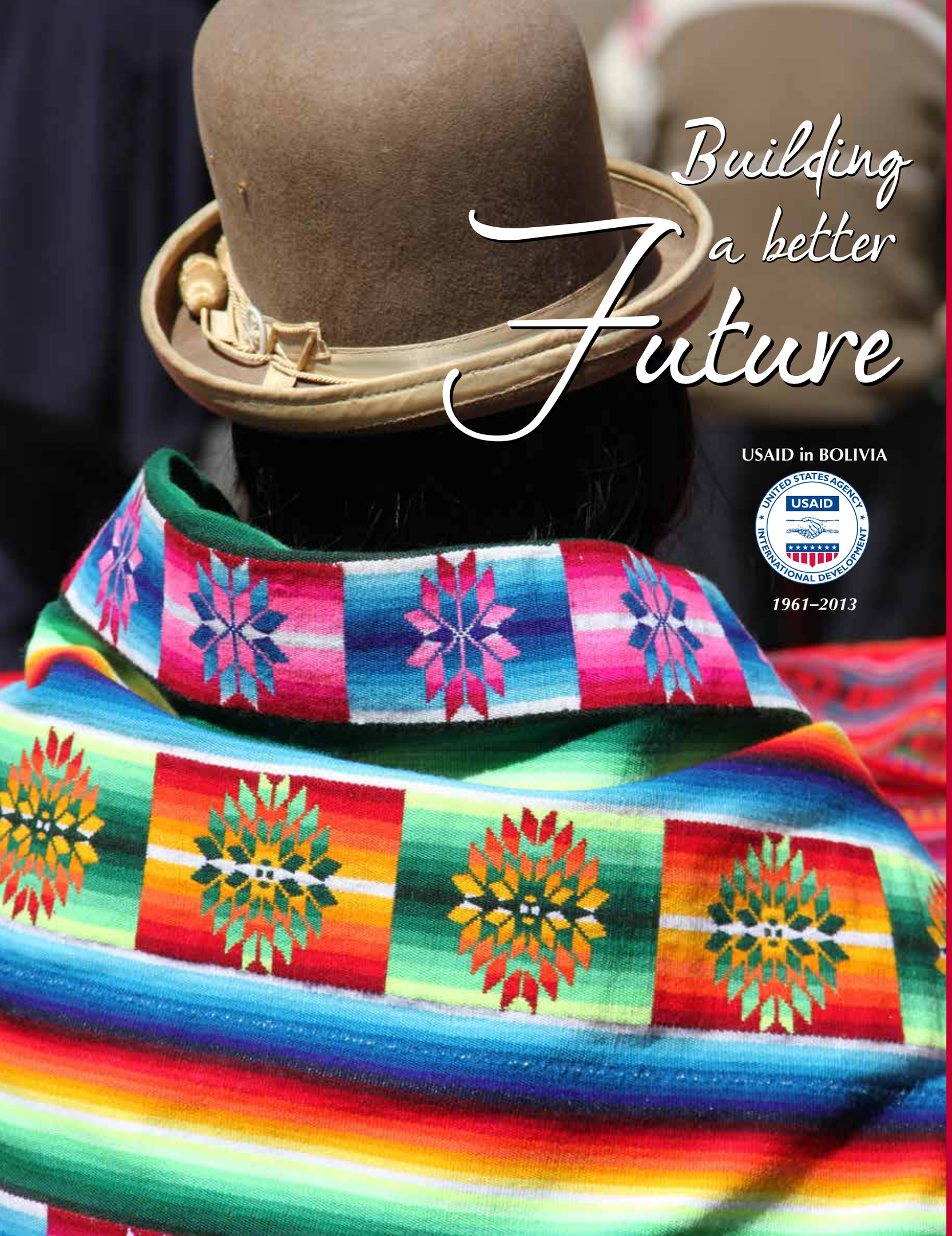

Building a better Future

USAID in BOLIVIA

1961–2013

USAID
FROM THE AMERICAN PEOPLE

"Building a Bettter Future" describes the history of USAID in Bolivia from 1961 to 2013.

"In its 52 years of partnership with the people of Bolivia, USAID has touched and changed millions of lives. As a development agency, USAID is committed to sustainable development that extends from the national institutions tasked with nation building all the way to the communities and families that are the nation. This has been our vision for Bolivia—to make a real difference in the lives of ordinary Bolivians."

—Janina Jaruzelski, USAID Mission Director

According to Raúl España-Smith, President of FUNDA-PRÓ, USAID was the largest and most effective development agency that worked in Bolivia:

"USAID had such a major presence in a wide variety of fields, [including] health, democracy, economic development, education, justice and many more, that they could have been considered a Ministry of Cooperation."

—Interview with Raúl España-Smith, August 8, 2013

Photo and cover design by Carmen Julia Arze

Building a better Future

USAID in BOLIVIA
1961–2013

We extend our deepest gratitude and respect to the Mission's Bolivian staff, many of whom have dedicated their entire careers to improving the lives of their fellow citizens and making their country healthier, more inclusive and more prosperous. The successes that USAID/Bolivia achieved would not have been possible absent the deep involvement and important contributions of the Bolivian citizens who made up the substantial majority of the Mission's staff. The Mission's local staff are patriots in the truest sense—people who love their country and have given their all to help their nation reach its full potential.

USAID/Bolivia Mission Directors, 1961–2013

William P. Hughes (1961)
Alexander Firfer (1962–1964)
Irving G. Tragen (1965–1968)
Edward W. Coy (1969–1973)
John R. Oleson (1973–1976)
Frank B. Kimball (1977–1979)
Abe M. Peña (1979–1980)
Malcolm H. Butler (1980–1981)
Henry H. Bassford (1982–1985)
David A. Cohen (1985–1987)
G. Reginald Van Raalte (1987–1990)
Carl H. Leonard (1991–1994)
Frank Almaguer (1995–1998)
Liliana Ayalde (1999–2005)
Michael J. Yates (2005–2008)
Peter Natiello (2008–2009)
Wayne Nilsestuen (2010–2013)
Janina Jaruzelski (2013)

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photo by Neil Palmer, CIAT International Center for Tropical Agriculture

Message from the Mission Director

In its 52 years of partnership with the people of Bolivia, USAID has touched and changed millions of lives. As a development agency, USAID is committed to sustainable development that extends from the national institutions tasked with nation building all the way to the communities and families that are the nation. This has been our vision for Bolivia—to make a real difference in the lives of ordinary Bolivians.

In our work we have valued open and transparent dialogue and programming, the inclusion of the poor in the development agenda and the centrality of women to Bolivia's progress. We have recognized that well-educated and healthy children are ultimately the torchbearers for Bolivia's future. We understand that democracy is a process and have been proud to support Bolivia's democratic transformation. We have built roads and bridges and have paved the way for the private sector, the rural poor and civil society organizations to be agents of change in Bolivia. While the challenges have, at times, been immense and problems remain, Bolivia's progress has been extraordinary in a great many respects.

Bolivia is a better place thanks to the efforts of several generations of USAID professionals, starting in the 1960s. Literally thousands of development experts—from Bolivia, the United States, and other countries—have logged countless miles over Bolivia's high Andes mountains, the *Altiplano*, its valleys, and its lowlands to help realize Bolivia's potential.

During our half-century of partnership with the people of Bolivia, USAID has catalyzed significant change in the lives of ordinary Bolivians. Working together with the Bolivian Government, donors and international and local organizations, USAID has improved the lives of farmers in the *Altiplano* who now have access to markets in the developed world for their produce; helped inhabitants of the *Chapare* coca-growing region find legal crops that they can grow and market to ensure food security for their families; expanded access to excellent and affordable health care; positioned Bolivia as a leader in environmental conservation and management; and trained Bolivia's young indigenous leaders in the exercise of civic participation.

As Bolivia's largest bilateral donor for many years, we are proud of our legacy and of our longstanding work with and for the Bolivian people. For 52 years USAID has demonstrated deep commitment to Bolivia's social and economic progress, and is honored to have helped so many Bolivians improve their own lives and those of their fellow citizens.

At the request of the present Bolivian Government we are closing USAID's programs. However, the vision of prosperity and potential and the legacy of success that we have built with the Bolivian people remains. We hope that in the future, the Government of Bolivia will come to recognize the very tangible and real contributions that USAID has made and could make once again in the future.

Janina Jaruzelski, USAID/Bolivia Mission Director

photo by USAID/Bolivia

Introduction

Bolivia is a magnificent country, with awe-inspiring geography, cities rich in history, and profound cultural heritage. When the U.S. Government began its partnership with Bolivia in the early 1900s there was immense optimism about the country's future. Few countries in Latin America could boast as much natural wealth as Bolivia. A variety of minerals were found in large quantities, and natural gas and renewable energy sources were abundant. Fertile valleys and wide lowland plains provided good soil and a good climate for a variety of crops. Even the more austere highlands produced large quantities of certain foods.

From the 1940s until now the U.S. Government consistently partnered with the Government of Bolivia to advance Bolivia's economic and social development. The reasons for this are not hard to understand. Bolivia has, over the years, been one of the poorest countries in South America. Although the country has extraordinary natural wealth, it continues to confront important liabilities, including the fact that it is one of the most geographically isolated countries in the world. It is completely landlocked and is separated internally by long distances and rugged mountain ranges. Difficult access to internal and external markets has challenged even the best economic growth efforts. The population of Bolivia is predominantly indigenous and rural, and for many years was largely isolated from health care, education, and economic opportunities. With 38 governments since 1946, Bolivia has experienced constant political and economic change and disruption in its economic and social growth.

Most Bolivian Governments have been friendly to the United States, and a spirit of cooperation has benefited the Bolivian people since 1941, when the U.S. economic mission to Bolivia was formed. Since then, the U.S. Government and USAID, beginning in the 1960s, consistently backed the Bolivian Government's strategic priorities and emphasized broad-based economic growth to ensure Bolivia's place in a rapidly changing global environment.

The earliest U.S. Government financial and technical assistance promoted infrastructure development, primarily in the form of railroads and mining. Over time and before the founding of the Alliance for Progress and USAID in March 1961 and November 1961, respectively, the United States worked with the Bolivian Government to build Bolivia's foundation for economic progress, including fiscal policy, agricultural and petroleum production services and highway, road, and bridge construction. The U.S. Government responded to the threat of famine in the early 1950s and directed resources to alleviate malnutrition among women and children less than 5 years old. The United States also contributed to the earliest stages of Bolivia's health sector development.

By the early 1960s, when U.S. assistance was formalized under the Alliance for Progress—a program specifically focused on Latin

Did You Know...?

Early U.S. Government assistance to Bolivia revolutionized the *Cochabamba-Santa Cruz* area and turned the region into a major agricultural producer, building self-sufficiency by the mid-1960s in beef, sugar, rice, and cotton and saving millions of dollars in foreign exchange for Bolivia.

America—and USAID, the U.S. Government had provided $196.6 million to Bolivia.[1] This support was well received by the government and people of Bolivia and laid the foundation for many successful years of partnership between the United States and Bolivia.

USAID's financial and technical assistance role was based on the agency's understanding of the nature and magnitude of problems confronted by Bolivia over time. USAID strategies focused primarily on agriculture, economic growth, education and human capacity, and the health sector and consistently upheld Bolivia's national goals for development and poverty reduction.

Throughout the 1960s, USAID's work complemented the Government of Bolivia's 10-year development plan, including a program to rehabilitate the mining industry, and maintained the development trajectory established in earlier years by providing loans and technical assistance for infrastructure development, agriculture, health, education, and road construction.

In the 1970s USAID began to focus on Bolivia's rural poor, particularly the small farmer, improving agricultural production, expanding health services and education for primary-school-age children, increasing access to improved food and nutrition, and implementing administrative reforms in the health, agriculture, and education sectors. In addition to agricultural marketing and production, USAID provided loans for rural electrification projects. USAID worked with the International Bank for Reconstruction and Development and the Inter-American Development Bank to finance basic rural electricity distribution projects.[2] USAID efforts were aligned with the Bolivian Government's pro-growth policies.

In the 1980s, USAID initiated work in community and child health, alternative development, and the environment. Bolivia went through a period of political turmoil early in the decade, and the U.S. Government suspended assistance to Bolivia following a coup in 1980. After another change of government in 1981, USAID/Bolivia's short-term assistance strategy focused on identifying, producing, and marketing crops that were alternatives to coca in the *Chapare* region. Throughout the 1980s, USAID more frequently engaged civil society to implement programs—for example, by providing financing for *La Liga de Defensa del Medio Ambiente* (LIDEMA) [The Environmental Defense League], a coordinating body for environmentally focused organizations, and *Asociación Protección a la Salud* (PROSALUD) [Health Protection Association], a local health sector organization. In the 1980s, USAID and the Bolivian Government also worked together to make Bolivia a leader in Latin America for sound environmental management.[3]

Did you know that, through financial and technical assistance to Bolivia's health sector, USAID…

- **Facilitated Bolivian women's ability to plan and space their pregnancies, with greater access to and use of family planning services throughout the country**
- **Contributed to the elimination of polio in Bolivia**
- **Contributed to declines in under-5 mortality from 160 per 1,000 live births in 1974 to 63 per 1,000 live births in 2008**
- **Expanded the role of the private sector in Bolivia's development, including the startup of PROSALUD and PROCOSI, key providers of health services**

1 USAID, *U.S. Overseas Loans and Grants: Obligations and Loan Authorizations, July 1, 1945–September 30, 2011* (Washington, DC: USAID, 2011).

2 R. Gross, *USAID/Bolivia A Brief Historical Overview* (Washington, DC: USAID Knowledge Services Center, June 2008).

3 Ibid.

photo by USAID/Bolivia

During the 1990s poverty placed an alarming strain on Bolivia's economic growth, sustainable development, health and human resources, and environment. Bolivia's position as the second largest producer of coca/cocaine in the world threatened the country's economy as well as its democracy.

In the early 1990s, USAID/Bolivia focused on alternative development, trade and investment, democracy, family health, and the environment. In 1991 the U.S. Government signed two agreements with the Bolivian Government to reduce Bolivia's total debt to the United States from $454.6 million to $82.7 million. USAID/Bolivia developed a new Alternative Development strategy focused on reducing economic dependence on coca production. The Community and Child Health Project, launched in 1988, remained an important part of USAID's portfolio until the project's closing at the end of the 1990s. Also in this decade and moving into the 21st century, the Bolivian Government partnered with USAID to strengthen democracy and governance at all levels of government throughout the country.[4]

At the start of the 21st century USAID programs emphasized Bolivia's democracy and governance goals, continued to provide economic opportunities in agriculture, trade, and business to disadvantaged rural populations, and offered small farmers alternatives to coca production in the *Chapare* and *Yungas* valley. In 2009, at the request of the Bolivian Government, USAID ended its assistance in democracy and governance. In 2013, when USAID was asked by President Evo Morales to leave the country, it had been working with the Government of Bolivia and other partners to increase access to quality health care services and to address the needs of underserved rural communities.

USAID also…

- Put Bolivian coffee on the global map and facilitated Bolivian exports in quinua, peanuts, organic onions, flowers, beans, and herbs through its Alternative Development program
- Played a lead role in the enactment of Bolivia's Popular Participation Law in 1994—the country's most important transfer of power to Bolivian citizens since the 1952 Bolivian National Revolution
- Provided job opportunities for thousands of women through microfinance and export activities
- Facilitated significant advances in conservation, including the first ever environmentally-friendly forestry law in 1996

4 Gross, *USAID/Bolivia A Brief Historical Overview.*

"USAID had such a major presence in a wide variety of fields, [including] health, democracy, economic development, education, justice and many more, that they could have been considered a Ministry of Cooperation."

—Interview with Raúl España-Smith, President of FUNDA-PRÓ, August 8, 2013

USAID was also helping Bolivians protect biodiversity and manage their natural resources, and was focusing on reducing pollution around Lake Titicaca. At the same time, USAID was working to protect one of the largest remaining tracts of dry forests in the world.

In November 2011, a new U.S.-Bolivia framework agreement was signed in an effort to improve bilateral relations between the two governments. USAID's September 2013 departure from Bolivia at the request of the Evo Morales administration compromises the intent of the 2011 agreement and represents the end of an era in U.S.-Bolivia relations afforded by the American people for more than 50 years.

photo by USAID/Bolivia

From Independence to 1961: The Early Years of Partnership

The United States established diplomatic relations with Bolivia in 1849, and in 1909 Bolivia received its first significant influx of U.S. funds for railroads and mining.

Interestingly, it was tin that ultimately brought the United States and Bolivia closer together. During World War I a substantial portion of Bolivia's tin exports went to the United States, and the value of Bolivian exports to the United States grew from $200,000 in 1913 to more than $35 million by 1918.[5] With the war's end, however, U.S. demand for tin declined dramatically. It wasn't until World War II that this decline reversed, with the United States buying about one-half of Bolivia's tin concentrates from 1940 to the mid-1950s.

From 1945 to 1960, more than 1,000 Bolivian technicians and officials participated in training programs in the U.S., Puerto Rico, and various Latin American countries, which were financed by more than $2.5 million of U.S. technical cooperation funds—building Bolivia's capacity for long-term sustainable development.

