Contributions of the Dutch Co-Financing Program to Rural Development and Rural Livelihoods in the Highlands of Perú and Bolivia

Synthesis Report

Anthony Bebbington
Rafael Rojas
Leonith Hinojosa

with

Diego Muñoz
Edgar Guerrero
Epifanio Martinez

Boulder, Colorado
September 2002

Study commissioned by:
Steering Committee for the Evaluation of the Netherlands’ Co-financing Programme
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List of Contributors

Anthony Bebbington (University of Colorado) acted as the international research co-ordinator, responsible for the implementation of the study and the elaboration of the main report.

Rafael Rojas and Leonith Hinojosa were responsible for research co-ordination in Bolivia and Peru.

The researchers involved in the casestudies in Bolivia were Diego Muñoz, Bonicacio Cruz, Edgar Guerrero and Epifanio Martinez.

The evaluation process was co-ordinated by Nico van Niekerk, research co-ordinator Steering Committee.

The Steering Committee members Annelies Zoomers and Bert Helmsing were involved at the supervision of the study.

Heidi van Wakeren, from the Steering Committee assisted in the production of the report.

Sjoukje Rienks was responsible for the layout.
Executive summary

This report summarizes the findings of an evaluation study of the livelihood impacts of rural development programs supported by Dutch Co-Financing Agencies (CFAs) in the Andean Highlands of Peru and Bolivia. The focus of the study is on the period since 1990, though in various parts it has been necessary to take a longer historical perspective in order to understand the pattern and nature of activities in which the CFAs have been involved. The study was commissioned by an independent Steering Committee (Stuurgroep Evaluatie Medefinancierings-Programma), created in 1998 by the Dutch Development Cooperation Directorate and the Platform of Cofinancing Agencies, the GOM (the Gemeenschappelijk Overleg Medefinanciering, grouping together Cordaid, Hivos, Icco and Novib) specifically to conduct evaluations of the Dutch Co-financing program.

The overall objective of the study as laid out in the Terms of Reference was to evaluate the contributions that CFAs have made to rural development and the reduction of poverty (conceived multidimensionally) in the highlands of Peru and Bolivia. This objective was then disaggregated in four principal research questions:

a. What have been the main changes in the livelihood strategies of the rural population in the areas in which the CFAs work?

b. In as far as there have been visible changes in livelihoods: (i) to what extent are these changes the effects or the impacts of NGO interventions; (ii) what types of intervention have contributed to poverty reduction and rural development?

c. How far have CFA supported interventions responded to the principal and most urgent needs of the rural population as perceived by people themselves?

d. What have been the specific contributions of the CFAs, both individually and collectively? What specific value do they add to rural development, and what are the strong and weak points in their contributions? To what extent have the different actors in the aid chain facilitated the implementation of projects, and the likelihood that these will have effects and impacts among the rural population?

These questions were pursued through the conduct of seven case studies conducted in areas of intervention of Andean NGOs supported by the Dutch Co-Financing Agencies. In Peru, three studies were conducted in the department of Cusco: these were conducted in the areas of intervention of Ccaiho (a Cordaid partner), Arariwa (a Cordaid partner) and IAA-Canas (an Icco partner). In Bolivia research was conducted in the altiplano of La Paz and the Southern Valleys of Chuquisaca and Potosí. In La Paz, studies were under-
taken in the areas of interventions of Cipca (a Novib partner) and Qhana (an Icco partner); in the Valleys, research was done in the areas of Aclo (a Cordaid partner) and IPTK (a Novib partner). No Hivos partners were included because Hivos’s rural work in Peru and Bolivia is almost exclusively in the humid lowlands.

In each of these cases research was conducted at the following levels:

- extensive review of secondary material on livelihoods, NGOs and rural development in the Andes
- fieldwork in two to four communities in each of the study sites, combining household level interviews, focus groups, and key informant interviews
- group and individual interviews in the NGOs on several separate occasions
- interviews with current and former staff of the Co-Financing Agencies
- interviews with other key informants in Peru, Bolivia and the Netherlands

It should also be noted that the emphasis of the study was on livelihood changes in communities where CFA partners were implementing rural development projects, given that such direct project interventions characterize the majority of the work of most CFA partners. This methodological focus meant that CFA partners’ policy and institutional interventions at regional and national levels were studied far less intensively, although the research was attentive to the impacts of such interventions in the communities being studied (which is where one would expect such interventions to have their greatest effect). Possible poverty impacts of these interventions in other communities were not studied.

It is important to note that this approach did not allow us to compare the impacts and effects of the CFA-NGO aid chain with other aid chains, such as that involving the Dutch bilateral aid chain and public sector programs in Peru and Bolivia. This is an important observation, because it means that our conclusions provide no bases for making decisions about reallocating resources for international cooperation. They merely report on what has changed (and what has not) in areas where the CFA aid chain has intervened.

This Executive Summary reports on these findings in terms of the four organizing questions of the Terms of Reference.

1 What have been the main changes in the livelihood strategies of the rural population in the areas in which the CFAs work?

The study conceived of livelihoods in two ways. First, as bundles of tangible, human, social, natural and cultural assets that people have access to and combine in pursuit of increased income, power and satisfaction in their lives; and second, as the actual strategies they use to gain access to and combine these assets. The research aimed to assess changes in both domains. The extent and nature of change in each domain varied considerably among the research sites, though certain common tendencies also emerged.

Asset bases
The most perceivable and common improvement in rural people’s asset bases over the last decade has been in their human capital, and primarily their access to education. More children enrol, and stay in primary school
than before, and this is so for both girls and boys – indeed, girls’ access to primary education appears to have improved notably across the cases and is now similar to that of boys. Likewise, more boys and girls are attending secondary school, though here there continues to be a gender bias towards boys. Among adults, changes in human capital assets are less obvious, though in some areas basic literacy (the ability to sign your name) has improved, an improvement that has significant symbolic value for the women and men involved.

The most perceivable, and common deterioration in asset bases has been of people’s natural capital: the soil, water and land to which they have access. While some households – above all the less poor – have been able to accumulate land (mostly because they have been able to engage in market oriented and commodity specific agricultural production), many more families have seen the quality of their natural assets decline over the decade. At the same time, land has been further subdivided over the period, a response to demographic increase.

Changes in social and tangible capital are more variable across the cases. In general, community level physical capital assets have increased, although levels of maintenance have been variable. The most significant impacts have come from improved road links – these enhance access to product and labor markets, health and other services, and a range of public and private institutions. Indeed, contact with external institutions, and especially state institutions, has increased across most of the cases, albeit in direct relationship to ease of physical access.

While the strength of links with external and public institutions has increased, the strength of rural people’s own organizations has often not. Efforts to create supra-communal organizations have not fared well and these are often viewed as distant from people’s needs and not very effective. In many of the cases, the community also appears to have weakened as a unit of local governance even if it continues to be the main organizational point of reference for people. Instead, smaller more specialist groups and networks have become more important to people – dairy producer groups, mothers’ clubs, family networks etc. These seem to be more effective in facilitating people’s access to resources, markets and institutions.

A final, common change is the steady modernization of rural life – a transformation of people’s cultural capital. The use of indigenous languages and the prevalence of indigenous rituals and practices appears to be steadily being replaced by more modern practices and aspirations. Regardless of whether this is desirable or not, it has considerable influence on people’s sense of their priorities and thus on their livelihood strategies.

Livelihood strategies
The most common change across the cases is that people in 2001 spend more time working and/or living off the farm than they did in 1990. In some cases this increase in off-farm activities is quite significant; in other cases it is only slight, though is still perceivable in time allocation data and in people’s own perceptions of their lives. This change reflects a response to declining natural capital assets, as well as to adverse terms of trade for Andean agriculture. It also reflects general improvements in people’s physical access to off-farm employment opportunities, a result of road improvements. Indeed,
time allocation in off-farm activities seems much greater in those communities close to asphalted roads linking them to larger urban centers.

Another common strategy across the cases has been to re-allocate resources and roles in the household in order to increase access to education, especially secondary education (access to primary education has been made easier because of state policies). Wealthier families in Ravelo and La Paz have done this by purchasing urban property that allows children to access urban secondary schools. Poorer families have tried to develop social relationships easing children’s access to education, and at the same time have passed agricultural roles from children to parents in order to allow children to stay in school. In one case, a community in Cusco has created its own private secondary school in the community.

This effort to improve their children’s access to education may reflect a medium term strategy of shifting from livelihoods that depend above all on natural capital assets towards livelihoods that depend largely on human capital assets. While parents are not likely to make this shift in their own lives, they are consciously trying to create the conditions that will allow most or all of their children to make the shift. Indeed a recurrent comment in many of the cases was that parents did not want their children to be farmers in their adult life – and indeed many rural youth also appear to have more urban ambitions for themselves.

This medium term strategy does not imply that people are not investing in assets for agricultural production. Poorer families continue to do this to ensure food security concerns. Wealthier families are doing so in order to increase their incomes, in particular in those cases where the economic payoff is potentially significant (e.g. market oriented livestock production in Canas and La Paz, and potato production in the southern Bolivian valleys). However, in many cases the medium term goals appear to lie outside agriculture for all but the more ‘viable’ farmers. Even viable (less poor) farmers are aiming to create non-agricultural livelihoods for some of their children – and indeed instabilities in both the potato (Ravelo) and dairy (La Paz) markets suggest that even the agricultural intensification strategies of these more viable units might not be sustainable.

Finally it merits note that the tendency in most of the communities – in particular those closer to roads and markets – is toward increased socio-economic and livelihood differentiation. A smaller number of families have been able to accumulate significant asset bases over the last decade or so, and – assuming market conditions allow, an assumption that is not necessarily a valid one – these families are set to become (or are becoming) a cadre of capitalized family farms. The majority of families have not been able to enjoy such significant accumulation of assets and though they may be marginally better off than ten years ago, they are more differentiated from these dynamic farmers than they were in the past. As both cause and effect of this their livelihood strategies are also more differentiated.
2. In as far as there have been visible changes in livelihoods: (i) to what extent are these changes the effects or the impacts of NGO interventions; (ii) what types of intervention have contributed to poverty reduction and rural development?

In the studies’ conceptual framework, people’s ability to (i) gain access to assets, and (ii) transform them into meaningful lives depends on a range of political economic, social and institutional conditions. These include factors such as: patterns of public investment in infrastructure and education; trade and price policies; the social control of marketing chains; recognition of and attitude to rural people’s rights; etc. Interventions can, then, influence peoples’ livelihoods either by directly increasing the quantity and quality of their assets or by influencing the ‘external’ factors (policies, markets etc.) that determine people’s ability to access and make good use of assets. Across the cases, where interventions had influenced people’s livelihoods, this had been almost entirely through direct provision of assets: through training, technical assistance, credit, donations and so on. There were fewer cases where NGOs had aimed to change structural constraints on livelihoods – and even less evidence that where this had been attempted (e.g. by influencing municipal level policies and governance) it had translated into improved livelihoods in any significant manner.

Many of the changes identified in people’s livelihoods are not the direct effect of NGO interventions, and instead owe more to public policy, demographic shifts, and overall market conditions. The principal area in which interventions have had an effect is in human capital formation. While public policies have been the most important factor influencing access to formal education, NGOs have increased access to non-formal education and training – an access which is highly valued in the communities in which research was conducted. They have also helped train – in part by design, in part somewhat by accident – generations of rural leaders. The clearest case of this is the Center for Rural Professionalization in Ocuri, but there are many others too.

The other interventions that have had a significant impact have been those commodity specific interventions that foster intensified and more market oriented production of particular products: dairy products, meat, potatoes. These have had important impacts, even if they have been (often deliberately) concentrated among the wealthier strata of the rural population. Related to this, interventions to expand access to irrigation have had important effects on productivity, though they are quite expensive on a per capita basis.

The least successful interventions have been those aiming to: strengthen peasant organizations, particularly more traditional revindicative ones; those aiming to establish NGO or farmer organization controlled marketing operations (except for those which aim to link producers with existing markets); and those aiming to foster soil and water conservation. Interspersed among these general patterns, there are a range of more specific interventions that have had impacts and others that have been quite significant failures.

The selection of cases introduced a sample bias for NGOs whose primary concern was to implement projects rather than do policy work. Hence we cannot blame these NGOs for not doing something they never intended to do. However, the research made clear that policy contexts have a decisive in-
fluence on the success of projects. Nowhere is this clearer than in the altiplano of La Paz, where CFA supported NGOs have invested significantly in developing the dairy sector so that rural people can sell to the industrial dairy plant in La Paz (the PIL). This plant was recently privatized, and has since closed, thus undercutting much of the market for these dairy producers. This case makes clear the acute need for more work showing and publicizing the dramatic effects of such policy shifts on rural poverty and on the productivity of rural assets and earlier rural development investments.

3 How far have CFA supported interventions responded to the principal and most urgent needs of the rural population as perceived by people themselves?

It proved difficult to ascertain people’s perceptions of their most urgent needs ten years ago: and indeed in many of the cases, rural people’s needs are so many that it is hard to say that one is that much more urgent than another. However, if we take people’s own allocation of effort as an indication of what they value most, then it would appear (not surprisingly) that priorities vary among different groups of rural people. For the very poorest, ensuring basic family food needs constitutes the principal priority – as for instance among some families in Cusco. For wealthier families, investing in the productive capacity of their farm seems to have been a priority. And for most families enhancing the educational opportunities of their children has absorbed significant energy.

In the face of these diverse priorities in the communities studied, CFA supported interventions have clearly addressed needs that were pressing, whether or not they were the most urgent. However, it is also the case that different interventions meet the needs of some groups more than others. Thus interventions to promote commercial dairy and potato production in La Paz, Ravelo and Canas have tended to be more adapted to the concerns and capacities of the less poor in communities; interventions to provide basic food security in Lamay have primarily met the needs of the very poorest; interventions fostering literacy in Quispicanchis and Sopachuy help wider groups, though perhaps particularly women; etc.

Arguably, given the great importance people attach to education, interventions might have done more either to provide secondary level education, or to improve the effectiveness and reduce the costs of the strategies people are already using to access this education. While it ought be noted that other CFA partners not studied here are involved in education services in urban areas, these remain urban interventions. Perhaps the more important lesson is that livelihood strategies concerned to access interventions cut across and circulate through the rural-urban divide, while institutional interventions tend to be either rural or urban and are therefore less likely to respond to the needs and constraints of families whose strategies are both rural and urban. Likewise, given the increasing time that people are spending in off-farm, and non-farm, income generating activities, interventions might have done more to support these strategies (which have largely been left unaddressed by CFA supported interventions). However, this does not mean that CFA supported interventions have not been relevant.
One area in which CFA supported interventions have dedicated much effort but to which farmers dedicate much less time has been soil and water conservation. This might imply that these interventions did not address an urgent need. Yet the research shows that there is in fact very serious pressure on families’ natural capital assets. It may well be that in this case interventions address a priority need, but that the means of doing so is not the most effective or consonant with rural livelihood strategies. While rural people appear to be addressing this problem by planning their children’s ‘escape’ from agriculture, interventions have aimed to address the problem directly by restoring natural resources.

4 What have been the specific contributions of the CFAs, both individually and collectively? What specific value do they add to rural development, and what are the strong and weak points in their contributions? To what extent have the different actors in the aid chain facilitated the implementation of projects, and the likelihood that these will have effects and impacts among the rural population?

Individually and certainly collectively, the CFAs have been among the most important sources of support for rural development interventions by Andean NGOs. As such, not only have the CFAs supported intervention, they have also played a critical role in consolidating a sector of the most important NGOs in the two countries. Quite literally, without their links with the CFAs, these NGOs would not be what they are today. Furthermore, the NGO interventions supported by CFAs (and other financing agencies) have played an important role in sustaining rural development at a time when direct public provision of agricultural research, extension and other services for poorer farmers has been declining in both Peru and Bolivia for reasons of both structural adjustment and broader public investment policies, and in Peru also for reasons of violence and state collapse in the latter 1980s and early 1990s.

Among them, the CFAs have played somewhat different roles in these regards. Icco has been the most specialized in the rural sector and has the most staff with specific competencies in this area. Reflecting this, it has played an important role in convening discussions of rural development strategies both within the Andes and in Latin America more broadly. Novib also has significant competency in the sector, but has focused its effort on supporting large rural development NGOs in the two countries. While it has played less of a role in fostering general debate on rural development than has Icco, it has had more intense strategic and policy discussions with its own counterparts than have the other CFAs: Novib’s primary strength is generally seen by its partners as being intellectual. Cebemo/Bilance/Cordaid has perhaps had the least specific competency in this sector (though it has, and has had rural development experts), and also has the least specific statements on rural development in its policy documents. In that sense it probably (today) contributes least to the overall depth of discussions of rural development in the region – though it has, through its Generic Policy, forced interesting if difficult discussions of the nature of development and the role of projects in development.

Each of the actors in the aid chain plays an indispensable role in making successful non-governmental rural development projects possible. The Ministry provides money, if little else. The CFAs provide knowledge of potential partners at a level of specificity that would be difficult for the Ministry to attain.
At a time when there are relatively few public sector agencies in the Andes capable of administering rural development, this role is important. Andean NGOs implement programs at a cost that is much lower than if they were implemented by European consulting agencies, and with greater knowledge than most other actors. Andean governments play a critical role in determining whether contextual conditions (such as overall investment in rural roads, rural education and rural health care, and agricultural pricing and trade policy) favor (or not) successful intervention. And the rural poor chose to appropriate these projects, or not, in their livelihoods. This indispensability, however, does not mean that each actor could not to a better job. They certainly could. A very important first step in enhancing this effectiveness would be to have more open and honest conversations about why rural development interventions have had such limited impacts on poverty to date, on the role that agriculture can realistically play in rural poverty reduction, and on the many factors that impede each actor from being more effective. However, the very structure of the aid chain and the incentives within it impede this debate.
Preface

This report summarizes the findings of an evaluation study of the livelihood impacts of rural development programs supported by Dutch Co-Financing Agencies (CFAs) in the Andean Highlands of Peru and Bolivia. The focus of the study is on the period since 1990, though in various parts it has been necessary to take a longer historical perspective in order to understand the pattern and nature of activities in which the CFAs have been involved. The study was commissioned by an independent Steering Committee (Stuurgroep Evaluatie Medefinancierings-Programma), created in 1998 by the Dutch Development Cooperation Directorate and the Platform of Cofinancing Agencies, the GOM (the Gemeenschappelijk Overleg Medefinanciering, grouping together Cordaid, Hivos, Icco and Novib) specifically to conduct evaluations of the Dutch Co-financing program. The current study in the Andes constitutes one of two studies that focus on the livelihood impacts of rural development interventions – the other was conducted in Sahelian West Africa during 2001 and 2002.

The study was conducted in four phases. The first phase, conducted during April 2000 involved a stock-taking of the rural development projects supported by Cordaid, Icco and Novib in the highlands of Peru and Bolivia. This was conducted by Dicky de Morrée, under the direct coordination of the Stuurgroep as an input into initial discussions on the design of the study.

The second phase was conducted from May to September 2000. This involved a round of discussions with the CFAs during a week in May during which possible case studies and dilemmas of research design were discussed. Then, during July and August we conducted an initial stocktaking of policy, evaluative and academic documentation, and made a round of visits to possible case study sites. These all served as inputs on the basis of which the two coordinators, Anthony Bebbington and Rafael Rojas designed an extensive proposal for the research to be undertaken. On the basis of this proposal, Terms of Reference were drawn up and agreed on in December 2000 (Appendix 1).

The third phase of the study involved case study research from January 2001 to early June 2001, and the write up of these studies during June, July and August of 2001. This work was implemented by a team of researchers select-

1 The decision to focus on the highlands meant that Hivos was not included in the study. For reasons of strategy and focus, Hivos has concentrated its work in the Amazonian lowlands – indeed, on making this decision it ‘traded’ partners with other CFAs, passing highland partners to them, and inheriting some of their lowland partners. This is an interesting example of a form of coordination and collaboration that permits more strategic focus among the CFAs.
ed by the coordinators (in consultation with the Steering Committee): this team was Leonith Hinojosa (who coordinated three case studies in Cusco), Diego Muñoz (who coordinated two case studies in La Paz), and Edgar Guerrero and Epifanio Martinez (who conducted a case study each in the regions of Potosí and Chuquisaca respectively. Rojas supported the research in Bolivia, and Bebbington that in Peru and the Netherlands. This phase of the research encountered a series of logistical problems, primarily due to heavy rains in the different field sites. It therefore ran more slowly than anticipated.

The final phase of the study involved two parts. July to October 2001 was dedicated to analyzing and writing the final report, revising the case studies, and preparing three regional working documents on Cusco, La Paz and Chuquisaca/Potosí. The Stuurgroep specifically required that the final report be written in English, while the remaining reports are all in Spanish. This received comments from the Stuurgroep, and a revised version was prepared during late November and December 2001.

It goes without saying that this work would have been impossible without the support and interest of many people. In particular, the desk officers and other current and former staff of the CFAs have been more than generous with their time and ideas. Likewise the Peruvian and Bolivian NGOs whose areas of intervention were studied in detail were extremely helpful – making themselves available for endless interviews and group discussions, as well as offering logistical support. The comments of Bert Helmsing and Annelies Zoomers on the first draft were helpful. Given that evaluations are sensitive times for all involved, this assistance – and in particular the spirit in which it was given – are greatly appreciated. Finally, the coordinators maintained close contact throughout the work with the research coordinator of the Steering Committee, Nico van Niekerk, whose influence on this document goes well beyond the realm of coordination.
1

Development, poverty and aid chains in the Andes

1.1 Introduction

If the notion of ‘development’ has two meanings that are often confused with each other (Cowen and Shenton, 1996), then the same can be said about the idea of rural development (Bebbington, 2001a). The term can refer to the social, economic and institutional transformations that occur in rural areas with the progressive extension and consolidation of broadly capitalist systems of production, exchange and social organization; and it can also refer to deliberate, planned interventions in rural areas that have specific goals. These interventions may or may not have the goal of deepening these processes of capitalist expansion, but whatever the case they are acutely influenced by these broader development processes. On the one hand, particular interventions are conceived on the basis of arguments about ways in which these broader processes ought be modified, adapted, deepened or resisted; and on the other hand, the possibility that they will achieve their goals depends greatly on the dynamics of these broader processes, and on the ability of the interventions’ main protagonists to understand these processes. Projects are likely to fail in their objectives if they are not based on a well informed interpretation of broader processes of change in the areas in which they are intervening. And even if they are based on a well-founded interpretation, they may fail because of unanticipated changes in this broader context, or because of the constraints that derive from that context.

This relationship between rural development as projects, and rural development as a process of structural change therefore occupies an important place in this study of the impact of rural development projects supported by the Dutch co-financing program in the highlands of Bolivia and Peru. First, it provides the context for analyzing why NGOs and co-financing agencies (CFAs) have done what they have done over the last ten years. And second it helps understand why these interventions have had the impacts they have had, and why they have not had other impacts. This contextualization also suggests that in most parts of the Andes, the options facing NGOs engaged in rural development interventions in the 1990s were very limited (even if for one reason or another the NGOs tended to overestimate these options), and that – faced with such situations – what the NGOs chose to do were really no more than programmatic and policy experiments conducted in the face of severe structural constraints on campesino accumulation. Because of their scale and coverage, and because there were so many factors beyond the NGOs’ control, these interventions never constituted significant efforts to reduce poverty and ought never have been viewed as such.

While this interpretation of the last ten years of rural development intervention in the region leads us to a relatively generous and forgiving reading of
NGO interventions, it also places the study squarely at the intersection of two currents of increasing skepticism about the links between poverty reduction and rural development intervention in the Andes. The first current is one in which commentators, activists and policy makers have been increasingly willing to suggest the previously unspeakable — that perhaps large parts of the rural population have no future in agriculture or even in rural areas, and that in many cases project based efforts to foster agricultural development are in vain (BID, 1996; van Niekerk, 1997). The second current is one expressing growing frustration with the non-governmental sector for its limited effectiveness, accountability and professionalism (Bebbington, 1997; Edwards and Hulme, 1996).

The spirit here, however, is not to cast blame on organizations or people who work within them — for in most of the cases reviewed here, the NGOs and CFA staff involved have been deeply committed and professional and have taken justifiable decisions. Rather the spirit is to suggest that, if under the macro-economic context of the last two decades in Latin America, rural poverty has stayed the same, and inequality has worsened (de Janvry and Sadoulet, 2000), then NGOs (and all project based interventions) have clearly been fighting a very uphill battle. If also, as many would argue, the real causes of rural poverty are to be found in race based social exclusion, and related profound inequalities in asset distribution and access to formal and informal structures of power (Figueroa, 2000), then to expect area based interventions to have any significant influence on poverty may be to expect too much. Yet, it appears that much of the logic of the aid chain linking the Netherlands and the Andes consistently leads to exaggerated estimations, and exaggerated expectations, of what NGO rural development interventions are going to be able to achieve. The aid chain sometimes appears to get in the way of honest, frank and self critical reflections on the possibilities of rural development interventions.

This in turn muddies two important discussions that merit much greater reflection. One of these is discussion over whether CFAs and NGOs work together primarily in order to reduce poverty through their project interventions; or whether they work together in order to run projects as potential experiments that could be scaled up for broader implementation. While the two are not entirely separate — you would only scale up policy experiments that had positive impacts — they are not the same and would lead to different criteria of evaluation, different ways of linking projects to other initiatives, and different ways of negotiating the co-financing program with the Dutch government. The second (related) discussion is over whether the primary challenge in the Andes is poverty alleviation, economic regeneration or inequities in distribution. How this is answered would again have implications for how NGOs and CFAs might work together. These are themes we return to in the conclusions, but ask the reader to bear in mind as they work through the text.

While in some cases (especially among certain NGOs) these initiatives have been couched not only as projects but also as experiments which have the ultimate aim of changing policy and power relationships, in practice the sheer complexity of financing and implementing projects has absorbed most institutional energy.
At its core, this study was concerned to understand the influence of aid chains linking the Netherlands and the Andes on the poverty status of people living at least part of the year in rural areas in the Andes. These two concepts assumed central importance for various reasons. First, the mandate of the study was to understand the on-the-ground influence of rural development interventions financed through the Dutch Co-Financing Program – a program mediated by the Ministry of Foreign Affairs, the CFAs and Andean NGOs. Hence the centrality of the concept aid chain, to focus attention on the relationships among these actors. On the other hand, the study was charged with the task of understanding the specific influence of these chains on poverty, because one of the three central objectives of the co-financing program is to reduce poverty. As the study was designed and then implemented, these concepts of poverty and aid chain were further elaborated in order to respond better to the nature of the CFAs’ programs.

1.2.1 Poverty, agriculture and livelihoods

From an initial review of the rural development interventions supported by the CFAs in Peru and Bolivia, it was clear that, while production and income were objectives in most, if not all of these projects, other objectives were just as important. In particular, efforts to build human capabilities (capacidades humanas), and to strengthen local power (fortalecimiento organizacional; poder local) featured prominently. Furthermore they featured not only as means to increase income, but as ends in themselves. This more diverse notion of objectives is consistent with the view that poverty ought be understood as multidimensional (Chambers, 1983; Moser, 1996). Even the World Bank in its 2000-2001 World Development Report has suggested that lack of economic opportunity, insecurity and lack of power are each dimensions of poverty.

The study therefore opted to conceptualize poverty broadly: in terms of economic opportunity, human capability, power, and environmental quality. This also seemed consistent with the demand that the study reflect people’s priorities, which were unlikely, always and only to boil down to the economic dimensions of poverty.

