as low a price as they liked.

When small-scale farmers were included in the whole chain, from production to marketing, industrial processing and export, it put a stop to the agents' arbitrary practices, because the farmers started to acquire their own means of transport, as well as training and contacts with foreign investors.

Thanks to these measures, the Chapare today is like a mosaic of all sorts of businesses that were set up there as part of the Alternative Development program. There are associations of banana producers who have the latest technology, their own packing plants,

trucks to export their produce and markets in other countries, especially Argentina. There are also businesses set up by Bolivian producers and foreign investors, among other arrangements.

Parallel development

When USAID started to support the Chapare region, it heard farmers constantly asking for roads and electricity. They were also requesting technical assistance and credit facilities, as well as better education and health services.

Roads and electricity were therefore provided. In the opinion of the experts, the Chapare is currently one of the regions with the best road network in the whole of Bolivia. It now has proper highways and secondary access roads, and these are also what the engineers call "all weather roads," meaning that they can be used all year round, regardless of whether it is raining or not. This is the only way to assure farmers that their products will reach their destination. The assistance provided by the people of the United States to the people of Bolivia has grown considerably since 1988 due to the commitments made at the Cartagena Summit Meeting in February 1990 and the subsequent approval of an increase in funding for the Andean countries.

This increase was reflected in a bilateral effort to implement an economic program which also handed the country its passport to join the Americas Initiative. This encouraged Latin American nations to work on economic reforms that aimed to achieve growth, trade, investment and a reduction in the external debt.

USAID/Bolivia outlined three areas of assistance: for sustainable, participatory economic growth; for the democratic process; and for the antinarcotics program by means of Alternative Development.

USAID FROM THE AMERICAN PEOPLE

Consolidating historic ties

USAID is currently supporting the Bolivian people through 42 projects (at different stages of implementation) operating all over the country in six programmatic areas: Health, Integrated Development, Sustainable Economic Growth and Environment, Democracy, Food Security and the Special Development Activity Fund.

Improved health for Bolivians

Nine projects are included in the health program, through which USAID supports the Government of Bolivia's emphasis on community health as a key element in improving the quality of life of the country's most disadvantaged people. Accordingly, the program directly supports the Bolivia Digna pillar of the Bolivian Government's National Development Plan (PND).

Together, Prosalud and CIES (Bolivian NGOs receiving USAID support) carry out more than 930,000 health consultations per year in eight of the country's nine departments. Procosi (a network of health NGOs funded by USAID) works in

40 municipalities and facilitates access to quality services for over 850,000 people.

USAID also supports the Chagas Prevention Program, ten surveillance centers providing diagnosis services and treatment for sexually transmitted infections, and voluntary HIV testing and counseling services. Between September and 2007 and August 2008, USAID support contributed to the immunization of 35,000 children with the third dose of the five-way vaccine, achieving 81% coverage in the areas where the program is working.

The child health and nutrition in Bolivia program, which is implemented by Save the Children and funded mainly by US-AID, reaches a total of more than 150,000 school-age children and about 65,000 under-fives and their families in the city of El Alto and the departments of La Paz, Oruro, Cochabamba and Santa Cruz.

Integrated Development

Three projects form part of this program, which supports sustainable and diversified economic development in coca growing and associated areas, with the aim of increasing the com-

petitiveness of rural enterprises, expanding access to services for citizens, and improving basic public services.

The projects in the Integrated Development Program directly support the Bolivia Productiva, Bolivia Digna and Bolivia Democrática pillars of the Bolivian Government's National Development Plan. The program, which benefits 11,000 families every year, principally operates in the Yungas of La Paz and is phasing out its activities in the Tropics of Cochabamba region.

As regards the impact of this program, in 2008 the estimated annual value of banana, palm heart, pineapple, co-ffee and cocoa exports from the Tropics of Cochabamba and the Yungas of La Paz reached the sum of US\$37 million, a 253% increase over 2001.

Between 1999 and 2008, more than 8,100 km of roads were maintained or improved in the Tropics of Cochabamba and the Yungas of La Paz, and 182 bridges were built. This includes work done by the Road Maintenance Associations (AMVI).

From 2004 to February 2008, the National Institute for Agrarian Re-

form defined land tenure for 37,073 rural properties as part of the land titling process in the Tropics of Cochabamba, with USAID support.