The United States and Bolivia were also conjoined through a series of U.S. bank loans that were initiated in the early 1920s. By 1927 U.S. investments in Bolivia exceeded those made by any other country by at least $40 million, and U.S. banks played a direct role in setting the Bolivian Government's fiscal policy. In August 1941, the U.S. State Department proposed long-term assistance to Bolivia to improve communication and transportation facilities (primarily highways), expand and diversify agricultural production, stimulate mining, and stabilize the currency. In September 1941, Bolivia and the United States signed their first military assistance pact, and at the end of the year they agreed to a deal allocating Bolivia $11 million in military supplies and weapons.

From 1942 until 1953 the U.S. and Bolivian Governments established *servicios*—jointly funded, semiautonomous agencies staffed by U.S. and host country technicians—to implement technical assistance programs. The first *servicio* was the health *servicio* in 1942; it was followed by the agriculture *servicio* (1943) and the education *servicio* (1944).

In 1944 the United States helped create and finance the education *servicio* (*Servicio Cooperativo Interamericano de Educación*) to develop Bolivian education through professional interchange with the United States.

U.S. attention to agricultural production in Bolivia had its start in a U.S. economic mission in 1942. The mission conducted a study of Bolivia's agricultural sector and proposed a program that included the construction of the *Cochabamba-Santa Cruz-Montero* roads and the improvement of rice and sugar production. The mission also advocated that Bolivia increase domestic production of other agricultural commodities, especially wheat, cotton, and vegetable oils, all of which Bolivia imported heavily at the time.

To address the mission's recommendations, U.S. technicians and Bolivian counterparts set up and staffed a number of agricultural experiment

5 K. Lehman, *Bolivia and the United States: A Limited Partnership* (Athens, GA: University of Georgia Press: 1999), p. 57.

stations. In 1943, with substantial financing from the United States, the *Servicio Agricola Interamericano* (agricultural *servicio*) was created to consolidate the stations' efforts. Experimental work at the agriculture research stations was expanded, and a nationwide agricultural extension service was organized. Within a few years, Bolivia was successful in improving crops, beef, and dairy cattle.

The U.S. Export-Import Bank in 1942 provided loans of:

- **$5.5 million for petroleum development;**
- **$10 million for agriculture, transportation, and mining; and**
- **$35.4 million for the construction of the *Cochabamba-Santa Cruz-Montero* highway.**

Building on the Marshall Plan, President Truman proposed an international development assistance program in 1949. On March 14, 1951, the governments of the United States and Bolivia signed the Point Four (or *Punto Cuatro*) General Agreement for Technical Cooperation in *La Paz*, stating:

> The Government of the United States of America and the Government of Bolivia undertake to cooperate with each other in the interchange of technical knowledge and skills and in related activities designed to contribute to the balanced and integrated development of the economic resources and the productive capacities of Bolivia['s] particular technical cooperation programs.[6]

In April 1952, the *Movimiento Nacionalista Revolucianario* (Revolutionary Nationalist Movement) ousted the ruling military junta and initiated a social revolution. The revolution influenced Bolivia's social and economic life for decades. Its hallmarks were instant agrarian reform in the highlands, nationalization of the country's principal mines, and the promise of a political system more open to the masses.

Bolivia's struggle for political and economic justice after the revolution, coupled with the economic and financial crises that plagued the country in the following years, prompted the initiation in 1954 of a U.S.

6 *Bolivia-USAID Bilateral Framework, Point Four General Agreement for Technical Cooperation between the United States and Bolivia* (March 1951), p. 1.

A Road Transforms a Nation

The *Cochabamba-Santa Cruz-Montero* highway revolutionized the entire *Santa Cruz* area, and by the early 1960s it was well on its way to bringing an economic revolution to the whole of Bolivia. The *Servicio Agricola Interamericano* conducted land-clearing operations in the *Santa Cruz* area with $7 million worth of land-clearing and farm machinery given by the U.S. Government. As settlers moved into the newly opened territory, and transportation facilities turned the region into a major rice and sugar production center, the *Santa Cruz* area gradually became the center of the nation's economy. As a result of improvements in transport and agriculture, production of rice rose from 14,500 metric tons in 1956 to 24,500 metric tons in 1961.

photo by USAID/Bolivia

Government financial capital assistance program. The U.S. expanded its assistance to Bolivia substantially and initiated the Food for Peace Program during this period. The financial assistance program included direct support for the central government budget through the late 1960s (in some years reaching 25 percent of Bolivia's budget).

In 1954, with the arrival of $7.55 million worth of agricultural equipment, tools, fertilizers, and insecticides under the U.S. economic assistance program, the *Servicio Agricola Interamericano* greatly expanded its activities. In collaboration with the National Agriculture Bank, the *Servicio Agricola Interamericano* instituted a nationwide credit program that eventually made 9,000 loans to peasant farms, medium-sized agriculturalists, cooperatives, and other groups. The credit program contributed to an increase in milk and meat production as well as the production of many crops.

The United States provided food assistance to Bolivia beginning in 1954 in response to the threat of famine in the aftermath of the revolution. From its inception the Public Law (P.L.) 480 Title II (Food for Peace) program in Bolivia was directed at relieving malnutrition among women and children under 5 years of age by distributing high-protein food and by attacking the longer-term causes of malnutrition through a complementary nutrition education program.[7] The program's main

In October 1953 the Eisenhower administration signed a formal aid package with Bolivia that consisted of $9 million in surplus food, $2 million in emergency technical assistance, and an additional $2.4 million for road construction. This was the first economic assistance program in the Western Hemisphere.

7 The Food for Peace Act, also known as Public Law (P.L.) 480, was signed into law by President Eisenhower in July 1954. President Kennedy placed "Food for Peace" in USAID in the early 1960s. Food for Peace has three titles. Title I is administered by the U.S. Department of Agriculture and Titles II and III are administered by USAID. Title II provides for the donation of agricultural products to meet emergency and nonemergency food needs in other countries. Title II commodities are traditionally provided by the World Food Program or through private or nongovernmental organizations.

target groups were preschool-age children, pregnant and lactating mothers, children in institutions, and primary-school-age children.

By 1960, the road *servicio* had improved or maintained 3,385 kilometers of inter-city and farm-to-market roads and 687 kilometers of secondary roads. In addition, the U.S. Government sent $4 million of road equipment to Bolivia under the economic assistance program.

The pace of development stepped up considerably under the *Movimiento Nacionalista Revolucianario* regime, resulting in substantial progress in achieving agricultural and petroleum production goals and in the development of the *Santa Cruz* region. U.S. assistance played a significant role in these development efforts.

U.S. assistance for road construction and maintenance was provided by the roads *servicio* established in 1955 and later transferred to the Ministry of Public Works in 1961. The roads *servicio* trained Bolivian engineers and technicians in all phases of road building and maintenance.

By 1959 the health *servicio* had vaccinated 85 percent of the population against smallpox and had substantially reduced the incidence of yaws disease (a tropical disease affecting the skin, bones, and cartilage) in the *Yungas* province. In 1960 Bolivia's anti-malaria campaign was in its second phase of operation. The *servicio* also assisted in constructing, equipping, and staffing a nationwide system of health facilities; occupational health programs for miners; environmental sanitation projects; and the construction of medical facilities, including the Central Laboratory in *Cochabamba*, the National Bacteriology Institute in *La Paz*, and the Animal Vaccine Laboratory in *Ovejuyo*.

From 1952 to 1961, technical assistance programs and capital projects continued as the primary form of U.S. aid to Bolivia, and were a key component of U.S. foreign policy. From 1946 to 1961 the U.S. Government provided the Government of Bolivia $196.6 million in economic and military assistance.[8] Ultimately, the post-revolutionary governments of Bolivia came to consider the United States as a source of reliable support for both their political stability and their development efforts.[9]

8 USAID, *U.S. Overseas Loans and Grants: Obligations and Loan Authorizations.*

9 USAID, *Development Assistance Program, FY 1975: Bolivia* (U.S. Department of State, November 1973), p. 15.

photo by ACDI/VOCA

The 1960s

photo by ACDI/VOCA

The Alliance for Progress, Civic Action, and the United States Agency for International Development

Bolivia became a showcase for the Alliance for Progress. The Kennedy administration increased aid to Bolivia by 600 percent between 1960 and 1964, sending a total of $205 million in economic aid and an additional $23 million in loans from the Inter-American Development Bank.

The Alliance for Progress

In March 1961, President John F. Kennedy launched the Alliance for Progress, a 10-year program designed to provide $20 billion in foreign aid to Latin American countries. Soon after announcing the Alliance, President Kennedy sent President Paz of Bolivia a letter that offered to make Bolivia a "full partner" in this new inter-American venture. He went on to outline an 8-point program of increased assistance to Bolivia. The following month President Paz signed agreements renewing and deepening the special U.S.-Bolivia relationship.

U.S. assistance to Bolivia under the Alliance for Progress became "more directly concerned with making operational" Bolivia's 10-year development plan for the period 1962–1972. The major objectives of U.S. assistance during the early years of the Alliance were "financial consolidation and improvement of public administration, the rehabilitation of the nationalized mining industry and the expansion of the private mining sector."[10] In addition, the Alliance emphasized rural

10 M. Kranz, *History of US Economic Assistance to Bolivia 1942–1980* [PN-AAM-935] (USAID Mission to Bolivia, May 28, 1980), p. 29.

development and the development of new agricultural areas, human resources development, and the expansion of industry.

Civic Action

While augmenting economic and development assistance to the region, President Kennedy also increased military assistance by 50 percent. In the case of Bolivia, where both arms of the Kennedy policy (development and military) were merged under a program called Civic Action, military assistance was expanded by 800 percent in coordination and consultation with the Bolivian Government. Under Civic Action, the Bolivian Government gave the Bolivian military development functions such as constructing roads and airstrips, providing air service to remote areas, assisting in agricultural and industrial work projects, building schools, clearing land for settlement, conducting literacy campaigns, and providing medical services. By 1964 a major portion of U.S. development assistance to Bolivia was administered through the Civic Action program in direct partnership with the Bolivian Government.

President Paz was President Kennedy's last official visitor on November 21, 1963—the day before Kennedy's assassination.

The United States Agency for International Development

A week after introducing the Alliance for Progress, President Kennedy announced a worldwide "Program for the Decade of Development" in a special message to Congress. The announcement included the proposal of an Act for International Development and the creation of the Agency for International Development. In 1961 President Kennedy signed the Foreign Assistance Act into law and created USAID by executive order. With the establishment of USAID, international development assistance opportunities grew tremendously.

President Kennedy appointed a special task force to study Bolivia's development problems. As a result of the task force findings, the United States reoriented its technical assistance program for Bolivia. A principal goal of the new program was rehabilitation of the mining industry, which resulted in the *Operación Triangular* (Triangular Operation) in 1961. USAID, the Inter-American Development Bank, and the German Government provided $37.75 million in loans over a 3-year period to rehabilitate the *Corporación Minera de Bolivia* (COMIBOL) [Bolivian Mining Corporation]. Funds were used for exploration of new mineral deposits, for equipment to rehabilitate the mines, and for mills.

USAID's major objectives in Bolivia in the 1960s were improving public administration, rehabilitating and expanding the mining industry, rural and agricultural development, human resources development, expanding industry, and creating a more favorable climate for investment and savings.[11]

By the end of 1964, USAID had authorized loans to Bolivia totaling $63.9 million. The loans were used for feasibility studies, the rehabilitation of *Corporación Minera de Bolivia*, modernization of the La Paz airport, construction of warehouses, recapitalization of the Agricultural Bank, and the establishment of Bolivia's Industrial Development Bank. The largest loans made during the 1962–1964 period were for the construction of important roads in hard-to-reach rural areas.

11 Kranz, *History of US Economic Assistance to Bolivia, 1942–1980*.

Agriculture

By 1960, with aid from the U.S. Government dating back to 1942, *Santa Cruz* had become Bolivia's most productive and modern agricultural area. By the mid-1960s, as a result of increases in domestic production, the need to import beef, sugar, rice, and cotton had declined dramatically. In addition, yields of potatoes, corn, and vegetables were on the increase. These achievements resulted in millions of dollars in foreign exchange savings for Bolivia.

USAID's wheat project bolstered Bolivia's National Wheat Institute's adaptive research and extension programs and resulted in increased plantings of modern high-yielding varieties, with national wheat yields increasing from 600 kilos per hectare in 1965 to 800 kilos per hectare in 1973.

In the mid-1960s USAID began to focus on sheep and wheat production, improvement of forage crops for livestock, the land-titling program, and agriculture production credit.

To increase sheep production, many varieties of forage plants, both local and imported, were tested by USAID, and ultimately alfalfa was selected as the forage base. By the early 1970s the *Altiplano* produced at least 4,000 hectares of irrigated alfalfa, yielding 4–6 tons per hectare, with an estimated annual market value of $1 million (in 1970 currency). In addition, USAID provided funds for the startup of the *Comité Boliviano de Fomento Lanero* (Bolivian Committee for Wool Development), a wool-marketing agency. The committee developed a market for low-quality wool and hair from animals in the *Altiplano* and *Valles* regions.

Under USAID/Bolivia's Agrarian Reform Land Titling Program, mobile land-titling units were organized to accelerate the issuance of titles to farmers who occupied individual parcels of land following the 1952 revolution. From 1968 through project completion in 1972, nearly 300,000 titles were processed, about the same as the number of titles processed over the previous 15 years.[12]

A USAID wheat seed program made it possible for Bolivia to be self-sufficient in the production of wheat seed adapted for local use. In addition, the Wheat Institute was strengthened, and by the early 1970s it was managing seed reproduction programs, extension efforts, and

12 USAID, *Development Assistance Program, FY 1975: Bolivia*, p. 68.

USAID Boosts Bolivian Wool and Meat Production

In 1965 USAID began assisting Bolivia's Ministry of Agriculture to build institutions to increase sheep and wheat production. In addition to research on herd management and sheep breeding, 2,200 "improved" rams and ewes were imported to upgrade Bolivian flocks. By the early 1970s, 11 new breeding flocks were producing approximately 1,500 pure blood rams each year. The offspring of these improved rams produced 4 times more wool and 5 times more meat than the imported animals.

research programs. Finally, with USAID support, a large number of technicians were trained in subject matter ranging from farm budgeting to improving pastureland.

Infrastructure Development

In 1964, USAID provided funds to construct an airport building and runway at what is now the *El Alto* International Airport, just outside of the city of *La Paz*. The airport was originally named after President John F. Kennedy. Additional USAID funding was used to improve the facilities and communication systems at the airports in *La Paz, Cochabamba, Santa Cruz,* and *Trinidad* in the late 1960s. The agreement between USAID and the Government of Bolivia also included navigation equipment and training for technical staff in the aviation authority. Improvements at the *Cochabamba* airport included the construction of paved taxiways and parking areas for the planes, repaving of a landing strip, and the installation of medium-intensity lighting on the landing strip.

USAID also helped to expand the electricity supply in *Santa Cruz* and purchase a range of equipment for the state telecommunications company, Entel.

In late 1966 the Government of Bolivia and USAID signed a loan agreement to repair a 498 km stretch of the road from *Cochabamba* to *Santa Cruz*. Bolivia also received funding from USAID to pave the road from *El Alto* to *Oruro*, and to construct the *Pilcomayo* Bridge on the road from *Sucre* to *Potosí*.

Education

USAID worked with the education *servicio* until 1963. Special emphasis was given to rural and vocational education: 875 rural teachers were trained in *servicio* programs; 1,500 additional teachers participated in in-country short courses; and 217 educators studied in the U.S. and other countries under foreign training grants in the early 1960s. During the 19 years of operations, the U.S. contributed $2,291,000 to the *servicio* and its programs.[13]

USAID's Educational Administration and Instruction Development Project was established to reorganize the structure of the Ministry of Education in order to decentralize its functions and train administrators for the 9 district offices. Efforts also included school construction, teacher training, and curriculum and textbook development.

Health

In the 1960s Bolivia's public health system was weak and the majority of Bolivians received very limited services. Health services in the rural areas were nearly nonexistent. Throughout the decade USAID partnered with the Bolivian Ministry of Health and worked with the Institute of Occupational Medicine, the National Malaria Campaign, the Ministry of Health's School of Public Health, and the agency *Centro Nacional de la Familia* (National Family Center). Funding was used to assist with the construction of many facilities (including the building for the Ministry of Public Health) and health professional training. Organized engagement

13 USAID, *Development Assistance Program, FY 1975: Bolivia*, p. 82.

in family planning began with a 1965 USAID-sponsored Conference on Population in *La Paz*. The conference led to the establishment of the *Centro de Estudio de Población* (Population Studies Center), a forerunner of *Centro Nacional de la Familia*.

Other Assistance

USAID also undertook activities in community development and local government, and supplemented Government of Bolivia efforts in fiscal reform, tax administration, and public safety.

In the early 1960s USAID-funded advisors from the U.S. Internal Revenue Service (IRS) and the Department of Health, Education and Welfare (HEW) advised the Government of Bolivia on improved tax administration. Following the consultation, Bolivia's revenue collection agency, Renta Interna, was better able to administer tax laws through improved tracking of tax rolls, the addition of a new unit specifically to collect taxes on alcohol and tobacco, and the expansion of its field audit capacity.