Likewise, among the projects reviewed, interventions often combined productive activities (in agricultural and livestock development) with interventions in education, health, organizational strengthening, natural resource management etc. In other words, interventions aimed to build a wide array of individual and household assets. This notion that people draw on a diversity of assets, combining them in different ways in order to pursue their aspirations has been emphasized in recent efforts to conceptualize livelihoods (Carney, 1998; Bebbington, 1997, 1999; Moser, 1998; Scoones, 1998; Zoomers, 1999; inter alia). While these conceptualizations share much in common, it is also worth noting one important difference of emphasis among them – for this difference has methodological and interpretative implications. While all livelihood approaches are actor oriented in the sense that they focus on individuals’ and households’ concerns, some are far more ethnographic and processual in focus than others. Thus we have approaches such as that taken in the PIED-Andino studies (one of the first, exhaustive attempts to assess development through a livelihoods lens) which place great emphasis on actor’s inten-

3 Leo de Haan, intervention at the Conference on Space and Place in Development Geography, Utrecht, August 30-31st, 2001.
tions and perceptions, and on the ethnographic details of their practices and strategies (Zoomers, 1999; 1998). These approaches – arguably – trace their intellectual roots to actor oriented sociology (Long, van der Ploeg etc.) and cultural ecology, and as a result emphasize long periods of fieldwork and very detailed data collection. Conversely, we have approaches which trace their roots to work on rapid rural appraisal, farming systems approaches (Chambers, Conway) and peasant studies (de Janvry). These approaches tend to be more formalistic and focus more on the ways in which people aim to access, control and combine different asset types as they pursue their livelihoods (Carney, 1998; Bebbington, 1999). While these approaches also emphasize the importance of peoples’ intentions and concerns, they tend to focus more on changes in asset bases and political economic structures, and also tend to be somewhat less methodologically ethnographic.

Each approach has its merits and drawbacks. The former leads to richer and thicker description, but also requires longer periods of fieldwork and can run the risk of generating so much information that it is sometimes difficult to move beyond description. The latter leads to far thinner description, with less information on questions of perception and identity, but has the (potential) advantage of being more focused. In this study – largely because we did not have the time and resources necessary to conduct a study that could equal the depth and nuance of PIED Andino – we opted for the second approach. We appreciate that one consequence of this is that we are able to generate only partial information on rural people’s perceptions and intentions. On the other hand we hoped that this would allow us to say something more focused about the effects of development on changes in peoples’ asset bases over the last four years.

The conceptual framework in this study thus pays particular emphasis to rural people’s assets, and understands livelihood strategies as the ways in which people combine these assets in synergistic ways and transform them into livelihood outcomes (Figure 1.1). In particular the following types of asset are emphasized:

- Human capital (the assets that one has as a consequence of one’s body: knowledge, health, skills, time etc.)
- Social capital (the assets that one has as a consequence of one’s relationships with others and [which is related] one’s membership in organizations – such relationships in turn facilitate access to other resources)
- Produced capital, or what was called tangible capital for the purpose of this study – which includes both physical assets (in the form of infrastructure, technology, livestock, seeds etc.) and financial assets (in the form of money, working capital and physical assets that are easily converted into money)
- Natural capital (assets in the form of the quality and quantity of the natural resources to which one has access)
- Cultural capital (resources and symbols that one has as a result of the culture of which one is a part).

It is supposed that people (in this case, rural people) tend to pursue those livelihood strategies that:

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4 For further information, see Bebbington (1999), Scoones (1998), and Moser (1998).
• are the most consistent with the portfolio of assets that a person controls at that point in time;
• reflect their long term aspirations as well as immediate needs; and
• seem to be the most viable given the opportunities and constraints made available economic circumstances within which they operate.

Thus, in those cases where families have access to land, and where agricultural market conditions are favorable, then there is a greater possibility that the person will pursue livelihood strategies based on agriculture. Conversely in other cases in which families have little land, but do have skills that are demanded in labor markets, as well as networks of relationships that ease their access to such markets, then it is more likely that at least some family members will pursue livelihoods based on off-farm employment – in some (or many) cases such strategies may also lead them to spend extended periods working in other regions.

In using the framework, we have also tried to introduce a time dimension in the sense that people’s livelihood practices at the present may differ from their strategies for the future. Put another way, where people invest the majority of their time and effort now may not reflect their aspirations for the future. Indeed, it may be that a livelihood strategy works at two levels simultaneously, with people accessing and using the resources they need to meet immediate family needs, while also trying to steadily build up those assets which, when accumulated over time, will allow them or their children to pursue a different sort of livelihood. One example of this (which was encountered often during the research) is that where families not only pursue agriculture to meet immediate needs, but are also investing in those assets that allow their children to gain education so that they can shift out of agriculture (and even out of the countryside). This ‘capital switching’ is a dynamic process that likely reflects what is happening (or is desired) in much of the countryside, but which agrarian conceptions of the campesino may not catch.

Finally, in emphasizing the importance of access to resources, the framework also emphasizes the ways in which broader institutions and social structures affect both this access and the ways in which people are able to transform, reproduce and accumulate their resources (Figure 1.1). This is the sense in which the asset based framework attempts to keep political economy at the forefront of how we think about livelihoods, but also about development. Thus, development viewed as capitalist expansion in the Andes can be viewed as that process through which the institutions and structures governing access to and transformation of resources are changed – with consequent effects on livelihoods. Development as intervention (which is the business of the aid chain) can be viewed as efforts that aim either to increase directly people’s asset bases (e.g. by providing them with seed, or training) and/or that aim to shift the structures and institutions that govern people’s ability to access those assets and transform them into livelihoods. It is a hypothesis of this study that interventions have been more concerned with direct provision of assets than with fostering such institutional change.
1.2.2 Aid chains: networks of organizations and individuals

This reflection on development brings us to the concept of the aid chain (which is the mechanism through which development intervention occurs). As the study progressed it became clear that it was important to understand the aid chain at two levels: as relationships among organizations (the Ministry of Foreign Affairs, the CFA, the Andean NGO and communities); and as relationships among individuals. Each level has some autonomy from the other, but is not completely autonomous. Thus, the role of individuals and their own social networks proved to be critical in understanding how CFA programs have evolved over time, and in understanding why resources have gone to some NGOs and not others, and to some places, and not others. Put another way, they were critical in determining the geographies of NGO development interventions.

In some sense we could argue that relationships among organizations are first and foremost relationships among individuals who have their own networks, ideas and ways of seeing the world that influence CFA-partner relationships at least as much as the discourses of the organizations of which they are a part. However, this would be to go slightly too far – for nor is it the case that individual program officers have complete liberty to do what they want with

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5 Note that, following the language of the CFAs and others, we use the term partners to refer to the Andean people and organizations with whom they work. This is not, however, to assume that partnerships are in any sense egalitarian (clearly they cannot be, and it is unreasonable to expect them to be, because one actor has final say over the resource flows to the other), nor that they are all of the same type. On the other hand, partner is an appropriate word as the relationships involved are all (in these case studies at least) more than mere contracts or relationships of convenience.
co-financing resources. This is so in two senses: first, their decisions and actions are constrained by the rules and preferences of the organizations in which they work; and second, these organizations have only ever hired certain sorts of individuals – i.e. those that reflect the normative and ideological currents that dominate the organization’s mission.

Thus we might say that organizations (CFAs, NGOs and Ministries) have helped structure relationships and resource flows between particular sectors of Dutch, Peruvian and Bolivian society, but they have not determined the final form taken by those relationships and flows. This was particularly so in the earlier years of the co-financing program. In these early years, the role of individuals seems to have been far more important than that played by organizational rules and mandates. As a result, the actions and decisions of those individuals have been particularly important – both because they were relatively autonomous, and because the relationships they established have gone on to help structure the subsequent evolution of the co-financing program. Program officers today have less room for maneuver, in two senses. First their options are structured by relationships established by earlier program officers; and second, the organizations they work for (CFAs and NGOs) have become slowly more institutionalized, and more able to influence what these individuals do.

As we operationalize the concept of aid chain we have therefore tried to combine these two levels of analysis – the organizational and the personal. Furthermore, we have also tried to show the influence of time, or ‘path dependence’ in the forms taken by these aid chains – we go to some effort to demonstrate how these chains have evolved over time and in doing so have contributed to the contemporary structure of the co-financing program in the Andes.

This same conception of aid chains as linking individuals as much as organizations is also helpful in thinking about the relationships between NGOs and communities and within communities. Once again, to conceptualize relationships at this level as being between one organization and another (NGO and community) does not capture the ways in which solidarities are developed, information flows, families are selected and resources allocated. It may therefore lead to mistaken expectations about how knowledge introduced by the NGO might diffuse and be shared among community members; it might also lead to over optimistic expectations of the role that community level promoters might play.

1.2.3 Political economies of development

In designing the proposal for the study, and then debating the terms of reference, it was clear that national and local political economic context is important in structuring (if not determining) what is possible in different parts of the Andes. This is so whether we are thinking of livelihood options or the ways in which aid chains and personal networks are built up. Development in the Andes has been a highly uneven, and unstable, process, and continues to be so. This means that there is a clear geography to the livelihood options facing rural people, and the development options facing NGOs and other such agents of intervention. In some areas (e.g. parts of the Bolivian altiplano near La Paz), the promotion of smallholder commercial dairy production to supply national and international companies providing milk to urban con-
sumers has been (until recently) a valid livelihood and development option. In other areas (e.g. Cajamarca, Peru), challenging contemporary forms of mineral development in order to protect the resource base of rural livelihoods is a valid livelihood and development option. In yet other areas in the Andes, such intensified engagements with the contemporary capitalist economy are not options and livelihood and development options are much more constrained (van Niekerk, 1994). One author has characterized change in the peasant economy in areas such as these as a process of ‘slow modernization’ (Gonzalez de Olarte, 1987) in which it is very difficult for people either to develop intensive, market oriented family farming or to become full time, securely remunerated laborers. In such contexts it is, quite simply, much harder to know what to do, whether you are a rural person or an NGO. All this means it is not possible to judge the relevance or impact of all proposals for intervention in the same terms: different proposals are more or less relevant for different contexts – and it is probably easier to have impacts in some contexts than others.

More generally, the quality of livelihoods depends greatly on the rules and relationships that govern how, and by whom, resources are controlled and used, and how effectively they can be turned into something meaningful for rural people – be this income, security, self esteem, power etc. Thus, in simple terms, the same irrigation system can have quite different impacts on income depending on the nature of local markets for horticultural products (levels of demand, campesino power in the commodity chain etc.); the same process of organizational strengthening and inter-organizational collaboration can have quite different implications for local investment patterns and more participatory governance (poder local), depending on the national fiscal and decentralization and policy, and on local power structures (c.f. Evans, 1996); the impact of projects supporting human capital and capacity formation depends on the quality of public sector support to education; and so on. The sustainability of impacts in any of these spheres likewise depends on the dynamics over time in policy and the economy.

As we noted, political economic context influences the ways in which the aid chain develops. Put in other words, it influences which part of civil society CFAs engage with. This was evident when in the 1970s and early 1980s, CFAs developed links with NGOs concerned with social transformation and (in Bolivia) resistance to dictatorship. As the context has changed, this has opened the possibility of developing links with new partners – other NGOs, but possibly also parts of the state and certain forms of business (likewise, for NGOs it has opened up the possibility of linking to multilateral development banks, government and business). However, it may not be easy to rework aid chains quickly. So, as we aim to understand existing aid chains, we must do so in terms not only of contemporary, but also historical political economic context.

The overall objective of the study was to evaluate the contributions that CFAs have made to rural development and the reduction of poverty (conceived multidimensionally) in the highlands of Peru and Bolivia. This objective was then disaggregated in four principal research questions:

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6 One, for instance, that has been prioritized by Oxfam-America (Oxfam-America, 2001).
a What have been the main changes in the livelihood strategies of the rural population in the areas in which the CFAs work?

b In as far as there have been visible changes in livelihoods: (i) to what extent are these changes the effects or the impacts of NGO interventions; (ii) what types of intervention have contributed to poverty reduction and rural development?

c How far have CFA supported interventions responded to the principal and most urgent needs of the rural population as perceived by people themselves?

d What have been the specific contributions of the CFAs, both individually and collectively? What specific value do they add to rural development, and what are the strong and weak points in their contributions? To what extent have the different actors in the aid chain facilitated the implementation of projects, and the likelihood that these will have effects and impacts among the rural population?

These questions, taken together, reflect the attempt to link a livelihoods approach with the aid chain approach. Methodologically, this required work at several levels:

a **Case study selection**

The main approach taken by the study to address these questions was to do case studies – in which the ‘case’ was a particular aid chain linking a CFA, with an Andean NGO and an area in which, and population with whom, that NGO worked (see Table 1.1). This unit of analysis thus allowed us to ask about livelihoods and the aid chain within the same case study (how we did this is detailed in the following sub-sections).

The process for selecting the cases was as follows. First, a survey was conducted of the whole population of the CFA partners (and their projects) that had been supported since 1990 (de Morrée and Nijenhuis, 2000). From this survey it became clear that ‘rural development’ projects covered a wide range of activities: agricultural technology development; credit and financial services; infrastructure development; rural education and health; organizational development etc.7 We were, however, encouraged by the Steering Committee to select cases in which agricultural production and natural resource management activities occupied the principal component of these interventions. While among these production interventions we could have decided to study, say, only projects promoting irrigation, or livestock, we decided – following conversations with CFA staff and the Steering Committee – to select cases that would allow comparisons across several types of intervention in different sites in the Andes.

In an effort to study different types of intervention and at the same time include partners of each of the CFA and work within budget conditions, we finally opted to do seven case studies, based on seven different CFA partners (three in Peru, four in Bolivia) whose interventions included significant support to agricultural production. Among them, these NGO projects supported irrigation, livestock improvement, crop production, rural education, peasant orga-

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7 This is no different from public sector rural development programs. These also included a variety of production and social components (Grindle, 1986; Bebbington, 2001a).
zations and district governance processes (through activities that foster local institutional development and inter-institutional coordination).

The case studies were concentrated in three areas, selected because they are among the half dozen or so areas where there has been a particular focus of Dutch CFA cooperation. These areas were Cusco in Peru, the altiplano of La Paz in Bolivia, and the valleys of Chuquisaca/Potosí in Bolivia, and the NGOs studied were: CCAIJO, ARARIWA and IAA-Canas in Cusco; CIPCA and Qhana in La Paz; and IPTK and ACLO in Chuquisaca/Potosí. Together, these gave us a sample of relatively long standing aid chains and a group of counterpart organizations that have enjoyed significant support from three CFAs. They also gave us a more or less even distribution of CFA partners (three for Cordaid, and two for each of Novib and Icco). Table 1.1 gives some basic information on the case study NGOs selected, and Map 1 locates them.
Table 1.1 The case studies for this research: basic information

<table>
<thead>
<tr>
<th>Study/theme</th>
<th>Organization</th>
<th>Type</th>
<th>Size</th>
<th>Location</th>
<th>CFA</th>
<th>Year in which relationship with CFA began</th>
<th>Relative weight of CFA support in NGO budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local development with special focus on promoting livestock production in the altiplano</td>
<td>CIPCA NGO</td>
<td>Large</td>
<td>Large</td>
<td>Ayo Ayo (La Paz)</td>
<td>$10,362,923</td>
<td>1976</td>
<td>Very important</td>
</tr>
<tr>
<td></td>
<td>Qhana NGO</td>
<td>Medium/Large</td>
<td>Large</td>
<td>Laja/Icco (La Paz)</td>
<td>$2,445,978</td>
<td>1981</td>
<td>One of two main donors</td>
</tr>
<tr>
<td></td>
<td>IPTK NGO</td>
<td>Large</td>
<td>Large</td>
<td>Ravelo (Potosí-Chayanta)</td>
<td>$4,936,901</td>
<td>1976 (with antecedents)</td>
<td>Very important</td>
</tr>
<tr>
<td></td>
<td>ACLO NGO</td>
<td>Large</td>
<td>Large</td>
<td>Sopachuy (Chuquisaca)</td>
<td>$1,133,677</td>
<td>1985</td>
<td>One of main donors</td>
</tr>
</tbody>
</table>

**BOLIVIA**

**PERU**

<table>
<thead>
<tr>
<th>Study/theme</th>
<th>Organization</th>
<th>Type</th>
<th>Size</th>
<th>Location</th>
<th>CFA</th>
<th>Year in which relationship with CFA began</th>
<th>Relative weight of CFA support in NGO budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Integrated local development (watershed management, drip irrigation, education and local institutional development)</td>
<td>Arariwa NGO</td>
<td>Large</td>
<td>Large</td>
<td>Llamay (Cusco)</td>
<td>$239,250</td>
<td>1985 (with antecedents)</td>
<td>Relatively unimportant</td>
</tr>
<tr>
<td></td>
<td>Ccaijo NGO</td>
<td>Large</td>
<td>Quispicanchis (Cusco)</td>
<td>Cordaid</td>
<td>$1,995,045</td>
<td>1984 (non-financing relation begins 1972)</td>
<td>Once main donor, now relatively unimportant</td>
</tr>
<tr>
<td></td>
<td>IAA-Canas NGO</td>
<td>Medium</td>
<td>Canas (Cusco)</td>
<td>Iccco</td>
<td>$1,993 (with antecedent-sin early 1980s)</td>
<td>Main donor</td>
<td></td>
</tr>
</tbody>
</table>

A number of other considerations also affected the choice of case studies. First, the distribution of the case studies among two countries was also intended to help the study reflect on ways in which different macro-economic, political and institutional environments influence the effects and impacts.

8 The budget includes global support to the counterpart organization, not only support to these particular lines of activity in these specific locations. The figures are taken from de Morrée and Nijenhuis, 2000, Annex 5.
of NGO and CFA interventions. Case sites were also selected in order to better take advantage of already existing analytical work – such as diagnostic studies and research monographs. It was also decided that, although CFA support to networks (e.g. PROCADE, AIPE, COINCIDE) and credit institutions (e.g. ANED, FADES) has been very important, these would not be appropriate case studies – in the case of networks because the distance between network activity and livelihood change is so great that it would be difficult to apportion change to the work of the network; and in the case of credit, because other Stuurgroep studies are focusing specifically on micro-finance. Nonetheless, given the importance of these partnerships for the CFAs, an effort was made to discern if and how such credit programs and network activities affected the work and effects of the case study NGOs.

The case studies also focused on the direct rural development project interventions of the partners studied. This was because the overview of CFA supported projects in the 1990s (de Morrée and Nijenhuis, 2000) made it clear (as did other sources of information) that such direct interventions in rural communities constitute the most frequent activity of CFA partners. Partners’ work on policy and institutional change at regional and national levels was studied less intensively, although the research remained attentive to understanding the nature of this work and identifying its possible impacts on livelihoods in the communities where field research was conducted (which is where one would expect such interventions to have their greatest effect). Possible poverty impacts of these interventions in other communities were not studied. Likewise, urban NGOs supported by CFAs fell outside the scope of the study, which also meant that their possible impacts on the urban components of many otherwise rural livelihoods were not directly studied.

Finally, the bias towards the larger counterpart organizations was intentional, in the hope that it would allow the study to cover a more significant portion of Dutch financing for rural development in the region. It also facilitates some comparisons among NGOs of roughly the same size (in terms of budgets and scope of operations) though does mean that the study therefore says little about the impacts of producer organizations or small NGOs.

In studying each of these case studies, a number of techniques were used.

b Analysis at the level of the rural population
The bulk of the research was conducted at the level of rural populations living in areas in which CFA supported rural development programs were being implemented. This is the level at which the livelihoods and aid chain frameworks come together. Rural people constitute one element of the aid chain participating in one way or another in flows of resources and information; at the same time, they construct their livelihoods in ways that are, to a greater or lesser extent, influenced by their participation in that aid chain.

Given this centrality, the research aimed to garner information on rural people’s views of (i) their livelihoods, their asset bases and how these have

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9 To make this comparison more robust, it had initially been our intention to include a case from the Peruvian altiplano also: this would have allowed a comparison between a Peruvian and a Bolivian altiplano site (Puno and La Paz), and a valleys site in a depressed regional economy in each of Peru and Bolivia (Cusco and Chuquisaca/Potosí). This was ultimately not possible because of resource constraints.
changed over the last decade, as well as of (ii) the work of NGOs in their communities, and the extent to which this has affected their livelihoods and reflected local level concerns. Considerable effort went into gathering these views, and direct quotations are used at different points in the report to represent them. Three instruments were used for this purpose:

- focus groups, in which groups of people discussed overall patterns of community change, changes in asset bases, changes in access to resources, and experiences with external intervention (including those related to aid chains linked to the CFAs). Some focus groups were gender disaggregated. Separate instruments were developed for this focus group work;
- household interviews, in which more specific questions were asked about assets, livelihoods and sources of livelihood change. A specific instrument was developed for these structured interviews;
- key informant interviews in the community as well as in the micro-region. In addition, in two of the Cusco sites, an additional round of interviews (a sondeo) was conducted with a larger number of families to garner specific information on changes in time use.

It merits noting that the research teams included members who were fluent in Quechua (in Potosí, Chuquisaca and Cusco) or Aymara (La Paz). This was important because for many of the informants, Spanish remains a second language, and for certain older and female groups – it is still a foreign language.

In order to assess the extent to which the NGO’s intervention is related to these livelihood changes, an attempt was made to establish two types of comparison against which the perceptions and livelihoods of people who had worked with the NGOs could be compared. The first comparison group was of families in the community who had not worked directly with the NGO; the second consisted of neighboring communities where the NGO had not worked (though this proved difficult in some cases – see below).

Combining control and ‘beneficiary’ interviews, in each case study (see below) eleven or 12 families were interviewed, and between fifteen and twenty-five focus groups were conducted. In total, then, the study draws on research in 25 communities, the results of seventy-four structured household interviews, over a hundred focus groups and a significant number of unstructured key informant interviews (see Table 1.2). In the IPTK case, the research also included interviews with migrants from the case study communities who were now resident in Sucre.

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10 The one exception is the case of IAA-Canas. This study was added at the request of Icco after the overall budget for the research had been finalized. We agreed to include IAA as an extra case study, but because there were no additional resources for this, the community part of the study was kept somewhat smaller. On the other hand, the IAA case also involved a series of workshops with the departmental peasant federation (reflecting the nature of IAA’s project), which was not the case in the other studies.
### Table 1.2 Sample structure and sizes

<table>
<thead>
<tr>
<th>Case study</th>
<th>Number of communities in which NGO had worked</th>
<th>Number of control communities interviewed</th>
<th>Number of focus groups conducted*</th>
<th>Approx. number of focus groups conducted</th>
<th>Number of families interviewed in sondeo</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arariwa</td>
<td>3</td>
<td>1</td>
<td>10</td>
<td>21</td>
<td>20</td>
</tr>
<tr>
<td>Ccaijo</td>
<td>2</td>
<td>1</td>
<td>11</td>
<td>21</td>
<td>16</td>
</tr>
<tr>
<td>IAA-Canas</td>
<td>2</td>
<td>0</td>
<td>4</td>
<td>12</td>
<td>–</td>
</tr>
<tr>
<td>Cipca</td>
<td>3</td>
<td>1</td>
<td>11</td>
<td>24</td>
<td>–</td>
</tr>
<tr>
<td>Qhana</td>
<td>3</td>
<td>1</td>
<td>11</td>
<td>24</td>
<td>–</td>
</tr>
<tr>
<td>IPTK</td>
<td>2</td>
<td>1</td>
<td>15</td>
<td>21</td>
<td>–</td>
</tr>
<tr>
<td>Aclo</td>
<td>3</td>
<td>1</td>
<td>12</td>
<td>8</td>
<td>–</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td><strong>19</strong></td>
<td><strong>6</strong></td>
<td><strong>74</strong></td>
<td><strong>c. 131</strong></td>
<td><strong>36</strong></td>
</tr>
</tbody>
</table>

* These include: the focus groups discussing each capital asset, groups with women, and the community history workshop. In many cases the groups discussing the capital assets were composed of break out groups from the community workshop.

**c Results of other studies**

In addition to this primary information that we collected, we also drew heavily on other studies that have been conducted among rural people in the same areas. Some of these studies are more academic and research oriented, others have served as inputs into project design, and others have been conducted as project evaluations. Some draw conclusions only at the level of the rural population while others also draw conclusions about aid chains. Taken together, they have constituted an important, and significant, body of information that complements the new information collected here. They also influenced the selection of case studies (see below). In this sense our use of other material is more than just a literature review. Rather we have used it to substantiate arguments and to inform our own conclusions directly.

**d The role and contributions of the partner NGOs**

Research was also conducted at the level of the partner NGOs in Peru and Bolivia. Here the purposes were also several. We wanted to garner the NGOs’ perceptions of change in the areas in which they work, their perceptions of the impact and relevance of their own work, and their assessment of their relationships with their financing agencies (specifically those in the Netherlands). In particular, we aimed to understand how they interpreted and explained poverty in the areas in which they worked, and how they had selected a particular model of intervention on the basis of this interpretation (or of other factors too). We also aimed to reconstruct the history of this intervention.

The instruments used for this purpose were:

- interviews with directors (these were often extensive – in at least one case running to a full day)
- group discussions with the all or parts of the management teams of the NGO
- group discussions with the technical teams of the NGOs who worked in the areas in which the household level work was being conducted
- unstructured informal discussions with NGO personnel
- written material (evaluations, strategic documents, project documents, diagnostic studies etc.) was also used to understand the NGO’s model of inter-
vention, its approach to generating knowledge of the area in which it worked, and its impacts in that area. This NGO-specific information was also complemented where possible with information from other sources that pertained to the area of intervention: academic research, other evaluations etc.

For the interviews, two specific interview/discussion guides were developed for this level of analysis.

Two further dimensions of this part of the work merit note. Firstly, the process of discussing development strategy with the case study NGOs began in the preparatory phase of the research, in July 2000. The studies’ relationship with the organizations has therefore been a relatively extended one, which has helped in the process of understanding their approaches. Secondly, and on the other hand, during the research phase of the study the intensity of this work varied among the different case studies for logistical and budgetary reasons.

e The Role and Contributions of the Co-Financing Agencies.

A third level at which the research was conducted was that of the Co-Financing Agencies themselves. The purpose of this work was to understand: how the CFAs approached questions of rural development, poverty reduction and partner choice; the nature of their relationships with partners over time; and their understanding of their role vis-à-vis their partners. This information would then help us understand how the CFAs ‘add value’ to, and affect the use of co-financing program resources. Special attention was given to the role of the CFA in providing financial support, in offering support for institutional development, in establishing forms of in-country support, and in engaging in a dialog with counterpart NGOs on issues of development. These questions were pursued both at a general level (with some special attention paid to their support to networks), as well as for the specific instances of the case studies (see below). Two instruments were used:

- Review of policy and project documentation;
- Interviews with current and former desk officers (some of whom no longer worked in the CFA), and regional advisors. These interviews were conducted on two occasions in the Netherlands, and also – more opportunistically – when the desk officers were in Peru and Bolivia at the same time as the study coordinators (four interviews were conducted this way). A guide was prepared for these interviews.

f Policies regarding Dutch bilateral assistance

Finally, some attention was also paid to the links, complementarities and differences among the actions supported through the Co-financing aid chain, and the actions supported via the Dutch bilateral program in each country. This was a limited part of the study and so involved just a few interviews with current and former officers of the bilateral programs in Peru and Bolivia.

