

Bolivia

Historical Context

Despite the abundance of tin and silver ore, natural gas and crude oil, Bolivia has remained the second-poorest nation in the western hemisphere. Through the over 40 years that ACDI/VOCA has been working in Bolivia, the political situation has been in constant turmoil, swinging left and right—to some extent a reflection of the socioeconomic divide between the low-income, indigenous majority and the mestizo elite. The 1980s and 1990s were characterized by free-market reforms. In 2005 Evo Morales became the first Bolivian of indigenous birth to be elected president; he was reelected in 2009 and his party secured control of both houses of the legislative assembly. Nonetheless, Morales's administration has faced antigovernment protests recently due to rising inflation and growth fueled by gas and oil revenues that has yet to trickle down to Bolivia's poorest.

ACDI/VOCA in Bolivia: An Overview

ACDI/VOCA has been a steady presence in Bolivia since 1972, working hand-in-hand with the government despite its occasional political differences with the U.S. ACDI and VOCA operated independently in Bolivia until 1998, when ACDI/VOCA was registered as a consolidated organization. Over the four decades, our institutional footprint has been



broad, from improving local capacity to mitigating environmental damage, to enhancing community-based ecotourism to benefit indigenous communities in the Amazon tributaries. In all, ACDI/VOCA has partnered with more than 110 local, regional and national organizations from the private and public sectors. In this same time, more than 534 volunteer consultants have completed short-term assignments in Bolivia, playing a major role in all of the long-term activities.

Support to Local Organizations, Agriculture and Financial Services

Our early work in Bolivia focused on developing local capacities in the country's

agriculture and financial services sectors. In 1972 VOCA launched the volunteer-based, USAID-funded **Cooperative Development Program (CDP)** to establish and strengthen viable cooperative institutions, such as the telephone and electric cooperatives in Santa Cruz (COTAS and CRE). Several projects that followed soon after—ACDI's **Rural Credit Program** and the **Alternative Development Program**, and VOCA's **Private Agriculture Organizations Program**—broadened our assistance to include producer associations and savings and credit institutions. In one case, ACDI helped a multipurpose cooperative quadruple its loan portfolio and reduce its late-payment rate to less than five percent. With the **Alternative Development in Chapare Program**, ACDI helped the Federation of Savings and Loan Cooperatives to significantly expand its reach.

Further technical assistance has come through ACDI/VOCA's volunteer-based programs. The government of Bolivia provided primary and counterpart funding for these initiatives throughout the 1990s. In 1986 VOCA began implementing the USAID **Farmer-to-Farmer (F2F) Program** in Bolivia, which continued until 2002. F2F was recognized as the organization's hallmark program throughout the country. Through the **Rural Credit Project** from 1991 to 1996 ACDI established **Agrocapital**, a nonprofit rural lending institution whose loan portfolio grew to more than \$15 million. Agrocapital is now self-sufficient and in 2007 provided funding for ACDI/VOCA to implement a short-term volunteer technical assistance program.

Alleviating Poverty in Rural Communities with Alternative Development

Since 2001 ACDI/VOCA has implemented several projects in rural communities to alleviate poverty and develop local infrastructure. In early 2001 ACDI/VOCA began implementing the **North Yungas Integrated Development Program**, a small community-grants program funded by the government of Bolivia and USAID to eliminate illegal and excess coca. By September 2002, ACDI/VOCA had completed 31 small-grant projects in the Yungas region, representing over 50 activities in road maintenance, bridge construction, agricultural production and school refurbishment. This program positioned us to become one of USAID's lead implementing partners in Bolivia.

The success of that pilot project led to the award of the \$19.4 million **Yungas Community Alternative Development Fund (YCADF)** in October 2001. Through YCADF, ACDI/VOCA provided small grants for 247 community projects such as the construction or improvement of schools, community centers, clinics, potable water and sanitation systems and agricultural processing facilities. A total of 21,000 families in 220 Yungas communities benefited from YCADF activities; beneficiaries and local governments contributed \$1.1 million to projects.

In 2005 ACDI/VOCA won USAID funding for a follow-up to YCADF, the **Integrated Community Development Fund (ICDF)**, which continued through 2012. ICDF was a

flagship USAID alternative development initiative that helped meet basic human needs and alleviate poverty by improving social and economic conditions in Bolivia's coca-growing regions. ACDI/VOCA implemented a total of 688 projects mostly in the Yungas region through ICDF: 409 in community development and 279 in economic development. These investments improved the quality of life of residents living in the Yungas, reflected in a decline in the unsatisfied basic needs index from 70 percent in 2004 to 52 percent in 2008. To address these shortcomings, ACDI/VOCA engaged a specialist to work with the National Bank credit registry staff and management to introduce needed reforms. As a result critical improvements to the structure, operations and legal framework of the registry led to a significant expansion of the credit registry database. The number of loans reported to the registry by banks rose from 181,000 (or 38 percent of loans in the banking system) in May 2007 to 592,000 (or 85 percent) in July 2008.

Improving Hygiene and Access to Sanitary Water

Although several of our efforts in community development have indirectly targeted water sanitation, one program in particular has focused solely on that goal. With funding from USAID and the Bolivian government, in 2008 ACDI/VOCA implemented the **Water Supply and Sanitation Activities (WSSA)** project to provide and/or improve access to potable water and basic sanitation, build local capacity and improve hygiene practices. WSSA targeted impoverished communities in the

Department of Cochabamba that were highly vulnerable to food insecurity. Over a 10-month period, ACDI/VOCA constructed and rehabilitated potable water systems for many families, training close to 600 individuals on improved hygiene habits.

A Strong Foundation

We regret that USAID/Bolivia will be closing, as it means that our activities in Bolivia will also end. Still, we are proud of our long history and successful work in Bolivia, and we feel confident that over the course of 40 years we have helped build a foundation for economic and social development in the country.

Published May 2013