Starting in the mid-1960s USAID fielded advisors to work with Bolivia's Ministry of Finance on financial management procedures, especially budget and accounting reform. By the early 1970s the Ministry of Finance had a modern accounting system and was working toward the development of a program budget system. This enabled the Government of Bolivia to make the best use of available development resources.

USAID/Bolivia provided technical and financial assistance to launch the National Community Development Service in 1964. The National Community Development Service promoted integrated rural development to spread the benefits of growth to the country's lower-income population groups. At the time, it assisted villagers with implementing self-help projects.

photo by ACDI/VOCA

The 1970s

photo by USAID/Bolivia

A Focus on the Rural Poor and Small Farmers

Throughout the 1970s, Bolivian leaders repeatedly voiced their commitment to solving the major socioeconomic development problems facing the population. They expressed their willingness to allocate the necessary resources to undertake development activities directed toward the rural poor, including efforts to raise the country's rural per capita income, improve education levels, create opportunities for Bolivians (of whom 60 percent were illiterate) to earn a decent living, and increase Bolivia's health status, which was the worst in South America.

In 1973, Congress introduced several changes to the Foreign Assistance Act, leading to new directions in U.S. foreign aid, including a new focus on meeting the basic needs of the poorest people in developing countries, particularly those in rural areas. In response to the Bolivian Government and Washington, USAID/Bolivia developed a strategy characterized by a focus on the rural poor and the small farmer, concentrating in the early part of the decade in the departments of *Santa Cruz* and *Cochabamba* and in the latter half of the decade in the departments of *Tarija, Chuquisaca, Pando, Beni,* and *Potosí.*

USAID-funded projects under President Banzer's Emergency Plan included road construction and airport improvements throughout the country, railroad rehabilitation, and the modernization of communications. Complementary funding was provided to an Inter-American Development Bank loan program through the Bolivian

Development Corporation for artisan, mining, and other industrial activities. USAID funding also targeted agriculture and livestock production, including grain storage and the Villamontes Irrigation Project; low-cost housing construction and social welfare activities; construction of new schools, school repairs, and school supplies; and the construction of new public health facilities, including medical centers, labs and hospitals, and programs for prevention and management of malaria and hemorrhagic fever. The military hospital in *La Paz*, which was open to the army and the general public and was the most modern facility in the country at the time, was constructed in part with USAID financing. USAID also funded local public works, including 13 sewerage projects and the paving of the principal thoroughfares of *La Paz*.

Before the 1970s the United States was the largest single provider of foreign aid to Bolivia. However, between 1970 and 1978 other donor assistance, particularly from the Inter-American Development Bank and the International Bank for Reconstruction and Development, surpassed funding from the United States, reaching approximately $800 million. While USAID assistance increasingly targeted the small farmer and rural poor, other donors concentrated more on large infrastructure, commercial farming, urban health and sanitation, construction of major highways, and electricity generation.

In the 1970s two-thirds of the Bolivian population was rural and earned only about $45 per year per capita. Among the rural population, 90 percent were classified as small farmers or farm laborers.

Agriculture

As of the late 1970s, agriculture provided a livelihood for two-thirds of Bolivia's population. Yet it contributed less than 20 percent of the country's gross domestic product (GDP), and per capita output of food was about 15 percent below the average for Latin America. USAID's decision to make the agriculture sector an area of major concentration was dictated by the harsh realities facing the rural poor, the fact that USAID had more experience working in agriculture in Bolivia than any other assistance agency, and the fact that there were large investments from the World Bank and the private sector in the commercial livestock and crop sector.

USAID Backs Emergency Plan to Help Stabilize Bolivia's Economy

In late 1971, USAID provided $14 million in grants and loans to Bolivia to finance the local costs of newly elected President Banzer's Emergency Plan, which was designed to promote employment and stimulate economic activity following the general malaise in the Bolivian economy during the 1969–1971 period. By providing temporary employment for the unemployed and underemployed, the USAID program contributed to Bolivia's political and economic stability and stimulated economic activity in general.

By September 1973, more than 1,200 USAID-funded National Community Development Service projects, with a value of approximately $1.6 million, had been completed. These included the construction of 485 schools, 138 health posts, and 394 engineering and agricultural projects, which were conducted in partnership with the Inter-American Development Bank and communities through local contributions averaging 65 percent of total project costs.

USAID's engagement in Bolivia's agriculture sector emphasized increasing the per capita income and standard of living of the rural people. Assistance focused on improving small farm agriculture through technical innovations and improving small farmer access to basic agricultural requirements such as land and water. USAID also facilitated the construction of farm-to-market roads to improve small farmer access to markets for their products.

To advance agriculture sector management, planning, and policymaking, USAID worked closely with the Ministry of Agriculture throughout the 1970s to expand wheat and sheep production and to improve pastures in the *Altiplano* for livestock development.

Table 1. Examples of USAID Assistance to Bolivia's Agriculture Sector in the 1970s

USAID Project	Assistance
• Rural Roads I and II • Title II Food-for-Work Program • Small Farmer Organizations I Loan • Rural Enterprises Loan	Improved marketing system serving small farmers, including construction of priority farm-to-market roads
• Exploratory Research Grant	Expanded the agricultural technical base for Bolivia's northern agricultural frontier areas
• Agriculture Sector I Loan • Basic Food Production and Marketing • Small Farmer Organization	Improved small farmer access to inputs, including land and water
• Sub-Tropical Lands Development Loan	Provided productive land, credit, and other inputs to 4,000 small farmers
• Agribusiness and Artisanry Project	Provided stronger and more secure markets for small farm produce
• National Community Development Service Loan II	Supported the development of agricultural cooperatives and assisted community groups of small farmers to develop rural enterprises
• Agriculture Sector II Loan • Small Farm Production	Increased the availability of inputs to the small farm subsector—especially land and improved seed—and provided the small farmer with the production and investment credit required to purchase such inputs

In November 1972, USAID extended $8 million in credit to the agriculture sector through the Central Bank to channel production and marketing credit through the private and public banking system. The credit improved the production and marketing of locally grown food for domestic consumption, further reducing the need for costly food imports. By 1973, 237 loans totaling approximately $1.5 million had been made. Eleven of these loans included cooperatives and producer associations involving another 130 sub-borrowers.

Bolivia's National Community Development Service's focus on rural development and their positive reputation prompted USAID to give them funding for improving their management capabilities and for rural community self-help projects. Through this effort, by 1977, USAID had facilitated 907 rural community development projects, and more than 15,000 rural *campesinos* (farmers) had been trained in leadership, agriculture, health, and vocational arts and handicrafts.

To meet the production and investment credit needs of small farmers, USAID initiated the Small Farmer Credit Program. The credit program was implemented through the Bolivian Agriculture Bank for Bolivia's southern valleys. In addition, USAID resources enabled the National Seed Program to construct new seed facilities in *Santa Cruz* and strengthen National Seed Program operations.

A 1975 USAID presentation to Congress described three loans to Bolivia: a New Lands Development loan, an Agricultural Sector Loan, and a Basic Food and Nutrition Loan.[14] The goal of these loans was to increase small farmer participation and build local capacity for food production, thereby reducing dependence on imports.

In 1977 USAID provided $13.5 million via the Agriculture Sector II loan and its companion grant, Small Farm Production, to increase the production of certified seed. The loan targeted small farmer credit programs for agricultural production and investment and land clearing. Geographic coverage of the program was expanded to include the southern intermountain valley areas of the departments of *Chuquisaca, Potosí,* and *Tarija*. Through in-country and overseas training, the project

14 Gross, *USAID/Bolivia: A Brief Historical Overview.*

"I think about the bustling agricultural economy around Santa Cruz. The fields of soy, winter wheat, and sunflowers, built with USAID and PL 480 resources, in partnership with hard-working Bolivian producers, throughout the 1970s and '80s. Many thousands of small farmers have been able to support their families, feed their country, find hope, tap opportunity, reach foreign markets, and build a better future hand-in-hand with USAID."

—Peter Natiello, USAID/Bolivia Mission Director 2009

also facilitated the development of the agriculture sector's management and coordination capacity.

In May 1978 Bolivia became the first country in the world to sign a P.L. 480 Title III agreement with USAID.[15] The initial agreement was for 5 years and totaled $75 million for a Food for Development Program. The Title III Executive Secretariat was established to manage the allocation of the funds generated through the sale of food commodities (mainly wheat) for development activities. The sale of U.S.-imported wheat in Bolivia generated funding for projects in the agriculture and health sectors.

In 1974 USAID approved the Educational Management and Instructional Development Loan, which was designed to rationalize the operations of the Ministry of Education and to strengthen its administrative systems in information, planning, financing, and management.

Education

In 1973 only 65 percent of Bolivia's children attended primary school, and attendance was equally divided between urban and rural children. However, a mere 21 percent of secondary school age children were enrolled in school, with the vast majority in urban areas.

In 1972 the Government of Bolivia identified the major obstacles to the quality of rural education. The report emphasized (1) poorly designed materials for rural education; (2) lack of teaching materials to meet

15 P.L. 480 Title III provides for government-to-government grants to support long-term growth in least developed countries. Donated commodities are sold in the recipient country, and the revenue is used to support development programs.

photo by ACDI/VOCA

learning objectives; (3) poorly trained teachers; (4) lack of bilingual education techniques for more non-Spanish speakers in remote rural locations; (5) lack of coordination between schools and other rural development institutions; (6) failure to use school as a community action improvement agent; and (7) lack of programs relevant to rural populations, such as agriculture, rural industries, and home economics. At the time, Bolivia was putting 28 percent of its public revenues—a relatively high proportion—into education. The government spent the equivalent of more than $44 per pupil to employ more than 27,000 teachers, but the impact on national development was low.

In response to the realities of Bolivia's education system and the recognition that the future would be built on human capacity, USAID financed administrative reforms in the Ministry of Education starting in the early part of the 1970s and piloted them in several regions. The reforms focused on Ministry management, clearly defined supervisory roles, improved guidance counseling, and better integration of rural and urban school administration. USAID generated significant results in terms of bricks and mortar and initiation of the administrative reform process.

Midway through the decade USAID and the Government of Bolivia (in partnership with other donors) conceived of the Rural Education I Project as the first step toward the realization of the primary objective of Bolivia's National Education Development Plan—namely, *to establish a national education plan that would be more equitable and efficient and would substantially and institutionally respond to the learning needs of the Bolivian rural area.*[16]

The Bolivian Government set aside funding in the national budget for the project's operational expenses. Community members supplied building materials for the construction of classrooms, workshops, and teacher residences. To improve the delivery of educational services, USAID funds were used to train teachers and specialists in curriculum and instructional materials development.

USAID's Rural Education II loan consolidated the 10 existing rural normal schools in the 7 project departments into 6 larger, more effective units, and then improved those facilities. USAID resources were used to train professors from the Institute of Higher Rural Education in *Tarija* as well as teachers in rural schools and rural normal schools, and to develop the Institute of Higher Rural Education.

As a result of the USAID Rural Education I Project, most primary-level grades in project communities benefited from learning materials and approaches that were more relevant to rural children, including bilingual materials for Quechua-speaking areas. These changes paved the way for rural populations to participate in Bolivia's social, political, and economic development.

Health

The poor health of rural Bolivians continued to be a major development challenge in the 1970s. One out of 6 children died before the age of one; over 20 percent of the rural population was eating less than the minimum caloric requirements; and more than half of the deaths

16 University of New Mexico, *Rural Education I Project Final Report* (*Cochabamba*, Bolivia: University of New Mexico Bolivia Office, May 1981), p. 15.

By 1976, as a result of USAID's Title II program, school breakfasts were provided to an estimated 20,000 rural and 30,000 urban children; and school lunches and rations were given to 180,000 rural children and 50,000 pregnant mothers, respectively. Mothers' clubs reached an additional 13,000 mothers with supplemental food.

each year were attributable to preventable diseases.[17] Forty percent of mortality was among children under 5 years old and underlying malnutrition was a factor in many of those deaths. Furthermore, the actual rate of infant mortality in rural areas was probably higher than indicated, perhaps as high as 300 or more per 1,000 live births. Health care facilities in rural areas were inadequate and health practitioners struggled to provide critical preventive and lifesaving services.

The estimated birth rate in Bolivia in the early 1970s was 44 per 1,000—high for Latin America. Despite rapid population growth and excessive rates of induced abortion, family planning was provided almost entirely by private doctors in Bolivia's major cities and was not available to the general population.

In the 1970s USAID expanded its role in the health sector and concentrated on assisting the Ministry of Health in the delivery of health services in rural areas, with an emphasis on prevention, nutrition and hygiene education.

In the early part of the decade, USAID had a modest family planning program designed to promote acceptance of family planning within the Government of Bolivia and to initiate related clinical activities. Financial assistance was provided to *Centro Nacional de la Familia*, the Ministry's Maternal and Child Health Department, and Bolivia's three schools of medicine in *La Paz, Cochabamba,* and *Sucre*. Both *Centro Nacional de la Familia* and the Maternal and Child Health Department were recent additions to the Ministry that had resulted mainly from USAID initiatives.

Until 1976, P.L. 480 Title II was USAID's only program specifically aimed at improving the nutritional status of Bolivians. The primary beneficiaries of this program were rural and urban poor families, particularly school-age children and pregnant and lactating mothers. The Title II program in Bolivia resulted in two types of community organizations—mothers' clubs and school feeding committees—both of which facilitated local participation in various development projects.[18]

In 1976 USAID launched a new nutrition project in line with Bolivia's goal to improve the nutritional status of the poor in northern *Chuquisaca* and in the departments of *Cochabamba* and *Santa Cruz*, and to strengthen the Government of Bolivia's capacity to implement and monitor the National Food and Nutrition Plan.

17 USAID, *Development Assistance Program, FY 1975: Bolivia*, p. 22.

18 USAID/Bolivia, *Bolivia National Nutrition Improvement Project Paper*, September 10, 1976.

photo by ACDI/VOCA

The 1980s

photo by USAID/Bolivia

Promoting Growth with Equity

Basic Demographic Profile of Bolivia in 1988

- Population: 6.8 million, with 43 percent under 15 years old
- Population growth rate: 2.7 percent (an increase from 2.3 percent in the early 1950s)
- Life expectancy at birth: 48 for men and 53 for women
- Estimated infant mortality rate: 169/1,000 (the worst in Latin America)
- Use of contraception rate: 34 percent among married women of reproductive age
- Total fertility rate: 6.1 (50 percent higher than the Latin American average of 4.5)

In July 1980, Army General Luis Garcia Meza Tejada ousted the civilian government of Interim President Lydia Gueiler. The coup ended progress toward constitutional democracy, which had begun with the transition from military to civilian government, led by President Banzer in 1977. International reaction to the coup and the suppression of the constitutional government in Bolivia was strong. The United States joined in the international condemnation of the Bolivian military regime and sharply reduced its assistance.[19]

Despite the closure or suspension of many USAID-funded projects, the P.L. 480 Title II and Title III projects continued, providing school feeding, food-for-work projects, and implementation of maternal and child health activities, as well as rural development activities.

Bolivia returned to a democratic constitutional government on October 10, 1982, when Hernan Siles Zuazo assumed the presidency. Bolivia remained the poorest and least developed nation in South America. Although categorized as a "middle-income country" by the World Bank,

19 Following the July coup, the U.S. Government immediately suspended military assistance, curtailed economic assistance, sharply reduced its narcotics control assistance, and significantly reduced U.S. staff. The mission proposed and Washington approved the termination of certain projects and freezing of others while continuing activities involving humanitarian aid, research, and support for the private sector. As of January 1981, USAID had canceled or withheld development resources amounting to $95.9 million. This included terminating 8 projects and reducing 2 others (totaling $44.84 million) and delaying an additional $51.10 million on "project specific grounds."

most of Bolivia's basic indicators were comparable to those of low-income countries.

USAID's fundamental goal for most of the 1980s was "to promote growth with equity to achieve an improved standard of living for Bolivia's poor," and the thrust of its assistance program was toward income- and production-related activities.[20] Beginning in the mid-to-late 1980s USAID/Bolivia focused more specifically on accelerating socioeconomic growth and development in the *La Paz-Cochabamba-Santa Cruz* corridor, including the *Chapare*. This region was selected for its agricultural and agro-industrial production potential and its relatively advanced access to marketing, transportation, and infrastructure base.

The *Chapare* was also Bolivia's major coca-producing region and presented interesting opportunities for alternative agriculture. These factors piqued the interest of the private sector, a primary focus of the Government of Bolivia and USAID in the 1980s. USAID backed policy reforms that would strengthen the economy and permit the public and private sectors to successfully implement development efforts in the corridor as well as in the rest of Bolivia.

Agricultural and Rural Development

In the 1980s, agriculture made up 23.6 percent of Bolivia's gross domestic product, provided employment for about 45 percent of

20 U.S. Agency for International Development, *Bolivia Country Development Strategy, FY 1983* (Washington, DC: U.S. International Development Cooperation Agency, 1981).