The scope of the study was ambitious, and a number of methodological problems were encountered during its execution. Some of these problems were inherent dilemmas of such a study; others were more contingent, but nonetheless important. A number of the more inherent dilemmas were discussed with the CFAs in a meeting in May 2000.
1.4.1 Inherent dilemmas

*Is this a program?*

Perhaps the most important and significant inherent dilemma in this work—and any such work—is the impossibility of evaluating the co-financing program as a program. The co-financing program lays down certain strategic objectives (poverty reduction, civil society strengthening, and advocacy) but no particular means for achieving these objectives. The CFAs then interpret and pursue those objectives in ways that reflect their own institutional particularities. Individual projects give their own particular meanings, indicators and targets, to notions of poverty and civil society. The CFAs do this in conjunction with NGO (and some base organization) partners whose cultures and practices are equally (if not more) diverse. While there are some programmatic links among projects supported by a particular CFA (though not always), there are very few among the portfolios of projects supported by each CFA (links are limited mostly to a few cases of joint, or co-ordinated GOM funding to larger programs).\(^{11}\) It is therefore hard to say that there is a co-financing program in the Andes, and even more tenuous to say that there is a co-financed program of rural development (indeed, at the level of individual CFAs it is equally hard to say that they have rural development programs as opposed to portfolios of partners).

Therefore, although a case study approach is the only conceivable way of operationalizing an evaluation such as this, it is hard to draw program wide conclusions from these case studies. Indeed, the problem of how far it is legitimate to generalize raises its head at several levels in this study: in moving from household interviews to the community level; from the community to the micro-region; from one micro-region in which the NGO implements its rural development program, to its whole program; from a single NGO to the country portfolio of partners supported by the CFA; and then from CFAs to the co-financing program as a whole. While the first two levels of generalization are more manageable, the others are more complex. If (as is often the case) there are different area based teams working within the same NGOs’ rural development program, then the impacts of one team cannot be extrapolated to those of another (even if we can assume that the area contexts are similar). Likewise, just because NGO ( has a given impact this will not mean that NGO (, supported by the same CFA, has the same impact. And finally, the fact (which we do indeed conclude) that the CFAs have different styles and approaches, means that we cannot generalize about impact across CFAs: each CFA is its own population, not a sample of a wider population of co-financing agencies.

Thus, rather than a program evaluation, what we have is a study highlighting cases of impact within that program—cases which may indicate wider tendencies but do not prove them. We suggest that this observation has important implications for how the CFAs [and the Stuurgroep] go about the business of evaluating and learning.

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11 In the 1990s, there have been just three jointly funded initiatives, each in Bolivia. These have been supra-regional programs and, in one case, a research program with a supraregional point of reference. They are: Cedla (research: GOM), Unitas-Procede (rural development and methodology: Icco and Novib, and previously Cordaid), Aned (credit: Icco and Novib).
Having said this, though, we feel that the cases we selected provide a good basis from which to draw opinions about the effects of the aid chain in the Andes. We felt this at the outset (because of the size and significance of these partners), and we feel it even more so now, because the patterns encountered have been surprisingly similar, both among the case studies, and also with the recent broader literature on development and livelihoods in the Andes. It is not clear that adding more case studies would have led to significantly different conclusions.

Selecting indicators of impact

These observations have implications for this evaluation, especially as regards the selection of evaluation indicators. The terms of reference define this as a program evaluation meaning that all activities assessed have to be evaluated using the same set of criteria and impact (this is one evaluation, not many). We aimed to assess impact against the broad goals as laid out in the GOM document *With Quality in Mind* (GOM, 1995) and the programmatic agreement between the GOM and the Ministry. In practice, though, the projects supported through the program funding window not only have diverse objectives, but these objectives are defined somewhat independently of the general goals governing the co-financing program. Project specific evaluations would assess projects against their stated objectives. It is important, then, to emphasize that we did NOT assess each project against its own goals, or even each NGO against its own strategic goals as laid out in their mission statements. So, strictly speaking, we are not evaluating the effectiveness of projects against their goals, but their effectiveness against the co-financing program’s broad goals.

A further problem is that the co-financing agreement does not go beyond generic statements of goals. This is a problem, for as we know there is much debate on definitions of both poverty and civil society. Our attempt to resolve this was to use as multidimensional a framework as feasible, which took us to the livelihoods framework laid out earlier. From this framework we sought broadly comparable indicators for the evaluation.

These observations are important, because they make clearer that this is an evaluation of the CFAs’ ability to implement the goals the co-financing agreement to which they (and not their partners) are party: it is not an evaluation of their individual NGO partners. Having said this, these issues were aired in discussions with the CFAs. Subsequently, the CFAs approved the evaluative framework and broad indicators that we suggested in the proposal for this evaluation – they also shared these with their partners. In this sense, then, we are comfortable that the framework we devised is considered a reasonable and fair means of assessing how far the cases we studied have satisfied the goals of all parties involved.

The impact problem

The Balance Study of the Steering Committee argues that most impact assessments of NGO support programs have not really addressed impact questions. It is argued that their methodologies – with short 2-3 day visits to a number of NGOs, no controls, no baselines etc. – have prevented any estimation of
impact (Bavinck, 1999). The design of this study is therefore an attempt to move somewhat closer to statements about impact. There are several elements of this design that help in this regard. For instance:

- the study took on more of a research character, with more attention being spent on developing a conceptual framework and linking the study to a broader literature (see Bibliography)
- the study was extended over a longer period of time to give the team a chance to reflect several times on how to interpret our findings
- more work was conducted at the level of the rural population than is generally the case in evaluations
- the decision to depart from people’s perceptions of changes in their livelihoods rather than to depart from their assessment of an NGO project reflects an attempt to assess how far aid chain based interventions affect their livelihoods
- the decision to include control families and communities helped us say something more about the effects of the aid chain on livelihoods.

These methodological choices, however, only go so far in resolving the difficulty of identifying and apportioning impact. First, the problem of base lines remains. None of the NGOs in this study had baseline data for the early or mid-1990s against which change could be assessed. The possibility of using Census data to construct alternative baselines in the end proved too costly and time consuming. Thus, in practice, estimations of change are based on perceptions of the stakeholders – the rural population, NGO staff and other key informants. Of course, as more NGOs begin to build baselines, some of these difficulties will be reduced for later evaluations.

If building points of comparison across time proved difficult, so did identifying control communities and families. Given that most of the NGO interventions studied work at a municipality/district/drainage basin level, but only with some communities and some families within that district, to select control communities from within the district is imperfect because conceivably even the non-intervened communities in the district ought to have been affected by the NGO’s district level work. However, to move outside the district introduced other dimensions of geographical, ecological and institutional difference, making these also second best controls. At family level, the study selected as controls those families who had not worked with the NGO, but who lived in communities where the NGO worked. Yet this too was imperfect as such families are still subject to demonstration and other spillover effects from the NGO’s intervention. Thus our controls are not perfect: they are best thought of as indicative comparators rather than control comparators.

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13 The assumption here is that evaluations that ask immediately about a project are likely to overestimate the significance of the project in local livelihoods, and at the very least skew answers towards a reflection on the project rather than on its overall relevance.
14 Under donor pressure (including from the CFAs) some of them have recently begun to construct baselines.
15 However, we would recommend that these baselines take the form of smaller sets of panel families for whom both qualitative and quantitative data can be constructed (larger panels might be preferable statistically though would likely skew data collection to only certain dimensions of poverty and livelihood).
1.4.2 Contingent problems

The study took more time than anticipated. In itself this was probably an advantage as it gave the research team more time to reflect on themes, findings and interpretations. Nonetheless, the delay itself reflected problems worthy of mention. Initially the study was planned to avoid the rainy season (a classic problem for field research in the Andes), but a slower than expected proposal approval process delayed the start of the project. As a result, rain slowed the implementation of field work, and increased costs.

A second delay came from the difficulty of identifying control communities. First, the simple process of gaining permission to work in communities where the NGO has not worked is more difficult: some communities initially selected as controls indeed refused to let the research teams enter. And second, as noted above, it proved difficult to identify a control community. More time than expected was therefore spent in seeking out control communities.

Other limitations reflect budgetary concerns. Given the nature of the evaluation framework – focusing on livelihoods, perceptions, and processes within the aid chain – it may have been preferable to adopt an approach combining a more in-depth and ethnographic approach with a larger scale formal survey. The ethnography would have been a more effective means of understanding perceptions and livelihood changes, and the follow up survey would have allowed the generation of far larger amounts of data on themes identified as important in the ethnography. For reasons of time and budget this was considered inappropriate, and the decision to combine in depth (but one-off) household interviews with focus groups was made as an alternative, quicker and less costly way of generating results with depth (via the household interviews) and breadth (via the focus groups). At the level of the institutions, a chance to spend more time operating within their contexts would have been more revealing than interviews (c.f. Markowitz, 2001).

Finally, it merits note that the presence of both research coordinators outside the Netherlands brought both advantages and disadvantages. The clear advantage was that we were independent of the Dutch CFAs, and indeed had had little or no contact with them prior to this study – this gave a degree of independence and objectivity. However, living in the USA and Bolivia, our interactions with both the Stuurgroep and the CFAs were less frequent and fluid than they would have been had we resided in the Netherlands, and our access to CFA documents was somewhat more complicated. While e-mail was used a great deal, it did not compensate for all these difficulties.

1.4.3 Summary comment

Notwithstanding these caveats, we are confident in the conclusions of this study. Above all the effort to assume a greater research orientation in the work, and the possibility of extending the study over a year (albeit on a far from full time basis) have given much more opportunity to reflect on method, on results and on interpretations.

1.5 Outline of the report

Following this introductory chapter laying out certain conceptual and methodological questions and decisions made, the following two chapters present some basic dimensions of the context that we are studying. Chapter 2 discusses the elements of the rural and peasant economy in the Andes, and reviews recent research that attempts to understand the underlying dynamics of that
economy. We suggest that there is adequate evidence to conclude that this economy is increasingly complex and that while agriculture continues to be important to rural people, their livelihoods are increasingly diverse — implying that rural development interventions that work only in agriculture are likely to miss important parts of the rural economy.

Chapter 3 then reviews the context of NGOs in each of Bolivia and Perú and discusses, in summary form, broad patterns and changes in the ways in which NGOs have approached questions of agriculture and rural development in the Andes. It also discusses the general conclusions emerging from evaluation studies and other research that have been conducted either on CFA supported NGOs, or in the areas in which these NGOs intervene. This latter part of chapter 3 thus begins the evaluative part of this report.

Chapter 4 lays out the broad structure of the co-financing program in highland Peru and Bolivia, and addresses one impact question that is all too rarely asked — ‘why do aid flows go to some places and not others?’ These flows structure the basic geography of impacts — and the geography of who will gain, and who not, from these flows. Understanding the structure of the program for each of the CFAs is therefore the main concern of Chapter 4. Chapter 5 then considers three particular environments to which this aid has flowed, and in which this research was conducted. It also lays out the basic dimensions of the case study CFA partners’ views of and approaches to rural development and poverty in the areas in which we conducted research. While recognizing that each partner is specific, the chapter also notes the many striking similarities among both their approaches to development, and the ways in which these approaches have changed over time. If there is so much convergence among these NGOs, this suggests that these cases might be broadly illustrative of patterns that would have emerged if we had chosen different or more cases.

Chapter 6 is in some sense the core of the evaluation. It summarizes the information collected on livelihood changes in the three study regions. It traces changes in people’s assets, changes in the ways in which they combine these assets in their livelihoods, and patterns in the overall goals towards which these livelihoods seem to be oriented. The chapter combines our own findings with other research evidence — indeed a comparison of these two sources of evidence suggests that our findings are relatively consistent with much other work. Chapter 7 then considers whether — in addition to project funding — the CFAs have offered other sorts of support that increase the impact of these funds. In particular it considers the role of networks, of institutional support to partners, and of CFA program officers’ own contributions. The final chapter (Chapter 8) closes the report with overall conclusions that emerge from the study.

These eight chapters are a synthesis of a large body of information and documents. Specifically they are based on three regional reports (Cusco, Chuquisaca/Potosí, La Paz), seven case studies, six working documents and a review of published and unpublished literature. These documents are available on request.
Agriculture, livelihoods and rural development since the 1970s: Themes, patterns and implications

‘There are no reasons that currently justify the exclusive reliance on agricultural development to improve the quality of life in rural areas or to seek to overcome rural poverty. ... In vast rural regions, betting solely and predominantly on agricultural development means condemning them to conditions of endemic poverty, marginalization, and stagnation.’ (Reardon, Berdegué and Escobar, 2001: 406)

‘It is critical that [rural development projects] assume that in Latin America and the Caribbean, the term rural, increasingly, is not synonymous with agricultural. Consequently they must be designed to include activities aimed at the rural environment as a whole, including the countryside and the small and medium-sized urban nuclei.’ (Reardon, Berdegué and Escobar, 2001: 407)

These two quotations come from a recent study on rural non-farm employment in Latin America, and together present a direct challenge to most rural development interventions in the Andes. They base their conclusions on various bodies of research that, inter alia, suggest that:

- in Peru, 51 per cent of the net income of rural households comes from off-farm activities, and 35 per cent of labor is dedicated to these activities (Escobar, 2001:497)\(^{16}\)
- in Bolivia (still the most agrarian country in these samples), 40 percent of men and 47 percent of women work in non-farm activity (Durston and Espindola, 2000).\(^ {17}\)

The same studies also conclude that families who derive a higher percentage of their income from non-farm activities tend to be less poor (though the causalities explaining this relationship are less clear). Rural non-farm income appears to be linked to enhanced food security, but also to increased social differentiation (Reardon et al., 2001). In emphasizing the importance of off farm income, these studies affirm far earlier research in the southern and central highlands of Peru that suggested that in the early 1970s non farm activities already counted for as much as 37% of household income in some communities (Figueroa 1981).

These studies should be read alongside another one conducted during 1997 in 13 municipalities and 40 communities of the altiplano and high valleys of

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\(^{16}\) Research by González de Olarte in northern Peru finds that 40% of net income comes from off farm activities (cited in Escobar, 2001).

\(^{17}\) 81.4 percent of men, and 88 percent of women work in agriculture (Durston and Espindola, 2000).
Bolivia (VMPPFM-BM, 1998). This research concluded that 79 per cent of the groups interviewed (and 94 per cent of groups of poor people)\(^\text{18}\) perceived a decline in agricultural productivity over the last 10 years, and that, where there had been some improvement in productivity, this was concentrated among wealthier (‘more powerful’) farm families. Of 121 agricultural production projects identified in the 40 communities, only 8% were perceived to have had any impacts on productivity.

The findings of these studies are important ‘reality checks’ for thinking on rural development in the region, suggesting that rural development interventions should pay far more attention to non-agricultural economic activity than they have in the past. And yet the same paper by Reardon et al. (2001) also ends by saying:

‘... agricultural employment continues to be directly responsible for 60% of rural income [in Latin America], and that percentage increases significantly if we consider non-agricultural income originating from activities directly related to and dependent upon agricultural production .... The promotion of rural nonagricultural employment and income cannot be made at the cost of developing the agricultural sector.’ (Reardon, Berdegué and Escobar, 2001: 407-8)

Thus, having emphasized the importance of non-farm rural employment, they also want to reaffirm the importance of agriculture. At a first reading these different conclusions seem to be in conflict with each other. Perhaps, however, it is more appropriate to read them a different way. First, the patterns being referred to may be picking up on geographical differences: in some areas non-agricultural income may be far more important than in others. Second, the tension may be picking up on a transition that is currently underway in the rural economy: one in which agriculture is still very important to current generations, but in which it will be far less so to coming generations. Thus, the tension may reflect a more general uncertainty among those who have worked on Latin American rural development for a long time (as Berdegué and Escobar have) – one in which people feel that peasant agriculture is only rarely able to generate much surplus and yet at the same time see that it still plays a critical role in the food security of rural households and (often) their urban members.

In this chapter, by briefly reviewing current knowledge on rural livelihoods in the Andes, we explore this uncertainty about the relative role of agriculture in the rural economy, and the relative weight that rural development intervention ought place on agriculture as opposed to other economic activities. In the following chapter we link this to discussions of NGOs in the region, and of some of their impacts on rural livelihoods.

During the 1970s and 1980s, much of the debate about Andean livelihoods and peasant economy was heavily influenced by the notion that the campesino economy was tied to the wider political economy in ways that extracted surplus value from rural areas, that constrained peasant access to resources (primarily land) and that involved unfavorable relationships between rural people and both the market and state (de Janvry, 1981). Under this set of relationships, peasants not only provided cheap food to the urban economy, but

\(^{18}\) The study was based on community level focus groups, not household interviews.
as their income was low and asset base limited, they had to migrate periodically – thus also providing the economy with cheap labor. Notably, these were not purely academic discussions and this literature was not separate from NGO practice: Andean intellectuals and NGO professionals helped produce it, were themselves steeped in it, and ultimately took its concepts with them when they went to design NGO programs (Degregori, 2000; Avila, 2000).

While pessimistic in analysis, there was an implicit notion in this literature that a ‘via campesina’ or peasant path based on intensified, agrarian livelihoods was still a possible and conceivable development option (Figueroa, 1990; de Janvry, 1981; Jordan, 1989). Yet by the early and mid-1990s this sense had changed somewhat, and there was increasing uncertainty as to whether the via campesina was a possibility in all or even most places, and thus as to whether poverty oriented rural development strategies should always aim to foster smallholder agricultural development. The new economic context defined by neo-liberal economic reforms seemed to imply limited possibilities for campesino agriculture, except in a few favored locations – a position codified in policy arguments such as the Bolivian ‘Strategy for transforming agricultural production’ (1994) and the Peruvian state’s general abandonment of productive investment in rural areas during the 1990s. Indeed some agencies – perhaps especially those aligned with broadly neo-liberal economic programs – began to argue that in the face of the macro-economic shifts occurring in the region, a significant part of the highland Bolivian peasant economy was ‘not viable’ (IDB, 1996; ETPA, 1994; VMPPFM-BM, 1998). Others – even if less-wedded to neo-liberal programs – have also suggested that to create such viability would be extremely costly and complex, and that in a context of scarce government finances, the peasant economy ought be the object of public investment only in areas in which it was potentially viable (which in practice meant areas closer to markets and roads, and with reasonable soil and water endowments). The implicit message in many of these interpretations was that the peasantry is surplus to structural requirements, and that the policy challenge is therefore to understand the scope for alternative sources of livelihood. As one study noted in Bolivia: ‘There is a sense that these [altiplano] regions have no economic potential and that the most efficient means of fostering development is to invest solely in human development, and in this way to foster migration to urban areas and other centers of economic growth’ (VMPPFM-BM, 1998: 4).

These reflections have reached wider than the Andes – indeed, they originated elsewhere, and experiences in Chile lie behind much of this shift in thinking. In the context of arguments about public investment in the peasant economy, a language emerged that distinguished between so-called viable and non-viable peasants (los viables and los no-viables). The argument was that, with their limited assets bases and market access, up to half the peasantry could not conceivably become competitive production units capable of accumulating capital. If this was so, the non-viable peasants should not be the object of programs aimed at enhancing their productive capacity but rather ought be supported through social investment programs that would alleviate their poverty and ultimately facilitate their transition out of agriculture and rural areas, and into the urban economy.
This notion of viability spread into the Andean countries, in large measure helped by the similar thinking of the multilateral agencies. Indeed, it has gone hand in hand with an increasingly visible pessimism and frustration about the possibility that intervention can have any significant impact on rural poverty (VMPPFM-BM, 1998; IDB, 1996: 79): ‘looking back over the history of international cooperation in the Bolivian Andes, one theme is constantly dominant: disappointment with the results of rural development programs’ (Van Niekerk, 1997:2). More empirically Van Niekerk (1994: 319) concludes that campesino agriculture in the Andes will neither disappear, nor modernize, but will remain stagnant, with little productivity increase and little accumulation, and with campesino households combining mostly subsistence agriculture with income from migration.

Reflections such as these have clearly influenced thinking in many agencies (public and non-governmental alike), and generate uncertainty about the possibilities for rural development, and perhaps particularly about the possibilities for agricultural development. In one sense this uncertainty – and the more general discussion of viability and non-viability can be disabling as it seems to question the good sense of what many development interventions – including those of NGOs – have been doing for a long time: namely seeking to foster improvements in peasant agricultural systems as a primary means of addressing rural poverty. At the very least it challenges what might be called the ‘agro-centric’ view of rural livelihoods that many argue has long underlain rural development interventions (Zoomers, 1999, 1998). For notwithstanding periodic observations on the multi-dimensionality of rural livelihoods, the overwhelming tendency among rural NGOs is to act as if livelihoods were not multifunctional, and to only address their agricultural components (c.f. Zoomers, 1998).

Perhaps the most important messages, then, to take from the viability discussion are that (a) one ought be careful not to equate agrarian livelihoods with rural livelihoods and (b) that one ought think far more carefully about the different roles played by agriculture within rural livelihoods, both at the current point in time, and in the future plans that rural people have for their and their children’s livelihoods. Thinking in these more disaggregated terms would bring several benefits. On the one hand it would broaden the basis upon which discussions of rural viability could be discussed – so that a whole range of options other than just agricultural intensification might be discussed in thinking of rural futures in the Andes. And secondly, it would encourage a more careful reflection on where agricultural development ought, and ought not, be the centerpiece of a rural development strategy.

In this regard it is important to note that such reflections on the actual and potential diversity of livelihood transitions have begun in the Andes. In some cases, these reflections are couched in terms of campesino responses to productivity decline. For instance, the World Bank funded study of rural productivity mentioned earlier identified 8 different peasant responses to declines in agricultural productivity, each of which implied different livelihood trajectories and different roles for agriculture within these livelihoods. The responses identified included: investments in irrigation and technology to

19 The World Bank, the Inter-American Development Bank, and the International Fund for Agricultural Development have perhaps been the key agencies in this regard.
increase crop productivity; extension of the agricultural frontier; change in production systems; incorporation of new income sources; further diversification of income sources; more temporary migration; sale of labor within the community; and greater integration into the market (VMPPFM-BM, 1998).

A particularly important reflection on the increasing diversity of Andean livelihoods in the southern Andes of Bolivia is that of the study PIED-Andino (Zoomers, 1999; 1998). In this case, livelihood strategies are couched more in terms of campesino response to the mix of constraints and opportunities deriving from their environmental and economic contexts, and their existing asset bases. Based on work in 17 communities and with 336 families, this study identified six broad orientations in livelihood strategies in Chuquisaca and Potosí (one of the regions of our study too). For each of these strategies, Zoomers identified the relative role of agriculture and the main sources of income. Findings are summarized in Table 2.1

<table>
<thead>
<tr>
<th>Orientation of livelihood strategy</th>
<th>Nature of agriculture</th>
<th>Main source of income</th>
<th>Critical community level conditioning factors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Specialized agricultural production</td>
<td>Potatoes on non-irrigated land; agrochemicals; associated crops</td>
<td>Sale of potatoes</td>
<td>High altitude; good access and infrastructure; institutional presence</td>
</tr>
<tr>
<td>Diversified agricultural production</td>
<td>Variety of staple and horticultural crops on irrigated land; agrochemicals</td>
<td>Sale of crops and migration</td>
<td>Lower altitude; good access and infrastructure; institutional presence; water</td>
</tr>
<tr>
<td>Animal husbandry</td>
<td>Extensive pasturing</td>
<td>Sale of animal products and crops</td>
<td>Poor access and infrastructure; low institutional presence</td>
</tr>
<tr>
<td>Processing and gathering</td>
<td>Processing and gathering</td>
<td>Migration; sale of dairy, meat, handicraft and gathered products; crop sales</td>
<td>Poor access and infrastructure; low institutional presence; severe external constraints</td>
</tr>
<tr>
<td>Migration</td>
<td>Subsistence at best</td>
<td>Migration</td>
<td>High altitude; variable access and infrastructure</td>
</tr>
<tr>
<td>Subsistence farming</td>
<td>Subsistence</td>
<td>Migration</td>
<td>Poor access and infrastructure; low institutional presence</td>
</tr>
</tbody>
</table>

While no absolute categories emerge in this classification (and Zoomers is very concerned to caution against excessive generalization), some important patterns do emerge. First, agriculture is important in all livelihoods, but only in some of them is it an important source of income or accumulation. Second, it is more of a source of income in those areas with better road and other infrastructural and institutional linkages; and third ‘everywhere, migra-
tion has become highly significant’ (Zoomers, 1999: 60). In terms of the viability discussion, the PIED Andino study shows that for certain types of family, in certain types of environment agriculture can be a viable basis of a viable livelihood; but that for other families (with less assets) and in other environments (with more constraints) it seems not to be.

If we combine the findings of PIED-Andino and the World Bank study with a broader literature on the rural economy in the Andes, we can develop a framework that identifies a simple typology of the types of transition that appear to be occurring in Andean livelihoods (Bebbington, 1999). Without being exhaustive, this typology might suggest that over time one can see tendencies towards the following types of livelihood.

- **Transitions to capitalized family farms and agro-silvipastoral transitions**

  ‘Capitalized family farms’ (CFFs) are farms that have emerged from the medium-sized peasantry rather than the very poorest and are the empirical manifestation of ‘viable’ units. Some commentators have suggested that these are actually quite widespread in the Andes, and are an important source of rural (family) employment and of accumulation (Llambi, 1989). Common to the success of many of these CFFs have been: an ability to access land, finance and at times labor; an ability to gain a niche in higher value product markets; and the presence of different types of supportive state policy. Migration has also often played a role in generating funds for land purchase (Lehmann, 1986). Subsequent work has suggested that similar styles of intensification are possible for small producers also. While access to resources for the CFFs had been mainly through the market and kin networks, for small producers, more formal – and relatively strong – forms of organization along with external support have generally been more critical in opening access to knowledge, credit, irrigation, technical assistance and new markets (Bebbington, 1997; North, and Cameron, 2000; Sandovál, 1997). In other words, under certain conditions, agricultural ‘viability’ can be created. Understanding these conditions – through systematization and comparative research – thus becomes critical if NGOs are to elaborate strategies that foster such intensification elsewhere.

- **Rural labor**

  Agricultural transitions have not been the only ones, however. A significant feature of some regional economies has been the growth of a rural proletariat at working on capitalist agricultural enterprises. Such wage earning livelihoods do not always lead to more sustainable livelihoods and poverty reduction. Still, they seem more likely to have these effects when the person has more skills and education (Reardon et al., 2001), and in a number of cases they have been a means through which people have been able to stay on their land through complementing agricultural income with local non-farm income. Rather than instinctively criticize this option, it may be more appropriate to find ways of improving its contribution to livelihood sustainability, though in practice very few NGOs have done this.

- **Migration**

  Where agricultural intensification has been limited, and other rural employment absent, the principal livelihood adaptation in the Andes has been temporary or permanent migration. The region is full of projects that have attempted – and failed – to stop this out-migration (many supported by CFAs
In part this is because migration has been an element of Andean livelihood strategies for a long time (e.g. see Radcliffe, 1991 and Zimmerer, 1996 on the importance of migration for women and men in Cusco). It is also because migration is critical to the viability of rural peoples’ livelihoods (Preston, 1998). In each of the areas of the projects studied for this evaluation, there was documentation of significant migration from at least the 1980s. While migration is often merely a survival strategy – families scarcely scrape by – it has at times allowed significant family accumulation. As in the case of the other livelihood transitions, it would be informative to look at cases where migration has gone beyond a survival strategy and has become part of an accumulation strategy, in order to understand how this has been possible and then consider the implications for rural development strategy. Again, little of this has been done in Peru or Bolivia, and specifically not in the cases studied.

- **Rural industry**

In some areas, rather than capitalist agriculture, rural industry has emerged, also affording rural based livelihood options. The rise of apparel, leather and shoe making industries in Tungurahua, Ecuador, for instance, has allowed families to incorporate home-based work in these industries into their economy, again combining this industrial work with agriculture (Martinez, 1994). The impacts on rural income and health have been significant (North and Cameron, 2000). Other rural industries are those involving food processing, cheese production, and textiles – sometimes as collective units, but often as private units that hire family and non-family labor. Though this has led to social differentiation, it has also allowed continued rural residence in areas of quite advanced land fragmentation. To be able to engage in such livelihoods, families need the skill to do the work required (a human capital issue) and the access to the intermediating agent (industrialists, traders, organizers of production networks) that links rural families to wider markets and chains of production. In particular, it seems that links to higher value markets are important, and more able to withstand the effects of structural adjustment policy (North and Cameron, 2000).