The program funds the construction of health posts, potable water and sewer systems, the prevention and treatment of tropical diseases and the bringing of electricity to hundreds of rural communities. These efforts are identified in close collaboration with municipalities and communities, and all social infrastructure projects are reviewed and approved by the Government of Bolivia.

Sustainable Economic Growth and Environment

The economic development segment of this program is composed of five projects and the environment segment includes another five. The economic development projects seek to increase and diversify the income of Bolivian citizens by promoting products with high value added. In the case of the environment projects, the aim is to support improved forest management, the conservation of selected parks and protected areas, and a reduction in urban and indus-



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trial pollution through improved environmental management.

The Sustainable Economic Growth Program directly supports the Bolivia Productiva pillar of the government's National Development Plan. Its achievements include the generation of new sales worth US\$25 million for 50,000 families in the valleys and altiplano regions. This is equivalent to an average increase of 50% in producers' incomes (and up to 200% in some regions).

The program also supported the creation of a US\$12.5 million fund on the Bolivian stock exchange, which increases liquidity for small and medium enterprises; the installation of automatic cash machines in rural areas; and, in 2007 and 2008, the creation of nine new microfinance branch offices in areas of the country that are a long way from the main towns.

From 2003 to 2008, the program helped to generate over US\$50 million in

exports of value-added products, create some 10,000 new jobs (many of these for women), and incorporate more than 700 small businesses into export networks.

The impact of the environment program is reflected in the fact that Bolivia remains the global leader in the management of natural tropical forests. Other achievements include the creation of the Pampas de Yacuma municipal protected area; the titling of land for the Tacana indigenous group and income generation for communities through communitybased tourism initiatives: the 52 strategic alliances that have been formed between indigenous groups, community forestry operators and the private sector; the technical assistance on cleaner production provided to 109 companies in 22 industries, and the scholarships, funds and centers that have been set up to promote cleaner production techniques.

Democracy

USAID supports Bolivia in its efforts to strengthen the country's democratic system and increase transparent and effective governance. This program has provided support to democratic institutions, including the executive branch, the judiciary, and departmental and municipal governments, to improve their effectiveness and transparency, increase access to services and enhance citizen participation. USAID also works with civil society organizations to achieve these objectives.

With regard to this program's impact, its achievements include: the work being done by Bolivia Transparente, a civil society consortium which has monitored four elections in the country by mobilizing more than 2,500 volunteer observers; the Integrated Justice Centers, which have resolved over 100,000 cases since January 2005;

the 17 citizen service platforms in the Public Ministry and the Special Crime Fighting Force; the pilot programs in the judiciary, designed to improve administrative and other services; the case tracking systems in four justice sector institutions; and the work done by civil society organizations with 70 judges, who voluntarily issued 5,000 sentences to be announced publicly, in a clear display of judicial transparency.

At the request of the Government of Bolivia, the projects in the USAID Democracy Program were completed at the end of 2009.

Food Security

The Title II Food Security Program ended in April 2009, and a follow-on program is under way with USAID support. The program used food and local currency to support enhanced food security in households and communities.

The program sought to achieve sustainable development to generate higher incomes for small producers, improve maternal and child health and nutrition, increase access to safe drinking water systems, and optimize the management of natural resources.

The food security unit worked in more than 1,000 communities in the most food insecure areas in the country. Between 2002 and 2008, the program benefited more than a million people through its different components: income generation, which increased the average incomes of participating beneficiaries from US\$630 to over US\$2,500; maternal and child health and nutrition; the provision of water supply and sanitation systems, which reached 11,000 families and 3,000 families respectively; and natural resources management..

Special Development Activity Fund

The Special Development Activity Fund started operating in September 2006, initially for a period of three years. In 2009 the name of this initiative was changed to Community Development Activity Fund. The program implements small self-help projects that require funding of no more than US\$10,000 and respond to specific needs in urban and rural areas. Their impact is practically immediate.

In its first three-year phase this program was implemented in 25 municipalities in seven of Bolivia's departments, through 37 projects that reached 24,000 beneficiaries. The fund is a way to help communities to achieve their objectives and improve their lives, through initiatives that increase incomes, improve schools and provide the basic health and sanitation services that people need.