Enhancing the Participation of the Rural Poor in the Development Process: USAID's Partnership with Bolivia's Departmental Development Corporations

USAID was committed to improving the standard of living among Bolivia's rural poor and valued their engagement in the development process. As Bolivia's framework for rural development, the Departmental Development Corporations emphasized the participation of rural poor populations in local development activities. As such, USAID recognized the Departmental Development Corporations as valuable partners. Working with the corporations, rural community members identified priority activities for USAID funding, including the introduction of nontraditional crops and small livestock, the construction of storage facilities, small-scale irrigation, drainage and river defense systems, rural electrification projects, and the construction of latrines. These efforts empowered rural communities to participate in the development process and ensured that activities were relevant.

the population, and contributed to 17 percent of exports. While the country was essentially self-sufficient in generating food, malnutrition remained a serious problem: 46 percent of children under age 5 suffered from some degree of malnutrition.

To boost the agricultural sector USAID/Bolivia worked with the Ministry of Agriculture to advance sector planning and policy formulation and to strengthen Bolivia's market infrastructure. At the same time, USAID funded agricultural equipment and supplies as well as working capital, and improved access to markets for rural farmers. USAID resources promoted small farm livestock development and natural resources management, and expanded Bolivia's land-titling program.

By the late 1980s the P.L. 480 Title III program financed more than 240 rural development, agriculture, health, and infrastructure projects throughout the country. To support domestic wheat production and to ensure that farmers had access to markets, wheat collection centers were established to transport, purchase, and store farmers' grain. The Title III program also included key USAID/Bolivia-funded projects such as policy reform and disaster recovery.

Later, in 1986, another USAID Title III agreement targeted private-sector entities with resources designated for marketing and agro-industries. USAID also contributed substantively to the revitalization of the Bolivian private sector by funding economic recovery activities for agro-industry, artisans, and private-sector producer associations.

Education and Human Resource Development

Public education in Bolivia was still failing to meet even minimal goals for coverage and quality, and teaching materials and approaches were irrelevant to children who spoke indigenous languages such as *Quechua* or *Aymara*. Only 33 percent of Bolivian adults were literate in 1987, and there was a significant imbalance between urban and rural education.

Although assistance to the education sector was reduced during the 1980s, USAID continued to work in rural areas to reduce illiteracy, extend basic education, and increase administrative and technical capabilities. USAID/Bolivia focused on curricular reform in primary education, improving teaching materials and methods, and expanding teacher training to include bilingual education for non-Spanish speaking students. In partnership with the Ministry of Education, USAID facilitated a study looking at the long-range needs of the education sector and promoted the development of a manpower-training program to meet immediate, short-term, and long-term needs for teachers.

Building on USAID's Montero Rural Health Project in the departments of *La Paz*, *Santa Cruz*, and *Potosí*, the USAID Rural Health Delivery System Project coordinated services offered by the Ministry of Health at the community level, including sanitation, nutrition, and basic personal health care, mainly for children and women of reproductive age.

Health and Nutrition

Health conditions in Bolivia remained the worst in South America. The country's infant mortality rate (169/1,000) and child mortality rate (192/1,000) were 10 and 8 times higher (respectively) than the

rates in Cuba and Costa Rica. Infant and child morbidity and mortality were most severe in rural areas, as were malnutrition and nutrition deficiencies. To address these disturbing statistics, USAID concentrated efforts in three critical areas: low-cost primary health care, rural sanitation, and improved nutrition.

After the 1980 coup, USAID terminated all major health projects from 1982 until 1985, but resumed work in health in 1985. To improve access to health care services among Bolivia's rural populations, USAID brought health services as close to communities as possible through community-based health promoters. Communities participated in designing their health care services by working with local health committees. USAID/Bolivia also assisted with health services planning, training for health personnel, and health facility management.

USAID worked with the Ministry of Planning to formulate a national food and nutrition plan and provided funding for the creation of the Food and Nutrition Technical Group and the National Institute of Food and Nutrition. USAID/Bolivia resources were also used to train nutritionists who worked for the Departmental Development Corporations and the Ministry of Health. To reduce micronutrient deficiencies, USAID funded wheat fortification and salt iodization projects and enhanced public awareness about nutrition through mass media approaches such as radio.

To improve health in rural communities, USAID and the Ministry of Health promoted low-cost rural health delivery services, water supply systems and latrines, and communicable disease control in the departments of *Chuquisaca* and *Cochabamba, La Paz, Potosí,* and *Santa Cruz.*

photo by USAID/Bolivia

Expanding Private Health Care Services in Bolivia: The PROSALUD Model

Founded in 1985, with technical and financial support from USAID, PROSALUD has become a significant player in the Bolivian health system. As a private, non-profit health care provider, PROSALUD was designed to complement the public health care system by filling in the gaps where services are needed, particularly for middle- and low-income Bolivians. In doings so, PROSALUD has played a vital role in reducing the burden on the Ministry of Health to not only provide but also expand health care services for Bolivians in greatest need. Originally existing as one health center in the Santa Cruz region, PROSALUD now boasts 23 primary care health centers and 7 specialized care clinics located in 7 of Bolivia's 9 regions. To date, PROSALUD conducts more than 700,000 health consultations per year through their 30 health centers, specialized clinics, and mobile clinics in all 9 regions of Bolivia.

Dr. Luis Fernandez credits USAID with helping his organization to shape the Bolivian health sector through three pillars: strengthening human resources, increasing financial and administrative capacities, and providing technical assistance. "It is because of USAID," states Dr. Fernandez, "that [PROSALUD] has achieved its vision of being sustainable, socially responsible, and financially independent, which has allowed us to never stop attending to the health care needs of those Bolivians who have limited resources." Over the years, PROSALUD has emerged as one of the leading health care delivery models in Bolivia. Due to international recognition of its successes, the PROSALUD model has been adapted in other countries, such as Haiti, Honduras, Nicaragua, Peru, and Zambia.

"[To us] USAID has been like a father who accompanies his son throughout his development until he comes of age… Now, it is time for PROSALUD to walk on our own."

—Interview with
Dr. Luis Fernandez,
Director of PROSALUD,
July 30, 2013

photo by USAID/Bolivia

USAID Brings Civil Society Organizations Together to Create Bolivia's Largest Health Network

El Programa de Coordinación en Salud Integral (PROCOSI) [the Integral Health Coordination Program] was founded in 1988 by a network of 10 civil society organizations funded by USAID to implement child survival activities in Bolivia. With financial support from USAID, PROCOSI brought these organizations together into one network to more effectively and efficiently deliver child health services throughout the country. Based on the belief that social participation is key to promoting health, PROCOSI has always coordinated activities with the Ministry of Health and Sports and other national government agencies, state and municipal governments, communities, and families.

Currently the largest health network in the country, with 17 national and 8 international nongovernmental organizations as members, PROCOSI has expanded its activities to address maternal health, sexual and reproductive health, family planning, sexually transmitted infections, infectious diseases, nutrition, and hygiene promotion. PROCOSI is now financially independent and provides services to Bolivians in all 9 regions of Bolivia, representing 277 municipalities. Since PROCOSI was established 25 years ago they have provided health care services to over 4 million Bolivians.

USAID P.L. 480 Title II funding provided supplementary food and urban food-for-work projects in 8 major cities and 22 smaller towns. Mothers' clubs became community focal points for education, small agriculture projects, and home industry. Oral rehydration therapy and child growth monitoring services were provided to 2,000 mothers' clubs, improving the overall nutrition and health of low-income women and children. USAID/Bolivia also contributed to the development of feeding centers for severely malnourished children.

Despite Bolivia's high rate of induced abortion, the Catholic Church and the Government of Bolivia were strongly opposed to family planning. Due to the government's pro-natalist stance, family planning programs had closed in 1977 and resistance to family planning services continued throughout the 1980s. In response, USAID worked with intermediaries and other donors to change attitudes and policy related to family

planning and to build understanding regarding the relationship between family planning and the health of women and children.[21]

Between 1988 and 1993, USAID provided $24.3 million for the Community and Child Health Project. The project was designed to improve the health and well-being of infants and children under the age of 5 through the control of infectious diseases such as diarrhea and through proper birth spacing and immunization. The project worked closely with local governments and municipalities to enable them to manage health care service delivery.

Other Assistance

Several new initiatives came on line in the 1980s that were related to energy, the environment, the Bolivia fellowship or *Becarios* program, appropriate technology, the private sector, women in development, and the urban poor. USAID also assisted in the areas of housing and agricultural alternatives to coca production.

Environmental Protection

USAID began its environmental protection activities in Bolivia in 1979 when it funded a landmark environmental report about Bolivia. The report made recommendations for project development in areas ranging from watershed and wild lands management to reforestation and industrial sanitation concerns. In 1984, USAID facilitated a study, "An Assessment of Bolivia's Non-Governmental, Non-Profit Environmental Organizations and Recommendations for a Plan of Action," which is credited for launching the full-scale development of environmental programs in Bolivia. With USAID funding, *La Liga de Defensa del Medio Ambiente* (LIDEMA) [The Environmental Defense League] an organizing body for environmental activities, was formed in August 1985 and is still one of the most dynamic organizations of its kind in Latin America. Beginning in 1987, USAID funded *La Liga de Defensa del Medio Ambiente* using Title II funds.

In 1988 USAID/Bolivia funded the study, *"Diagnostico de la Diversidad Biologica de Bolivia."* Recommendations from this study became the blueprint for future USAID, Government of Bolivia, and other donor action in the environment sector.

In the 1980s USAID financed small-scale activities in the environment sector, including roughly 30 environment/natural resources sector projects worth more than $4 million. Later in the decade, USAID funds were used to establish the *Centro de Datos para la Conservación* (Conservation Data Center), a local organization that played an important role in compiling reliable data and in developing national management plans for conservation.

21 In 1984 the Government of Bolivia endorsed the World Population Conference resolution stating that families have the right to determine the number and spacing of their children. In 1986 the Ministry of Health recognized the government's responsibility to provide child spacing information and family planning services to high-risk women to improve maternal and child health and survival. By the late 1980s, however, the Bolivian Government still had not taken any substantive action on the new policy, and the Ministry of Health continued to insist that family planning services should not be available to the general public and that a lowering of the fertility rate would be against national interest.

The Andean Peace Scholarship Project

Starting in the mid-1980s, USAID/Bolivia embarked on an ambitious, 5-year formal training and education program to send large numbers of Bolivians from all walks of life and both the public and the private sectors to the United States. The Andean Peace Scholarship Project was designed to provide training for at least 1,740 participants from Bolivia, Colombia, Ecuador, and Peru. With a strong emphasis on improving the ability of Bolivia to develop, establish, and maintain democracy, the Andean Peace Scholarship Project provided trainees with the opportunity to study in the United States and experience American life and values firsthand. Andean Peace Scholars were selected by their communities or institutions based on their desire and potential to be a leader. From 1987 to 1991, a total of 389 Andean Peace Scholars from

Building Bolivian Capacity for Democracy and Prosperity

From 1987 to 1991, USAID strengthened Bolivia's human resources by training a total of 389 Andean Peace Scholars in leadership and technical skills. Eighty-three percent of participants were from socioeconomically disadvantaged backgrounds and 37 percent were women.

USAID Andean Peace Scholar Uses Talents and Skills to Improve Thousands of Lives in Bolivia

Through P.L. 480 Title III scholarship opportunities, USAID did more than open the door for a select few Bolivians; it equipped awardees like René Mollinedo with the capacity and resources to improve the quality of life for thousands of his countrymen. As an Andean Peace Scholar, René acquired skills in the control, prevention, and surveillance of malaria, dengue, and yellow fever.

Without disease monitoring systems, these diseases had been grossly underreported among the poor and indigenous populations. In the 1990s, René and his team began to visit rural communities, one by one, to train local residents, the majority of whom were women, as community health workers. As volunteers, the community health workers received instruction in basic public health principles such as identifying early warning signs, delivering education and promotion on prevention measures, and referring symptomatic individuals for treatment. Thanks to USAID and to the efforts of René and his team, poor and indigenous communities were empowered to take an active, participatory role in public health strategies to ameliorate their own conditions and become agents for sustainable social change.

René eventually went on to become the Director of the National Malaria Program and the lead coordinator/consultant for the National Program for Vector-borne Diseases under Bolivia's Ministry of Health and Sports from 1994 to 2006.

Interview with René Mollinedo Llave, 1989 USAID Andean Peace Scholar, July 23, 2013

Bolivia were trained in a variety of areas such as agriculture, business and management, labor management, communications, education, health, home economics and leadership, natural resources, and public affairs.

Private Sector

From 1984 to 1987 USAID intensified its assistance to the nation's economic development programs, including the private sector. The government had stated its intention to rely more heavily on the private sector as the principal engine of economic growth and recovery. In the late 1980s USAID projects created employment through micro and small-scale enterprises. To improve the effectiveness of Bolivia's private financial institutions and to increase private-sector participation in the formulation of national financial policy, USAID started the Strengthening Financial Markets project in 1988.

Housing

By 1976 Bolivia's urban population had risen to 36 percent of the total population, up from 20 percent in 1950. In the 1980s people were increasingly moving into the cities, and cities such as *Santa Cruz* were "leapfrogging outward." The result was chaotic and inefficient development. In response, USAID channeled funding through the savings and loans system to provide rural housing and through the *Banco de la Vivienda* (Housing Bank) to provide urban housing. USAID also assisted the Ministry of Housing to improve the national housing policy.

Alternatives to Coca Production

In the 1980s Bolivia was the second largest producer of coca in the world, after Peru. An estimated $200–$600 million was entering the Bolivian economy annually from narcotics trafficking. From 1983 to 2013, USAID/Bolivia invested more than $270 million to develop viable alternatives to coca cropping and boosted social services to coca-producing communities, including health infrastructure and services. In the 1980s efforts were directed toward regional development in the *Chapare* region, the source of three-quarters of Bolivia's illegal coca production. USAID/Bolivia worked to strengthen the social and economic infrastructure and agricultural production activities throughout the *Chapare*, including production and processing credit; integrated production and marketing for cacao, rubber, and tropical fruits; and experimental work on spice crops, heart of palm, and other vegetables.

photo by USAID/Bolivia

The 1990s

photo by USAID/Bolivia

Building Democracy and Economic Growth

Demographic Features in the 1990s

- Bolivia was the second poorest country in the hemisphere with 70 percent of the population living below the poverty line
- The indigenous population accounted for 57 percent of Bolivia's total population
- 57 percent of all Bolivians had access to potable water and 51 percent had access to basic sanitation
- Infant mortality was 75 per 1,000 live births and malnutrition was responsible for 80 percent of mortality in children under 5 years old

The 1990s was a period of historic economic, political, and social reform for Bolivia. The Bolivian Government's foremost goal for the 1990s was to accumulate the amount of wealth necessary to raise the standard of living for the Bolivian population.[22] By 1998, the Government of Bolivia set new records in coca eradication, spurred economic growth, and reduced inflation to a 30-year low of 4.4 percent.[23]

The *Plan de Todos* (Plan for Everyone) was the most significant government reform of the 1990s. It outlined a range of priorities to reduce poverty, including accelerating economic growth, improving government efficiency, and developing human capital. The *Plan de Todos* also called for increased popular participation in development and reforms in both the education and judicial systems.

USAID partnered with the Government of Bolivia to implement the *Plan de Todos*, with a focus on building democratic processes and systems, encouraging broad-based economic growth, and increasing investment, productivity, and employment in non-coca activities. USAID continued to build Bolivia's public and private health sector

22 Agency for International Development. *Country Development Strategy Statement, 1989–1993: Bolivia*. Washington, DC: AID, April 1988.

23 USAID, *USAID/Bolivia Results Review and Resource Request*, 2001.

in an effort to turn around some of the worst health indicators in the hemisphere. In 1991 USAID facilitated the improvement of Bolivia's economy and environment through debt forgiveness and the establishment of a fund dedicated to environmental protection. Throughout the 1990s USAID partnered with nongovernmental organizations to implement program activities and actively encouraged citizen participation in development programs.

Table 2. USAID Assistance to Government of Bolivia Sector Reform[24]

Government of Bolivia Reform	USAID Support
Education reform	Interactive radio learning; assistance for policy reform
Popular participation, justice sector, and electoral reform	Democratic development and citizen participation; administration of justice
Privatization and capitalization, pension reform	Industrial transition
Health reform	Community and child health; reproductive health services

Democracy

During the 1990s, the government and people of Bolivia were strongly committed to broadening and deepening democracy through more transparent and accountable public institutions. Reforms encouraged widespread debate, decision-making, and participation by engaging grassroots organizations in democratic processes. Civil society assumed more responsibility in and had increasing expectations for the Bolivian democratic system. Under the Popular Participation Law, thousands of community organizations received legal status and worked with local governments for the allocation of municipal resources to solve local problems.

With 54 percent and 37 percent of the Bolivian voting age population casting ballots for the executive and legislative branches, respectively, the 1993 elections marked the beginning of an unprecedented 12 years of democracy for Bolivia.

To help bolster democratic reform in Bolivia, USAID worked in the early and mid-1990s to improve key Bolivian institutions and focused in the latter half of the decade on strengthening citizen participation in the democratic process. USAID training and technical assistance focused on electoral, executive, judicial, and legislative institutions, as well as nongovernmental and grassroots organizations. USAID upgraded legislative functions and enhanced accountability in national and local government processes. Through these efforts, USAID also addressed a growing U.S. Government concern for human rights and the effects of corruption on the democratic development of Bolivia.

