

Data Sheet

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

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

Inputs, Outputs, Activities:

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

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

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

Increase Participation in Global Trade and Investment (\$83,000 DA, \$4,000,000 ESF). Using ESF, USAID will provide technical assistance and training to improve the business environment and competitiveness of firms by taking advantage of opportunities under the Andean Trade Promotion and Drug Eradication Act. Support will be provided for labor intensive, nontraditional exports in sectors in which Bolivia has a natural competitive advantage or trade preferences. Regional competitiveness hubs will be developed to enhance business skills. Assistance and

training to small and medium businesses will improve productivity and competitiveness and link them to markets. Assistance to businesses, associations, and communities on the use of the Internet and other electronic media will help augment their exports. All ESF-funded support is targeted directly to private enterprises to generate income, reduce poverty and mitigate conflicts. DA resources will be used to provide technical assistance to the Government of Bolivia (GOB) on joining a bilateral and/or multilateral free trade agreement and on trade policy issues. Principal contractors are Chemonics International, with others to be determined.

Increase Food Security of Vulnerable Populations. The P.L. 480 Title II program will continue introducing new technologies, effective food security assessment tools, and training materials to increase yields and reduce storage losses. USAID will organize farmers' groups and marketing associations, and deepen existing partnerships with communities and municipalities. Cooperating sponsors are the Adventist Development and Relief Agency, Food for the Hungry International, CARE, and Save the Children.

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

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

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

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

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

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

USAID assisted 16,000 families in ten commodity chains, with beneficiary households' income increasing by an average of 15% per year. Farmers now export fresh produce to Canada, Brazil, Japan, Argentina, Uruguay, United States, and United Kingdom. USAID helped strengthen the

sanitary and phytosanitary standards of the Bolivian National Service of Animal and Plant Health and Food Safety. The P.L. 480 Title II program increased food security in rural Altiplano and Valleys communities by combining rural income-generating activity with sustainable natural resource management. The average annual gross income of rural households increased from \$808 in FY 2003 to \$862 in FY 2004.

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

US Financing in Thousands of Dollars

Bolivia

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