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Indigenous alliances bear fruit

Chalalán and the seeds of ecotourism

"Cha-la-lan, cha-la-lan, cha-la-lan" is the noise made by enameled metal plates when they fall to the floor. According to the legend, the owners of the plates were hunters who had reached the shores of a lake in the northwest of the department of La Paz that would later be baptized with the name Chalalán. This is the site of an ecolodge that since 1995 has been welcoming groups of foreign tourists who want to experience the immense human and natural wealth of the Madidi National Park, for 90 dollars per night.

The organization Conservation International supported this project right from the start, together with the IADB. The Chalalán company, set up in 2001 to manage the ecolodge, is run entirely by the members of the community of San José de Uchupiamonas. The company's manager is chosen by a board of directors, who are themselves appointed by a community assembly. Over the years, the company's directors have built a very successful business, earning as much as US\$50,000 per year in profits, after paying salaries and other expenses.





50 per cent of the shares in the company belong to the members of this community of about 74 families. The other 50 per cent is managed by the Uchupiamonas Indigenous Community Territory (TCO), which invests the money in health, education and even road infrastructure, among other development activities.

The good news has spread like mushrooms after rain. Following in the footsteps of Chalalán, other indigenous ecotourism sites have sprung up, including San Miguel del Bala, an exact replica that is perhaps even better. These enterprises were later joined by Eslabón SRL, Mapajo and Turismo Ecológico y Social (TES).

In 2008, this group of five ecotourism projects formed the Indigenous Ecotourism Alliance, under the umbrella of USAID funding and technical advice. The main idea of the alliance was to share information and work together on the tasks they all had in common, including marketing, training, monitoring trends in tourism and designing tour routes.

A year later, the alliance was expanded to include initiatives working with non-timber forest products and crafts, such as the Asociación Tres Palmas (which makes crafts from the jipi japa palm), Asociación Rhema (wooden crafts), Asociación de Incienseros y Salayeros de Irimo



Through the Landscape Conservation Program, funded by USAID, Conservation International is helping the Indigenous Ecotourism Alliance to become even stronger, as other organizations continue to join it.

(which uses the Majo palm) and the Guanay Majo management initiative.

Through the Landscape Conservation Program, funded by USAID, Conservation International is currently helping the Indigenous Ecotourism Alliance to become even stronger, as other organizations continue to join it.

USAID contributed US\$5,984,394 to the Landscape Conservation Program from October 2005 to December 2009. The program has worked for four years in the Amboró-Madidi corridor to reduce threats to biodiversity conservation in the area and, at the same time, strengthen participatory local governance and increase sustainable economic opportunities, based on environmental and territorial management in the area's municipalities.

The sound of "cha-la-lan, cha-la-lan, cha-la-lan" has continued to echo

much further afield, reaching as far as the Carrasco National Park in the Tropics of Cochabamba. In the Wildlife Sanctuary a few kilometers from the town of Villa Tunari, tourists can visit the Repechón Cave, the home of the guácharos. These birds have a wing span of up to 130 centimeters and are nocturnal, which led people to think for a long time that they were blind.

A group of young people from nearby communities have been trained as tourist guides by Conservation International, with USAID funding. As they lead visitors along the two-kilometer path, the guides recount the history of the park and describe the marvelous animal and plant life it contains.

"It's as if we were telling the tourist a story for two or three hours, because we've created a thematic interpretation scheme," explains Cándido Pastor Saavedra, Conservation International's Program Manager. He adds that tourists pay between 30 and 60 bolivianos to go on the walk. A guide can earn about 500 bolivianos a day, but they do not keep all the money because it is shared with the federation of small farmers that the guides belong to.

In contrast to Chalalán, the idea of this project is to offer a tourist attraction that does not involve much expenditure on infrastructure. It seems that they have achieved their goal. According to Conservation International, since the project started to be implemented through the Kausay Wasi company, owned by the young people who work as guides, the number of visitors has increased by 180%.

The echo of "cha-la-lan, cha-la-lan, cha-la-lan" has still not become silent. Anything but...