To assist the National Electoral Court in delivering free and open general and municipal elections in 1993, USAID trained 98,000 polling officials. Later, with technical input from USAID, the Bolivian Congress

24 USAID, *USAID/Bolivia Action Plan, FY 1996–1997* (USAID, February 27, 1995).

Through the Bolivia Administration of Justice Project, USAID was instrumental in abolishing the Prison for Debt Law in 1995. This legislative action was a major victory for the advancement of human rights in Bolivia.

enacted a law authorizing the National Electoral Court to regulate campaign finance for the first time in history.

In 1994 USAID helped Bolivia establish its first independent Ministry of Justice. In addition, in 1995 USAID technical advisors facilitated the establishment of a regulatory framework for the Constitutional Tribunal and the Judicial Council. As a result of USAID initiatives, the Bolivian Congress gave permanent legal status to the Congressional Modernization Committee. This committee took the lead in modernizing legislative mechanisms such as public hearings, which not only made the legislative process more efficient but also gave a stronger voice to affected citizens. In 1997, with assistance from USAID, the Ministry of Justice drafted legislation for the Code of Criminal Procedures and the Judicial Council and Constitutional Court,

Strengthening Participatory Democracy: USAID/Bolivia Galvanizes Bolivia's Popular Participation Law

USAID played a lead role in implementing the Government of Bolivia's 1994 Popular Participation Law. Lauded as both a legal and social achievement, the Popular Participation Law demonstrated the Government of Bolivia's commitment to democracy. The legislation devolved political power, resources, and oversight from La Paz and departmental capitals to 311 municipal governments covering all national territory and urban, rural, and indigenous communities within the municipalities.

USAID valued involving people in locally owned solutions and saw the Popular Participation Law as offering great promise for Bolivia's future. USAID's strategy was to involve locally elected officials and citizen groups in decision-making and implementation of activities that directly affected their lives. Technical assistance empowered grassroots organizations and citizen committees to participate in the services, decisions, and budgetary monitoring of the municipalities. USAID worked with local organizations and communities to establish procedures for civil society organizations or oversight committees to present complaints to the Senate against municipal governments that failed to allow community participation in annual planning and budgeting processes.

In partnership with the Ministry of Health, USAID also helped align the health system with the Popular Participation Law. USAID activities provided municipal, departmental, and national health authorities with the tools and skills necessary to engage communities in the planning of health programs that were more responsive to local needs.

photo by ACDI/VOCA

which increased the efficiency and transparency of the Bolivian judicial system.

USAID helped Bolivia's System of Government Administration and Control by training 5,000 individuals in administration and financial management; establishing accounting mechanisms in 60 government institutions; and installing financial software in 39 government offices.[25] In 1997, the first class of 47 public administrators, policymakers, and auditors graduated from the USAID-funded master's program at Catholic University in *La Paz*.

Finally, as a result of USAID's work with the Office of Public Defense, for the first time in Bolivia's history, free legal defense for Bolivia's indigenous people was provided in all 9 departments, through 24 offices and 50 public defenders.[26]

Economic Opportunity

In 1996, Bolivia had a per capita gross national product of $920; only a million Bolivians had jobs in the formal sector; and only 350,000 Bolivians had bank accounts.[27] USAID's goal to "lift Bolivia from its extreme poverty into the mainstream of Latin American economies" motivated its work during the 1990s.

25 USAID, *USAID/Bolivia Action Plan, Fiscal Years 1995–1996* (USAID, 1994).

26 USAID, *USAID/Bolivia Results Review and Resource Request (R4) for FY 1996–1999.*

27 USAID, *USAID/Bolivia Strategic Plan: FY 1998–2002.*

Banco Solidario Expands Microloan Opportunities for Bolivians

Due to its success in micro-lending operations, the Foundation for the Promotion and Development of Microenterprise (PRODEM), a private voluntary organization primarily financed by USAID, formed the for-profit commercial bank Banco Solidario in 1992. As the first commercial bank of its kind in the hemisphere, Banco Solidario attracted investments from Accion International, the Canadian Calmeadow Foundation, and the Inter-American Investment Corporation, as well as substantial private investments from Bolivians. In its first year, Banco Solidario provided 35,000 microloans to Bolivians. The majority of the loans were for less than $500, and 98 percent of them were paid back on time.

USAID and FUNDA-PRÓ
Microfinance: A Bolivian Success Story

The *Fundación para la Producción* (FUNDA-PRÓ) [Foundation for Production] was the result of one of the radical measures taken to help the national economy recover from the alarming inflation it suffered during the 1980s. Initially an endowment by USAID and the Government of Bolivia, FUNDA-PRÓ is now an autonomously managed, private, nonprofit foundation whose objective has been to support the social and economic development of the country since its inception in 1992. Operating through intermediary financial institutions, FUNDA-PRÓ uses an integral approach to promote microfinance through the extension of credit to students, entrepreneurs, and small businesses. Thanks to the momentum it has gained since its creation, FUNDA-PRÓ has been able to contribute to the country's development as well as to the success of the microfinance industry in Bolivia.

USAID helped to generate $76 million in nontraditional exports from 1995 to 1996 and served 130,000 poor Bolivians through microfinance institutions. Women made up two-thirds of the Bolivians served through these microfinance institutions.

USAID played a central role in activating Bolivia's economy and accelerating the economic growth rate through job creation and increased incomes for the Bolivian poor. From 1992 to 1994, under initiatives that included the P.L. 480 Title II Food-for-Work program, USAID helped to create more than 18,133 temporary jobs and 27,600 permanent jobs through microcredit and export promotion activities. In addition, USAID assisted Bolivia in securing $78 million in export sales.[28] In 1994 alone, USAID programs provided financial services to more than 86,000 poor households.

From 1995 to 1996, USAID microfinance and export promotion activities created an additional 66,196 permanent jobs, of which two-thirds went to poor women. By 1997, expanded microfinance credit resulted in a 59 percent increase in incomes for 18,000 rural households.[29]

To strengthen the finance and banking sector, USAID facilitated the development of the new Bolivian Banking Law in 1993. The law ensured that credit unions were reporting to and obtaining licenses from the Superintendency of Banks. Public confidence in credit unions reporting to the Superintendency of Banks increased immediately, as demonstrated by a doubling of credit union assets. USAID also assisted the Bolivian Congress to enact the Pension Reform Law,

28 USAID, *USAID/Bolivia Action Plan: FY 1994–1995* and *USAID/Bolivia Action Plan FY 1996–1997.*

29 USAID, *USAID/Bolivia Results Review* and *Resource Request (R4) for FY 1997–2000.*

enabling for the first time the creation of individual retirement accounts managed by private firms.[30]

Health and Population

Bolivia continued to have a high fertility rate, as well as high infant, child, and maternal mortality rates into the 1990s. Bolivians, especially children, continued to suffer from malnutrition and disease. Health inequities among the indigenous poor were the result of cultural, economic, geographic, and technical barriers that limited access to basic health care.

In the 1990s Bolivia ranked first among 9 Latin American countries in unmet need for family planning and reproductive health services.[31] The *1989 Demographic and Health Survey*, however, revealed a pivotal social shift among Bolivians in receptiveness to family planning and reproductive health services. In 1993, in response to popular demand and poor health among mothers and children, the Government of Bolivia integrated family planning and reproductive health within Ministry of Health services for the first time.

By the 1990s USAID had a long history of aid to Bolivia's health sector and was a major health donor, contributing nearly $80 million from 1993 to 1997. USAID/Bolivia was a huge advocate for the government's national agenda to improve the health of women and children, including reproductive health, child survival, and HIV and sexually transmitted disease prevention. USAID priorities also included improved community health care services and expanded community participation in the health system. To enable the Bolivian Government to align the health sector with Bolivia's Administrative Decentralization and Popular Participation Laws, USAID helped to strengthen the capacity of municipal authorities and rural community groups to assess their health care needs and plan, budget, and evaluate health services.

P.L. 480 Title II and III remained important components of USAID/

30 USAID, *USAID/Bolivia Results Review and Resource Request (R4) for FY 1996–1999.*

31 Population Reference Bureau, *Chartbook: Fertility and Family Planning in Latin America: Challenges of the 1990s* (Washington, DC: Population Reference Bureau, no date).

USAID/Bolivia Supports Major Advances in Health

From 1995 to 1996, as a result of USAID support:

- Measles vaccinations for children increased to 95 percent, with only 3 cases reported in 1996;
- PROSALUD increased new users of modern family planning methods by 60 percent; and
- Sexually transmitted diseases decreased 35–50 percent among groups at high risk for HIV infection.

From 1996 to 1997:

- The USAID-funded health network PROCOSI registered 40,000 new users of family planning and reproductive health services;
- Four new centers provided preventive health care services to 60,000 new low-income, urban patients;
- A USAID-supported social marketing campaign on contraceptives helped to increase condom sales to 5 million and oral contraceptive sales to 600,000; and
- The USAID P.L. 480 Title II program helped 3,141 malnourished children gain weight.

"As the principal financier of health projects in Bolivia, USAID has actively contributed to the betterment of health conditions for the vulnerable populations of the country."

—Dr. Jose Ignacio Carreño, Executive Director, PROCOSI, July 30, 2013

Bolivia's health sector program and helped to protect food security for the poorest in the country.

USAID had been working to change attitudes toward family planning and reproductive health since the 1980s. In 1993, with social and political views softening and with both family planning and reproductive health now housed within the Ministry of Health, the Government of Bolivia adopted its first family planning target under its national plan and USAID expanded its work in this critical arena. The *1994 Bolivian Demographic and Health Survey* reported a 50 percent increase in the use of family planning methods among women of reproductive age living with a spouse or partner.[32]

From 1989 to 1995 USAID/Bolivia catalyzed an 82 percent increase in polio vaccinations among children. According to *the 1994 Demographic and Health Survey*, no new cases of polio were reported in Bolivia between 1989 and 1994.

In 1995, the USAID-funded Community Child Health Project assisted the *Secretaria Nacional de Salud* (National Secretariat of Health) to expand health care services to reach 44 percent of the Bolivian population, including hard-to-reach rural communities. By the late 1990s USAID provided half of all donor support for Bolivia's immunization program through this project and the P.L. 480 Title III program. This work, in partnership with the Government of Bolivia and other international donors, resulted in a 78 percent increase in the use of diphtheria-pertussis-tetanus and measles vaccinations among children and a 90 percent increase in the tuberculosis vaccination for children.[33] USAID was instrumental in helping the Government of Bolivia halt the 1998–1999 measles epidemic.[34]

32 USAID, *USAID/Bolivia Action Plan for FY 1996–1997.*

33 BCG, or bacille Calmette-Guerin, is a vaccine for tuberculosis. Many foreign-born persons have been BCG-vaccinated. BCG is used in many countries with a high prevalence of TB to prevent childhood tuberculosis.

34 USAID, *USAID/Bolivia Results Review and Resource Request (R4), March 2001.*

Implementing the Government of Bolivia's 1993 Family Planning Policy

As a result of the unprecedented change in the Government of Bolivia's family planning policy in 1993, USAID provided $19.55 million from 1990 until 1997 to increase access to quality family planning and reproductive health services throughout Bolivia. The Government of Bolivia and USAID partnership ensured that Bolivians had access to much-needed quality family planning and reproductive health services. Community knowledge and demand for services were expanded through USAID-financed award-winning mass media campaigns, including an educational entertainment video broadcast by a mobile van, a television miniseries that reached 2.5 million viewers, and print material targeting high-risk HIV/AIDS populations and the indigenous poor. The campaign boosted clinic attendance by 66 percent in its first 3 months.

"Before, the rates of acute diarrheal diseases were going up every year, causing severe dehydration in children and in older people too. Now that we have clean water, the rates of diarrheal diseases have gone down as a direct consequence – we've seen that in the children and also in older people."

—Leonicio Zarate Flores, Health Post, Manuripi-Heath Amazonian Wildlife National Reserve

photo by ACDI/VOCA

Meanwhile, PROSALUD, which had become a model of self-sufficient, high-quality health care in Bolivia and around the world, opened 6 more clinics in 1995 with USAID funding, increasing the national network to 28 clinics total.[35]

In the 1990s USAID provided a significant proportion of the technical assistance and supplies required for the Ministry of Health's diarrheal disease and cholera prevention programs. A USAID-funded household water purification system helped to improve child survival practices, leading to a 44 percent reduction in diarrhea among children under 5

35 USAID/Bolivia, *Results Review and Resource Request (R4) for FY 1995–1998.*

years of age in project communities and community demand for more than 100,000 oral rehydration packets between 1996 and 1997.[36]

USAID Leadership Protects Forests

The Bolivian Congress passed the first-ever environment-friendly forestry law in 1996, doing away with tax breaks that encouraged the cutting of forests. The law was considered "a pride for the nation and an example for the continent." USAID was recognized for its leadership in the development and passage of the law.

Environment

During the 1990s, with USAID engagement, Bolivia became a leader in Latin America in sound environmental management for sustainable development. In 1993 the Bolivian Government catalyzed unparalleled political action for the environment sector and expressed its strong commitment to the 1992 Rio Agreements on biodiversity and global warming, formally elevating environmental action on the Bolivian national agenda. The Government of Bolivia created a new Ministry of Sustainable Development and the Environment based on recommendations from then-U.S. Vice President Al Gore's environmental team. The relationship between the two governments fostered learning in sustainable development, including how to better inform the hemisphere about sustainable development and the environment.

In response to Bolivia's stated commitment to environmental protection, USAID focused on reducing the degradation of forest, soil, and water resources and protecting biodiversity. Expanding on work initiated in the 1980s, USAID assistance included building consensus on and improving Bolivia's institutional capacity for environmental protection. USAID also worked with the Bolivian Government and other partners to increase awareness of environmental protection and sustainable natural resources management among the Bolivian public.

In 1991, the U.S. Government provided funding to the *Fondo Nacional del Medio Ambiente* (National Environment Fund) through two debt-reduction measures that decreased Bolivia's debt to the United States by more than 80 percent. Designed as a mechanism to attract donor funding for national priorities, the *Fondo Nacional del Medio Ambiente* became a model for environmental sector funding worldwide.[37]

USAID facilitated the creation of the Noel Kempff Mercado Climate Action Project in 1996. The largest forest-based carbon project in the world, it was estimated to have a net carbon benefit of 15 million metric tons of carbon, serving as an outstanding example of how forest-based projects can advance climate protection goals.[38] In partnership with *Fondo Nacional del Medio Ambiente* and the Ministry of Sustainable Development and the Environment, USAID also helped create a trust fund for the establishment of the National System of Protected Areas.

USAID/Bolivia Lays Foundation for Tropical Forest Conservation

USAID made substantial progress in 1996 with the design and implementation of biodiversity conservation in the Chaco. Working directly with 21 Izoceño Guaraní Indian communities and the Wildlife Conservation Society, and in close coordination with five other donors, USAID laid a solid foundation to conserve a biologically rich area of dry tropical forest (even more threatened than rainforest). The protected area is more than 3.5 times the size of Yellowstone National Park in the United States. The Great Chief of the Izoceños said, "USAID's relationship with the Izoceños should be a model for all the donors in Bolivia."

1997 Results Review and Resource Request (R4) for FY 1996–1999, USAID/Bolivia

36 USAID/Bolivia, *Results Review and Resource Request (R4) for FY 1996–1999.*

37 T. Catterson, *Retrospective Study of USAID Support to the Development of the Environment Sector in Bolivia*, USAID/Bolivia, 2000.

38 Ibid.

In 1997, USAID played a critical role in assisting indigenous organizations to reach a landmark agreement regarding the Bolivia-Brazil gas pipeline. By facilitating communication among all involved parties, USAID helped energy companies behind the pipeline project understand the concerns of the indigenous people who would be directly affected by its construction. The agreement provided $1.5 million to implement a land-titling program for the indigenous communities on the outskirts of the *Kaa-Lya* National Park where the pipeline was to be built. Of the total amount provided, $1 million was put into a trust fund for park conservation activities. The agreement set a precedent for future relationships between energy companies and indigenous organizations.