- **Rural and peri-urban commerce**

Other groups in the Andes have been able to build rural livelihoods around commerce. In some cases this may mean a member of the family leaving for significant parts of the year, or permanently, in order to peddle products elsewhere. In other cases, the commerce is in nearby urban settlements – as in the case of Ayacucho where peri-urban/semi-rural women have been able to accumulate over $1 million of savings in village banks through their trade activities in Ayacucho city (D. Bebbington and A. Gómez, 2000). In yet other cases, it is linked to contraband at international border areas (e.g. Puerto Acosta, Bolivia: Bebbington and Bebbington, 2001). Critical to these cases, it seems, are: the access to initial capital (often in very small quantities) to begin trading, an access often mediated through a micro-financial services organization; and involvement in (frequently ethnic) networks that facilitate access to markets.

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20 Novib supported a program implemented by the Bolivian NGO network AIPE, and called, precisely, The Project to Contain Migration. It didn’t.
• **Stagnation and subsistence agriculture**
  In each of these transitions, subsistence agriculture continues to play a role – often indeed, it continues to be the basis of family food supply, while these other activities (commerce, migration etc.) become the source of income and accumulation. However there are many other families and localities which continue to undergo a slow process of agricultural involution and where subsistence agriculture still constitutes the principal material basis for livelihood. As in Zoomers’ framework (1999; Table 2.1 above), these tend to be those areas with the most severe external constraints – far from roads, with limited infrastructure, little market integration and little or no institutional presence. They are also those areas in which traditional institutions and practices still persist.

The ways in which people compose rural livelihoods in the Andes are multiple, changing and often have significant, or dominant, non-agrarian components (Zoomers, 1999: 69-73). The typologies that can be found in, or derived from, the existing literature each aim to make this point. These typologies, however, are still based on the components of livelihoods, and do not necessarily say anything about the success of that livelihood in allowing people to accumulate resources, lead a more fulfilling life, and feel more empowered.  

In principle each of these livelihood types can have these effects, when conditions are favorable: depending on the circumstances, migration can be as successful in allowing accumulation and a sense of empowerment as can agriculture. It therefore becomes important to understand the conditions under which these different livelihood types might be more successful in reducing poverty. Identifying common themes in such explanations is even harder than identifying types of livelihoods, but certain tendencies do appear to come out of those studies that have aimed to identify such causal factors.

i In those cases where families have been able to accumulate on the basis of intensified agricultural production, access to irrigation and markets has often been of critical importance (VMPPFM-BM, 1998; Soriano, 1999). The combined effect of the two is also to facilitate shifts in production system in which farmers intensify that product that has demand in the market (e.g. livestock; horticulture etc.).

ii In those cases in which families have been able to diversify non-farm income sources (especially the more lucrative ones) access to education and credit have been very important (Escobal, 2001). In other words, it appears that credit is not only valued as a means of facilitating agricultural investment, and that it can assist in a range of diversification strategies.

iii Roads emerge as important in a range of livelihood strategies. They facilitate access to product and labor markets, access to information and even circular

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21 Similar, though less dramatic examples of rural accumulation based on peri-urban trade are apparent in rural communities near the town of Llallagua, Potosí.

22 Thus Zoomers (1999: 48-51) combines a livelihood component based classification with one based on the underlying strategies (and hoped for effects) of livelihoods – the second part of the framework distinguishes those livelihoods that allow: accumulation; consolidation; survival; risk reduction.
migration (Escobal, 2001). They also facilitate the presence of institutions in communities.

iv There appears to be some link between social capital (in the form of organizations and networks) and poverty alleviation, and though the mechanisms remain unclear, social capital seems to facilitate access to markets, negotiating capacity, access to services and access to information (Sandovál, 1998; Grootaert and Narayan, 2001).

These commonalities might provide a basis for elaborating alternative rural development strategies – though to draw out more convincing implications would require more comparative research (which few NGOs do, and CFAs generally do not support). But even without this reflection, it seems clear that the implications of what is already known about livelihood transitions in the Andes are that:

• agricultural development will only rarely be a poverty alleviating intervention for the very poorest though it may have more success among medium sized units with potential for accumulation
• within a region, and likely within a community, there will be great variability of livelihoods and thus also of ‘exit paths’ from poverty (de Janvry and Sadoulet, 2000; Zoomers, 1999)
• NGOs and others therefore need to understand communities as socially and livelihood differentiated, and need to understand the details of that differentiation before designing programs
• poverty oriented rural development programs (even of NGOs) therefore need to differentiated (c.f. ‘politicas diferenciadas’) with different components to address different exit paths and different types of poverty
• such differentiated programs likely need to include agricultural investment components both for more agriculturally viable units and for securing food security, along with a mix of social compensation components and instruments to improve the effectiveness of people’s non-agricultural income generation strategies.

These criteria thus give us points of reference for interpreting the approaches to rural development encountered in this study.

Discussions of the complexity of livelihood transitions occurring in the region also suggest that simple distinctions between viability and non-viability are not especially helpful. The more important point is that for many (probably most) campesinos, farming will never constitute the productive basis for household accumulation. Or, put another way, many and perhaps most farms in the Andes will only ever be able to produce enough to secure most or all of a family’s subsistence needs; and for some families – in particular young ones – agriculture will not even play this role.

Such a reflection ought not lead to the conclusion that agriculture is no longer important. In some areas where the via campesina and capitalized family farming is possible, it will be a basis of accumulation. In other areas, it will continue to be the critical basis for household food security, and so will continue to be a critical component of livelihoods, if not the most dynamic component nor the source of their viability. However, even if agriculture may not be the basis of campesino accumulation, this does not mean that rural liveli-
hoods more broadly cannot be viable means of fostering such accumulation. Indeed, the evidence shows that people have produced a range of non-agrarian livelihood strategies that have allowed them to meet their multiple needs, have in many cases allowed them to maintain some sort of tie with their home communities, and have often been combined to a greater or lesser extent with farming.

Thus, in challenging notions of non-viability, rather than reject the idea out of hand on moral and ethical grounds and continue insisting that agriculture can constitute an ‘exit path’ from poverty (de Janvry and Sadoulet, 2000) and be the basis of accumulation (as many have done), the response perhaps ought to be to find ways of making a whole range of rural livelihoods more viable. To do this would require a careful disaggregation of the many types of rural livelihood that already exist, the obstacles that reduce the productivity of each of them, and the potential that interventions might reduce these obstacles. It also requires an understanding of the aspirations of different segments in the rural population: wealthier and poorer, women and men, younger and older, children and adults.
Most of the CFAs’ strongest rural development partners in the two countries trace their roots to the 1970s – with one or two relationships beginning in the 1960s, and several others in the 1980s. Likewise, CFA support to the region began on a small scale in the late 1960s/early 1970s, intensified towards the end of the 1970s and has remained strong since (IOB, 1998; Valderrama and Negrón, 2001a). During the period since then, the CFAs have – collectively – played a critical role in the emergence of the non-governmental sectors in Peru and Bolivia: they have been among the most important sources of finance for NGOs, and at certain moments (less so today) have enjoyed closer relationships with Andean NGOs than have most other funding agencies.

The purpose of this and the next chapter is to give a brief overview of this history, and its implications for NGOs’ work in rural development. This chapter focuses particularly on the Andean NGO sector and its evolution over time, the ways in which NGOs have approached agricultural and rural development and the state of knowledge – such as it is – about their rural development impacts. The following chapter elaborates the ways in which the CFA program has influenced and been part of these processes.

NGOs in Peru and Bolivia have many origins: their inspiration and founders have come from the Catholic Church, student movements, different parts of the political left, workers and peasant movements, liberal government programs etc. (Carroll et al., 1991). While these origins marked the earlier concerns of NGOs with questions of politics and social transformation, over time NGO activities have reflected the political and economic contexts of the moment as much as the NGOs’ institutional origins. In one attempt to describe how NGOs’ orientations have changed over time, a recent director of Desco, one of Peru’s most influential NGOs, 23 identifies three broad phases to this evolution (Ballón, 1997):

- During the 1970s, NGOs emphasized the role of popular actors (workers and peasants) in social transformation, viewing them as vehicles of alternative forms of development. While the emphasis in this period was on strengthening these organizations so that they could capture the state, NGOs were themselves quite anti-state and inspired mostly by Liberation Theology and/or parties of left.

- During the 1980s, with the return of civilian government, new opportunities for political participation emerged and so, slowly, NGOs began to put greater

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23 And also Cordaid’s main policy partner in Perú.
emphasis on questions of citizenship and local development. In Peru this led to an interest in regional government and governance.

- If the 1980s were marked by the return to democracy, the 1990s were marked by the prominence of neo-liberal economic policy. In this context NGOs began to adopt a language of civil society, social inclusion and improving poor peoples’ relationships to markets. They also worked in a context in which government investment in the campesino sector was cut back to a minimum, and was concentrated in the social sectors rather than in productive development.

- Indeed, both the latter 1980s and 1990s were periods in which public investment in, and direct public provision of research, extension, credit and other such services for small farm agriculture in the highlands were cut back. In such a context NGOs either deliberately or by default filled gaps left by the public sector, and in many areas constituted the most important sources of rural development services for poor rural households.

Ballón’s periodization also applies, a gros modo, to Bolivia – but in this case, particular years can be specified as turning points in the evolution of NGOs.

- During the end of the most recent period of military dictatorship (1977-1982) few NGOs existed and most that did were linked to the Catholic Church. Many professionals linked to the left were in exile, while some worked within NGOs. Reflecting these links, at this time NGOs emphasized popular education in rural and urban areas.

- 1983/4 marked a critical turning point for NGOs. On the one hand, professionals from the UDP government found refuge in the world of NGOs, as the government announced it would end its term prematurely. On the other hand, the drought of 1982/3 triggered an agricultural crisis that in turn elicited massive response from NGOs and international cooperation (including the CFAs). NGOs grew in size and number with the resources that became available for emergency and reconstruction programmes. This work – which revolved around rebuilding the bases of an agricultural economy – also had the effect of confronting NGOs with problems of livelihood (rather than education or political consciousness), and from then on many emphasized questions of agricultural production, technology and natural resource management as much as socio-political organization and popular education. This became all the more necessary following the 1985 structural adjustment program. One of the effects of this program was to further reduce government provision of services for smallholder agriculture in the highlands, leaving NGOs as one of the main sources of rural development support in campesino communities.

- The next decisive turning point was 1993/4. On the one hand, the new Bolivian government recruited people from NGOs; then in 1994 it passed the Law of Popular Participation, which turned municipal governments into the central actors in rural development, and legislated for processes of participatory planning in these municipalities. In so doing it built on prior NGO experiences in local development but at the same time required NGOs to coordinate with municipal governments. In response to this, many NGOs decided to support the implementation of the law, and began working closely with municipalities. In many respects, as a result of the Law of Popular Parti-
cipation, campesinos and their organizations ceased to be NGOs’ main client and interlocutor. Instead NGOs made municipalities their main partner.

However, while there is some convergence between the periodization of NGO dynamics in each of Peru and Bolivia, it is also important to realize that there were also some significant differences in both NGO context and policy context between the two countries. First it is important to note that the 1960s and 1970s saw considerable investment in Peruvian universities and social sciences (much more so than in Bolivia). One of the many effects of this was to develop a cadre of research minded activists and also a cadre of activist researchers (Lehmann, 1990). This helped generate a number of NGOs whose specialization was rural research and policy analysis (Desco, Cepes, Centro Bartolome de las Casas), as well as a broader body of rural and agrarian research. This research fed into development strategies in a way that did not happen in the Bolivian highlands, with the possible exception of Cipca.

Second, Peru’s civil war, from the mid 1980s to the early 1990s, had profound impacts on NGOs and their role in rural development. The war destroyed much of the social and physical infrastructure that had been built up earlier, destroyed or weakened most peasant organizations, undermined incentives for rural investment on the part of campesinos, and in many areas forced NGOs out of the countryside. Among its many effects, this period left many NGOs far more pragmatic and defensive, undermining quite severely their capacity (or desire) to propose policy alternatives – a situation made all the more serious by the increasing authoritarianism of the Fujimori government (1990-2000). The violence also had the effect of further weakening the presence of public services in rural areas, as government staff were often direct targets for violence and assassination. This meant that – if NGOs stayed – they constituted the main and often only source of rural support.

Third, while the 1990s in Bolivia marked a period of increasing political openness, in Peru the posture of the Fujimori regime prevented any real collaboration between NGOs and government, and limited any such collaboration to the most local of levels. Thus the macro-political relationship between Peruvian NGOs and the state was by and large tense and conflictive in the 1990s, and even if there were moments of conversation and collaboration between NGOs and Foncodes (the Peruvian social fund), and NGOs and the Ministry of Agriculture, these were short-lived as NGOs repeatedly confronted the populist politics, authoritarianism and corruption of the Fujimori regime. Only in 2000, under the Paniagua transition government, did the situation change and indeed a number of people from NGOs (in particular CFA partners) moved into government. The situation in Bolivia was quite different, and especially during the period from 1993 to 1997, NGO-government coordination and collaboration reached unprecedented levels with many NGO cadres moving into senior government positions. The flow of policy ideas between the two spheres was thus far more fluid than in Peru.

Yet, while the possibilities for NGO-state interaction at a macro-level were quite different between the two countries, at a micro level trends were more convergent. Indeed, one of the more striking patterns in NGO approaches to

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24 The presence of international organizations, such as the Centro Internacional de la Papa, also helped in this.

25 For instance when Julio Alfaro was advisor to the Minister.
rural development in both countries during the 1990s was the intensity with which questions of local development, local power, and local co-ordination are discussed. In a strange way, by creating such a hostile macro-political environment, Fujimori pushed NGOs to the local level, while in Bolivia, the Law of Popular Participation pulled NGOs to this level (though it is also the case that NGOs had already been discussing micro-regional approaches themselves). Whatever the case, in recent years, the most striking convergence between NGO rural development strategies in Peru and Bolivia has been around the concept of local development.

Another similarity during the 1990s between the two countries (and indeed more generally across Spanish speaking South America) was that commentators began to identify an increasing number of problems in the NGO sector. Indeed, several authors (Ballón, 1997; Chiriboga, 1999; Bebbington, 1996) have suggested that as the decade has progressed, it is possible to perceive various crisis tendencies among Andean rural development NGOs:

- a crisis of identity, which is in essence a crisis of development models. Though NGOs recognize the obsolescence of their former interpretations of rural development, they have been unable to identify new models that would give them a basis from which to design programs, make policy interventions and also define their own role in rural development;
- a crisis of legitimacy, in which the mechanisms through which NGOs can be held accountable to rural populations (or other interest groups) have become very weak. As a result, NGOs are increasingly viewed as self-serving, self-referential and un-accountable; and
- a crisis of sustainability, resulting from an ‘accentuated reduction in the flow of [NGOs’] traditional external resources’ (Valderrama, 1998:7). This has lead to a situation in which rural development plans developed by NGOs were all too often responses to NGOs’ financial needs rather than local development needs (Valderrama, 1999).

Notably, the Netherlands, and indeed the Dutch Co-financing program, has itself been a direct and indirect source for such critical commentaries – and not only because the Peruvian authors cited above are CFA counterparts. A series of critical interventions by van Beuningen of Cebemo/Bilance, for instance, began to raise questions about the long term purpose of NGOs, suggesting that in some measure they had become self-serving agencies who had overstated their importance in civil society and impeded the emergence of more autonomous community based organizations (e.g. van Beuningen, 1991; 1995). While van Beuningen raised questions about NGO mission, legitimacy and identity, van Niekerk (1994) raised serious questions about the poverty impacts of NGO agricultural projects – in much the same way as an earlier study of big NGOs had also questioned the impact of Cipca, IPTK and Cedep (Wils et al., 1993). Shortly after, a GOM-wide study of NGOs and their networks in Bolivia also came to negative conclusions (especially about rural development NGO networks) – conclusions from which, some suggest, the

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26 ‘Coordination’ is a poor translation of the Spanish concertación.
27 It is worth noting that this sense of crisis – and its different elements – was again quite apparent at a recent meeting of most of Latin America’s NGO federations (ALOP/ABONG/ PUCP, 2001).
28 This conclusion was based on a study of 10 experiences of local development planning involving NGOs in Peru (Valderrama, 1999).
networks never really recovered (Wils, 1995a). And most recently, Zoomers (1998, 1999) PIED Andino study (referred to already) concluded that Bolivian NGOs (and other projects) fail to understand the real nature of rural livelihoods, and as a result often have very little impact in communities. Indeed, the conclusions of that study are quite strong: ‘... few development interventions have made sweeping changes. A critical analysis of their results suggests they have scarcely influenced the migration behaviour of the population, nor the market environment (trade and exchange relationships), soil degradation or erosion of natural resources’ (Zoomers, 1999: 65). In making this observation, Zoomers is referring to an area in which 4 of the 6 main NGOs are part of the CFA aid chain (IPTK, ACLO, Proagro and Plan International: ibid, 62).

It is important to note these Dutch interventions because they reflect the extent to which the CFAs (and the broader community in the Netherlands of which they are a part) have been active participants in reflections on ‘what next’ for NGOs and rural development in Peru and Bolivia. This indicates an important sense in which the aid chain linking the Netherlands and the Andes is much more than a flow of money. It also indicates the sense in which the CFAs and the Dutch intellectual world which surrounds them, are thoroughly enmeshed with the non-governmental world in the Andes. This enmeshing complicates any effort on the part of CFAs and others to judge Andean NGOs – because this is at the same time something of a judgment on themselves. In recent years, a number of partners perceive that CFAs have increasingly failed to recognize this joint responsibility: this has had negative implications for the quality of their relationships.29

In parallel with their institutional changes, so also NGO approaches to agriculture and rural development have changed over time.30 Again, we must be cautious before generalizing too much in this regard. The NGO world is diverse, and among the CFA supported NGOs there are different conceptualizations of agriculture. Still, different bodies of thought among these NGOs can be identified – with certain bodies of thought more dominant at some times than others.

A useful starting point for such a categorization is Icco’s study of its sustainable agriculture partners in the early 1990s (de Zeeuw et al., 1994: 53). This study concluded that among these partners there were three broad approaches to agricultural intervention:

- NGOs that promoted agricultural modernization by providing external inputs (including modern varieties and agrochemicals), credit, training and irrigation
- NGOs that promoted more agroecological approaches, by working on watershed and natural resource management, small scale projects and systematization of experiences
- NGOs that aimed to strengthen ‘Andean culture’ through their interventions, emphasizing the recovery and further development of indigenous technology, forms of social organization and other cultural practices.

29 We take up this theme in more detail in chapter 7.
30 We will deal with the ways in which the case study NGOs conceptualized rural development in a later chapter.
In addition they identified a fourth group of NGOs that, somewhat regardless of the particular type of agricultural development they believed in, focus on the political and economic constraints to local development and thus worked on questions of socio-political organization, macroeconomic policy and large scale information provision.

These distinctions, though helpful, are harder to apply in practice for one often finds activities that aim to foster two or three of these approaches within the same NGO. Perhaps a more reasonable interpretation would be that each of these currents of thought influence individual NGOs, who in turn find their own way of combining these ideas. What does seem to be the case, though, is that the relative strength of these different currents has changed over time. In earlier periods, modernization approaches were more prominent. Following disappointing experiences with modern crop varieties and agrochemicals, agroecological and Andeanist approaches became more prominent in the 1980s and 1990s. In more recent years – following equally disappointing results with these approaches – the modernization school has once again become stronger, but this time with a slightly different emphasis. Today, modernization approaches are less defined by their commitment to Green Revolution technologies but rather more by their commitment to promoting intensified agricultural production, campesino economic organizations, market integration, and relatively westernized forms of democracy. In practice, this has lead to approaches that emphasize, inter alia:

- provision of credit, at interest rates that are closer and closer to those necessary for self-financing
- provision of irrigation technology to foster intensification processes, especially around market oriented products (dairy products, horticultural crops etc.)
- co-ordinated planning, monitoring and decision making processes among local actors (especially community organizations, municipal or district government, NGOs and local offices of line agencies). This latter theme generally goes by the name of local development, local concertation, or local institutional strengthening.

This shift toward approaches that tend to emphasize improving the ability of families and communities to negotiate relationships with market and state, rather than contest these same relationships and pursue an alternative form of development, is well represented among CFA partners. It also has been accompanied by another interesting trend during the 1990s. It has been increasingly argued (e.g. Wils et al., 1993; Novib, 1994: 51) that specialized NGOs are likely to have more impact than multifunctional NGOs (who tend to pursue area based approaches combining a range of activities). This presents a challenge to older and more visible NGOs (who still tend to dominate the CFAs’ portfolios), for they are more skilled at being generalists than specialists. Indeed, the CFAs bear some of the responsibility for encouraging NGOs to move in this multi-functional direction; as does the tendency for each NGO to have its own ‘territory,’ a practice that also then encourages them to take on multiple functions within this territory. Interestingly, over the last decade in particular a number of these ‘historical’ NGOs have responded to

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31 For instance, two programs that did this on a large scale in Bolivia were Plan Sequ’a and PRACA (in its earlier moments). These were programs inter-NGO programs involving all the Bolivian NGOs studied in this case, and many others. The programs received considerable GoM/CFA support.
these limitations – in the credit and financial services sector at least – by forming consortia that create specialized programs in which the NGOs are involved as shareholders and owners but not necessarily as implementers. Examples here include Aned, Fades and efforts of large Peruvian NGOs to create an EDPYME\footnote{EDPYMEs are ‘Small and Medium Enterprise Development Entities’ – the form legally required for financial services in Peru. They are analogous to the Fondos Financieros Privados required by Bolivian legislation.} in the southern Andes.

These specialized financial service organizations have received very significant support from Novib and Icco, and are clearly oriented toward fostering market integration and rural economic modernization. Indeed, it might be said that the two dominant trends in NGO thinking on rural development since the mid-1990s have been to foster:

- specialized financial service provision; and
- local inter-institutional co-ordination.\footnote{Though beyond the scope of this evaluation it is worth reflecting on how far these proposals are civil society versions of neoliberalism: the first is concerned to make market access a reality for poorer segments of society; the second aims to make political participation a reality for the same segments. The overall models of the market and of representative, deliberative democracy are not challenged, however. Indeed they are accepted – as per Ballón’s (1997) assessment of Peruvian NGOs in the 1990s.}

CFAs have supported each of these approaches.

3.3 Evaluating NGO rural development impacts

Dutch CFAs have supported a significant number of evaluations. Larger projects are evaluated quite regularly, and evaluation teams generally include some of the highest quality professionals in the region. The foci of these evaluations, however, vary considerably. Indeed, a point of slight contention in the inventory study for this study was how far CFA evaluations actually address the impact of projects on poverty and livelihoods. Of the 48 evaluations conducted in Peru and Bolivia since 1990 that this study identified\footnote{Forty eight is not however the complete number} (de Morrée and Nijenhuis, 2000: Annex 11), the authors suggested that only 13 addressed livelihood impacts in any significant way.\footnote{Fourteen of the evaluations were deemed to have addressed elements of the political, economic and/or ecological context of campesino production systems.} The focus of most evaluations (33) was, instead, on institutional development.

While the CFAs insisted that more than 13 of these evaluations addressed livelihood impact, the general pattern remains significant. On the one hand, it is far from clear that (even though CFAs do a good number of evaluations) the normal approach to evaluation allows any assessment of impact other than one based on perceptions of key informants and a few people living in rural areas. In a three to four week period, which includes report writing and reading background material, the possibility of impact assessment is close to remote – and all the more so when the NGOs do not have their own systems for PME and/or case study systematization in place. In such a context it is unreasonable to expect such evaluations to say much about impact.
Faced with such a situation, the best that can be done is to:

- base impact assessment on key informant perceptions, on the basis that these informants are (i) honest, and (ii) have their own mental model of a baseline against which to compare change
- focus on institutional questions on the grounds that if the NGO is logically and strategically organized around its goals, it is more likely to be having an impact (and vice versa) and more likely to be able to sustain that impact over time than an institutionally weak NGO.

This is essentially what the CFAs’ evaluations have done. If one accepts these assumptions (which are probably no more unreasonable than \textit{ceteris paribus} assumptions in impact assessments that aim to control for contextual factors), then the existing stock of evaluations can be read to draw certain inferences about impact. If this in turn is combined with other studies conducted in areas affected by the Dutch-Andean aid chain, then a reasonable picture of impacts can be built up. The following paragraphs discuss key dimensions of this picture.

### 3.3.1 Rural livelihood impacts of CFA supported NGOs

Overall, the secondary evidence on the livelihood impacts of Dutch supported NGO interventions in rural areas is not very encouraging, although there are some significant exceptions (and also it is unlikely that evaluations of the impacts of public sector programs would come to any more positive a conclusion). To the extent that these impacts are discussed, it is in very general terms, and not very positively (IOB, 1998: chapter 7).\(^\text{36}\) This is consistent with the observation of a GoM-wide study in 1995 that ‘achieving sustainable land use and poverty alleviation with the very marginal groups in society, such as targeted by \{the CFAs and their partners\} is a far from easy task’ (Cebemo et al., 1995: i).

Achieving such impacts is particularly difficult in altiplano environments. Indeed, evaluations in Puno (Milligan, 1995, 1997; Havercort and Milligan, 1997), though primarily concerned with institutional questions (and crises) suggest relatively little evidence of impact on livelihoods.\(^\text{37}\) Likewise evaluations of Cipca’s work in La Paz are pessimistic (Alemán et al., 1999),\(^\text{38}\) and though Cipca questioned these conclusions and the limited time the team had spent in the field, the evaluation’s findings were consistent with earlier research which had been based on more field presence. Indeed in that study, van Niekerk (1994:318) suggested that Cipca’s interventions in both Ayo Ayo and Santiago de Machaca had a negative cost benefit ratio, at least as regarding their impact on livelihood.\(^\text{39}\) His findings for Ccaijo’s work in Ocongate, Cusco were similar.

\(^{36}\) Studies of other European co-financing programs in Bolivia have come to similar conclusions — e.g. see Bebbington and Kopp, 1997 for the impacts of the Swedish co-financing programme.

\(^{37}\) We also draw on our own interviews with Walter Milligan here.

\(^{38}\) This evaluation was much more positive about Cipca’s impacts in lowland environments, where contextual factors are less of a constraint.

\(^{39}\) Though van Niekerk does not go as far as to say it, the implication of such a finding is that it would have been better just to give the money to the families. Indeed this was once suggested in Chile, when Jorge Echenique argued (mischievously) that perhaps the national technology transfer program would have more impact by giving out checks rather than by providing technical assistance.
Findings from studies conducted in the valleys and inter-Andean basins of Peru and Bolivia are not that much more positive, though there is more evidence here of impact in certain micro-regions. Evaluations of IAA-Canas’s work in the high valleys of Cusco (Milligan, 1992) suggest little impact, and likewise an evaluation of Arariwa’s work in the Sacred Valley of Cusco doubts there are many livelihood impacts in the upper zones of the valley (Urrutia, 1998). As we noted, an extended body of research in the valleys of Chuquisaca and Chayanta is similarly pessimistic about the aggregate impacts of NGOs such as IPTK, ACLO, Proagro, Plan International and others (Zoomers, 1998).

As we noted, an extended body of research in the valleys of Chuquisaca and Chayanta is similarly pessimistic about the aggregate impacts of NGOs such as IPTK, ACLO, Proagro, Plan International and others (Zoomers, 1998).