The light of progress in the Yungas

Electricity, safe drinking water and roads

After travelling for 12 hours along a road that seemed to be made of soap and getting stuck for another few hours waiting for a heavy truck to be moved off the road, Hassan Abdelhalin Abdala set foot in the municipality of Palos Blancos for the first time. 27 years old and a qualified agricultural engineer, Hassan had been sent by Cordepaz to carry out artificial inseminations to improve the livestock in the region. The houses in Palos Blancos had roofs made of jatata palm, bamboo walls

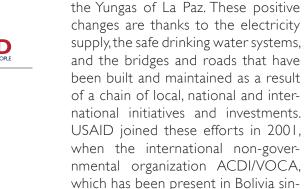
and dirt floors. People were drinking far from clean water from barrels, and the town had an improvised cinema with an engine that played the leading role in all the old films because of the noise it made (when it worked at all). The year was 1988.

22 years later, people like Hassan still remember those days, perhaps because they never cease to be surprised by how much people's lives have changed for the better, not just in the Alto Beni region but in the whole of









There were several significant milestones in this development process. In 2001, the Government of Bolivia, together with USAID as the funder, decided to start a series of development projects in the Yungas of La Paz because they feared that coca production was about to explode in the region.

ce 1972, started working in the area.

There was evidence that coca crops had already exceeded the 12,000 hectares permitted by Law 1008 in the traditional coca-growing areas.

The "Yungas I" project was therefore launched in the first quarter of 2001. It included various small high-visibility works of infrastructure that could be completed quickly, making an immediate impact throughout the Yungas of La Paz: the construction of footbridges and suspension bridges, the installation of safe drinking water systems, and the refurbishment of schools and health centers.

The strengths and weaknesses of older projects carried out in the Tropics of Cochabamba served as a lesson-learning experience for what

would be undertaken in the Yungas of La Paz. Assembly meetings and workshops were held in the Yungas communities to analyze and plan the beneficiaries' proposals with the beneficiaries themselves.

The "Yungas I" project lasted barely a year, because it was superseded by the implementation of a larger-scale plan. This was called the "Intervention Strategy for Alternative Development in the Yungas of La Paz" and it led to at least 10 projects financed by different organizations and countries. These involved different areas of work, including production (especially of cocoa and bananas), health and education infrastructure, road building and maintenance, the installation of an electricity supply,





The installation of electricity, safe drinking water and sewer systems, and the construction and maintenance of roads and bridges, has changed the lives of people who used to transport their produce by river in canoes, drink water from barrels and light a candle in the evening.

strengthening municipal governments, and education and health.

Responsibility for the infrastructure projects was assigned to the Community Alternative Development Fund (CADF), financed by USAID and implemented by ACDI/VOCA. Between 2002 and 2005 this fund constructed more than 30 works of infrastructure, mainly in Caranavi and Alto Beni, including safe drinking water systems (Palos Blancos was one of the beneficiary municipalities), sewer systems, health and education infrastructure, and bridges.

After this project was completed in 2005, a new international bidding round was won by ACDI/VOCA. This gave rise to the "Integrated Community Development Fund" (ICDF), a project that followed in the footsteps

of the CADF from 2005 onwards. It is due to be completed in 2010.

By September 2009, the ICDF had completed more than 400 projects in the Yungas in areas including training, productive infrastructure, basic sanitation, and health and education infrastructure.

Unlike the CADF, in this more recent initiative municipal governments are not only involved in planning and identifying projects. They must also make a counterpart contribution of 20% of the total cost of the project, while in the case of communities the counterpart contribution is 10% of the cost.

As far as the way of working is concerned, it is the government that negotia-

tes with the communities, agreeing to approve a project that benefits them in exchange for their commitment to reduce coca and refrain from increasing the area of land planted with the crop. These agreements are then submitted to a discussion committee whose members are representatives of the Bolivian Government, USAID and the implementing organization.

Visitors to Palos Blancos these days will see more people in the street; people watching cable television, talking on mobile phones or using the internet; and people enjoying an ice-cream, a yogurt or, later in the evening, a cold beer. All these items were unthinkable when there was no electricity. Together with the safe drinking water and passable roads, the power supply has made life here so much easier.