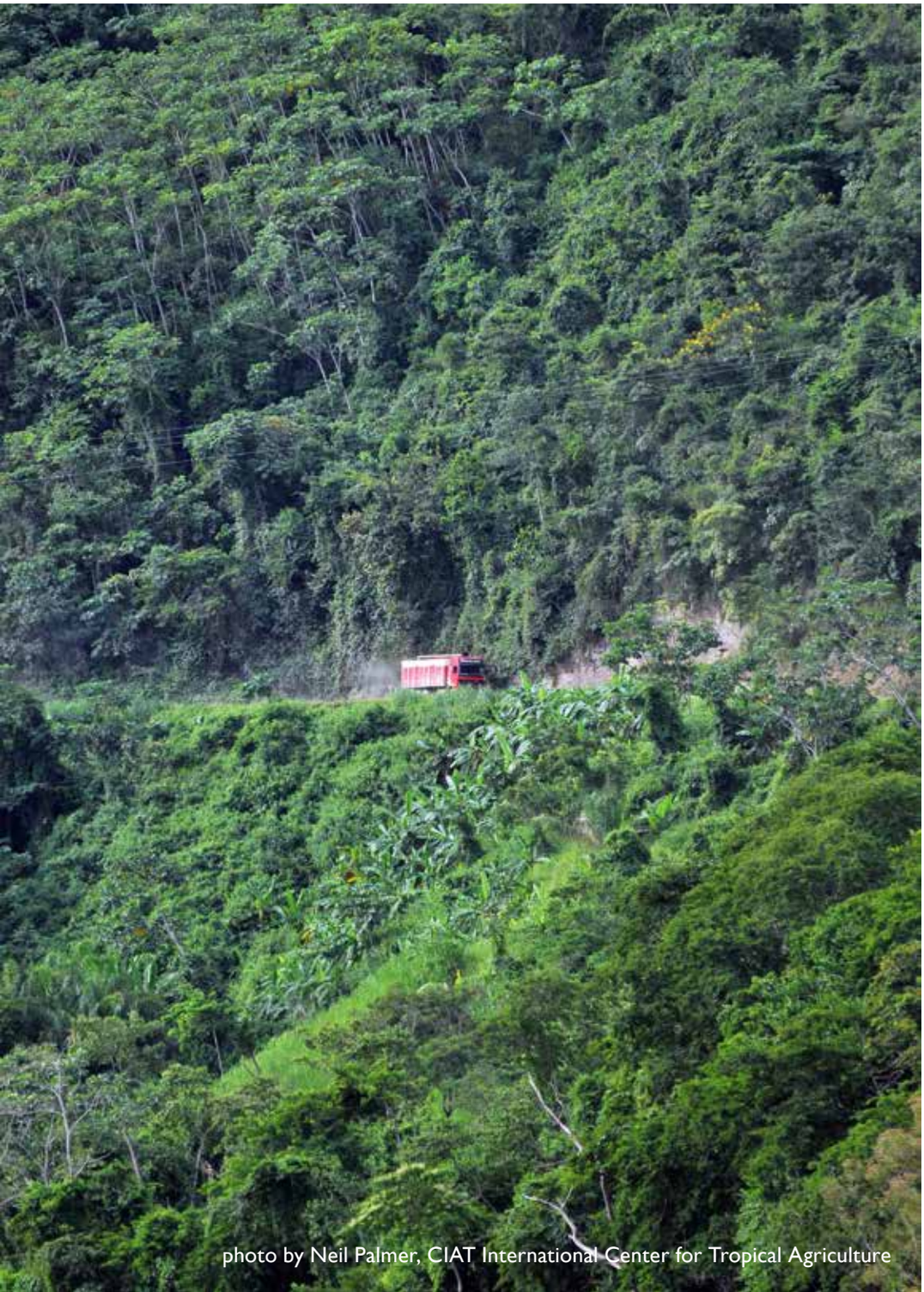


photo by Neil Palmer, CIAT International Center for Tropical Agriculture

By the end of the 1990s, 1.2 million hectares of biologically rich forest were independently certified as being sustainably managed, making Bolivia a leader in sustainable forest management in Latin America. Twelve major industries had also protected biodiversity by dramatically reducing their water pollution using the recommendations of USAID's Environmental Pollution Prevention Project.

USAID Facilitates Exports of Bolivian "Eco-Certified" Hardwoods

In 1999, with USAID support, 21 indigenous communities actively participated in natural resource planning and biodiversity conservation activities. In addition, Bolivia's first "eco-certified" hardwoods, produced by indigenous communities with assistance from USAID, were exported to the United States and Europe, where there is a growing "green market" for sustainable goods.

photo by USAID/Bolivia

Alternative Development

As the second largest producer of coca leaf in the world throughout the 1980s and into the 1990s, Bolivia had drastically increased its economic dependence on coca and cocaine production. As a carryover from economic troubles in the 1980s, mostly in the mining sector, there were tremendous pressures and incentives for workforce migration into coca cultivation, processing, and trafficking in the 1990s.

By 1993, as a result of USAID and Government of Bolivia efforts, over 60 percent of the land under crop production was being used for legal products. Nearly 17,000 permanent jobs were created through USAID programs by 1993, and the value of bananas for the domestic market increased from $0.8 million in 1986 to $4 million in 1993.

USAID's focus on coca crop substitution in the *Chapare* in the 1980s evolved in the 1990s into a more comprehensive effort to transform the Bolivian economy from reliance on illegal cocaine production to new legal sources of income, foreign exchange, and jobs, wherever feasible throughout the country. Special emphasis on the *Chapare* was maintained, with expanded focus on the *Valles* (or High Valleys) because of the region's labor surplus.

USAID's program was closely coordinated with the Government of Bolivia's own Alternative Development strategy, which was outlined primarily in the Coca and Controlled Substances Law of 1988 and emphasized voluntary eradication of coca production.

Throughout the decade USAID projects delivered the agricultural and market development services required for alternative crops and strengthened the rural infrastructure needed to help farmers shift to legal agricultural activities. USAID also worked to improve the quality of life in non-coca-growing regions to prevent migration and new coca growth. In addition to targeting Bolivians directly involved in coca production, USAID projects also served the unemployed

"We produce a high-quality product and because of this people come back to us to buy more fruit. We share our sales between both the national and international markets. It's a great improvement that we don't have to look for people to buy our fruit and that instead they look for us…in this way we are able to earn a fair wage for our product. The foundation of a good business is the quality of the fruit."

—Marcial Gareca, local farmer, on exporting her organic bananas to Chile and Peru

and underemployed. Farmers, market representatives, and selected Bolivian Government and nongovernmental employees received training in alternative development approaches.

In the early 1990s USAID's P.L. 480 Title II Food-for-Work program and the successful wheat growing program provided short-term jobs to deter migration to the *Chapare* and to relieve the effects of the elimination of coca-related jobs. USAID also provided funds and assistance for the construction and improvement of farm-to-market roads, community development projects, and irrigation systems, creating short-term jobs, improving standards of living, and increasing farm productivity. Community projects included schools, health posts, nurseries, and livestock facilities.

Working with local partners, USAID identified suitable crops for the *Chapare* and *Valles*. Special efforts were devoted to the production of bananas, pineapple, palm hearts, black pepper, passion fruit, and citrus and improved pastures in the *Chapare*, and on the production of onions, garlic, and peaches in the *Valles*. In response, private firms bought pineapples for canning and fresh fruit for export to Chile and Argentina.

As a result of USAID, Government of Bolivia, and community commitment, by 1996 legal crop production in the *Chapare* increased to 92,000 hectares, up from an estimated 77,000 hectares in 1995. In 1997 the *Chapare* region had more than 96,500 hectares of legal agricultural production. By the end of the decade, more than 2,500 Bolivian families had eliminated all of their coca plants, designating their production areas as coca-free zones.[39]

39 USAID/Bolivia, *Results Review and Resource Request (R4) for 1998–2000.*

"One of the most important contributions USAID made to transform Bolivia's health sector was to strengthen our human resources through the Scholarship Program."

—Dr. Rosario Quiroga, former Minister of Health, Bolivia, 2005,
July 30, 2013

The Bolivian Peace Scholarship Project

In 1991, to continue the efforts of the Andean Peace Scholarship Project launched in 1987, USAID designated $4.5 million to finance a 5-year Bolivian Peace Scholarship Project. Similar but not identical to its predecessor, the Bolivian Peace Scholarship Project narrowed its training focus to 5 priority areas: agricultural production techniques for small farmers; small business and cooperative management and marketing skills; infant and maternal health care; non-formal education and communication; and natural resources management emphasizing environmental protection. The project required that 70 percent of Peace Scholars be from socioeconomically disadvantaged backgrounds and that 40 percent be women.

To build the capacity of Bolivia's environment sector, groups of professionals traveled to the United States in the early 1990s under the Bolivian Peace Scholarship Project. The participants included 24 urban high school directors seeking technical skills training in environmental education; 14 professionals who received training on environmental policy and planning; and 19 forestry professionals who received environmental conservation training.

photo by USAID/Bolivia

The 2000s

photo by ACDI/VOCA

Continued Transformation

Bolivia's Demographic Profile at the Start of the 21st Century

- Indigenous people made up 60 percent of the overall population
- 50 percent of the population was under 21 years of age
- Infant and child mortality rates continued to decline
- Use of family planning methods among women continued to increase
- 26 percent of children under the age of 3 were malnourished

The early 2000s was a challenging period for economic, political, and social progress for the government and people of Bolivia. Developed with USAID assistance in 2001, the Poverty Reduction Strategy Paper and the National Development Plan, introduced under the Evo Morales administration, were the driving force behind all Government of Bolivia reforms during the 2000s. The Poverty Reduction Strategy Paper addressed job creation and income generation, and increased community participation and social integration for indigenous populations. The strategy also targeted increased protection for the poor, gender equity, and sustainable natural resources management. In addition, the National Dialogue Law of 2001 was enacted to oversee poverty reduction policies.

As a major development partner, USAID aligned its strategic plans with Government of Bolivia priorities. USAID programs maintained momentum to further democracy and governance goals by fortifying local, regional, and national democratic institutions throughout the country. USAID continued to provide disadvantaged populations with economic opportunities in agriculture, business, and trade and offered small farmers alternatives to coca production.

USAID's extensive work in the health sector continued for the next 13 years, as did USAID's commitment to environmental protection, natural resource management, and biodiversity conservation.

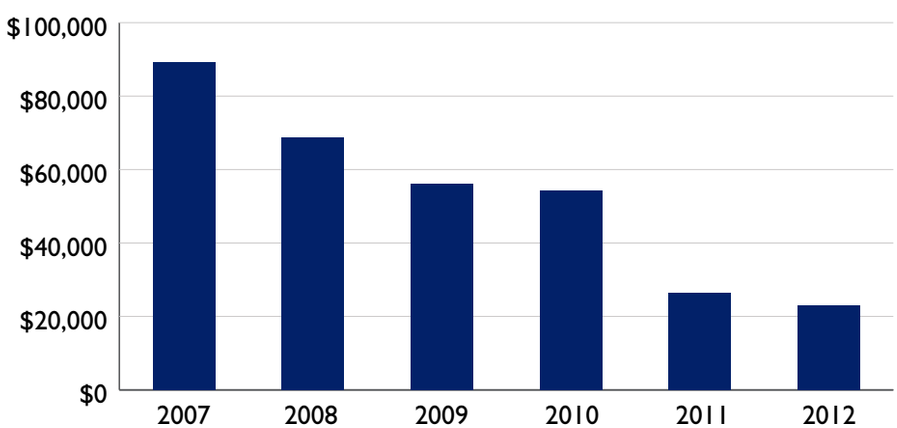
In 2008 USAID's ability to develop a long-term plan was seriously complicated by increasingly fragile bilateral relations, ongoing political

"U.S. Government assistance helped the Bolivian people reduce endemic poverty and promote social justice and indigenous inclusion at a decisive time in the country's history."

—Ambassador Philip S. Goldberg, November 16, 2007

conflict within Bolivia, and a changing political environment. The Government of Bolivia's declaration of the U.S. ambassador as *persona non grata* in September 2008, the expulsion of the U.S. Drug Enforcement Agency in November 2008, and continued false accusations by the Bolivian Government against USAID and the U.S. Government strained relations. As U.S.-Bolivian relations soured and Washington canceled trade preferences, total U.S. foreign aid to Bolivia dropped from $100 million in 2008 to $28 million in 2012. Related reductions in USAID funding (from nearly $69 million in 2008 to $23 million in 2012) prompted USAID to reprioritize activities and consolidate its portfolio, particularly in the health sector.

Figure 1. USAID Funding to Bolivia: Fiscal Years 2007–2012 (U.S. dollars in 000s)



Economic Growth

By 2005 political instability in Bolivia led to declines in investments and business, slowing economic growth. Bolivia's poor infrastructure impeded exports and increased the cost of transporting goods. Road blockages from social protests delayed the delivery of goods for domestic and export markets. As a result of social pressures, risky short-term financial mechanisms took precedence over long-term investments, threatening the financial sector and inflaming the economic crisis in the country. At the same time, 58 percent of the Bolivian population lived in poverty and 24 percent lived in extreme poverty.

Economic growth through trade and investment, market access, and job creation was USAID's focus from 2000 until the closure of USAID/Bolivia in 2013. During this period, USAID expanded poor farmer access

USAID Augments Bolivia's Microfinance Sector

USAID/Bolivia played an important role in the microfinance sector. By 2005, 5 private financial institutions (4 private financial funds and a commercial bank) specializing in microfinance were financially viable and operating in a very competitive market, and the Bolivian regulatory framework, tailored to the unique characteristics of microfinance, was fully operational.

to selected agricultural markets and strengthened microfinance in rural areas. USAID also built the microfinance sector's ability to effectively advocate for public policy in favor of market-based microfinance.

In 2004, USAID assistance directly generated $11.7 million in nontraditional exports, contributed to a $165 million increase in nontraditional exports at the national level, and created thousands of jobs for Bolivians.

In 2003 technical assistance to small farmers in Bolivia's principal agricultural valleys directly resulted in the reduction of post-harvest losses. Losses to onion crops were reduced from 40 percent to 8 percent with corresponding increases in household income. Hot pepper harvests increased from 4 to 10 or more per year from 2000 to 2003, while pesticide use was reduced. The result was a doubling in income of many assisted farmers. Other crops that expanded under USAID programs included chilies, peppers, oregano, berries, table grapes, and tomatoes.

USAID also helped Bolivian businesses become more productive and meet export demand, and worked to make the legal environment more conducive to increased trade and improved business competitiveness.

USAID's trade and investment capacity program created economic opportunities and increased incomes for small indigenous businesses accessing agriculture export markets. In 2004, USAID activities generated 1,595 permanent jobs and $6.6 million in exports. In 2006 USAID agriculture programs assisted nearly 47,300 indigenous farm families to improve production and selling produce on domestic and international markets through Bolivian businesses. Programs focused on areas where Bolivia had a comparative advantage, particularly textiles

photo by ACDI/VOCA

USAID/Bolivia Promotes Extraordinary Changes for Small Farmers

From 2000 to 2010, USAID's Market Access and Poverty Alleviation project worked with groups of farmers in the *Altiplano* and *Valles* regions of Bolivia to improve their farming techniques and their access to export markets. By the end of the project, farmers were exporting organic sweet onions to the United States; raspberries to Brazil; oregano and other spices to Canada, Argentina, Paraguay, and Uruguay; organic peanuts to Germany and Holland; and flowers to Brazil and Paraguay. USAID's efforts helped Bolivia become the first country in the world to export organic onions.

Through the success of the Market Access and Poverty Alleviation II Project, USAID made an extraordinary impact on the quality of life for more than 52,750 families living in the *Valles* and *Altiplano* regions of Bolivia. Rural poverty rates in these regions had been as high as 87 percent in the *Valles* and 95 percent in the *Altiplano*. As a result of USAID assistance, however, the average income for families participating in the project increased by 54 percent. An important feature of this project was the requirement that farmers contribute 15–20 percent of farm costs to create ownership and sustainability.

and certified wood. USAID also worked with small and medium-sized businesses to access market opportunities, create employment, and improve the production of high-value products. In 2011 USAID facilitated sales valued at $7.2 million and created 1,800 urban jobs in textiles, wood manufacturing, food processing, and handicrafts.

USAID focused its P.L. 480 Title II food assistance programs on the most nutritionally and economically vulnerable indigenous populations in Bolivia. Title II food assistance helped food insecure communities in *Potosí, Chuquisaca,* and *Oruro* departments and broadened agricultural production to increase the availability of food in these households.

Food-for-work programs in the urban and peri-urban areas of *El Alto, Sucre,* and *Potosí* provided temporary employment for more than 25,000 people—the majority being women—in 2006. Food-for-work activities included the construction of farm-to-market roads and irrigation, potable water, and sanitation systems.

The Title II program was a critically important component of USAID's bilateral relationship with the Government of Bolivia for nearly 40 years. In 2009 USAID's P.L. 480 Title II program closed as Bolivia was no longer recognized by USAID/Washington as a priority country for this assistance.

USAID-Sponsored Mothers' Clubs Improve Child Health

In 2007, USAID food commodities were distributed to more than 25,000 pregnant women and mothers of children under age 3. In addition, almost 4,000 babies received the full dose of the diptheria-pertussis-tetanus vaccination and more than 10,000 children were treated for diarrhea—all as a result of the participation of mothers in the Title II program's mothers' clubs.

Quinua Flor: Opportunities for Single Mothers

As the quinua crop in the *Altiplano* grew in importance, a motivated group of 46 single mothers saw it as a way to secure income for their struggling families. Through training and technical assistance under USAID's New Opportunities Program, these mothers set up a limited liability company called *Quinua Flor* and sold flower arrangements created from preserved quinua flowers. Their innovative business idea benefited the women, their children, and their communities, and opened a new market for the flourishing quinua crop.

While the environmental characteristics of the *Valles* allowed a wide range of high-value agricultural products to thrive, the *Altiplano* presented a unique set of challenges. Its high altitude, scarce rainfall, low temperatures, and geophysical conditions limited agricultural crop options to grains such as quinua, which yielded little income prior to USAID interventions.

"Around here, we plant when it rains. If it doesn't, we don't plant anything and then we don't have any income for our families."

—Vincenta Huayllas, Quinua farmer from Oruro, Bolivia

USAID catalyzed dramatic farm improvements by helping farmers diversify their crops and reach domestic and foreign markets. Farmers received technical assistance to calculate the production costs for selected crops to determine sales and export prices. USAID advanced farm technologies, particularly irrigation, to enhance production of traditional grain crops such as quinua. Before the introduction of improved irrigation through USAID, *Altiplano* farmers had been at the mercy of the weather.