Still, in these and slightly lower altitudinal belts, the image is less consistently pessimistic than that in the altiplano. Thus, evaluations and studies have noted interesting impacts in locations such as: Yungas, where Qhana works (Muñoz et al., 2000); the lower slope communities of the sacred valley where Arariwa works (Urrutia, 1998; Chevarria, 2000); the lower parts of Mizque, where Cedeagro works (Sandovál, et al., 1998); and irrigated parts of Chuquisaca where IPTK and ACLO work (Soriano, 1999). In each case, the studies suggest that there have been livelihood improvements over the last decade and that this has much to do with the NGO presence.

Notably, in those cases where there seem to be positive impacts there are also a series of contextual factors that may help explain this. First, markets tend to be relatively accessible. This may be because of location – roads are close, market centers are not too distant, or the local tourist economy is growing. It may also be because the NGOs in question have placed considerable emphasis on improving market access: by working directly on marketing chains, by strengthening economic organizations, and/or by promoting the cultivation of higher value market oriented products. Second, in many of these cases the NGOs have worked on developing infrastructure to facilitate production of these products. In particular they have invested in irrigation systems (as in Mizque or parts of Chuquisaca). Although this often means that livelihood impacts have been differentiated, depending on whether families had access to irrigation or not, or on whether they had the knowledge to manage it adequately and to produce new crops, it has at least led to evidence of accumulation and increased food security for some (Soriano, 1999: 14, 38). These cases thus suggest that some interventions have had livelihood impacts, but only when certain conditions apply (c.f. Soriano, 1999: 15).

It is also important to make a caveat relating to the time depth of these evaluations. Most are bound by the project cycle of three, at most five years: this is in general too short a period to assess significant change. Interestingly, those studies that take a longer historical view in order to assess change over the same two decades or so that an NGO has been present in an area seem more inclined to come to positive conclusions. For instance, Sandovál’s (1998)

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40 Urrutia’s assessment is endorsed by that of a Peruvian anthropologist who worked in communities in Ollantaytambo where Arariwa had projects (Maria Elena García, Wesleyan University, personal communication, 2001).

41 Most of the NGOs on whose impacts that study comments are or have been supported by one or other of the CFAs.

42 It is noteworthy that many of these conditions resonate with those identified in Escobal’s more econometric study (Escobal, 2001).

43 These studies tend to be funded as research rather than as terms-of-reference bound evaluations.
study of local development in Bolivia (and the related econometric study that built on this work: Grootaert and Narayan, 2001) implies that there have been important changes in access to resources, livelihood and governance during the modern history of Mizque, Villa Serrano, Charagua and Tiahuanacu, and that much of this change has been an effect of the way in which NGOs have become embedded in these places – these NGOs were Cedeagro, Cedec and Cipca, counterparts of Cordaid, Cordaid and Novib respectively. The argument is that shifts in governance and human capacities (or, in other words, in social capital and human capital) do ultimately lead to shifts in livelihood. This causal process, however, is a slow one and thus inevitably slips through the lens of project based evaluations.\textsuperscript{44}

3.3.2 Institutional development
To the extent that this body of evaluative work is not very optimistic about the livelihood impacts of NGOs’ rural development interventions, they find factors explaining this in three broad spheres. Some explain limited impact in terms of the overall constraints on development in the areas in which the NGO is working. Others (perhaps more frequently) note the influence of adverse macro-political economic conditions, which greatly reduce the scope for positive changes in rural livelihoods. Indeed, this has been particularly the case in the 1990s, a period during which public sector reform programs have reduced public resources for rural investment, and also during which food imports have continued to be important. Finally, evaluations note the influence of institutional problems in the NGO on its impact. Of these factors, only the third is clearly within the influence of the CFA-NGO aid chain – and indeed, to the extent that evaluations explain lack of impact in terms of institutional weaknesses in the NGOs, they endorse the general tendency of CFA evaluations to focus on resolving these institutional questions, and the significant attention that CFAs have given to this.

Many types of institutional problem have been noted in CFA commissioned evaluations. These include: the NGO’s financial dependence on the CFA; excessively concentrated power in the Director, and weak mechanisms of accountability; problematic relationships with campesino organizations in which the organizations and certain leaders are financially dependent on the NGO; limitations on professional capacity in the NGO; struggles over power within the institution; poorly developed (or absent) systems for planning, monitoring and evaluation; poor gender awareness; non-commercial management of credit lines; and so on. This is not to say that all evaluations mention all these problems, and some (especially credit management) have been worked on a great deal (with much support and insistence from the CFAs). The more general point is that many of the CFAs’ partners do have institutional problems. To the extent that an institution in crisis is unlikely to have much impact, it is therefore probably appropriate that CFAs have asked other evaluations to focus on these questions more than on the topic of impact.

3.3.3 The uses of evaluation
Many evaluations have been commissioned by CFAs – and some have been very good ones. There are clearly cases in which evaluations have definitely influenced CFA thinking. In some cases they have helped lead to decisions to

\textsuperscript{44} For reasons of transparency it should be noted that this is an argument with which we have sympathy and have argued similarly for the case of Ecuador. See A. Bebbington, 2000.
terminate funding. This was, for instance, the case with Novib’s (painful) decision to end its support to Ineder, which had been one of Novib’s largest and longest-standing partners in Bolivia. Critical evaluations of Ineder helped seal a decision to end this relationship (Cherrett et al., 1993; 1994). The difficult decision on Icco’s part to end support to CAME and pull out of Puno was also partly sealed by results from evaluations (Haverkort and Milligan, 1997). In other cases evaluations have led to decisions to provide bridging support while the NGO is able to work further on its mission and strategy, as for instance was recently the case between Cordaid and Ccaijo following an institutional evaluation (Santacruz, 1998).

Furthermore, given that very few evaluations say much that is substantive about questions of impact, CFAs cannot base decisions to terminate or continue funding on the basis of partner impacts on poverty. Such decisions therefore have to be based on other criteria, in particular criteria related to institutional capacity and performance.

So evaluations have clearly been used by CFAs. However, it is not clear that they have been used as fully and fruitfully as they might have been. All too often program officers are simply too busy to be able to fully digest and reflect on the results of evaluations, and think through additional ways to use them other than in designing conditions or elements of a subsequent grant. And if this is the case for the CFAs it is all the more so within the NGOs. Indeed, all too often (and this is the same, whoever the evaluation is for) evaluations are seen as interruptions in work routines of the NGO – particularly if they are external evaluations. The evaluation team comes, routines change, the team leaves, routines resume – and few of the results of the evaluation are taken up by the NGO. Indeed in many cases the non-management staff of the NGO (who are those who in the end implement programs) remains unaware of the results.

If we combine these observations with another – namely that the very speed with which some evaluations have to be done means that they often suffer from design and methodological problems – there is clearly something to be said for streamlining the number of evaluations, and coordinating them with other financing agencies so that they might be better resourced, better designed, less time consuming (in an aggregate sense) and overall taken more seriously by all involved as learning opportunities.

In both Peru and Bolivia, NGOs have emerged to become very significant actors in rural development. This is all the more so since the governments of both countries have steadily reduced their support to rural areas, and have increasingly concentrated that support on what are perceived to be more viable producers. In this context, as has been noted many times before, NGOs have had to fill gaps – and they have had to do so at the same time as they have had to face their own increasingly serious institutional problems.

That the NGO sector has had the capacity to fill at least some of these gaps, and that it has become such a significant actor in rural development, has a great deal to do with the volume and duration of Dutch non-governmental (and bilateral) support. The CFAs have been among the most important – and often the most important – sources of support for Andean NGOs.

3.4 Conclusions
How far this support has had impacts at a household and community level is, however, less clear. There is relatively limited evidence of this in either the research or evaluation literature. Some of this may be because of the short time frame of most evaluations – a time frame that makes it difficult for them to see impact. However, there are also important contextual factors that determine impact. Indeed, the factors fostering or constraining impact that have been identified in CFA evaluations or by research conducted in areas where the Dutch-Andean aid chain reaches the grassroots, have been consonant with those identified in more recent econometric and survey based studies. Roads, market access, human capital and adverse policy contexts are critical in the determination of impact.

Beyond context, however, it is also clear that institutional conditions within NGOs have had much influence on impact – more specifically, institutional crises and conflicts, and quality of project design and implementation have frustrated impact. This justifies the attention that CFAs have paid to institutional strengthening in their partners, a theme to which we return in Chapter 7.
4 Policies, program officers and partners: The structure of the co-financing program in the Andes

It merits saying that a discussion of CFA policies and the prior discussion of more ‘academic’ interpretations of rural change in the Andes are not completely separate exercises. This is not only because CFAs clearly engage with elements of these debates: it is also because much of the research cited in Chapters 2 and 3 has involved, or has drawn on, work done by people who have been counterparts of, advisors to, evaluators for, or even in some cases, staff of the CFAs. This itself should be taken as an indicator of the seriousness and depth of engagement of the CFAs – theirs is work that engages with particularly relevant actors in the region. In many regards, they engage with a more stable intellectual and expert community than does the work of the bilateral program. It is therefore not surprising that the policy positions of the CFAs reflect prominent currents within wider debates on how to understand rural development in the Andes. Likewise, the changes in CFA policies also parallel changes over time in these wider debates.

Following a brief comment on the significance of Dutch funding for Andean NGOs, this chapter discusses the CFA policies on both rural development and partnership that have guided this funding. We then go on to discuss the ways in which these policies translate into practice – as reflected in the distribution of CFA resource investment, and the selection of their partners. As will become clear, there is considerable slippage here: slippage between the interpretations of rural change that CFAs recognize, and final definition of policies; and then also slippage between policies as written documents, and their actual practice. This slippage is not surprising, nor should it (necessarily) invoke criticism: what is of more interest is why it occurs, and what this might tell us about the nature of aid chains linking the Netherlands and the Andes, and about the possibilities for rural development.

We noted in chapter 3 that the story of Andean NGOs is also a story of Dutch cooperation. This is all the clearer when we look at information on the source of funding for these NGOs. Here we use recent data from Perú, but the general picture in Bolivia would, we and other interviewees believe, be quite similar.

4.1 CFA financing and Andean NGOs

45 For instance: Julio Berdegué, Manuel Chiriboga, Claudia Ranaboldo, Miguel Morales, Godofredo Sandovál, Nico van Niekerk, Dicky de Morrée, Mariano Valderrama, Fernando Eguren, Juan Rheineck and so on.

46 Indeed, very many other studies of policy and practice in the public sector, and in business, have noticed the same slippage: on public policy, a nice example from Peru is Cleaves and Scurrah (1980); on business, see J. Pfeffer (2000).
A recent study aimed, for the first time, to gather together information on financing flows to the non-governmental sector in Peru (Valderrama and Negrón, 2001a, b). The authors sought financial information from what they considered to be the 56 main NGOs in Peru. This information showed that, if public and private financial flows are combined, the Netherlands was — after the USA — the second most important sources of resources for these NGOs. If we consider only private financial flows, the Dutch influence seems yet more significant. According to Valderrama and Negrón (2001), the three CFAs in our study occupy three of the top four spots as sources of funding, and the Netherlands and Germany come out clearly as the main sources of private finance for NGOs in Peru. While several other international NGOs channel more resources to Peru than do the CFAs (e.g. CARE, Adventist Relief Agency, World Vision, ActionAid, etc.), they largely use these resources to implement their own programs.

Interestingly, in addition to the CFAs, the Dutch bilateral program has also been an important source of funding for Peruvian NGOs — the fourth most important public source, and the most important European bilateral source. Given that as of this year Peru is no longer a program country for the Netherlands, this source will presumably decline in importance (except for environmental activities). In Bolivia, however, it will remain important.

While it is always important to be cautious with this sort of information – because of inaccurate or under-reporting – it seems evident that the history of Peruvian NGOs cannot be told without also talking about the critical role of Dutch cooperation – private, and public. Though we do not have the same quantitative material for Bolivia, we believe the same observation implies.

If CFA funding has played such an important role in the emergence of the NGO sector in these countries (particularly rural NGOs), then it is important to understand CFA policies for these will presumably influence the activities supported within this sector. In practice, however, these policies turn out to be as much reactive to the nature of the sector as proactive in influencing the form it has taken.

4.2.1 Policies on rural development

Of the three CFAs, Icco has been the most explicit in trying to outline a policy position for sustainable agriculture and rural development (Icco, 1989, 1995). It has also been more explicit than Novib or Cordaid in making rural issues the axis of its work in the Andes, and indeed a central theme throughout Latin America and the Caribbean (Icco, 1995). This emphasis reflects the outcome of a shift that began in the mid-1980s. Prior to that moment, Icco’s work had emphasized issues of social transformation, working with NGOs many of whom had roots in the radical left. In the face of democratization, and broader policy changes, a new Icco team saw the need to shift the emphasis of this work towards questions of production (Icco, 1989; Verhallen, 1992). It also aimed to link this theme to questions of ethnicity and culture (rather than just class), a change that would ultimately imply some change in partners (and indeed with time, the Icco portfolio began to include more base organizations). Underlying this move was the question: ‘what is an alternative vision for the future development of communities’ (Icco, 1990) – a question that Icco’s main policy counterpart in Peru continues to place at the center of its program of work (Cepes, 1999).
In exploring this question and developing its policy, Icco interacted intensively with its partners. A series of meetings in the early 1990s gave initial (at times critical) feedback. A program evaluation (de Zeeuw et al., 1994) gave further feedback and material for reflection. The creation of the Secretariado Rural – a bi-national platform of Icco partners (and open to other organizations) working on rural development – then aimed to consolidate a forum in which this reflection could continue, and also through which Icco (and later Eze and LWR) partners could exchange ideas, information and experiences relating to sustainable agriculture and rural development.

The creation of the Secretariado Rural also reflected another element of Icco policy: namely that a sustainable agriculture strategy must work at different levels:

- a grassroots level, at which projects pursue the links between production, empowerment and culture (and thus do so, in many cases, with base organizations or particularly ‘grassroots-ey’ NGOs)
- an intermediary support services level, from which services (in particular credit services) are supplied to foster local development
- a networked level at which NGOs share experiences, learn from each other and also join forces to develop new ideas and promote policy dialogue. Icco has invested very heavily in this level, far more than the other CFAs.

The ‘vision’ of rural development that emerges from Icco’s work at these different levels has continued to be quite an agricultural one, even though different policy documents note the importance of support to non-agricultural employment and income generation.\(^{47}\) In recent years, however, debate has increased within Icco on this issue, as some officers have considered the notion that significant parts of the high Andean agricultural economy may not be viable in the longer term. If and how to act on this reflection has not, however, been resolved.

**Novib** has a more varied (if smaller) set of partners than does Icco, and thus – unsurprisingly – its policy on rural development is couched within broader policy positions on development in Peru (Wehrkamp, 1990; González et al., 1995) and Bolivia (Novib, 1994).\(^{48}\) In very basic terms this has implied that Novib policy is to distribute resources between rural and urban development more or less in line with demographic distribution in the two countries. In the 1980s this implied a decline in percentage support to rural development (falling from 80% to 29% of Novib’s resources in Peru between 1983 and 1989: Wehrkamp, 1990: 25), and was set to imply the same in the 1990s. In practice, however, this has not happened and in Peru (as in Bolivia), Novib still works with pretty much the same set of partners as it did in 1990. This continuity reflects partner success in negotiating against cutbacks and also, perhaps, Novib program officers’ tendency to avoid the types of conflicts that would have been inevitable had partner numbers and grant size been cut back. In Bolivia, a further factor in the continuing rural focus was that Novib was unsuccessful in its effort to find new urban NGO partners.

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47 This theme arises for instance in each of: Icco, 1989; Icco, 1995; de Zeeuw, 1994; Cebemo et al., 1995.

48 It is notable that Novib has not produced policy papers on Peru since 1990 (evaluated in 1995) or on Bolivia since 1994 (which was intended to cover the period up to 1998). As a result, policy has more recently been driven by a mix of program officer perception and inertia.
The substantive rural development policy positions laid out in the two policy documents are less detailed than in Icco’s documents. In Peru, 6 themes are identified as elements of the Novib approach to rural development (meaning that the number of themes is only slightly less than its number of rural counterparts!). These are: support to regionalization (decentralization); shifting gender relations; sustainability; food security; marketing; and human rights. Since then, Novib has worked with partners in Peru to develop a concept of Integrated Watershed Management as a unifying theme in this work. In Bolivia, poverty alleviation and the expansion of economic opportunity are identified as the basis of Novib’s policy objectives – which makes rural work critical as the poorest people reside in rural areas (Novib, 1994: 49). Specific components of a rural development strategy are not however identified in any detail beyond an interesting (and potentially important) reflection that future work should concentrate on strengthening producer organizations as well as sindicalist ones, and on improving the relationship between the two. Although a study conducted through the platform of Novib counterparts in Bolivia (Garcia et al., 1999) reflected an attempt to develop more detail on strategy, it has had little or no impact on practice (see Chapter 7).

The relative vagueness of Novib rural policy statements means that in practice the substantive components of Novib rural development strategy are largely defined by what its partners do. Partner activities are, Novib notes (1994: 45), quite varied, though ultimately revolve around ‘something productive, combined with training, organization and some type of services’ all couched within a micro-regional perspective (ibid: 45). Thus rural development policy is in considerable measure defined by policy and practices around partner selection – which (see below) privilege large NGOs and networks. For this reason it is in practice difficult to conceptualize Novib’s support to rural activities in either country as a program. It is more the sum of its parts, parts that have been defined in large measure by historical relationships with particular NGOs (see below).

That said, it is the case that the debate on rural viability has gone somewhat further in Novib than in Icco. The policy documents of both 1990 (Peru) and 1994 (Bolivia) each note relatively limited impact of their work in rural areas. They then go on to suggest that it may make more sense to invest in medium sized producers on the grounds that they are more likely to be agents of economic and social change than the poorest (though the backward and forward linkages between such a strategy and poverty alleviation are not specified). At a more project specific level they have also encouraged partners such as Cipca and IPTK to work with a more differentiated notion of the rural population, a conceptual shift that also reflects a response to viability discussions. Still, the debate has not gone as far as it might have (for it is a sensitive one). Indeed, even though the 1990 Peru policy document began to raise these issues, the 1995 evaluation of that same policy argued that Novib still had to take seriously the notion that change agents in Peru were unlikely to come from the poorest of the poor.

49 In practice it is not at all clear that Novib or its partners ended up working on these issues, which is unfortunate as it would have been an interesting bridge with Icco’s concerns.
50 ‘[I]n our point of view, there are very few promising experiences that have reached the poorest and most marginalized populations of the Andes’ (Novib 1994: 47); see also Wehrkamp, 1990: 26.
Of the three CFAs, **Cordaid** has the least developed sectoral policy for agriculture and rural development, but the most developed overall policy framework. This framework, the so-called Generic Policy (Política Genérica) reflects an attempt to develop a program (as opposed to a collection of activities), but a program whose elements are context-free: ‘the generic policy applies always and in any situation: in Colombia and in Haiti, in the countryside and the city, in the health sector as well as the credit sector; it applies always, precisely because it is generic’ (van Beuningen, 2000:6). This has generated its criticisms – ‘it’s a sort of model to which reality has to be adapted’ said the Director of one of Cordaid’s most important counterparts in the Andes. It also means that country policy papers (which are written and revised every 6 to 12 months) become less important, because the policy rather than country context defines goals. It has also meant, in practice, that Cordaid’s work has become more project focused – indeed, many interviews criticized its inherent tendency to lead to ‘projectitis’ – research and lobbying activities do not easily pass the test of the generic policy. Nonetheless – and in this it goes further than the other CFAs – it does reflect an attempt to think programmatically about the CFA’s work by defining common goals and themes.

The generic policy argues that all projects must operate, and have impacts, at three levels (van Beuningen, 1997): the household, the community, and the relationships between the community and its wider context (of state, market and society). It also argues that the poor should be the leading actors in any process of change (and in this sense differs from Novib’s position that suggests that the poor are not likely to be change agents), and that therefore the role of the NGO in any given intervention should be subsidiary and fixed term (van Beuningen, 1997, 1996). The rationale for such a framework is that:

- by being generic it facilitates comparison, communication and learning among counterparts
- by focusing on three levels (and emphasizing poverty) it increases the likelihood of impact
- by focusing on building capacity at the three levels it increases the likelihood of sustainability.

This framework becomes, de facto, the overall framework for thinking about sectoral interventions (like rural development, c.f. van Beuningen, 2000: 8); proposals are read in terms of how far they respond to the three levels of impact and the conception of NGO subsidiarity as laid out in the policy. This has clear implications for what Cordaid supports. For while the rural projects it supports emphasize similar themes to those of Icco and Novib (sustainable, low input agriculture; natural resource management; participation; local capacity building), unlike the other two CFAs, Cordaid has moved away from support to NGO networks on the grounds that they do not work at the three levels of the generic policy. Another difference is that – at least in the language surrounding projects – questions of participation and self-management are more prominent in Cordaid discussions of rural development: ‘... it

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51 See also the critical comments made by M. Remy on a presentation by Cor van Beuningen that anticipated core theme in the generic policy (Desco 1996).
52 Cordaid therefore withdrew from support to Procade in Bolivia, though it does still support Coincide in Cusco.
is important to resist the great temptation to solve poor people’s problems for them’ (van Beuningen, 2000: 6).

Policy convergences and collaborations?
As noted in chapter 1, there have been few funding collaborations among the CFAs. This is not so much a reflection of profound policy differences, except that Cordaid is much more skeptical of the role of networks than are Icco and Novib. Rather, it is a result of the tacit agreement among the CFAs to divide up the NGO market among them. This is probably appropriate, however a recent initiative in Bolivia is interesting for it points to one area in which the CFAs might collaborate and learn together – an area, furthermore, that has been anticipated (if scarcely acted on) for some time in their respective policy documents. We refer to the discussions among the CFAs, SNV and the embassy for a coordinated program of support to campesino economic organizations. This is an interesting convergence for the theme had been identified in Novib’s 1994 policy document, was more than implicit in Icco’s 1989 document, and has garnered more significance with Cordaid generic policy and its emphasis on supporting member organizations and on production impacts. The convergence may also help give a greater sense of programmatic focus to the CFAs’ individual and collective endeavors which – to date – have been only weakly programmatic, and in considerable measure defined by their existing portfolios of partners.

4.2.2 Policies on partnership
Whereas CFA positions on rural development are relatively similar, there is somewhat greater variance in their policies on partner selection, though here too there are notable similarities.

Divergences
On the grounds that rural improvement will ultimately only come through policy change, Novib (in the Andes as elsewhere) deliberately works with large NGOs with actual or potential leverage to engage in policy dialogue. While Novib does work with some smaller NGOs, this policy means that most of its resources are concentrated in larger organizations. This also automatically reduces the number of organizations in a country that meet its partnership criteria. Novib has recently taken this relationship a step further by creating rolling 4 year institutional relationships with two NGOs in each of Peru and Bolivia (Cedep and Cidiag in Peru; Cipca and IPTK in Bolivia). These partnerships give the NGO greater stability and flexibility, and also reduce administrative and reporting burdens both for the NGO and for Novib. To achieve this status, however, requires that the NGO adopt more rigorous monitoring and evaluation systems. The status also has to be approved by Novib’s board, a demanding and far from certain process (indeed, it took several rejections before the board finally approved IPTK as such a partner).

If Novib privileges larger partners, Icco has tended to privilege smaller organizations. This reflects a deliberate attempt to work more directly with base organizations (indeed a few of Icco’s partners are membership organizations). It also reflects greater emphasis in Icco than in Novib on questions of campesino participation in project management and more generally in processes of rural change.\(^53\) This orientation dates from the latter 1980s when an in-

\(^{53}\) Though Icco still, like Novib, would argue that NGOs are legitimate social actors.
coming program officer felt the need to renew Icco’s partner portfolio (especially in Bolivia) on the grounds that existing partners were too urban based and too detached from (and ill-informed about) real dynamics of change occurring in rural areas. One consequence of this policy is that it leaves Icco’s portfolio more innovative, but also higher risk than the other CFAs’, and indeed there is more turnover and ‘failure’ in its projects precisely because of this higher risk strategy.

Although Icco is a Protestant organization, in practice this has had little influence on its partner selection (see also Cebemo et al., 1995: vi). This has become even more the case as it becomes harder to find strong partners linked to the (non-Evangelical) Protestant church. Conversely in Cordaid, faith has played a far more important role in partner selection (and the Generic Policy draws on Catholic social teaching: van Beuningen, 2000: 4). In Cusco, for instance, Cordaid’s main partners during the 1990s have each been directly or indirectly linked to the Catholic Church – be this via the Jesuit and Dominican orders, or via the social pastoral work of Cusco’s archdioceses.54

Links to the Catholic Church continue to play an important part in partner selection for Cordaid, but since the mid-1990s the generic policy has also become influential in dealing with partners. It is assumed that partners share the principles of the generic policy – and to the extent that they do not, or that their proposals do not reflect the principles of the policy, the partnership will ultimately come to an end (as occurred in the case of Centro Bartolomé de las Casas in Cusco). At the same time, the policy informs decisions to initiate new partnerships. Perhaps the most important influence of the policy on partner selection is the notion of NGOs as subsidiary actors. As this notion has been debated, it has been clarified that it means that the intervention of an NGO in a given place should be considered subsidiary, not the NGO itself. But nonetheless, this idea has meant that while Icco and Novib do see NGOs as actors in their own right – and are therefore willing to support initiatives and networks that strengthen the capacities of NGOs to exercise this role (e.g. in policy innovation and dialogue) – Cordaid does not. As a result Cordaid has cut support to NGO networks, withdrawing from GoM initiatives that support networks. Also, this principle has at certain moments aggravated Cordaid’s relationships with some of its partners (e.g. Aclo, Desco, Arariwa ...), with the effect that some relationships have moved from institutional ones to more project based ones.

Convergences
Notwithstanding these differences among CFA policies on partnership (differences that are manifested in the types of partners they select), there are also important similarities. First, none of the CFAs maintains a permanent in-country presence. Indeed, when in 1989 Icco suggested that it might place an advisor in Lima, this was assertively resisted by a number of Peruvian NGOs and did not prosper. Instead, each CFA works in conjunction with an in-country service (ICS) organization. This ICS is in some cases a consulting group, in others an NGO or team within an NGO (Table 4.1).55 Generally

54 When a liberation theological bishop was changed in the early 1980s, a number of teams working in his social pastoral activities and in other outreach initiatives went on to form NGOs that Cordaid supported.
55 The ICSs are discussed in more detail in Chapter 7.
these ICSs are directed by people with whom the CFA, or program officer, have had a long-standing work (and personal) relationship. The role played by these ICS varies both among CFAs and among countries. Cordaid probably depends more than the other CFAs on its ICSs, asking them to run training courses for other partners, monitor projects, supply information on country context, and comment on certain aspects of project documents. Icco also relies quite importantly on its ICSs, while Novib is the least reliant reflecting the fact that Novib has less partners and so is more able to keep up on its relationships with them. How far these ICSs influence partner selection varies. While the general rule is that ICS ought not influence such decisions (because this would immediately compromise their independence), CFAs have at times asked them to comment on projects.

While more an implicit than an explicit convergence, each CFA has followed the unspoken practice of banking on certain individuals in Peru and Bolivia on the grounds that those individuals have played and continue to play a critical role in knitting together civil society, linking civil society and government organizations and/or in furthering critical reflection on rural development and poverty within their country. This is important to recognize, as obviously such investment in individuals has to be manifested as support to their organizations – and so certain partnerships, and projects, that might otherwise make less sense become more intelligible when viewed as investment in key actors.