Women make the Altiplano bloom



The horizon is endless. The land around Caracollo, 37 km away from the city of Oruro, is flat, colorless, and looks like a desert. It seems miraculous that the earth here could offer people anything more than poverty. Nevertheless, in the hands of a group of women, this inhospitable soil has become a source of hope. The process is simple: first you plant

tion industry. It was really hard, - quinua flowers - into a real bu-

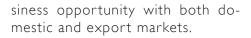
quinua; then you harvest flowers.

monotonous work. But everything has changed since I've been working here," says 22-year-old Zulema Condori. She is one of the partners – there are 35 in total – in the enterprise Quinua Flor. Thanks to the support provided by the MAPA 2 project (Market Access and Poverty Alleviation), USAID and the foundations FDTA Altiplano and FDTA Valles, this small company has managed to turn something "I used to work in the construc- that used to be merely decorative





35 women are producing some 100,000 bouquets of flowers per year for the Quinua Flor company, which sells them in Bolivia and abroad. In Italy, Switzerland, Spain and the United States, the bouquets can fetch up to four dollars.



"What we do is immortalize the flowers," explains Klaivert Pol Campos, the enterprise's coordinating manager, "but we have to select them first." It is a craft that could well be described as poetic, and uses just five per cent of the quinua harvested by a few individual farmers and several local producer associations.

"The quinua is planted in September, October and the first half of November," Klaivert goes on. "The harvest, when the grain is milky, is usually done in February and March." Once the panojas (quinua flowers) have been collected, they are dressed so that they reach the market in perfect condition. This

is when the women play the leading role. They divide up the work between them in the company's facilities to ensure that each stage in the process runs smoothly.

Some of the women are in charge of the greenhouse, where the average temperature of 45°C is in stark contrast to the sharp wind blowing outside this 520 m² enclosure. Inside, the panojas of up to six different varieties of quinua are sorted by color and size and then dyed a range of hues. Klaivert describes the colors as "very similar to sodas," and they have equally suggestive names, including strawberry red, sunset orange, egg yellow and chocolate coffee.

Valeria Herrera is one of the partners in the enterprise who is usually

in charge of this task. She is 40 years old, has three children and earns a daily wage of 25 bolivianos in Quinua Flor. "It has helped me to support my family," she explains, "because I usually earn about 500 bolivianos a month. On the Altiplano there is quite a lot of discrimination against women, but here I've found a secure income. I even earn more than my husband."

Almost overnight, Valeria became the family's matriarch. Like her, other women have managed to grasp the reins of their lives as never before. "We even have a lady of 72 working here with us," Klaivert points out.

All the women are able to use the services of a day-care center. For 15 bolivianos a month, their younger children are looked after and given

three meals a day, ensuring that they have a balanced diet. "Thanks to the Childcare Program (PAN) and the local government, we receive vegetables, meat, rice, pasta, flour, wheat, cooking oil, milk and oats," says Klaivert. "They've also given us toys, pictures and lots of teaching materials."

Meanwhile, back in the greenhouse, the panojas are everywhere, their willowy spears pointing towards the sky. "First of all, we keep them in buckets, where they absorb the dye much more quickly," explains Klaivert. Next they are moved to a guttering structure where they are soaked to complete the dying process. It takes 20 days, in a sort of alchemy that turns the flowers into a spongy, durable product that stays intact for nearly three years.

Next comes the drying phase, when the panojas are laid out on slabs in the open air for three or four days. The final touches take place in the packing room, where the stalks are trimmed, the panojas are brushed to remove excess grains, bouquets are put together based on the size of the flowers - which range from 40 to 90 cm - and these are packed into boxes.

Finally, the prices are set for the 100,000 or so units produced every year. In the domestic market, the price ranges from 12 to 20 boli-



vianos per bouquet, while those destined for export - important niche markets include Italy, Switzerland, Spain and the United States - fetch between 3.5 and 4 dollars.

"The good thing is that they also sell very well at fairs," says Gilka Alvarez, who is 20 years old and one of the women responsible for the flower arrangements. Bonsais and fantasy baskets in particular take nearly half a day to make and are sold at a slightly higher price. "But it's worth the effort, because the business is nearly

self-sustaining now. I have been able to study computing, for example, thanks to the support of Quinua Flor."

So far, more than 200 families have benefited from the project directly or indirectly. "And we hope to reach 300," Klaivert declares. Although Bolivia is still light years away from the leading countries in the flower export industry -Holland, Colombia, Kenya and Ecuador - it costs nothing to dream, especially if you are holding a bouquet of exotic colored flowers.