Through technical assistance in agriculture and economics, USAID boosted the production, quality, distribution cost, demand, and business opportunities in quinua—elevating Bolivia's competitiveness in the market and contributing to its resounding success in the *Altiplano* region.

In response to severe climate conditions related to *El Niño*, USAID offered assistance to 47,300 rural poor families in 68 municipalities of the *Yungas* valley and Andean plain regions to improve farming and sales of products on domestic and international markets. All USAID technical assistance was directed to households, reaching both men and women. Two hundred new technologies and management practices were made available to farmers. USAID complemented these efforts with technical assistance in water use and soil management practices.

With USAID assistance in 2009, practical courses on how small and medium-sized business could respond to market challenges were provided to 2,084 Bolivians, of whom almost 50 percent were women. Also in 2009, USAID sponsored more than 80 seminars for Bolivia's emerging self-employed entrepreneurs, further enhancing their capacity to engage in market-based activities.

In 2011 USAID focused on 9 of Bolivia's most vulnerable municipalities, generating activities in 241 communities benefiting a total of 10,222 households. The activities increased the incomes of 2,887 people and assisted 376 children under 5 years of age with nutrition interventions.

Health and Population

With USAID resources and technical assistance, the Bolivian Ministry of Health made significant progress on key health indicators, including decreases in infant and child mortality and increases in the use of family planning, from the 1980s and 1990s until the most recent measures in 2008.

While child health in Bolivia still ranks below the average for Latin America, Bolivia has continued to make considerable strides in reducing child mortality – one of the most important health priorities in the world today. Child mortality decreased annually from 2000 to 2010, by an average of 4.2 percent, and by an impressive 55 percent between 1990 and 2010. According to a 2012 report from the World Health Organization and UNICEF, Bolivia's total fertility rate decreased by 33 percent from 1990 to 2010—the second greatest reduction in fertility rates among South American countries during that time period.[40]

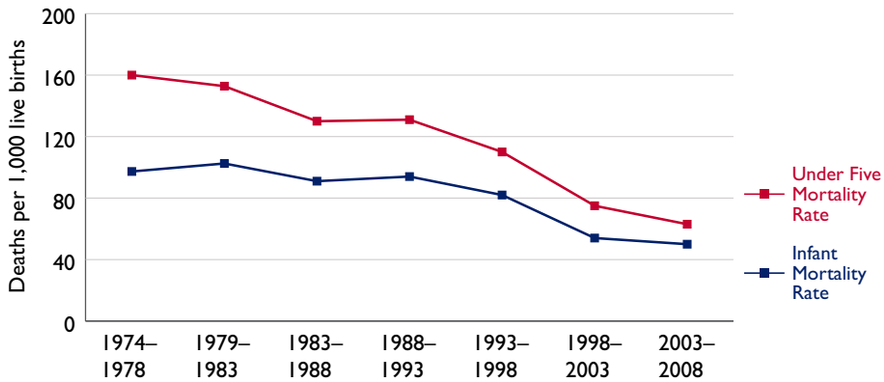
"USAID has played an important role in improving the health of the country."

—Dr. Rosario Quiroga, former Bolivian Minister of Health, 2005
July 30, 2013

40 UNICEF, *State of the World's Children, 2012: Children in an Urban World* (New York: UNICEF, 2012).

photo by ACDI/VOCA

Figure 2. Trends in Infant and Under-5 Mortality in Bolivia (1974–2008)



Bolivia Demographic and Health Surveys 1989, Institute for Resource Development/Macro Systems, Inc.; Bolivia Demographic and Health Surveys 1998, 2003, and 2008, Macro International, Inc.

USAID Innovations Slow the Impact of Malaria

In collaboration with USAID/Washington and USAID/Peru, USAID/Bolivia helped to design a regional Amazon Malaria Initiative in 2001. USAID-backed clinical trials led to the adoption of a new national protocol for the treatment of *P. falciparum* malaria that was shown to decrease the risk of anti-microbial resistance. The number of reported cases of *P. falciparum* malaria in Bolivia dropped markedly, from 2,000 cases in 2001 to 800 cases in 2002—a 60 percent decrease.

From 2000 to 2013 USAID's programs were designed to address Bolivia's greatest health needs, including family planning and reproductive health, maternal and child health, water and sanitation, infectious diseases, and HIV/AIDS. USAID complemented the Government of Bolivia's Health Sector Strategy and the government's new model for health care delivery—Family, Community and Intercultural Health—which was introduced in 2009. Efforts were made to strengthen all levels of the health system to respond to the needs of a diverse Bolivian population and to make the greatest impact on the reduction of preventable child deaths.

USAID collaborated with the Bolivian Ministry of Health as well as international and local organizations such as PROSALUD and PROCOSI to expand and improve health care services through community and private networks. Through these partnerships USAID expanded the delivery of health services in rural and semi-urban areas, reaching more than one million citizens in 2006. In 2007 USAID introduced a package of basic child health services in 40 rural municipalities to improve the identification and treatment of life-threatening illnesses for children under 5 years old. USAID also improved the prevention and control of tuberculosis and malaria. During the decade, USAID activities focused on improving the quality of services and increasing access to care for Bolivians by training health professionals from the public and private sectors.

In 2001 USAID assistance to Bolivia's national immunization program helped achieve impressive results, including 100 percent vaccination coverage for measles, 92 percent for tuberculosis, and 86 percent for the third dose of the polio vaccine in children under the age of one.

In 2001, USAID provided the Ministry of Health with incubators, infant scales, newborn warming tables, and other medical equipment to help health providers assess infants for low birth weight and care for infants born prematurely. With high rates of newborn deaths in *La Paz* and *Chuquisaca*, health care providers were trained over the years to recognize poor health in newborns and be able to provide lifesaving care. Community health workers were trained to help families identify danger signs in pregnancy and understand the importance of delivering with skilled health care providers.

photo by USAID/Bolivia

USAID also worked with partners to provide services via mobile clinics and community health workers in communities in *La Paz* and *Chuquisaca* with little or no access to health care. In 2008 and 2009, 6,355 community health workers were trained to provide basic maternal and child health, family planning, and tuberculosis interventions. The community health workers helped link communities to the health facilities through referrals and encouraged individuals and families to practice healthier behaviors. In 2008 mobile health units reached more than 9,000 children and 3,500 women in *El Alto*. Mobile health units reached 30,250 people in 204 rural communities in 2009.

From 2000 until 2013 USAID bolstered community knowledge about and demand for family planning services through information campaigns and expanded access to family planning methods. USAID also provided modern contraceptives and community education on their use through social marketing campaigns.

Extending beyond the target departments of *La Paz* and *Chuquisaca*, the USAID social marketing program provided 70 percent of all family planning methods in the country and initiated 14 communication programs and outreach to approximately 1,200 public- and private-sector sales locations in 2011. Also in 2011, more than 225,000 family planning counseling visits were conducted and more than 7.7 million condoms were sold, providing both a family planning method and protection from sexually transmitted diseases such as HIV.

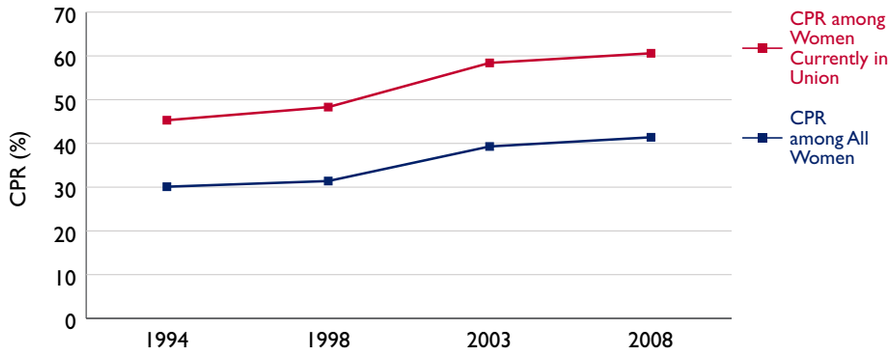
As a result of USAID activities, family planning and reproductive health services were expanded and improved. Family planning use among all

USAID Extends Care to Pregnant Women, Newborns, and Children through Community Health Workers

In 2011, with USAID assistance, nearly 6,000 pregnant women received at least 2 home visits by community health workers, and 2,500 newborns received 3 or more visits from community health workers during their first month of life. Community health workers also provided care to 4,500 young children with diarrhea and to 12,000 children with respiratory infections.

women in Bolivia increased from 30.1 percent in 1994 to 41.4 percent in 2008.

Figure 3. Contraceptive Prevalance Rate (CPR) in Bolivia (1994–2008)



Bolivia Demographic and Health Surveys 1989, Institute for Resource Development/Macro Systems, Inc.; Bolivia Demographic and Health Surveys 1998, 2003, and 2008, Macro International, Inc.

Through USAID's P.L. 480 Title II Program, more than 60,000 people in the cities of *El Alto, Sucre,* and *Potosí* gained access to improved drinking water and sanitation in 2007. Providing clean water to communities involved the construction of drinking water systems, the protection of community water sources from contaminants, and linking households to water supplies. Sanitation improvements involved the construction of sewer systems and bathrooms with handwashing stations, as well as community education on proper handwashing. Through the Community Development Activity Fund, a program designed to help underserved communities meet their self-identified needs, USAID helped construct or refurbish bathrooms, benefiting Bolivians living in *Cochabamba, La Paz,* and *Potosí* from 2009 until 2012.

For nearly 18 years, USAID was Bolivia's primary source of assistance for tracking and managing HIV. USAID assistance was instrumental in maintaining HIV prevalence below one percent in Bolivia.

In 2001, to improve the quality and use of health information on HIV in Bolivia, USAID established three clinical sites to track HIV cases. By 2009, USAID had strengthened 10 national HIV/AIDS surveillance sites, further enhancing the Government of Bolivia's ability to track and manage HIV/AIDS. USAID also expanded access to HIV voluntary counseling and testing, and improved the quality and use of HIV/AIDS data for program planning. In 2010 data generated from USAID counseling and testing sites were included in the national health management information system for the first time. The data were used to inform policy and program activities and to better estimate future testing supply needs for Bolivia.

Through the donation of HIV testing equipment and supplies to private health facilities and 10 Ministry-operated HIV clinics, USAID broadened access to voluntary counseling and testing services, particularly for Bolivians who were at high risk and who were difficult to reach. In 2007, 1,856 people received voluntary counseling and testing services. USAID also promoted condom distribution at non-clinical outlets, thus further expanding access to HIV prevention. More than 14,000

"The need for a sewage system was clearly a priority for the community of Chicaloma. We needed it to protect people's health and improve our living conditions. We've already noticed the difference a sewage system makes. Everything's improved—it's a good result. We've seen a noticeable reduction in the number of mosquitoes and flies around here, for example. There's no sewage contaminating the fields any more, and the gutters in the village are dry. I think everyone's health is going to be a lot better from now on. We will always be grateful to USAID and the Vice Ministry for having made this project possible. It's a major work of infrastructure. And for our community it's been an overwhelming success."

—Angel Antonio Clavijo, a community leader in *Chicaloma*, a village of 270 families in the subtropical Andean valleys of Bolivia known as the *Yungas of La Paz*

individuals received counseling and testing in 2009 through USAID nongovernmental clinics—representing 10 percent of all people tested.

In 2010, USAID was instrumental in facilitating a partnership between the National Program for Sexually Transmitted Infections and HIV/AIDS and the National Tuberculosis Control Program to gather information on co-infection rates in *El Alto*, a city with high prevalence of both HIV and tuberculosis. USAID trained health workers who manage tuberculosis patients in HIV testing and counseling. In addition, USAID trained more than 365 health workers, who work in both HIV and tuberculosis at 160 facilities nationwide, in co-infection issues. This project enabled the national HIV and tuberculosis control programs to improve treatment and care for people with both diseases.

USAID assistance during this time period also furthered Bolivia's goal of combating diseases such as yellow fever, dengue, and leishmaniasis. USAID built the capacity of the national Ministry of Health, municipal ministry staff, and private providers to respond appropriately to these diseases through diagnosing and treating cases and, when possible, preventing outbreaks.

In 2007, USAID provided supplies to 17 public health facilities to improve the diagnosis and treatment of leishmaniasis, a disease transmitted through the bite of a sand fly. This same year USAID partners trained 3,316 health service providers in key geographic areas and enhanced laboratory capacity to detect the infection in regions

From 2006 to 2009 a USAID education and behavior change project reached more than 118,000 adolescents in 15 municipalities with messages about reproductive health and abstinence, being faithful to one sexual partner, and correct condom use to avoid HIV.

USAID Builds Bolivia's Capacity to Control Tuberculosis

Bolivia ranks third in the Western hemisphere in tuberculosis cases, with about 8,900 cases reported in 2005. To complement Bolivia's long-term goal of increasing tuberculosis case detection and treatment success rates, in 2007 USAID assisted 16 priority municipalities to train 154 public- and private-sector health workers to identify tuberculosis in children and adults and in the Directly Observed Treatment Short Course—the international standard for tuberculosis treatment. USAID also strengthened the national tuberculosis drug logistics system to ensure that the right drugs were available in health facilities managing tuberculosis patients. To enhance planning for tuberculosis control, USAID worked with the Ministry of Health to set up systems to gather information and to monitor and evaluate tuberculosis programs.

where it was most prevalent. As a result, 1,002 leishmaniasis cases were successfully managed.[41]

Working with PROCOSI, USAID also took measures to reduce the risk of Chagas among poor, rural communities in Bolivia. Chagas is endemic to Bolivia and is transmitted by the "kissing bug." Left untreated the infection can be lifelong and life-threatening. With partial support from the Government of Bolivia's National Program for Housing Subsidies, participating municipal governments, and in-kind labor contributions from communities, PROCOSI helped families protect their homes from infestation by fortifying foundations, walls, and roofs—the prime breeding locations for the insect that causes Chagas—with cement, roofing tiles, and lime. In addition, USAID funded PROCOSI's work to educate families and communities on how Chagas is transmitted and what actions they can take to prevent future transmission. In 2007, the year the program was first implemented, USAID helped to reinforce 679 houses and educated more than 3,625 people on Chagas transmission and prevention.[42] By 2009, through the National Chagas Prevention Program, USAID had renewed or rebuilt more than 12,000 homes in areas that were highly affected by the disease.[43]

To improve Bolivian capacity to collect and use data to plan interventions for tuberculosis, HIV/AIDS, and routine immunization, USAID provided technical assistance and resources to the National Health Information System. In 2010, USAID technical assistance

USAID and Ministry of Health Combat Tropical Diseases

In 2007, USAID and the Ministry of Health worked together to combat tropical diseases by adding treatment services to the Ministry's regular vaccination campaigns and emergency response activities. Efforts also included the vaccination of 203,454 persons against yellow fever and destruction of mosquito breeding sites in more than 135,000 houses in response to a dengue fever outbreak in the departments of *Santa Cruz* and *Beni*.

41 *The USAID Assistance Program in Bolivia*, USAID/Bolivia website (Bolivia.usaid.gov).

42 U.S. Department of State, *Performance Report on Fiscal Year 2007 for Bolivia* (Washington, DC: U.S. Department of State, November 16, 2007).

43 *The USAID Assistance Program in Bolivia*, USAID website (Bolivia.usaid.gov).

expanded the use of HealthMapper, a data management and mapping system developed by the World Health Organization for collecting epidemiological data for health analysis. With USAID assistance, 265 public municipal referral pharmacies implemented a computerized system to track the delivery of maternal health and family planning services.

From 2007 until the end of 2012, results achieved with USAID funding included:

- More than 618,000 antenatal care visits were provided by skilled providers;
- Nearly 40,000 newborns received essential newborn care;
- More than 205,000 children under 5 were reached by nutrition programs;
- More than 362,000 cases of child diarrhea were treated;
- More than 143,000 children were immunized with the third dose of the diphtheria-pertussis-tetanus vaccination;
- More than 784,500 family planning/reproductive health consultations were provided in urban and rural areas; and
- More than 1.8 million couples were protected from an unwanted pregnancy.[44]

44 *USAID/Bolivia Health Program Overview*, March 12, 2013.

photo by Jhpiego

Environment

Having made significant strides in environmental management and conservation in the 1980s and 1990s, Bolivia entered the 21st century with a robust environmental agenda focused on addressing the challenges to sustainable management of natural resources, including population pressures leading to uncontrolled, inappropriate land use in protected areas, and inadequate land titling and tenure systems.

In order to achieve Bolivia-U.S. shared goals, from 2000 to 2009 USAID programs worked with public-private partnerships to implement activities in forestry management, conservation of parks and protected areas, and reduction of urban and industrial pollution through improved environmental management. USAID also promoted participation of the Bolivian poor in environmental conservation efforts.

In 2004, USAID helped 36 indigenous community forest operations put nearly 800,000 hectares of forest under sustainable management. Approximately 860 people were trained and family incomes increased 30 percent due to forestry activities.