This point is related to a further convergence among CFA policies on partnership. Each CFA has one or two particularly significant counterparts in each country (Table 4.1). Cordaid is the most explicit about this, and its generic policy formally recognizes that it has ‘policy partners’ in the countries where it operates (in Bolivia, it actually has no such policy partner and the ICS assumes this role by default). Though less explicitly, in practice Novib and Icco also have policy partners. These partners serve as the CFA’s primary interlocutor in understanding country dynamics and development possibilities. Typically, these NGOs are those that program officers first visit when they arrive in a country, and often they will establish temporary desk space in the NGO during their visit. Periodically these NGOs also supply the CFA with information on country conditions, and the CFA will ask them for informal strategic advice (though sometimes the NGO will not give this advice, for fear of compromising its relationship with other national NGOs).

<table>
<thead>
<tr>
<th>CFA</th>
<th>‘Policy’ partners</th>
<th>In-country service</th>
<th>CFA</th>
<th>‘Policy’ partners</th>
<th>In-country service</th>
</tr>
</thead>
<tbody>
<tr>
<td>Novib</td>
<td>Cidiag, Cedep</td>
<td>Escuela para el Desarrollo</td>
<td></td>
<td>Cipca, IPTK</td>
<td>CLAVE</td>
</tr>
<tr>
<td>Icco</td>
<td>Cepes</td>
<td>ETC-Andes</td>
<td></td>
<td>Tierra</td>
<td>CLAVE</td>
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<tr>
<td>Cordaid</td>
<td>Desco, Cipca,</td>
<td>Paed (Desco)</td>
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<td>Sinergia</td>
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<td></td>
<td>CBC (formerly)</td>
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</table>

Note: (i) organization in parentheses is the in-country service for the CFA; (ii) Novib also considers AIPE and UNITAS to be policy partners in Bolivia. These are NGO networks, however, of which Cipca, IPTK and CEDLA are members.
This privileging of certain relationships has, in turn, implications for the elaboration and implementation of other aspects of policy in the CFA – for, along with the CFAs’ in country service organization, these NGOs (and key individuals within them) have an important influence on how the CFAs understand development possibilities and tendencies. Given the distance between Holland and the Andes, and the pressures on CFA officer time that make it difficult to do very much reading, this influence is both inevitable and probably desirable. However, it also means that we have to be somewhat careful before making a clear distinction between CFA policy and in-country NGOs’ positions. In practice there is more of a dialogue between the CFA and privileged interlocutors in Peru and Bolivia. Policies (and their implementation) are an outcome of this dialogue, and at certain points in time (probably less so today) these individuals have arguably had more influence of the CFAs’ activities in country than did the program officer. Either way, the implication is that when we think of links between CFAs and NGOs, we must think of them as networks of relationships among key individuals as much as we think of them as formal, contractual links among organizations.

One important indicator of how these policies translate into programs and activities is the way in which money flows from the CFAs to the Andes. In this section, in order to understand this translation from policy to program we therefore look first at the geography of CFA aid flows. We then assess the factors that explain these aid flows. We suggest that these flows can be partly explained by CFA rural development and partner policy, but that they are also explained by longer standing histories of relationships between the Netherlands and the Andes, and between program officers and the Andes. The dynamics of partner selection becomes very important in understanding ‘where the money goes to’ and therefore which livelihoods in which parts of the Andes it might affect. These dynamics are complex and only partly explained by policy.

De Morree and Nijenhuis (2000) outline the broad geographical distribution of CFA investments in rural development in the highlands of Peru and Bolivia over the last decade (see Tables A4.1, A4.2 and A4.3 in Annex 1). Two patterns are striking.

- First, 65,035,353 Florins of a total expenditure of 128,942,614 Florins (or approximately 50 percent) has been granted to organizations working in more than one department.
- Second there are clear regional concentrations in aid flows. In Peru, Cusco stands out, followed by Cajamarca and Puno; and in Bolivia, Cochabamba, followed by Chuquisaca, La Paz and Potosi (the more decentralized patterns of concentration in Bolivia doubtless reflect the more geographically decentralized structure of its NGO world).

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56 This is particularly so for young and new staff: as one CFA officer noted ‘being young, and having just arrived’ he was in no position to disagree on core themes with powerful individuals in their key counterparts.
57 This table is from de Morrée and Nijenhuis, 2000. Generating this table was a difficult task, and essentially involved counting up project budgets for the different CFAs. We accept, therefore, that the table is more an estimation than an exact statement, but that nonetheless it illustrates important and valid patterns.
58 A further Fl. 2,648,618 has been spent (by Icco) on joint Peru/Bolivia initiatives.
The first pattern reflects the combined effect of CFA policy and the existing geography of NGOs in country. The policy commitment (especially of Novib and Icco) to invest in larger scale initiatives — particularly networks, inter-NGO credit programs and some particularly large NGOs — drives much of this concentration. However, the concentration is also an effect of the concentrated of NGOs in Lima and (to a lesser extent) La Paz from where they manage programs in several regions. CFA funding options are constrained by this NGO structure, as are their opportunities to search for new partners.

The second pattern — the specific regional concentrations — could be explained and justified in terms of the co-financing program’s (and each CFA’s) commitment to address poverty. Each of these departments has areas that are chronically poor. But Huancavelica, Apurimac, Ancash and Oruro are also chronically poor areas, but do not have significant CFA presence. It is therefore more accurate to say that CFA policy permits this concentration, but does not per se explain it. Explanatory factors need to be found elsewhere.

One step toward explaining this regional structure is to break down partners by CFA (see Tables A4.4 to A4.9 in Annex 1). On doing this it becomes clear that in Peru, for instance, the Cusco concentration reflects Cordaid’s primary concentration in that country (Table A4.4). Likewise the Puno concentration reflects what was until recently Icco’s main focus (A4.6); and the smaller concentrations in Cajamarca and Ayacucho merely reflect secondary clusters for Cordaid (Table A4.4). In Bolivia, the concentration in Cochabamba reflects the significant investments Novib has (until recently) made there (Table A4.9); that in Chuquisaca reflects the fact that two of Novib’s main partners (Table A4.9) and two of Cordaid’s main partners are located there (Table A4.5); and that in Potosí is almost entirely an effect of Novib’s support to IPTK (Table A4.9).

So if we are to explain why the co-financing program channels particularly important concentrations of resources to some areas rather than others, we must understand how the individual CFAs ended up having these particular geographical foci. This takes us directly to their policies and practices of partner selection.

In general, program officers have had considerable room to maneuver and to put their own stamp on the CFA’s portfolio in country — particularly so in the 1970s and 1980s. Though officers are evidently chosen on the basis of their consistency with CFA policy, this does mean that country programs reflect a mix of institutional policy and personal contacts. They also reflect the lagged effect of longer standing relationships between Holland and the Andes — relationships mediated by the Dutch church, volunteer programs, refugee flows and bilateral programs. In this section, we attempt to convey the way in which this interaction has led to the nature of the CFA program in Peru and Bolivia as it currently stands and has led to a situation in which many CFA partnerships have lasted for well over a decade. We first comment on the effects of history, then of program officers, and then finally return to the question of CFA policy.
4.4.1 Historical influences on CFA partnerships

For each of the CFAs, a handful of relationships established with key individuals in the 1970s and early 80s have exercised great influence on aid flows and institutional partnerships in ways that persist through to the present. In turn, these relationships were made possible by earlier relationships between the Netherlands and the Andes. This is particularly so for the case of partnerships in Peru, though also in Bolivia. We consider each in turn.

From 1969 to 1974, the Peruvian government of General Juan Velasco undertook an experiment in state led social change. In the rural sector, the central components of this were a program of quite thorough land redistribution and reform, and a parallel program of rural social mobilization (called SINAMOS) aimed at creating the social bases to sustain the agricultural reform enterprises, and indeed to sustain the Velasco government (Cleaves and Scurrah, 1980). These two programs attracted the support of many reform minded professionals and intellectuals, as well as of the Dutch government, which provided very significant support to these rural experiments. Large numbers of Dutch professionals worked in Peru at this time – especially in the rural sector and in a program of support to the Catholic University. While the Velasco experiments began to unravel in the mid-70s, and the university support program also came to an end, close interaction between Peruvian and Dutch professionals had been established. In some instances these professional relationships were also reinforced by political affinities with groups in the Peruvian left, in particular the Vanguardia Revolucionaria and the PUM.

These relationships played an important role in structuring partnerships between CFAs and Dutch NGOs in the late 1970s and 1980s. Many from Sinamos, and also the VR/PUM began forming NGOs in the late 1970s as a means of continuing the Velasco experiment (or more radical ones) (Scurrah et al., 1991). Indeed, a 1990 Novib policy document notes that Novib tended to support NGOs created by people who had previously worked in Sinamos (Wehrkamp, 1990: 19) – relationships that were often facilitated by other Dutch professionals who had worked in Peru under one or another bilateral program. Given that there has been very little turnover in Novib’s partners during the 1990s (Table A4.8 in Annex) this means that Wehrkamp’s observation continues to apply. Novib’s largest rural counterparts in Peru (Cidiag, Cedep, CAN) each trace roots to Velasco and Sinamos. Similarly a number of Icco’s early relationships were with NGOs that emerged linked to VR or PUM. Once again, these relationships were (at least in some cases) facilitated by personal relationships mediated by other Dutch professionals and intellectuals, and many of Icco’s strongest counterparts in Peru today trace their roots (and their partnership with Icco) to this period (Ideas, Cied, Cepes, IAA). While the case of Cordaid is somewhat different – because its partnerships are influenced by the structures and networks of the Roman Catholic church – there is still a historical (and bilateral) stamp on its partnerships via the influence of Dutch bilateral support to PRODERM in Cusco during the late 1970s and 1980s (Rheineck, 1984; Zoomers and Geurten, 1991).

60 The program was under the auspices of NUFFIC.
61 So much so that there were enough Dutch residents in suburban Lima to sustain the psychotherapeutic practice of a Dutch psychiatrist!
62 The Project for Micro-regional Development.
While such lagged effects explain less CFA partnerships in Bolivia than they do in Peru, they are still an important factor, and Icco’s and especially Novib’s portfolios still bear the stamp of relationships initially established with parties of the Bolivian left. During the periods of exile and dictatorship in the 1970s and early 1980s, activists linked to the MIR constructed a strategy in which NGOs were to serve as an important vehicle for pursuing their program of social change. Early on links were made with Novib and Icco: links that help explain the channels through which Novib came to know IPTK, AIPE, Proagro and Ciac, and Icco came to establish relationships with Qhana and later Tierra.

Other historical relationships were slightly more accidental, but also proved to be very resilient with time. Indeed, historical accidents explain how Novib came to support Ineder (and its ‘offspring’ Cesat and APT) in Cochabamba, and Cipca. Linked to the Jesuits, Cipca ought be a Cordaid partner – however at a certain moment in the 1970s, Cipca was somewhat distant from Cebermo and, through a series of personal relationships, the contact with Novib was made. This became a funding relationship which has grown to the point where Cipca is Novib’s most significant partner in Bolivia.

The influence of history appears to be somewhat more significant in Novib than the other CFAs, though in all cases it is real and is reflected in the longstanding nature of many CFA partnerships. Furthermore the longest lasting partnerships tend to be those in which most resources are invested (see Tables in Annex 4).

4.4.2 Program officer networks

A second and related factor in determining contemporary CFA partnerships has been the personal networks, commitments and knowledge of program officers. Indeed, one influential commentator in Bolivia noted: ‘the professional, personal and ethical background of the project official is very important ... the agencies’ officials are the people who define agency policy in the country.’ Many CFA officials had already worked as volunteers or professionals in Peru and Bolivia (generally under the auspices of other Dutch bilateral, volunteer, NGO or Church based programs) and there are a number of cases where relationships developed during these prior periods led to partner choice when they began working in the CFA.

In other cases, their personal relationships with other Dutch colleagues also facilitated programmatic links with NGOs with which these colleagues were related. To a considerable extent, the concentration of Icco partners in Puno can be explained in this way. Of course, it is entirely appropriate that such personal networks structure program officers’ decisions and access to information. Staff are hired on the basis of their skills, knowledge and networks on the assumption that these will be a resource that will increase the quality of their work. In risky environments it is also appropriate to draw on relationships of trust in order to reduce risk and increase the credibility of the information received. The effect, however, is that institutional partnerships are developed on the basis of these personal relationships that channel co-financing resources, and often outlast the professional life of the officer.
Our emphasis on the influence of history and program officer networks is not to suggest impropriety. On the country, many of these relationships have been relevant, influential and important. Nor is it to suggest that policy does not matter: Novib clearly has followed its policy of supporting large NGOs that might be able to leverage policy and political change in Peru and Bolivia; many of Icco’s partners are smaller scale NGOs with some commitment to sustainable agriculture and rural development and closer links with base groups; and Catholicism and the generic policy have influenced Cordaid’s partner selection. However, we are suggesting that the relationship between policy and practice is reciprocal. Policies are made, and structure program officer practice. But also, elements of those policies reflect the particular convictions of the program officer, and often constitute rationalizations of what is already being practiced.

Why is this important? First, as discussed in Chapter 1, it has implications for how we conceptualize the aid chain. The aid chain is not just a set of relationships among organizations with their respective policies; it is also a set of relationships among individuals who define policy as they practice grant making, and periodically turn that practice into policy with policy documents that reflect their concerns and their existing set of partners. These documents then structure the practice of future program officers.

Second, it helps explain why the core members of partner portfolios, and so the concentration of funding within these portfolios, have been relatively stable over time, even though policy has changed (see Tables, Annex 5). This reflects a deeper issue – namely, to the extent that changing policy ought imply changing partners, then implementing new policy will be far from easy, precisely because it is not easy to change partners quickly.

The obstacles to changing partners are many. First, the longer lasting a partnership the harder it is to end it – both because of the personal ties between program officer and counterpart, and because the counterpart can often (and has) mobilized friendships at higher levels of the CFA in order to ‘go over the heads’ of program officers who show signs of ending the relationship. Second, new partners are hard to find. This is particularly so for Novib, given its policy of supporting large NGOs – of which there are only a few in the rural sector. But it is also the case for Icco and Cordaid: identifying and getting to know new partners takes time, a scarce resource for desk officers in general and above all on their trips to Peru and Bolivia, when their time is so scarce. Traveling to a new part of the country (and above all to its rural areas) where you cannot at the same time do other work (because there are no other partners there to visit) is thus a luxury. Ironically the sensible policy of clustering partners in particular departments (to increase synergies and facilitate monitoring) makes it even harder to find partners in new departments. Indeed, the overall constraints on program officer time means that it is difficult for them to break out of already existing networks of relationships – by the time they have seen all the people they have to see, it is difficult to find time to get to know many new people. As a result they are somewhat caught (and often realize this) in a network of relationships in which everyone endorses everyone else, and in which their own knowledge base is very significantly influenced by the recommendations and observations of their policy part-
ners. Indeed, these partners have probably exercised significant influence on the structure of CFA programs.\(^6\)

A third constraint on finding new partners is more recent. Cutbacks in funding for Latin America make it harder still to find new partners. The pressure is to reduce partners in order to allow such cutbacks – so in order to release resources for a new partner requires yet further cutbacks with existing partners. Furthermore, such cutbacks have to be made in anticipation, because the normal practice is that, on ending a relationship with a partner, they be given a final one or two years of bridge funding.

The implication, of course, is that policy changes are not easy to enact through a change in partners. What has often happened instead is that existing partners are asked to adapt to new CFA (and DGIS) policy thrusts: in gender, environment, credit etc. Sometimes this can be successful, but on other occasions it has been a painful process. The NGO perceives it as an imposition by the CFA, and the CFA gets frustrated because the NGO has difficulty incorporating the new policy – ultimately the quality of the relationship is damaged.

Patterns of partnership do change, however, and recent years have seen some innovation in partner selection. In Peru, Icco’s concentration in Puno has recently ended, and each CFA is reducing its presence in Cajamarca, and the north more generally. Icco’s withdrawal from Puno reflected the failure of CAME or its member NGOs to consolidate themselves institutionally and to escape from a complete or near complete dependence on Icco for resources. This very institutional weakness meant that monitoring these partnerships demanded more time and attention from Icco. This coupled with the relative inaccessibility of Puno and the general sense of chronic institutional weakness ultimately led to the decision to withdraw. The scaling back of work in Cajamarca is, instead, more logistical: for most of the agencies, Cajamarca is a little bit far from their main areas of partner concentration which are, or will increasingly be, in Cusco, Lima, the central Sierra, Apurimac, Huancavelica and Ayacucho.

These changes have allowed more geographical focus. Others (above all in Bolivia) have been more strategic and innovative. The clearest case of this is the increasing support that CFAs have given to the rural credit programs of Aned, Fades, Fondeco. This innovation reflects the growing conviction that credit is a central, perhaps the most important, instrument for rural development. It also reflects a shared process of innovation in which longstanding Bolivian NGO partners have created new institutional forms to allow specialized credit provision. The CFAs have supported this process and also participated in discussions about the form it ought take.

A second, very important innovation in Bolivia has been Novib’s recent decision to tender for the implementation of a project (related to the extension of pyrethrum). This is the only case we encountered of a CFA tendering for a project (albeit a closed tender in which 3 NGOs were invited to submit proposals). This innovation is important for several reasons. First it begins to

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\(^6\) We encountered a number of cases where policy partners had led CFA program officers to new partners, in both Peru and Bolivia.
free partner search and selection from the personal networks of program officers, ICS staff and trusted in country partners. Second, it probably reduces the costs of searching for new partners, while offering a quickly revealing insight into the capacities of potential partners. Third, and perhaps most importantly, it points to a way of addressing the problem of path dependence in partnerships without necessarily having to end long-standing partnerships. There is no reason why CFAs should not slowly move toward open and competitive tendering of part of their portfolio. This would allow them to identify potential new partners, or find out that their existing partners are still the most competitive. This though is to look to the future – our mandate is to assess the past, so we now turn to the case studies of seven longstanding CFA partnerships.
In the preceding chapter we noted that, while there has been some change in CFA partners, the rural development programs of Novib, Iccco and Cordaid have been anchored in a stable sub-group of NGOs. The case studies for this research all come from this sub-group and thus it is important note that we are dealing with some of the most important rural development NGOs in Peru and Bolivia. This chapter presents information on the development strategies of these partners, focusing in particular on these NGOs’ approaches to agriculture and rural development since the end of the 1980s. These strategies interact, of course, with the political, economic and environmental context in which the NGO is operating, in two senses. First, strategies are conceived at least partly in terms of these contexts; and second, the final impacts on rural livelihoods reflect the combined effect of intervention strategy, contextual factors, and the NGOs own capacities to read this context accurately and implement its strategy effectively. With this in mind, the chapter first discusses important elements of the political, economic and agro-environmental contexts within which the case study NGOs have worked. The second section then discusses the strategies that the NGOs studied have elaborated with a view to fostering rural development within the constraints and possibilities afforded by these contexts. The section focuses on important elements of convergence and divergence among these strategies (more detailed discussions of each individual NGO can be found in Annex 2). This discussion provides the basis for interpreting the impacts recorded in Chapter 6, for whatever impacts have occurred have been a result of these strategies, and the conducts within which they were implemented.

While each of the case study NGOs intervenes in defined regions, their interventions – and approaches to development – are also clearly influenced by national political and economic context. In Chapter 3 we already discussed ways in which the national context influenced the broad evolution and concerns of NGOs in Peru and Bolivia. In this section we focus on the specific ways in which these contexts have affected the work of the case study NGOs in the specific geographical locations studied for this research.

5.1.1 Political and economic contexts of intervention

Peru and Cusco
The 1990s in Peru were the decade of the Fujimori regime. This was characterized by: the rapid decline in the activity of Sendero Luminos in the early 1990s; an increasingly populist authoritarian style of government in which civil and constitutional liberties were infringed but resource redistribution mechanisms (in particular the social fund, Foncodes) were used to capture
political support for the regime (Schady, 1999); increasing levels of corrup-
tion; and a relatively open and orthodox neoliberal economic policy. The pol-
itics of this period made links between NGOs and the government difficult at
best, and the economics of the period led to stagnation in the rural sector.
The only dynamic economic activities in rural areas were linked to natural re-
source extraction (mining, gas, oil), which boomed in this period. Meanwhile
the highland agricultural economy was depressed. The liberalization of agri-
cultural trade, the closure or severe reduction of state programs (research and
extension, credit) and also the general stagnation of those regional economies
(especially in the highlands) in which much agricultural produce is traded, all
meant that the options for rural livelihoods were constrained in this period,
and rural poverty has remained the same or increased: two of every three
rural inhabitants remain poor (Escobál, 2001). The negative impact of these
policies on the Peruvian peasantry have led to increased off-farm employ-
ment (Escobál, 2001).

Within Cusco the effect of these national policies has been a general stagna-
tion in the regional and above all the rural economy. Thus while in 1990 agri-
culture represented 28% of Cusco’s GDP, by 1999 this had fallen to 23%. The
main reason for this decline was the fall in prices of coca, coffee, cocoa
and potato. This has had a double impact on highland comuneros for whom
potato is an important product, but who also work as migrant labor in the coffee
and coca harvests in La Convención and Lares. Industry has also been stagnant,
representing only 10.5% of departmental GDP in 1999 (compared with 11.1% in 1990). The only sector to grow at all has been tourism, and
indeed estimates are that some 5000 young rural adults work as laborers in
this sector.

Partly in response to the costs of adjustment, and notwithstanding the con-
text of general public sector cutback, the government of Perú has imple-
mented a number of investment programs in rural areas as part of a broader
program of poverty alleviation. The most significant of these has been
Foncodes,64 which has primarily supported small scale rural infrastructure
development and was in many ways the main vehicle through which the Fujimori regime made itself present in rural Peru.65 Foncodes was one of sev-
eral special programs for poverty alleviation in this period (others included
PRONAA, the national food support program). The other important rural
intervention has been the national program for natural resource manage-
ment in watersheds, PRONAMACHS.

Each of these programs has had a significant presence in Cusco, and in the
areas in which Ccaijo and Arariwa work. Relationships between the NGOs
and these programs have not been easy, however, because the NGOs view
them as both politicized and inefficient. Comuneros are also quite critical of
both PRONAMACHS and Foncodes, and compare the NGO programs very
favorably with these state interventions.66

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64 Foncodes (Fund for Compensation and Social Development) is the Peruvian Social Fund. It has been well financed, and is thought by some to have been quite effective, though others note a significant political logic behind its operation (Schady, 1999).

65 Foncodes was a national program, but its rural investments were very significant.

66 Bebbington is involved in a parallel study of Pronamachs in Cusco, which has confirmed this impression.
These special programs have generally been implemented with external multilateral and bilateral funding. Still, notwithstanding the significance of such externally funded public sector programs in Cusco, NGO investment remains more significant. One estimate is that during the 1990s, the former invested some $34.2 million in the department (primarily during the second half of the decade) while between $90 and $100 million have been invested via NGOs (Azpur and Chevarría, 2000).\(^{67}\) The same authors estimate that in 2000 there were 68 NGOs working in Cusco. NGO presence in the region goes back to the late 1960s, when groups inspired by Liberation Theology spawned initiatives such as the Instituto de Pastoral Andina and the Prelature of Sicuani. Out of this, and other changes within the church, emerged a number of NGOs that are still the most important NGOs in Cusco.\(^{68}\) These NGOs have benefited in particular from European non-governmental aid. In the 1990s, other NGOs linked more to North American funding also began to be visible in the region, such as World Vision.

Of the three case study areas in Cusco, Lamay (Arariwa) has seen most public and non-governmental development intervention, largely because of its proximity and better road link to Cusco. One important experience with the public sector was that of the Emergency Program for Social Development (Predes), a program that for a while linked Foncodes to municipal government and local NGOs. An important heritage of Predes in Lamay (and indeed in other areas where Arariwa works) was a strengthened and more visible district government and an experience in district level inter-institutional coordination. As we will see later, Arariwa built on each of these heritages (Azpur, 2000).

Canas has also enjoyed a long history of intervention. This grows out of the land reform program which from 1969-1975 provided both organizational support and technical assistance to collective production enterprises (which subsequently failed). Then in the 1980s the Dutch funded Project for Micro-Regional Development (Proderm) provided intensive support to group enterprises in agriculture and livestock production. Like Arariwa in Lamay, IAA-Canas built on this background as – after Proderm left in 1990 – IAA has continued to promote livestock development in some of the same communities that worked with Proderm (meaning that these communities have now enjoyed Dutch development cooperation for twenty years).

While land reform (1969-1975) ended the domination by haciendas, Añilmayo remained relatively detached from the broader regional political economy. Thus, unlike Lamay and Canas, Añilmayo has not had a long history of development intervention and Ccachio is the longest standing institutional presence there. Only in 1984, when a road linking its mid-slope and higher communities to Urcos\(^{69}\) was built, did things begin to change and public institutions and new churches began to arrive. Far more recently other NGOs (World Vision), Pronamachcs and Foncodes have also been present. The road also led to increased movement of people between town and coun-

\(^{67}\) Based on Azpur and Chevarría’s estimate that NGOs invest some 9 to 10 million US dollars a year in Cusco.

\(^{68}\) Subsequently, these formed coordinating bodies: COINCIDE, which brought together NGOs headquartered in Cusco, and COPA, the Coordinating Body for the High Provinces, which brought together NGOs working particularly in areas such as Espinar and Chumbivilcas.

\(^{69}\) Urcos is the capital of the province of Quispicanchi.
tryside. It did not, however, dynamize the local economy, and agricultural surplus is still very limited.

**Bolivia, La Paz and Chuquisaca**

If Peru’s political and economic context during the 1990s was marked by a single regime in some sense so was Bolivia’s, even if in this case the regime was in power only from 1993 to 1997. Nonetheless, the government of Gonzalo Sánchez de Lozada instituted a series of policy reforms that continue to structure development debate and strategy in Bolivia. On the one hand, the government maintained a macro-economic policy context broadly similar to Peru’s. Government expenditure was restricted, markets opened, and agricultural trade liberalized. But the regime also deepened this policy with the privatization of a series of state enterprises. These privatizations were intended to attract new private investment into these industries and at the same time generate revenue to subsidize adjustment, to invest in a number of pension and social security mechanisms, and to fund other public programs (Kohl, forthcoming).

These economic reforms did little to stimulate the rural economy (except perhaps for the one off injection of Bono Sol payments to the elderly), and agriculture remained stagnant. Indeed, as we noted earlier, the Sánchez de Lozada government was willing to suggest that only certain favored environments in the highlands had any agricultural future and that public investment in agriculture should be concentrated only in these regions (ETPA, 1997). However, it was also argued that other institutional reforms would decentralize public investment and in so doing increase rural investment and stimulate the rural economy. The central pillar of these reforms was the Law of Public Participation (passed in 1994), which made the municipality the center of development planning and administration in Bolivia. This law mandated the automatic transfer of 20% (and later 25%: Kohl, forthcoming: 13) of government budget to all the countries’ municipalities. This was to be distributed on a per capita basis. The law also mandated that every municipality have a development plan, and that this plan serve to coordinate the investments of all other government programs and NGOs in the municipality. This plan was to be developed in a participatory fashion, and at a community level. Thirdly, the law required the creation in each municipality of oversight committees made up of elected members from territorially based civic organizations. These committees would monitor the implementation of these plans and the use of public funds.

This law has changed the work context for NGOs dramatically (and most NGOs, in particular those linked to the CFAs, have supported the law). On the one hand they are required to coordinate their programs with the municipalities in which they work (which has been a problem for some, such as Qhana, whose areas of intervention did not previously respond to municipal boundaries). On the other hand, it means municipalities have looked to NGOs to help them generate their development plans, and then implement them. As a result, a number of NGOs (such as IPTK) established special local planning offices to liaise with and provide services to municipalities.

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72 In this sense the government maintained the broad macroeconomic policy that had been in place since 1985.
Though the law clearly changed power relations, its effects on rural growth have been limited. Investment funding was still limited, and at its peak reached only $31 per person (in 1998: Kohl, forthcoming: 16). Also it invested relatively little in productive infrastructure, and impacts on production were minimal (VMPPFM-BM, 1998), such that by the time the World Bank was renewing its financial support to the law (under the aegis of the Rural Communities Development Program) it required far higher investments in production.