Children learn healthy habits

A daily challenge for a better quality of life

At Raymundo Herman school in the city of Cochabamba, washing their hands has become as much of a habit for the children as reciting the multiplication table. It is Friday and a small army of boys and girls are carrying empty buckets — as they do every morning — to collect clean water from plastic bottles that have been cut in half. Hanging from a tree, these bottles perform the same function as a tap. When the stopper is opened just a little, water immediately spurts out of the bottle and

covers the schoolchildren's soapy hands. They rub their hands carefully for 10 to 20 seconds, and then they are ready to start their first class.

This charming scene would not have been possible without the support of the Save the Children program "Improving our lives: Child health and nutrition in Bolivia," which receives funding from USAID.

"The key area of our work," explains Coya Sejas, the program's national



via" is reaching more than 150,000 schoolage children and about 65,000 under-fives and their families in the city of El Alto and the departments of La Paz, Oruro, Cochabamba

The program "Improving

our lives: Child health

and nutrition in Boli-

and Santa Cruz.

coordinator, "is training the teachers. As far as coverage is concerned, we are working in La Paz, El Alto, Cochabamba, Santa Cruz and Oruro. We're reaching about 200,000 school-age children, 300 schools in low-income urban districts and 200 rural schools."

"With the help of the teachers, the children learn five hygiene habits to keep them healthy: washing their hands, drinking safe water, how to use the bathroom properly and keep it clean, how to dispose of rubbish correctly and how to prepare rehydration solution for use in cases of emergency."

The objective is simple but essential: to reduce the number of deaths due to diseases that in the 21st century could be avoided. Chronic malnutrition affects about 15% of schoolchildren in Bolivia, making them vulnerable to different diseases. Worldwide, about 3.5 million people die every year due to ailments that are perfectly treatable in hospital, such as diarrhea and pneumonia. "This is why the program is so vitally important," Coya Sejas emphasizes, because its mission is to save lives.

At Raymundo Herman school, the lessons have already left a deep impression. As 13-year-old Jhovana Chiri Condori confirms."We all wash our hands regularly, especially before a meal and after going to the bathroom."

Pamela Gutiérrez, 12, is an expert in SODIS - a technique that involves leaving water in the sun to purify it and get rid of any bacteria - and has prepared rehydration solution for her younger brothers and sisters on several occasions. Gabriel Camacho Rojas, II, has taught his parents and grandparents how to wash properly.

"The interesting thing in these cases," school director Betty González points out, "is that knowledge is being transmitted not from parents to children, but the other way around." Nurse and mother Elena Herbas agrees. She adds that she no longer has to keep telling her children to use plenty of water to wash their hands.

An hour after the visit to Raymundo Herman, in another school on the outskirts of Cochabamba called Max Fernández, several teachers and parents are getting ready to listen to a talk on the benefits of vitamin A. "Anemia, which is caused mainly by a poor diet, is one of the main problems affecting the schoolchildren, because it diminishes their ability to learn. That's why, as part of our work, every six months we give a vitamin A tablet to the children from 5 to 12 years of age. We also give them ferrous sulfate tablets so that they don't suffer from iron deficiency," Coya Sejas explains.

Immediately after the talk, the magic capsule is distributed in one of the





classrooms. The bright yellow, perfectly spherical tablet looks like a miniature planet. The tablets are placed straight into the children's waiting mouths. II-year-old Samuel Romero demonstrates that he has learned the lesson well. "I like it," he says, "because it makes your body stronger, firms up the bones and reduces infections. And it's good for the blood."

the afternoon in a third location. the Elizardo Pérez school in Villa Pagador, one of the most deprived neighborhoods in the city. There, several students have dressed up as food that contains vitamin A,

acting out what is known as the green and orange diet. This means a diet that includes orange fruit such as mango and papaya, vegetables of the same color such as squash, and dark green leafy vegetables such as chard, parsley and spinach.

The green and orange diet has changed the habits of some students who were far too accusto-The education work continues in med to eating saturated fat. And it is having extremely positive effects, as confirmed by 30-yearold Luis Rojas Terrazas, who has worked as the neighborhood doctor for the last four years: "The children are getting sick such as carrots and eggs. They are much less frequently nowadays." Even so, the work is far from easy, and it is not necessary to go very far to find out why. This school does not have a piped supply of safe drinking water, and depends on the local government water tankers to meet its essential needs. But, as teacher Marisol Valderrama remarks, "the water from the tankers isn't always enough to go around." Also, according to the statistics kept by health staff, there are still many children who do not wash properly and cannot eat a balanced diet.