During the 2000s, USAID initiatives also held that:

> [i]f economic opportunities in areas where communities rely directly on natural resources for their income are increased, and if communities have greater capacity to participate in and make decisions about the resources they depend on, then natural resources and biodiversity can be conserved or managed more sustainably.[45]

By 2001 the size of forest and protected areas under approved management plans reached 12,555,228 hectares, an area equal to the state of Alabama. As a result of changes catalyzed by USAID, Bolivia became a global leader in commercial tropical forests, with 1.5 million hectares of forest internationally (and voluntarily) certified as well managed in 2004 (up from 932,260 hectares in 2001).

Bolivia's largest municipal protected area of more than 600,000 hectares was created with USAID assistance in *Santa Rosa de Yacuma* by 2007. This same year gains were also made in strengthening participatory management in an indigenous territory and biosphere reserve and in sustainable natural forest management in private and community-based operations.

The percentage of certified forest exports increased from 10 percent in 2000 to 25 percent in 2001. Moreover, the value of certified forest products exported from Bolivia increased from $8.5 million in 2000 to a new high of $13 million in 2001. The value of forestry exports in 2004 was approximately $20 million, an increase of more than $5 million from 2003.

USAID programs enhanced the benefits that indigenous communities received from their forest resources by helping the communities participate in local, regional, and national distribution of certified forest

45 USAID, *USAID/Bolivia Country Strategic Plan: 2005–2009*, February 22, 2005.

products, and by ensuring that they received fair compensation. By 2009 USAID's Bolivia Sustainable Forestry Program had helped create internal and external markets for certified wood and wood products, and family income from forest-based enterprises had increased by 50 percent.

USAID environment programs generated important economic benefits and helped prevent or ameliorate conflicts over land and natural resources, which are problematic in rural Bolivia. Land tenure issues for more than 4 million hectares of land were resolved through this program. The beneficiaries of these activities included thousands of rural families who depend on natural resources for their livelihoods.

The USAID-funded Landscape Conservation Program assisted 7 municipalities and 2 indigenous territories in the biodiverse *Amboro-Madidi* Corridor, which includes 12 percent of the total territory of Bolivia, with strategic land use planning in 2009. Planning, community education on forest conservation, and interventions to boost forest-based enterprises served as the basis for conservation and sustainable use efforts in this region.[46]

46 U.S. Department of State/USAID, *Bolivia: U.S. Foreign Assistance Performance Publication, Fiscal Year 2009* (U.S. Department of State/USAID, 2010).

USAID PROGRAM STRENGTHENS ACCESS RIGHTS TO FOREST RESOURCES

One of the most important features of the 1996 Forestry Law, for which USAID's Bolivia Sustainable Forestry Program was largely responsible, was the "democratization" of access rights to forest resources. Before the law, 180 private firms and individuals had rights to all of Bolivia's forests through large concessions. In 2001, with USAID support, the National Agrarian Reform Institute completed fieldwork to establish clear title on 3.8 million hectares of forestlands. In 2001 the first 12 local community groups were officially presented with forest concessions. Through the Sustainable Forestry Program USAID provided technical assistance to 22 community groups and 11 indigenous communities, leading to an increase of more than 100,000 hectares under approved plans with community forestry enterprises. USAID also helped 20 Tacana Indian communities obtain land titles. As a result, in 2002, the Government of Bolivia awarded land titles for 469,500 hectares. This was an important step toward achieving land equity for marginalized indigenous groups.

* USAID/Bolivia, *Annual Report FY 2002.*

Through the El Alto-Titicaca Pollution Management program, USAID improved the capacity of the *Viacha* municipality to protect Lake Titicaca from community garbage—halting 1,260 tons of trash from reaching the Lake in 2011 through sanitary landfills and garbage collection from the riverside and streets of *Viacha*.

USAID partnered with the Center for the Promotion of Sustainable Technologies to increase the number of industrial plants that were using water-friendly and cleaner production approaches, from 23 in 2000 to 31 in 2002. As a result, industrial plants dramatically reduced their water consumption and organic discharge.[47] Through USAID's continued partnership with Bolivian industry, in 2004 a total of 62 industrial plants had adopted cleaner production practices.

By 2012, USAID's biodiversity program, El Alto-Lake Titicaca Pollution Management Program (PROLAGO) [El Proyecto de Manejo de la Contaminación en el Eje Hidrográfico El Alto-Lago Titicaca], had made significant progress in implementing sustainable activities to reduce surface water contamination from urban and rural areas. In urban areas USAID worked with local industries—from food, beverage, dairy, and meat processing to slaughterhouses and tanneries—to implement pollution reduction approaches. These included using cleaner production technologies, establishing new sanitary landfills, upgrading sewage and solid waste systems, and instituting water quality monitoring campaigns. In rural areas gains were seen in reducing threats to biodiversity in the Lake Titicaca watershed caused by pollution from the high volumes of cattle manure. USAID helped to reduce organic lake pollution through the collection and use of manure to produce fertilizers, which resulted in additional economic benefits for rural families.

47 USAID/Bolivia, *Annual Report FY 2002*.

photo by USAID/Bolivia

Democracy

Political and social conflict posed the greatest threat to democracy in Bolivia during the 2000s. Confrontations between Bolivian citizens and national authorities were aggressive and sometimes violent and frequently ignored constitutional mechanisms for conflict resolution, thus undermining the democratic system. Widespread dissatisfaction with democracy, stemming from long-held perceptions that the democratic process favored the interests of the elite, exacerbated declining confidence in democracy and government institutions among Bolivians.

To achieve shared goals from 2000 to 2009, USAID activities were implemented in rule of law and human rights, good governance, political competition, and consensus building and civil society. Developed in coordination with the Government of Bolivia and other key Bolivian partners, these activities directly complemented the *Bolivia Democratica* and *Bolivia Digna* pillars of Bolivia's National Development Plan, as well as the American Democratic Charter of the Organization of American States.

From 2000 until 2009, USAID's democracy work focused on conflict resolution, greater inclusion of traditionally marginalized populations, and increasing popular confidence in democratic institutions and processes.

From 2000 to 2001, USAID supported management and leadership training of a group of mayors and municipal council members, of whom 80 percent (nearly 500) were women.[48] The training helped local municipal governments more effectively respond to citizen needs and demands.

Under a new USAID-supported municipalities law, governance at the municipal level steadily improved in performance as well as in citizen satisfaction, which rose from 45 percent in 1998 to 49 percent in 2000.[49,50] By 2001, USAID's democracy initiative expanded from 20 municipalities to more than 150 municipalities (over half of the total number of municipalities) throughout Bolivia.

As a result of USAID efforts, the Code of Criminal Procedures took full effect in 2001 and marked a significant achievement toward strengthening rule of law and human rights. Oral trials included the participation of "citizen judges" for the first time in constitutional history. With the introduction of these oral, adversarial procedures, the investigation-to-trial period decreased from an average of 4 years to an average of 4 months, with trials completed in less than one week.[51] In 2004, through USAID support, the Network for Justice and Participation established a precedent for civil society oversight in the selection of justice officials building public confidence in the Bolivian justice system.

In preparation for the national elections in 2009, USAID worked with *Bolivia Transparente* (Transparent Bolivia), a consortium of civil society

48 USAID, *USAID/Bolivia Results Review and Resource Request (R4), March 2001*.

49 Ibid.

50 USAID/Bolivia, *Annual Report FY 2002*.

51 Ibid.

organizations, to ensure that election activities were conducted in a fair, free, and transparent manner. More than 2,500 volunteers, consisting of youths and the indigenous, covered 1,770 polling stations.[52] In addition, USAID assisted the National Electoral Court to register every voter using a new registration system.[53]

Other projects included an initiative to strengthen the criminal justice system by increasing the efficiency and transparency of case processing at 17 USAID-supported justice offices. USAID introduced an electronic information and case management system that contributed greatly to transparency and efficiency of court cases by limiting the discretion of public officials in their dealings with the public.

USAID/Bolivia's democracy programs ended on July 9, 2009, at the request of the Government of Bolivia.

As a direct result of USAID interventions in the *Chapare*, legal crops planted increased from 135,342 hectares in 2003 to 143,887 hectares in 2004; incomes for families receiving USAID assistance increased to an average of $2,390, $961 higher than farm incomes generated by families that did not receive support.

Alternative Development

From 1998 until 2002, the Government of Bolivia's illegal coca eradication program was credited with reducing illicit coca cultivation by 34,000 hectares, to less than 10,000 hectares, although illegal replanting presented a constant challenge to Bolivia's counter-narcotics strategy. Illegal coca cultivation required close and continuous attention over the years to avoid setbacks in gains made in legal alternative production activities and social development.

USAID continued to encourage and develop viable alternatives to coca production from 2000 until 2013, primarily in the *Yungas* and *Chapare*. Activities focused on identifying legal crops with high domestic use and export potential and providing the inputs necessary to make these crops a success. Programs also continued to build the capacity to move crops to domestic and foreign markets. At the same time, USAID/Bolivia assistance improved the health and well-being of Bolivians living in program areas.

With the Government of Bolivia's decision to cease forced eradication of illegal and excess coca in the *Yungas* in June 2001, USAID's alternative development assistance became the strategic means to induce coca reduction. Implementation of initial USAID activities, along with electrification and road activities, enabled the Government of Bolivia to sign voluntary coca reduction and containment agreements with 12 communities in 6 northern *Yungas* federations.

Additional services in 2004 included 168.7 km of road maintenance, 156 km of road improvements, 12.3 km of stone paving, the construction of 8 bridges, and the installation of 331 km of electrical distribution lines. From 2011 to 2012 USAID's Rural Roads Project

52 *The USAID Assistance Program in Bolivia*, USAID/Bolivia website (Bolivia.usaid.gov).

53 Department of State/USAID, *Bolivia: U.S. Foreign Assistance Performance Publication, Fiscal Year 2009.*

photo by USAID/Bolivia

maintained more than 474 kilometers of roads and constructed 9 bridges. Roads and bridges provided farmers valuable access to markets for the sale of their products. Construction and maintenance was implemented via the *Caminos Vecinales* (Local Roads), a local government entity established and funded by USAID until May 2013.

In the early 2000s, the USAID-funded Consolidation of Alternative Development Efforts program was the single largest donor activity in the *Chapare* region. USAID resources provided essential alternative development assistance to an increasing number of families. Under this program USAID financed production, processing, post-harvest infrastructure, and export operations for legal crops. USAID also continued to invest in road maintenance and improvement, agro-forestry, and related marketing activities.

With technical assistance from USAID, legal products from the *Chapare* were carefully adapted to meet international standards for quality and packaging. As a result these products reached 8 export markets in the Americas and Europe in 2001. While more than 90 percent of all *Chapare* products were sold in local Bolivian markets, exports played an increasingly important role in the strategies of *Chapare* investors and farm organizations. Exports brought much-needed foreign exchange to Bolivia and created new jobs by offering *Chapare* farmers alternative selling channels and keeping prices stable. The value of private-sector investments in the *Chapare* increased from $60.5 million in 2003 to $85 million in 2004.[54]

By 2008, more than 12,660 families had participated in program activities, 5,866 new jobs were created, and the value of USAID-promoted exports totaled nearly $39.5 million, an increase of 11 percent

54 USAID/Bolivia, *Annual Report FY 2005*.

over 2007. This increase was largely attributable to the rising export value of alternative crops. Banana and coffee exports grew 14 percent and 31 percent, respectively, from 2008 to 2009. In 2010 USAID assistance to farm communities and businesses helped generate nearly 2,300 new jobs and $13.4 million in sales of alternative development products.

In the *Yungas* valley almost 10,000 families increased their income, by an average of 40 percent, from 2003 to 2004 through improved coffee production supported by USAID.

Also in 2010 USAID helped introduce, establish, and rehabilitate nearly 6,000 hectares of crops, including coffee, cocoa, and mango. In the coffee sector, nearly 4,000 hectares of coffee were rehabilitated or newly established, helping to ensure growth in sales and export volumes in future years. USAID also made important strides in increasing the production of annatto—a natural food coloring in high demand in world markets—by improving or establishing 500 hectares of land in the *Yungas*.

In the social sphere USAID also supported the construction of 11 potable water systems in the coca-growing regions, improving living conditions for approximately 3,776 families in 2007. From 2011 to 2012, USAID financed 71 social projects of which 29 were infrastructure projects such as water systems and health and education facilities. These projects benefited 6,900 families in the *Yungas* region. There is evidence that the integrated approach of economic development and social investments (e.g., potable water and sanitation) that USAID and others made over the years contributed to improved living and social conditions in the *Yungas*. Based on data from an unmet basic needs survey conducted in 2008, poverty in the area dropped from 64 percent in 2004 to 52 percent in 2008.[55]

55 Department of State/USAID, *Bolivia: U.S. Foreign Assistance Performance Publication, Fiscal Year 2009.*

"I am happy that I have won the Cup of Excellence because, as a family, we have put a lot of love into the harvest of our coffee. It is how we sustain our life and as such it is very important to us. We are very proud to show you our coffee."

—Mrs. Ayda Titirico, a rural coffee farmer

A Cup of Excellence—USAID Puts Bolivian Coffee on the World Map

In 2000 Bolivian coffee was reputed to be among the worst in the world. By 2004 USAID and partners in Bolivia's coffee industry had put Bolivia on the world map for specialty coffee.

When a coffee expert from the USAID-funded Market Access and Poverty Alleviation project recognized the potential of *Yungas* coffee, the project quickly began to work with coffee farmers and processors to ensure the highest levels of quality in all stages of coffee production. Farmers were trained to harvest only ripe cherry coffee and to sell their cherry coffee to the processor the same day it is harvested. Processors were trained in new processing techniques, and marketing approaches were strengthened to ensure the highest possible price for the new and improved coffee.

After a little more than 3 years, at the Cup of Excellence Internet Auction, the Bolivian coffee industry received the highest average price per pound ever recorded at the auction. Cup of Excellence coffees are selected for their quality, aroma, and taste and are sent to registered coffee buyers around the world. In 2004, the first year Bolivia participated in the Cup of Excellence, 13 lots qualified for the auction. The highest sale price, $11.25 per pound, was awarded to Bolivia, and it was the highest average sale price ever recorded for a Cup of Excellence auction.*

* Chemonics International, *Market Access and Poverty Alleviation: Final Report* (Cochabamba, Bolivia, Chemonics International, 2005).

photo by ACDI/VOCA

In Closing

For 52 years USAID partnered with the Government of Bolivia, international donors, local and international organizations, and Bolivian citizens to catalyze change. Enormous resources, both human and financial, were committed to Bolivia's social and economic progress. USAID professionals consistently negotiated with Government of Bolivia representatives from the local to the national level to ensure that programs were relevant and aligned with Bolivian priorities. USAID programs aimed to improve the well-being of ordinary Bolivians and worked hand-in-hand with the Bolivian people for lasting change.

Over time, USAID provided state-of-the-art technical assistance to help transform Bolivia's economy and agricultural, education, and health sectors. USAID worked with the Government of Bolivia and civil society organizations to enhance participatory democracy and governance and to ensure that Bolivians' voices are heard at all levels of government throughout the country. Precious forest resources were protected and today the indigenous peoples who rely on these forests for their livelihoods are more secure. Alternatives to coca production were introduced, offering small rural farmers opportunities to grow and sell legal agricultural and nontraditional products. Bolivians who could not have imagined studying in the United States were given the opportunity to change their lives through USAID-funded study abroad programs. Local organizations were given the resources and support necessary to become self-sufficient and to contribute to impressive national gains.

USAID has continuously looked to Bolivia's future with optimism. Successes were expanded upon, failures were examined, and new approaches emerged. USAID's legacy is evident from the earliest days when the *Santa Cruz* region was transformed into a bustling agricultural center to dramatic declines in infant and child morality since the 1960s. From Marcial Garcia, a Bolivian farmer who is now exporting high-quality fruit, to Mrs. Ayda Titirico, a coffee farmer who won international recognition for her coffee, to Leonicio Zarate Flores, a health worker who has seen the beneficial effect of clean water on community health, the examples of USAID's contribution to the improvement of the lives of Bolivians across the country are myriad. Through USAID, the American people's investment in Bolivia has changed lives for the better with improved health, increased economic opportunities, increased access to education opportunities, strengthened democratic institutions, and environmental stewardship.

USAID's closure ends an era of notable partnership and change between the American people and Bolivia. Much has been accomplished. Many opportunities for transformation remain. The future is difficult to predict, yet USAID will remain a friend to Bolivia and hope for a renewed partnership based on a shared vision and the continued desire to create a better future for all Bolivian citizens.

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Producing this report was an extraordinary process that reflects the extent of USAID's contribution to Bolivia's progress. The team relied on a range of U.S. Government and USAID documents, as well as privately published articles and books, to articulate USAID's legacy in Bolivia. An enormous thanks goes out to all authors, past and present, who worked so tirelessly and diligently to record the U.S. Government's and USAID's strategic priorities over time and to capture the many impressive results of their work, beginning in the early 1900s.

Given the expulsion of USAID from Bolivia that was announced by the Bolivian President, Evo Morales, on May 1, 2013, it is imperative that the team acknowledges the USAID/Bolivia family, including the range of local and international nongovernmental organizations and institutions that have worked in Bolivia over the years. Thousands have passed through the hallways of the USAID offices in Bolivia since its earliest days in La Paz, and they have used their time, energy, and expertise to build a nation in partnership with the government and people of Bolivia.

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