These reforms have had important implications for the regions in which the research was done. In each of Ayo Ayo, Los Andes and Sopachuy, the municipal government has become a more important actor in local development, and each of the case study NGOs have coordinated with it (see below). But in each case, there is little evidence that the LPP has had much impact on the economy of these areas. The macroeconomic reforms, however, have had an impact. In rural La Paz, the privatization policy brought an end to four decades of state led development of the dairy sector. While a dairy economy had already developed on large rural estates prior to land reform in 1953, subsequent to land reform a series of government programs aimed to foster dairying among reform beneficiaries. This was pursued through the Bolivian Development Corporation (CBF), the Program for Campesino Self-Development (PAC), and Danish supported dairy development programs inter alia. A central goal of these programs was to increase capacity to produce milk to supply the state owned industrialized dairy plant (the PIL) in the city of La Paz. Under Sánchez de Lozada’s privatization program, however, the plant was sold off and although producers in the altiplano received shares in the new company, control was in the hands of the Peruvian company who purchased it. Control then passed to Nestlé when it bought the Peruvian company and shortly afterwards in 2000 Nestlé decided to close the PIL and concentrate milk processing in Cochabamba and Tacna (Peru). This has reduced marketing options for producers.

Liberalization also affected the rural economy of Chuquisaca and Potosí, though less dramatically so, largely because this economy was already chronically depressed. Only potato production had shown any dynamism during the 1980s and early 90s as a result of the release of new potato varieties by the national potato seed program (Prosempa and Proinpa) and the widespread availability of credit from the Agrarian Bank of Bolivia (BAB). However, by the mid-1990s prices collapsed because of over production and the incursion of cheap Argentinian potato facilitated by trade liberalization policies. Since the demise of the potato economy, rates of out-migration have increased notably.

While Ayo Ayo and Los Andes have had a long history of public and private institutional presence, mostly because of their proximity to La Paz (meaning Cipca and Qhana have been one among several organizations working in these areas), Ravelo (Potosí) and Sopachuy (Chuquisaca) have been far more isolated and the two NGOs involved in our study (IPTK in Ravelo, and ACLO in Sopachuy) have therefore been the main organizations operating in these municipalities. Indeed, among our 7 case study municipalities, Sopachuy is the least well connected by road and the least endowed with public services (public investment in education is, for instance, only $5.58 per person p.a.,
and in health, only $2.01 per person p.a.). It ranks 295th out of Bolivia’s 311 municipalities in its Human Development Index.

### 5.1.2 Agro-environmental contexts of intervention

While the preceding discussion — for good reason — discusses contexts by country and geographical region, if we were to group the study areas by commonalities in their environmental context we might cluster them in a slightly different way — namely:

- high altitude grassland environments (Canas, Laja and Ayo Ayo)
- high altitude watersheds, Cusco (Lamay, Añílmayo)
- high altitude valleys, Chuquisaca and Potosí (Sopachuy and Ravelo).

Table 5.1 gives some basic agro-environmental information on each of these. Here we take them in turn.

<table>
<thead>
<tr>
<th>NGO</th>
<th>Location</th>
<th>Altitudes</th>
<th>Precipitation</th>
<th>Basic production characteristics</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>HIGH ALTITUDE GRASSLANDS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>IAA</td>
<td>Canas, Cusco</td>
<td>3790 m.a.s.l. to 4525 m.a.s.l.</td>
<td>Cold, humid</td>
<td>Potato/fava bean/cereal production in protected areas; grassland and livestock in remaining areas</td>
</tr>
<tr>
<td>Qhana</td>
<td>Laja, La Paz</td>
<td>3,800 – 3,900 m.a.s.l.</td>
<td>Cold, low precipitation (400-800 mm pa)</td>
<td>Pasture and livestock systems; some potato and cereals.</td>
</tr>
<tr>
<td>Cipca</td>
<td>Ayo Ayo, La Paz</td>
<td>3,800 – 3,900 m.a.s.l.</td>
<td>Cold, low precipitation (400-800 mm pa)</td>
<td>Pasture and livestock systems; some potato and cereals.</td>
</tr>
<tr>
<td><strong>HIGH ALTITUDE WATERSHEDS, CUSCO</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Arariwa</td>
<td>Lamay, Cusco</td>
<td>2400 m.a.s.l. to &gt;4500 m.a.s.l.</td>
<td>Somewhat humid</td>
<td>Vary by altitude: white maize (for market) in lower levels, potato, yellow maize (for subsistence) and livestock in higher levels</td>
</tr>
<tr>
<td>Ccaijo</td>
<td>Añílmayo (Quispicanchi), Cusco</td>
<td>3500 m.a.s.l. to 4500 m.a.s.l.</td>
<td>Dry</td>
<td>Vary by altitude: yellow maize (for subsistence) in lower levels, potato and livestock in higher levels</td>
</tr>
<tr>
<td><strong>HIGH ALTITUDE VALLEYS, CHUQUISACA AND POTOSÍ</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Aclo</td>
<td>Sopachuy, Chuquisaca</td>
<td>2000 m.a.s.l. to 4000 m.a.s.l.</td>
<td>Dry; 750-1000 mm p.a. depending on altitude</td>
<td>Vary by altitude: maize in lower levels, potato and livestock in higher levels</td>
</tr>
<tr>
<td>IPTK</td>
<td>Ravelo, Chayanta, Potosí</td>
<td>2000 m.a.s.l. to 4500 m.a.s.l.</td>
<td>Dry; 750-1000 mm p.a. depending on altitude</td>
<td>Vary by altitude: maize in lower levels, potato and livestock in higher levels</td>
</tr>
</tbody>
</table>
High altitude grasslands

Three of the aid chain interventions studied in this research occur in very high altitude zones that, under undisturbed conditions, would be grasslands (and in the case of Canas perhaps ought be, for reasons of ecological fragility). The two in Bolivia (Laja and Ayo Ayo) are in the altiplano (high plain) of Bolivia, while that in Peru (Canas) is a more ‘rolling’ landscape. Altitudes in these areas vary from around 3800 to over 4500 m.a.s.l. Diurnal temperature variation is extreme, especially in the altiplano, with daily variations of up to 20 degrees Centigrade. Precipitation is concentrated into a limited number of high magnitude events during the summer: other periods are dry, and both seasonal and long-term drought are quite common. In general this is a climate with high risks for agriculture – particularly in the form of frost, hail and drought. Agricultural potential is also limited by generally poor soils.

The risks for agriculture in this region became acutely apparent in 1982/3 when a serious drought in the Andes brought disaster to the residents of the high grasslands and altiplano. Crops were completely lost and many people migrated out. Notwithstanding these agricultural risks, parts of Laja and Ayo Ayo produced large quantities of potato in the first half of the century, implying that agriculture is possible in the region (Rojas, 2001a). Furthermore there is evidence of pre-Hispanic technologies that controlled for climatic risk, though primarily in the area close to Lake Titicaca. Still, the general opinion in policy and other circles has been that, if anything, these areas are best suited to livestock production. As we noted, there is a long history of livestock development programs, on both sides of the border.

High altitude watersheds of Cusco

The second type of agro-environment is that of high altitude watersheds in Cusco – Lamay (where Arariwa works) and Añílmayo (where Ccaijo works). These environments:

- embrace watersheds running across a significant altitudinal range (2400 m.a.s.l. to over 4500 m.a.s.l. for Lamay, and from 3500 m.a.s.l. to 4500 m.a.s.l. for Añílmayo);
- have a range of production systems at different altitudes. Lower altitudes are more agricultural and also more commercial in orientation, above all in Lamay. Communities in Lamay specialize by altitudinal zone, while in Añílmayo, each community has access to different levels, and their production systems are more mixed. Higher zones are quite fragile and ought be designated protected areas, but land scarcity means they are used for agro-pastoral systems, with consequent pressures on natural resources;
- are, in their lower parts, adjacent to an asphalted road linking them to Cusco (and in the case of Añílmayo, the road is the trunk road linking Cusco to Puno). Lamay’s road access is far better than Añílmayo’s.
- are relatively depressed local economies, though Lamay is more integrated into the regional political economy than is Añílmayo (whose only easily accessible agricultural market is a small Sunday market in Quiquijana). While Lamay’s economy is, like Añílmayo’s, primarily agricultural, it is more diverse. This is particularly so in its lower level, where public services, the

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71 Serious drought cycles are related to the El Niño Southern Oscillation.
72 In a sample of 387 people in 2000, 38% said their main activity was agriculture, 15% said education, 28% homework and 19% commerce and services (Arariwa base line study, 2000).
tourist economy, roadside trade and other activities have a significant influence on livelihood choices.

**High altitude valleys of Chuquisaca and Potosí**

The third intervention environment is that of the south-central valleys of Bolivia, specifically those of Chuquisaca and the province of Chayanta in the department of Potosí. As in Cusco, these environments stretch across altitudinal ranges, in the case of Sopachuy from 2000 m.a.s.l. to 4000 m.a.s.l., and in Ravelo from 2000 m.a.s.l. to 4500 m.a.s.l.

Production systems vary by altitude. In Ravelo, while valley communities tend to have more livestock, reflecting their greater isolation from road access, higher zones tend to be more agricultural (with potato-cereal production systems dominating). In these areas agriculture is almost entirely rain fed (only 2 per cent of land has irrigation), and the agricultural frontier continues to extend at the expense of pastureland. Historically, this agriculture was very important – in the 18th and 19th centuries Ravelo was one of Bolivia’s main cereal producing regions, and during the early 20th century, its haciendas were Sucre’s principle source of potato. Since the 1970s it has once again become an important center for regional potato production.

Agriculture is also the main activity for Sopachuy’s residents, and production systems have changed little since the time of the haciendas and agrarian reform. The main product is maize, with fruit and other cash crops also produced. Agriculture is primarily rain fed, concentrated on hillsides and in small parcels – indeed, water scarcity is (as in Ravelo) one of the main problems facing communities here, and is perceived as such by comuneros.

The contexts confronted by the seven CFA partners studied in this research are, then, quite diverse. This is so both at a national level – the political and economic contexts of Peru and Bolivia have been quite different during the 1990s – and also locally where manifestations of national political economic context vary, as do local agro-ecologies. Not surprisingly this variation has meant that there is also variability among the NGOs in terms of the nature of their intervention strategies – though, as we will discuss later in the chapter there is also a significant level of convergence among these strategies. This section discusses these convergences and divergences among NGO strategies and the broader institutional thinking on which they are based. As a basis for this discussion, we first give a brief summary of the intervention strategies pursued by the NGOs studied within each of the three agro-environmental contexts discussed above (more detailed discussions of these intervention strategies can be found in Annex 2).

### 5.2 CFA partner intervention strategies

#### 5.2.1 CFA partner intervention strategies in brief

Three of the CFA partners studied in this research work in high altitude grasslands. CIPCA (Novib) and Qhana (Icco) both work in the altiplano of La Paz, and IAA (Icco) works in the more rolling grasslands of Cusco. In the research, the interventions of these NGOs were studied in detail in the municipalities of Ayo Ayo (for Cipca) and Los Andes (Qhana) in Bolivia, and the province of Canas (IAA-Canas) in Perú. In these different localities, each of the NGOs has pursued a strategy that has, at its core, combined direct support to agricultural and livestock production, with support to different forms of local organization. Over time, the focus of this support has changed, however.
In their support to production, the NGOs have each moved away from interventions fostering agriculture, towards interventions aimed to support intensification of livestock systems. One rationale for this has been the conviction that agriculture is too risky a strategy at such high altitudes (and hence never likely to constitute the basis of local economic development) and that therefore the primary option for improving the household economy is via the livestock (cattle) sector.\textsuperscript{73} Thus, while each of these NGOs were providing support to agricultural (generally potato based) production systems in the late 1980s and early 1990s (through provision of seed, inputs, training, credit and other services), these initiatives had little success and by the second half of the 1990s the emphasis had shifted almost completely to support for livestock systems.

For Cipca and Qhana, a further reason for moving towards livestock was the existence of a ready source of demand for dairy products both from the PIL (see above), but also from consumer demand for fresh cheese and milk in the city of La Paz. In the 1990s Cipca (and then somewhat later Qhana) began to support intensification of dairy production systems through provision of breeding stock, stables, and improved pastures, along with credit, training and other activities to support such intensification. This package of activities has characterized their strategy ever since. In Canas, even though demand for dairy products is not so palpable as in La Paz, Cusco is still seen an important market for milk, cheese and yoghurt. IAA-Canas has therefore also promoted dairy development, but in this case primarily through support to irrigation systems for the production of pastures. These interventions have revolved around the quite large scale upgrading of irrigation canals, using (because of the high cost of this) bilateral funds channeled via and negotiated by Icco.

Such support to production has been combined with support to local organizations. This has taken a somewhat different form among the three NGOs. IAA-Canas has had perhaps the most stable organizational development strategy over the decade, focusing its attention on strengthening the Departmental Campesino Federation of Cusco (FDCC) and on providing (in close conjunction with the FDCC) training to campesino leaders and technicians. The rationales for such support have been that campesino development will only come with policy and political change, and that for IAA’s productive interventions to have any significant impact they must be scaled up and disseminated through another organization. IAA-Canas has been committed to the idea that the FDCC could play each of these roles – as a political force lobbying for policy change, and as an agent of information dissemination on new productive options.

Qhana has also had a relatively stable strategy of support to local organizations, focusing its attention on the creation and consolidation of CORACAs, Campesino Agricultural Corporations. The CORACAs are the economic arms of the more ‘political’ and representative sindicatos campesinos, and Qhana has aimed to build such CORACAs at both provincial and more local levels. However, by the end of the 1990s and the early 2000s Qhana began to see

\textsuperscript{73} Cipca has also continued to support the greenhouse based production of horticultural products for sale in La Paz – greenhouses are deemed to be one way of controlling for some climatic risk. Related to this it supported the creation of a horticultural product marketing enterprise, PADA. In the study communities there were a few cases of households using such systems.
problems in the CORACA model, and – as a result – more and more of its activities have been oriented towards individual households.  

74 With the passage of the Law of Popular Participation, Qhana was also faced with the legally required challenge of coordinating with municipal governments. This proved difficult as its area of intervention cut across several different municipalities, and more than many NGOs Qhana resisted such coordination, though has in recent years also engaged more with municipal authorities.

Cipca has had a different, and somewhat sui generis approach to local organizations. For much of the 1990s it was committed to supporting collective production groups (comunidades de trabajo). This was an institution wide focus laid out in its so-called ‘Proyecto Historico Popular’ (Cipca, 1991). Only by the late 1990s did Cipca begin to distance itself from this strategy, focusing instead on strengthening the Dairy Producers’ Association of Ayo Ayo (the APL) that – following the general model elsewhere in the altiplano – coordinates marketing and other relations with the PIL. As a corollary effect, Cipca began to focus its interventions on more ‘viable’ campesinos with more land, water and investment capital. Cipca also committed itself very strongly to supporting municipal governments following the LPP (1994), and today the most significant component of its organizational development work lies in its efforts to strengthen the planning, financial management and other capacities of the municipalities. While Cipca continues – at a regional and national level – to provide support to the traditional representative organizations of the campesino and indigenous movement, its organizational linkages are more diversified than in the 1980s, with more coordination with local government.

Ccaijo and Arariwa’s work is concentrated in what we have called the high altitude watersheds of Cusco. Both NGOs have, or have had, close links with the Catholic Church in Cusco, and have been longstanding partners of Cordaid. Reflecting perhaps more general trends in thinking among the Catholic NGOs of Cusco, their intervention strategies have also evolved in similar ways over the last two decades. These strategies were studied in detail in the district of Lamay (Arariwa) and Añílnmayo (Ccaijo).

During the 1980s, Ccaijo’s strategies focused as much on training and working with traditional peasant organizations as they did on agro-pastoral development. They also identified the whole of the province of Quispicanchis as their area of intervention. By the 1990s, however, this focus changed. On the one hand, in order to enhance the impact and integration of its activities Ccaijo focused its work on just 5 watersheds; and on the other hand, the emphasis in their interventions moved more towards production and working with local governments. The philosophical focus – reflecting Ccaijo’s Catholic humanist roots – was still on human development, but the interventions became more materialist. While the specific components of the ‘Ccaijo packet’ in Quispicanchi have evolved over the decade, the common themes have been: irrigation and other productive infrastructure; soil conservation; technical (and more recently literacy) training; and links to other actors in the municipality. They have also invested considerable effort in building watershed level campesino organizations. While Ccaijo is acutely

74 In Yungas, where the Qhana also works with Icco support, the NGO has had rather more success in its support to CORACA.
aware of the marketing constraints on local development, this has not been part of their strategy of intervention, largely because they have not identified an adequate way to address market questions. Also, and notwithstanding Ccaijo’s longstanding commitment to vocational education and its large training center in Andahuaylillas, it was only in 2000 that its rural program began to include support for non-farm employment.

Somewhat similarly to Ccaijo, Arariwa has moved from a more region-wide and political approach to development to one focused in the 1990s on watersheds as the unit of intervention. In the process, its interventions have focused on soil and water management, irrigation, livestock production and food security (for poorer households). However, it has emphasized questions of inter-institutional coordination and links to district government far more than has Ccaijo (Azpur, 1999). Like Ccaijo, it has also maintained an educational focus throughout and also supports rural enterprise through a successful program of village banking. During a certain period, Arariwa also invested heavily in developing potato seed production systems, and in fostering market oriented horticulture and small-scale agro-industry. These initiatives have since been closed.

Over the course of the decade, both Ccaijo and Arariwa have also shifted from working with community based groups in efforts to foster productive development towards working with individual, self selected farmers. The rationale for this has been that group based initiatives have not worked well – and nor have community promoters really played the role of disseminating information from the NGO to the rest of the community. Self-selected households are expected to be more responsive to the NGOs’ interventions. One consequence of this, however, has been that these interventions have increasingly worked with more viable households – especially in the case of Arariwa which, like Cipca, has now become explicit that in its productive work it deliberately focused on the less poor in the community.

Finally, two partners – ACLO (Cordaid) and IPTK (Novib) – work in the high altitude valleys of Chuquisaca and Potosí. The work of IPTK was studied in the municipality of Ravelo in Potosí and that of ACLO in the municipality of Sopachuy in Chuquisaca).

Throughout its history (which NOVIB has accompanied since the founding of the NGO), IPTK has been closely identified with parties of the left, and in particular (following splits within the MIR), with the Movement for a Free Bolivia (MBL). More than any other NGO in the study, IPTK has been convinced of the need for a link between development interventions and party politics, and has also been the most explicit about this. Although this party link has declined in the 1990s, we still cannot really talk of IPTK’s development work (or how it is perceived) without recognizing this association.

Reflecting these political commitments, strengthening community and supra-communal sindicato organizations has been central to IPTK’s work. Also central has been a strong commitment to investing in human capacities, through two main programs: a rural health care program that has been widely recognized as important and admirable; and CENPRUR, a program that

75 The National Center for Rural Professionalization.
explicitly aims to create rural health and agronomy professionals. Accompanying these social and human capital building interventions, IPTK has also pursued a range of other activities, some providing direct support to production (especially of potato), others promoting resource conservation, and others (since the LPP) providing direct support to municipal government in developing and implementing municipal development plans. Taken together, these activities aim to further IPTK’s overall goals of fostering political participation and rural development. The geographic focus of this work has been the province of Chayanta, and the city of Sucre.

IPTK has worked in Ravelo (where research was conducted) since 1983, and since the early 1990s intervention has been managed through four departments: education, women and organization; agriculture; health; and appropriate technology and micro-industry. The work of the agricultural department has been particularly complex: it has managed 19 projects funded through 5 different programs. Among them these programs supported irrigation, productive infrastructure, technology validation in agriculture, livestock and forestry, production of tree seedlings, animal improvement, training, seed production, credit and more. In the earlier part of the decade they were also explicit in aiming to promote collective agricultural enterprises, and through this to offset migration. By the end of the decade, and in the light of failed efforts to foster such collective economic activity, emphasis had shifted to individual production units and the promotion of economically viable production projects. Also, at least according to some within IPTK, the goal of offsetting migration is now viewed as impossible.76

Like Cipca and Ccaijo, ACLO is linked to the Jesuits and is one of Bolivia’s oldest rural development NGOs. Its focus has consistently been rural, with emphasis on agriculture, human capacities and political empowerment. At the beginning of the decade, ACLO’s goal was, like IPTK’s, to pursue both political participation and rural development. Over the course of the 1990s the emphasis of ACLO’s intervention strategy changed quite significantly. It reduced the scope of its actions, focusing on far fewer families and communities in the hope that this would lead to more success in elaborating rural development experiments that might then be scaled up (Rojas 2001d). From 1993 these changes were brought together under a new program denominated ‘Transformation of the Peasant Economy.’77 The focus of its organizational work also changed, and ACLO moved progressively away from sindicatos and towards the creation of and support to producers’ organizations. In response to the LPP, ACLO also began to offer institutional strengthening to municipal governments and support them in community planning activities.

Notwithstanding this reference to organizational development, ACLO’s emphasis has been on questions of production. Indeed, though ACLO speaks of an integrated approach, its interventions have tended to be more concentrated on production questions than have those of the other NGOs studied, with only limited work on education (some literacy training) and health. In Sopachuy, the main element of this has been to install micro-irrigation systems,
though support has also been given to potato, fruit, and cereal production, as well as to forestry and natural resource management. At its core, this is a strategy aiming to foster sustainable agricultural development based on more effective use and management of water.

5.2.2 Comparisons, convergences and divergences
As the preceding section and Annex 2 suggest, each of these NGOs clearly has a specific history and is thus in some sense unique. Yet at the same time, the convergences among their views, and the similarities in their institutional experiences, remain almost as striking as do the differences among them (Table 5.2). In this final section, we explore several of these convergences and divergences.

NGO views of development possibilities
Each of the NGOs has become more modest in its view of development possibilities over the last decade. These are all NGOs that, to a greater or lesser extent, shared a commitment in the 1980s to development as social transformation, a transformation that would ultimately come from the emergence and consolidation of peasant organizations who would be vehicles for a quite different form of development. Today they are far less sanguine about the possibilities of radical social change, or even the desirability for such change – reflecting perhaps an uncertainty as to what sorts of change are in fact desirable, as well as a fear that transformation could all too easily become violent. The experience of Sendero Luminoso clearly, and justifiably, informs the ways in which many of these NGOs today think about change.

This shift brings with it a series of other important changes. Perhaps the most significant of these – and one that has never been made explicit – is that the principal ‘client’ of the NGO, the principal object of intervention, has changed. We would argue that in all cases (except IAA-Canas), neither the campesino family, nor the campesino organization, today constitutes the only or even necessarily the main client of these NGOs. Phrased another way, these NGOs no longer see campesinos as constituting the only or the most important vehicle for viable development alternatives. Instead, the NGOs have shifted much of their focus to two other levels: support to functional and economic organizations (such as watershed, irrigation or producer associations); and support to municipal or district level inter-institutional co-ordination, in order to strengthen municipalities as actors, and to foster the representation of campesino interests within the context of municipal governance processes.

In some sense this change is an effect of political economic context. In Peru, national public institutions were co-opted by Fujimorismo, and the traditional peasant movement was destroyed after the 1980s. As a result district government assumed a singular importance as a sphere for democratization and coherent development planning. In Cusco, the experience of PREDES also increased NGO interest in working with the districts (Azpur, 2000). In Bolivia, it was the Law of Popular Participation that turned NGO attention to local government not only because it required NGOs to work with municipalities, but also because these now had a more interesting resource base and

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78 It is worth noting that many currents of academic thought continue to espouse this viewpoint: Escobar, 1995; Grueso et al., 1998; see also Bebbington and Bebbington, 2001.
79 Throughout the 1980s and 90s, IAA/IAA-Canas has kept the FDCC as its principle client.
political process. Indeed, the increased interest in local government also reflects an evolution in thinking within these same NGOs toward a more gradualist, citizenship-based and reform-minded approach to development, and a view that economic and functional campesino organizations are more relevant to everyday campesino concerns (and national interests) than are traditional representative organizations (see also Valderrama, 1999; Ballón, 1997).

All this is not to say that these NGOs have abandoned their commitment to the campesino economy: but they increasingly promote its interests via local governance institutions. One implication of such a change in focus is that much of the work of these NGOs – in developing municipal development plans, strengthening district development committees etc – might have little direct effect on families. Indeed, they may not even be aware of it. Indeed, comuneros commented very little or not at all on this aspect of the NGOs’ work (see chapter 6).

A second, and related, change that is evident in all the NGOs is the increasing emphasis on economic, as opposed to socio-political, dimensions of the development. More and more attention has been paid to identifying productive options for difficult Andean environments (see de Zeeuw et al., 1994 also). This change reflects recognition that rural people seem primarily interested in accumulating assets that more easily translate into income. It also reflects an increasingly urgent sense among all NGOs that, if such productive options are not found, the future for rural areas is not bright under neo-liberalism. Indeed, it is probably fair to say that each of the NGOs is today more modest about what can be achieved through NGO intervention, and about what they themselves have achieved through their own interventions. In this they are little different from other multilateral, bilateral, governmental and non-governmental agencies (BID, 1996; van Niekerk, 1997).

Lurking behind this second shift in emphasis – and particularly behind the decision made in some of the NGOs to focus on ‘viable’ or ‘potentially viable’ producers – is a deeper and important uncertainty. This is, how far to emphasize local economic expansion as part of a conception of local development. Production of ‘surplus,’ and the stimulation of entrepreneurship have not been prominent in these NGOs’ past agendas (except perhaps in Arariwa). But with the need to show ‘impact,’ the increased attention to the economy, and the insistence that credit be paid back at relatively competitive rates, etc., each of these NGOs is being increasingly pulled in this direction. A number of them would also say that this is appropriate – that growth has to be part of development. The uncertainty comes in how to develop a theory and strategy of rural development that links concerns for (i) growth with (ii) NGOs’ historical concerns for justice and equity and (iii) a poverty agenda. Of course, this theoretical challenge is not distinct to these NGOs and CFAs – at a macro level it constituted the main focus of the very public disagreements over the World Development Report 2000/01, Attacking Poverty (World Bank, 2001; Kanbur, 2001).

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83 We were never able to clarify whether Proderm actually invited IAA to continue working in Canas after Proderm withdrew – we were told different versions of this that were difficult to reconcile.
The case study NGOs seem to resolve the challenge of linking these three concerns in different ways, some far more explicitly than others. The most explicit resolutions are those of:

- Cipca and Arariwa, each of whom have decided to prioritize economic development, but have paired this with other activities: Cipca combines its focus on productive modernization with a strong emphasis on political capacity building, while Arariwa has added a social compensation component for the poorest members of the communities in which they work.

- Ccaijo, who have decided to make their poverty focus yet more explicit, by making this the center piece of their revised mission statement (Marco de Proyectos) (see Ccaijo, 2000).

The other NGOs have been somewhat less explicit in recognizing this issue. This is probably a source of institutional weakness in the sense that it deflects reflection on the NGOs’ own way of resolving a potential point of tension, leaving them open to the criticism that their proposals and activities seem to pull in contradictory directions.

The CFAs could probably have helped more than they have in reflecting on some of these tensions – not least because to some extent they have forced them by demanding more evidence of impact, by pushing for greater emphasis on production, and by demanding that credit programs be self-financing and commercially viable. Yet, the CFAs themselves show the same reticence to reflect on some of the tensions between a growth agenda and a poverty/social change agenda (Novib seems the most ready to address these problems explicitly).