There is still some way to go, then. But the partnership between Save the Children and the schools has at least produced the best possible role models for our children in this endeavor: Mister Health and Miss Hygiene.



Prompt justice in integrated centers

Dialogue and conciliation are effective methods

The dream of having a home of her own was vanishing for Wilma, a 40-year-old meat vendor. But her luck changed when she came to the Max Paredes Integrated Justice Center, in Chorolque street in the city of La Paz, and received free legal support that enabled her to find a solution to her problem through dialogue and conciliation, thus avoiding the need for a costly and lengthy lawsuit in the ordinary courts.

It all started 10 years ago when seven brothers and sisters – including Wil-

ma – inherited from their parents two houses in the Alto Chijini neighborhood and near the main cemetery, and a plot of land with two small adobe buildings in the Los Andes neighborhood. None of the properties had legally registered ownership documents; even worse, they were still in the name of the previous owner, an aunt of the heirs.

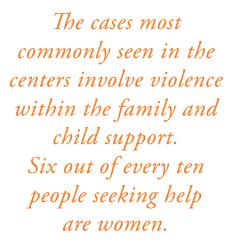
Wilma, the youngest in the family, was interested in one of the houses. She wanted to live there with her husband and three children, two girls aged 21

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and 18, who were studying at university, and a younger child of seven. In October 2008 Wilma agreed to pay US\$40,000 for the house. But she was unable to fulfill this commitment because it took a long time to sort out the ownership documents and this prevented her from applying for a loan to pay her debt. She had no other way of doing it because she did not earn enough from her business selling llama meat from a stall on Buenos Aires avenue.

The solution was found when Wilma's older brother learned of the existence of the Integrated Justice Center on Max Paredes street. The center is one of eleven set up in Bolivia since September 2004 with USAID funding. At the center, professionals and volunteers helped Wilma to find a solution to her problem in July 2009. By August that year, the whole thing had been resolved through conciliation.

The Loza family understood that their sister was unable to do anything other than wait for the ownership documents to be put in order in the property rights registry office and the local government. The staff at the Justice Center promised to carry on monitoring progress with the paperwork. Today, a smile has returned to the face of Wilma, the meat vendor.

The first six Integrated Justice Centers were set up in 2004, in districts 1, 2, 4, 6, 7 and 8 of the city of El Alto, on the initiative of the Ministry of Justice and with the support of the local government and USAID.

Local residents got together to agree on the site that would be allocated to build the infrastructure and decided to get involved, either as volunteers or as overseers of the work.

Between January 2004 and June 2009, the Justice Centers dealt with 107,403 cases. The busiest center was the one in the Plan 3000 neighborhood of the city of Santa Cruz de la Sierra, where 14,306 disputes of different types were resolved.

As time went by, other centers were opened in La Paz (one in the city and another in the town of Coroico in the Yungas), Cochabamba (in Chimoré) and Santa Cruz (in Plan 3000 and Yapacani). One also operated for a short time (2004-2005) in Caranavi.

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In each center, legal advice is provided to determine the best way to resolve a case. If the legal assessment advises the use of conciliation, this route – which draws on people's ability to resolve a conflict through dialogue – is the one chosen. The centers also offer counse-

ling and sponsorship with the support of a lawyer and students on work experience, who act when a problem has to be resolved through the formal justice system.

The Integrated Justice Centers also disseminate information about citizen rights and services at fairs and provide training to the community through mobile brigades. Local residents learn about violence within the family, child abuse, alternative dispute resolution methods, criminal law, etc.

Each center has four permanent members of staff: a coordinator, a conciliator, a sponsoring lawyer and an examining magistrate with the power to adjudicate in matters of civil, family and criminal law. The rest of the staff are volunteers and university students — usually taking a degree in law — on work experience. The volun-

teers have to be over the age of 18 to be accepted, and they are also asked to show commitment and the willingness to be trained. Most of them are young people, with women in the majority (55%), but they also include housewives, retired people and former miners.

The cases most commonly seen in the centers are those involving violence within the family and child support. Six out of every 10 people seeking help are women. In civil law cases, support is provided to solve problems with inheritance disputes, non-fulfillment of contracts, mistakes in identity documents and many others.

In September 2009, following a decision by the Government of Bolivia, responsibility for running the 11 Integrated Justice Centers passed to the government.