**NGO views of development strategies**

As would be expected, these changes in viewpoint translate into convergent changes in strategy. Indeed, the similarities among the case study NGOs’ strategies are striking (Table 5.2). In essence, each of the NGOs pursues a strategy that combines several (or all) of the following:

- Support to (a limited number of) individual families in intensifying their production systems on the basis of a focused technological change (livestock-forage systems, or irrigation based systems – which may also lead to forage production)
- Co-ordination of technical support with credit provision to the same group of families, generally in conjunction with a third party specialized credit institution
- Support to soil and water conservation activities
- Inter-institutional co-ordination at municipal and/or watershed levels
- Support to one or more social development activities with a more massive coverage

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80 Arguably they do this more in other regions (e.g. Charagua) and at the national level than they do in the altiplano.
81 It is interesting to note that this combination of instruments for economic development and social compensation parallels basic state policy in both countries.
82 Another explicit resolution of this problem made by the leadership of other CFA partners, not included in the sample, has been to insist that the underlying issue is neither poverty, nor growth, but rather distribution. This reflection is apparent, for instance, in Cepes and Desco in Peru.
A related dimension of these changes is that in practice, the NGOs tend to view their support to alternative production systems as an economic development experiment more than as an economic development project (though it should be noted that when dealing with communities and other interested parties they never presented their activities as experiments). The distinction is important because whether these are experiments, or projects, has differing implications for how they should be assessed. If they are experiments, then they ought be assessed in terms of their quality as such, their success in generating innovations for subsequent scaling up, and their success in identifying mechanisms through which such scaling up would occur. Furthermore, if they are experiments, then it is perhaps not as important that their coverage is as limited as it has been (see below). Also if they are experiments, it is perhaps appropriate that they be allowed to run a long time, making mistakes, and adapting in the search for a better alternative. On the other hand, if they are projects (which is generally how they are presented in project documents and rural communities), then it is appropriate that they be assessed in terms of their impacts on poverty – how much impact and for how many people. If we think of these as poverty reduction projects, then their limited coverage and the very partial success of the mechanisms used by NGOs to disseminate their lessons to a broader population, would mean that we would have to conclude that these projects have been disappointments.

Just as there is convergence among the NGOs’ current approaches to development, there is also similarity in what they have stopped doing. Two such similarities stand out. The first is that, while in the late 1980s and early 1990s most of these NGOs supported collective production activities, today none do (with the exception of Cipca’s continued support to a few group managed greenhouses). The second is that, while direct support to supracommunal campesino organizations was part of the rural development strategy of almost all of these NGOs in the late 1980s and early 1990s, today it figures prominently in the development strategy of only two of them: Qhana, which supports CORACA in Los Andes, and IAA which supports the FDCC, the Departmental Peasant Federation of Cusco. If in the past this group of NGOs supported the strengthening of rural civil society in order that it might capture the state, today they emphasize supporting that part of the state (local government) that is closest to rural civil society. The change is important.

**Beneficiary selection and project preparation**

Views of development and development strategy ultimately have to translate into project designs and beneficiary selection. While different NGOs clearly have quite different ways of doing each of these, there have again been some notable similarities.

Project design has often been an in-house process, the responsibility of senior staff in the central office who know best how to design projects for funding agencies, and are best able to write proposals. This is not to say that these designs are not based on field information. However, it is rare that design has been based on participatory processes of problem ranking and identification except in the most informal of senses in which NGO staff have picked up an appreciation of priority problems through their own time in the field. If there has been any formal process for gathering information to feed into design, this has generally been in the form of the ‘(in)famous’ diagnostico, collecting basic data on the proposed area of intervention. Whatever, the case it is also
quite apparent – and NGOs are quite open in this – that the data emerging from such processes is filtered through the lens of what the NGO feels the CFA and others will fund. Project proposals reflect NGO perceptions of what CFAs want at least as much as NGO perceptions of what rural people want. With some exceptions where CFAs have funded consultants to review proposals (generally in the case of large proposals), projects have not been subjected to pre-feasibility studies. This is simply too costly and an activity for which NGOs do not have budget.

Projects only work through people of course, and so beneficiaries have to be selected. Here there are different categories of beneficiary. There are those

Table 5.2  Convergences in development strategies

<table>
<thead>
<tr>
<th></th>
<th>Cipca</th>
<th>Qhana</th>
<th>Aclo</th>
<th>IPTK</th>
<th>Arariwa</th>
<th>Caijo</th>
<th>IAA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coordination with municipal/district government</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Support to territorially based inter-agency coordinating mechanisms</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Municipal/district government planning process</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>• Watershed management committees</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Support to collective production units</td>
<td>X*</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Focus on family level production</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Support to supracommunal campesino organizations</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Support to intensification</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Livestock/pasture based**</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td>X</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>• Irrigation based**</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Co-ordination with own or others’ credit line</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>Until 1997</td>
</tr>
<tr>
<td>Support to soil and water conservation</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Support to social development component</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Education (including technical and literacy training)***</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>• Health</td>
<td>X</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Sanitation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>X</td>
</tr>
</tbody>
</table>

Notes:
* This is minimal though, and is limited to a few group based greenhouse enterprises
** This distinction is somewhat artificial as irrigation is often linked to livestock intensification, as water is needed for increased forage production.
*** Also included here is IAA’s support to the FDCC’s campesino schools.
who attend large scale training sessions and here selection is a less complex process. In many cases participants self select by deciding to attend or not, though it is also the case that the timing of training, and the tone in which it is announced, can structure this self selection – the clearest sense in which this is so (and this emerged clearly in Los Andes and the Cusco sites) is that the timing of training has often made it difficult for women to attend.

The more complex beneficiary selection is that for activities which have to be concentrated in a few people, because of the cost of the technology being transferred or because the activity involves specialized training of peasant promoters. Here selection mechanisms have varied, though trend in the same direction. In earlier years – when NGOs were more explicitly committed to notions of collectivism – many NGOs worked with whole groups as the beneficiary unit (e.g. Cipca). Often beneficiaries would also be selected on the basis of discussions with the community organization. The NGO would define certain criteria and the community would nominate the persons to receive assistance. In the Cusco cases, for instance, the criteria for selecting promoters would be that they had to be:

- a registered community member (which meant they would be over 25 and male)
- possess a certain level of formal education and mastery of Spanish (both of which again favored younger male adults)
- show an interest in the training

With time however, and this is relatively common across the cases, selection processes have changed. Increasingly the beneficiaries have been self-presented volunteers, and also people directly selected by the NGO on the basis of their knowledge of which villagers were more dynamic, innovative and able to absorb the technologies being promoted. This change in selection process reflected several other changes we have already mentioned: increasing NGO disenchantment with group approaches to production and technology management; the growing sense that only relatively better off comuneros would be able to intensify production systems on any significant scale, and the pressure felt by NGOs to show some impact.

All these factors encouraged far more careful selection of beneficiaries, more involvement of the NGO in this selection, and a concentration of NGO effort in these beneficiaries. It also favored the selection of more viable (or potentially viable) beneficiaries and as will be clear from data in chapter 6 (e.g. Tables 6.7 and 6.8), beneficiaries have indeed tended to be this type of farmer (particularly in the case of Cipca, IPTK, Qhana, IAA and Arariwa). The intervention of the NGO has then helped capitalize this viability.

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83 Sometimes the community would add the criterion that trainees would have to go as a form of punishment for not having met other community commitments.
84 In the case of IPTK it also seems that membership of the political party endorsed by the NGO was a further criteria of selection.
85 This was particularly so in Cipca and Arariwa, as quotations from Cipca documents in Annex 2 make clear.
86 This preference is also clear in other data – in Ravelo, for instance, beneficiaries were, in 1990, far more likely to possess crop-spraying equipment than non-beneficiaries.
A parallel effect of this is that the number of direct beneficiaries who received intensive support from the NGOs (i.e. excluding those who went to group training sessions) was very small. This is reflected in comunero perceptions that those who benefited from most interventions of Cipca and Qhana came from a ‘minority’ in the community, an ‘extended family,’ a ‘small group’ of the ‘somewhat powerful,’ or those who already had significant livestock production assets (see Tables 6.12 and 6.13). It is also reflected in simple numbers. For instance, in the communities studied in Ravelo, only two families had benefited from the sheep improvement program, only 3 families had received greenhouses, only 5 seedling nurseries had been installed (of which only 2 still functioned), and so on (Guerrero, 2001).

Finally, in those NGOs that had specific programs for the poorest in the communities – Arariwa and Ccaijo above all – different criteria applied, and were applied quite rigorously in selecting beneficiaries. In these cases, the NGO sought out families with greater levels of illiteracy, who were at risk of malnutrition and who possessed least resources, and the community continued to play a key role in identifying these beneficiaries. It is to be noted though that these were beneficiaries not of activities aiming to foster agricultural development but rather of ones aiming to foster basic food and human security – i.e. social compensation activities.

**Institutional stability and capacity**

All the case study NGOs have survived the 1990s relatively intact. This is an achievement in itself. However, they have each ended the decade looking quite different from the institutions they were back in 1990. Most of them have engaged in institutional ‘re-engineering’ (reingeniería) over the period, more painful in some cases, less in others. Indeed, just during the year of this research three of the organizations (Qhana, Arariwa, Ccaijo) were undergoing moments of institutional stress and change that involved, inter alia, staff layoffs and changes, serious financial constraints, and an overall reorientation and reduction in the scale of their activities.

One important part of these changes is that during the 1990s, many of these NGOs saw some turnover of senior staff. Such turnover is most institutionalized in the case of Cipca, which has long had the policy of rotating its directors. The rate and type of turnover is still not what it might be, but it is the case that most have different directors today from those they had in 1990. Furthermore those older Directors – who in many cases had become ‘quasi-owners’ of the institution – have often now left. This of course can be hard, as it places on the new directors the challenge of building their own relationships with financing agencies and other actors; but it also allows change and scope for new debates within organizations. One senses that it has also led to more professionalization in management styles.

Indeed one can say that all the institutions are now more professional development organizations than they were ten years ago. The majority of them have changed in one or more of the following ways:

- they have begun to implement more formal systems of monitoring and evaluation, even if this change is only very recent in most cases (and has usually been part of a broader re-engineering process)
• they have undergone processes of strategic planning and/or reflections on the nature of their mission
• they have separated grant based functions from financial service activity, which has now ended and in most cases has been passed to a separate specialist entity
• they have become more willing and more able to co-ordinate with other actors, at least at a municipal and district level. Indeed (as noted above) this co-ordination has become part of their very understanding of development and democracy.

However, there can be no doubt that some of these changes have come at the instigation of their financing agencies, in particular the CFAs themselves. This is not all that surprising, as the NGOs have depended quite significantly on CFA support. Icco and the bilateral resources it has channelled represent over 90% of IAA’s funding. Cordaid covers some 40 per cent of ACLO-Chuquisaca’s budget, and Novib covers around 50% of IPTK’s budget. Furthermore, both IPTK and ACLO receive resources from rural programs of two NGO consortia (AIPE-Rural and Procade) that have also been primarily funded by Novib and Icco. While Cipca has a more diversified financial base, Novib’s support still constitutes a significant share, which more importantly is of an institutional nature and thus gives Cipca highly valued institutional flexibility. Only in the case of Arariwa (and more recently Ccaijo) has CFA support been less important (now less than 12 percent).87 Some of the implications of this are discussed in chapter 7, but suffice to note here that the degree of these NGOs’ financial dependence on CFAs means that in the majority of our cases, CFAs have significant leverage and influence. While they have generally not used this to impose change, they have almost certainly induced it. In doing so they have also at times induced crisis and institutional restructuring. This may not be a bad thing – very many commentators within Peru and Bolivia feel that institutional change in NGOs was already long overdue. But it has got in the way of the business of implementing projects as staff spend endless hours in meetings revisiting their institutional structure, their rules and procedures, their mission and their strategies.

Three notable induced changes (if not always the most significant in institutional terms) have been the insistence that NGOs improve the quality of their monitoring and evaluation systems, that they incorporate gender concerns into their work, and that they address environmental issues (and more recently biodiversity).88 External evaluations have consistently made similar insinuations. Progress has been made in each of these spheres, but it is limited. We treat the case of PME in chapter 7, but close here with a reflection on gender. During the 1990s (and particularly since the mid-90s) each of the NGOs has tried in some way to engage discussions of gender, and to incorporate them into their work. The term begins to appear in strategy documents, three-year plans and the like over the course of the decade. Their progress in operationalizing the concept has, however, been patchy at best. Among the NGOs in Cusco, for instance, the general tendency has been to address ‘gender’ by having projects specifically for women and women’s groups – in particular projects that aimed to incorporate women into production and the public

87 Though earlier in the 1990s Cebemo covered around 50% of Ccaijo’s costs.
88 And the CFAs, along with German financing agencies, have been the most prominent voices inducing such changes.
sphere. Such projects have included the promotion of kitchen gardens, green-houses, women’s committees, small animal production, nutrition training etc. These were, however, projects that tended to reinforce the notion of the reproductive role of women, and there have been very few projects specifically addressing gender as a relational problem (though as we will suggest in chapter 6, some have had the effect of influencing gender relationships). Institutionally, the way Ccaijo and Arariwa addressed the question of gender was to create specialized teams (mostly of women), while in IAA if gender was treated at all it was done so as a cross-cutting theme and therefore tended to get lost (except in the work with peasant leaders where progress was made in training women leaders). Later, Ccaijo and Arariwa also dissolved their gender teams, and made gender a cross-cutting theme. One positive effect of this was that women’s participation in meetings was more generally promoted, and indeed some women leaders emerged from this process.

A number of earlier evaluations of these NGOs have also pointed to their limited progress in addressing questions of gender (e.g. De Zeeuw et al., 1994: 128). As a very simple indicator it merits note that 6 of their 7 directors are men, and there are far more men in program management positions than women (in more than one case, all these positions are occupied by men). Staffing of course is not the only or best indicator of progress in addressing gender issues, but it is indicative. Today, few have gender specialists within the NGO, though some have hired periodic consultants on the theme. Few have specifically elaborated documents to guide institutional policy and practice on gender issues. There are clearly many reasons for this limited progress, but perhaps the more important implication is that few (perhaps none) of these NGOs would have engaged gender issues if it had been left entirely up to them. Put simply, there is little or no internal constituency within the NGOs that demands this change. The demand has been external and has often been from the CFAs (and, indeed, the rules of the co-financing program). CFAs have assisted in this process by offering training, consultancies and advice.

It may also be that the limited concern to engage questions of gender is part of a deeper problem in these NGOs that we have encountered many times in this study – namely the limited propensity to consider social differentiation and relationships of power within communities and among comuneros. NGO visions of the rural Andes still seem to be haunted by the community studies and class analysis that underlay Andean studies through to the 1980s and in which many NGO staff (and we ourselves) were trained (c.f. Degregori, 2000). As a result, the view of rural populations is that they are a class of campeñinos, who are organized in communities. These two categories – campeñino and community – then become the underlying categories on which interventions are designed. The question is whether they are the best, or even adequate, categories for approaching the contemporary Andes. The results in chapter 6 suggest not.

89 In 1994 de Zeeuw et al. comment of 7 Icco partners that ‘most of the NGOs are still unable to integrate gender dimensions into their policies or lines of intervention’ (1994: 132).
The purpose of this chapter is to present our findings on the extent to which livelihoods in the seven study areas have been affected by the presence and activities of the CFAs’ NGO partners. The temptation — and indeed the easier option — would be to present these findings on a case by case basis. We have decided, however, to take a more comparative and synthetic approach. Indeed, we would argue that there are common themes across the cases, and these come out more forcefully if we use such a comparative approach.\(^9\) We first present the results of field work. Here we present findings on changes in the asset bases that sustain livelihoods in the case study areas, and discuss the extent to which these changes can be explained by the presence of CFA supported NGOs. We then discuss cross-cutting patterns in livelihood and asset management strategies across the cases. We then compare these findings with other bodies of information that deal either with the same partner organizations or with livelihood dynamics in the same regions as those studied. This comparison — we argue — suggests considerable consistency between our findings and those of other studies. We close the chapter exploring some of the reasons that might explain why NGO interventions have not had more impact. These reasons have to do with the nature of the NGOs’ intervention strategies, with the structural context of contemporary livelihoods, and also their environmental context.

It goes without saying that this is an attempt to summarize and synthesize the main points of far more extensive bodies of field data that were collected in this study. This more extensive data is available in the three regional reports conducted for this study (Hinojosa, 2001; Rojas, 2001e, f).

This study conceptualized livelihoods as baskets of different types of assets that families are able to access, control and use in pursuit of their ‘livelihood goals’ (see chapter 1). Progress in advancing asset bases and livelihood goals can be deemed as livelihood enhancement, or, in other words, as a reduction in poverty. In this section we first discuss changes in both the quantity and quality of particular assets controlled by families. For each asset we give a sense both of the types of strategies that families and community organizations use to manage that asset and the extent to which these strategies have been enhanced by NGO intervention. We then consider the changing ways in which families seem to be managing and combining their assets as they compose their livelihoods. Finally, we consider our conclusions on broader patterns of change in four domains (economic opportunity, human capacities, power

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\(^9\) More case specific information can be found in the three regional reports and the case study reports.
relationships and environmental quality) and present some community perceptions of NGO impact.

6.1.1 Changes in asset bases

**Natural capital**

To the extent that natural capital constitutes the principal asset base for agricultural strategies, changes in its quality and distribution are among the most significant for considering the relevance and impacts of rural development interventions emphasizing agriculture. In this regard the findings from the cases are significant for the relative similarity of patterns from 24 communities in seven different micro-regions.

The general sense emerging from the studies is that in most communities natural capital is under stress at a systemic level (defined by the territory of the community or the limits of watershed), but that this stress is experienced differentially at a family level in such a way that leads to greater social differentiation in access to natural capital. At a systemic level, pressures on natural capital derive from several sources: stable, slightly or in some cases (e.g. Añilmayo and Lamay) significantly increasing population (Table 6.1); the cumulative effect of prior production; increased frequency of high magnitude climatic events (storms, winds). As a result, all the cases identify decline in land cover; and almost all suggest increasing soil erosion. The majority of the cases (e.g. Laja, Canas, Ayo Ayo, Añilmayo) also suggest that traditional water sources are now less bountiful.

<table>
<thead>
<tr>
<th>Area (NGO)</th>
<th>Number of communities</th>
<th>Number of families 1990</th>
<th>Number of families 2000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Añilmayo (Ccaijo)</td>
<td>2</td>
<td>384</td>
<td>504</td>
</tr>
<tr>
<td>Lamay (Arariwa)</td>
<td>3</td>
<td>160</td>
<td>231</td>
</tr>
<tr>
<td>Canas (IAA-Canas)</td>
<td>2</td>
<td>120</td>
<td>145</td>
</tr>
</tbody>
</table>

Source: NGO documents

Families have differential capacity to develop agrarian responses to this pressure on their natural capital assets, and in many cases it would seem that interventions accentuate this difference. This difference is essentially a difference in overall levels of wealth, indicated (*inter alia*) by differences in land and water assets. As examples, in Añilmayo focus groups suggested land holdings vary from 0.3 to 7 hectares; among families interviewed in Lamay, holdings among individual families interviewed varied from 0.49 to 5.9 hectares, and in Canas, from 0.33 to 2 hectares. In Ayo Ayo, one beneficiary of Cipca’s support had a farm of 80 hectares. Most of the cases suggest that this socio-economic differentiation has increased with time, as wealthier families deal with pressure on natural resources by acquiring more land (and water). Indeed, in most of the cases, the last decade has seen a progressive development...
of land markets to facilitate this consolidation process. In addition, collectively held land (e.g. the aynoka’s in La Paz) has also been sub-divided and traded among individuals.

In some sense, NGO productive interventions have contributed to this differentiation (the one explicit exception being Sopachuy where Aclo’s intervention increased smallholder access to irrigation that had previously been controlled by a few wealthier families). Because they are unable to work with whole communities (because of the expense involved) they have worked with just certain people, thus enhancing access to resources for some families but not others (see Table 6.2). They often seem to have increased access to resources for those already with above average natural capital bases – precisely because these people are more able to bear the risks implied by technological innovation. The income generated by, say, dairy production or irrigated agriculture, has then been used to further expand asset bases. For instance, in Ayo Ayo and Laja, 9 of the 10 families interviewed who had worked with Cipca and Qhana had, by 2000, asset bases whose values ran from $12,668 to $50,618 (Table 6.7). In Cusco, the tendency was also that families who worked with CFA partners had increased their land holdings (Table 6.3). Obviously those less benefited by subsidies introduced by the NGOs are less able to acquire more natural capital – indeed some of them are clearly selling or renting out their own natural capital assets.

### Table 6.2 Campesino quotations on intervention styles in the altiplano of La Paz

<table>
<thead>
<tr>
<th>Area</th>
<th>Quotations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ayo Ayo</td>
<td>‘Very few people benefited from Cipca’s support, but they used the name of all the community.’ (Collana) ‘the families closer to the milk collection point and to the road are those who have specialized in dairying’ ‘As Cipca hasn’t worked with all the community there have been problems and tensions among families’</td>
</tr>
<tr>
<td>Laja</td>
<td>‘we don’t work with Qhana because we don’t have a good place to produce alfalfa. This sector is very dry and the alfalfa can die. The families that work with Qhana are those with land for alfalfa’ (Ullajara) ‘Qhana has trained dairy producers but very little to other families on livestock and forage management’ (Ullajara) Also in Ullajara, focus group participants estimated that before the project about half the community was involved in milk production, but now it is only 5%: this 5% represents the group that benefits directly from Qhana.</td>
</tr>
</tbody>
</table>

Source: focus groups

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93 The tenth family’s asset base (a teacher) was worth only $4,463. These are clearly rough calculations based on the farmers’ and researchers’ estimates.

94 This use of quotations merits comment. As one of us has noted elsewhere (Bebbington, 2001b), research needs to be careful before making indiscriminate use of quotations to make a point. In this case we use quotations as indicative of significant perceptions in the communities studied here; we also use quotations only when they reflect sentiments that were more frequently heard during the research.
Many of the NGOs have worked in one way or another with water (see Table 6.5 in following section): installing wells (Cipca), reservoirs (Ccaijo, Arariwa), or micro-irrigation (Ccaijo, Arariwa, Aclo). In doing so they essentially change the geography of access to water, increasing access for particular parcels and properties (those close to the structures built), in the face of background falls in overall water availability. They have also improved the efficiency of water management for those with access to these water sources. These are clearly positive contributions, that have increased food security, pasture production and market orientation. However, in cases where only small parts of the community are benefited, these interventions can accentuate differential household capacity to respond to natural capital stresses. For instance, in four communities in Lamay and Añilmayo where the NGOs worked, the introduction of spray irrigation systems (which allow intensification of production) benefited only 0, 8.3, 10, and 12.2 per cent of community members.

For those families who have been unable to respond to pressures on natural capital by acquiring more of it, one option has been to work on reverting processes of degradation through investing in natural resource conservation – almost all the NGOs studied have encouraged this. However, these programs have not been very successful. Indeed, they have in a number of cases (Ccaijo, Arariwa) had to use financial incentives to get people to install conservation measures, which have then been, as Table 6.4 suggests, poorly maintained (in part because of uncertainty over responsibility for maintenance, in part because of lack of commitment on the part of families).\textsuperscript{95}

\textsuperscript{95} The only community to report interest in and maintenance of conservation measures was Qecha Qecha (Canas) – though in this case the measures were installed with a Peruvian government program, Pronamachcs.
Table 6.4  Maintenance of erosion control measures

<table>
<thead>
<tr>
<th>Community</th>
<th>NGO</th>
<th>Nature of intervention</th>
<th>Quality of maintenance</th>
<th>Level of replication of measures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lamayqosqo Saywa</td>
<td>Arariwa</td>
<td>Drainage ditches</td>
<td>None</td>
<td>None to very little</td>
</tr>
<tr>
<td>Saywa Chumpi</td>
<td>Urinqosqo</td>
<td>Semi-terraces</td>
<td>Partly destroyed</td>
<td>None to very little</td>
</tr>
<tr>
<td>Chumpi</td>
<td>Ccaijo</td>
<td>Drainage ditch</td>
<td>Very little</td>
<td>None to very little</td>
</tr>
<tr>
<td>Urinqosqo</td>
<td>Ccaijo</td>
<td>Semi-terraces</td>
<td>Very few families</td>
<td>None to very little</td>
</tr>
<tr>
<td>Callatic</td>
<td>Ccaijo</td>
<td>Control de carcavas</td>
<td>Little, slowly</td>
<td>None to very little</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>being destroyed</td>
<td></td>
</tr>
</tbody>
</table>

Source: field studies

Consequently, the main response to pressure on natural resources for those with limited assets has been to engage in off-farm income generation (as clear in the time allocation data from Cusco: Table 6.10). Periodic and permanent migration has increased in all the case studies, especially among young people. The nature of the migration (weekly, seasonal, permanent) varies among the cases and among families. In those communities closer to cities migrants can move to the city on a weekly or even daily basis. This is especially so in the altiplano of Los Andes, where Qhana works – indeed, this region is itself undergoing a process of urbanization. In more remote communities (e.g. Sopachuy), migration tends to be for longer periods.

In addition to impacts on access to natural capital, there is little doubt that the aid chain has changed its quality. The introduction of more intensified livestock, irrigation based and potato production systems has also changed the use of natural capital assets. Land that was formerly natural pasture or was used for agriculture is now used for the permanent cultivation of alfalfa. In other cases, agricultural land has been subject to agrochemical use for over a two decades, and is increasingly used for monoculture of potato (Ravelo), maize (Sopachuy) and forage (Canas, Laja, Ayo Ayo). While the long-term effects of this remain uncertain, such ‘fixing’ of natural capital use disrupts former practices of fertility maintenance.

Produced, or tangible capital
Produced, or tangible, capital encompasses a broad range of assets. In the simplest sense these can be subdivided into three categories.

- assets that are collectively available; such as roads, electricity systems and cattle dips – they are assets to which most (though not necessarily all) members of the community have access
- assets that are privately appropriated, but only by members of a sub-group that possess the asset as a group resource. Irrigation systems are the clearest example of these ‘club’ assets
• and assets that are privately possessed and appropriated, such as household livestock, seed stock, housing, credit etc.

The distinction is helpful because in overall terms there has been a general increase in access to collective produced capital, but far more differentiated patterns of change of access to private and club produced capital assets. This differentiation varies according to the asset, the type of household and the nature of the household’s relationship with the aid chain.

The importance to comuneros of increased access to collective tangible capital was clear – indeed, the major moments in recent community history were generally defined as those times when access to infrastructure increased (policy changes such as Bolivia’s Law of Popular Participation, or Fujimori’s overthrow of Congress in Peru, hardly figured in people’s own readings of history). Such access has had a series of multiplier effects which lead to enhanced access to other collective, and private assets. In those cases where road access has been improved, the presence of other services and institutions (private and public) has subsequently increased: ambulances can get to communities, teachers come more often, other NGOs arrive etc. Families are also able to bring in building materials to improve their housing. These effects were clear, for instance, in Anílimayo and Sopachuy, where Ccaijo and Aclo respectively had improved road access. Even though one of the main reasons for improving this access was to facilitate their own entry into communities, the roads had a range of indirect knock on effects that were deemed very positive by comuneros.

Roads also have market effects. More traders come to communities (thus increasing competition among them) and comuneros’ own direct access to markets increases, as in Canas. Interestingly in the one case where roads had not been improved (Ravelo) the research suggested that the main constituency blocking such improvement was wealthier members of the communities who had become truckers and traders and benefited from restricting the entry of competitors.

Similarly, the last decade saw the installation of electricity in several of these communities – a process in which the NGOs played some limited role. Electricity has had varied knock on effects. In Ravelo, people have started new businesses (e.g. small mills). In Lamay, the reduced use of candles and other smoke generating lighting has improved children’s health (reducing conjunctivitis infections). Also in Cusco it is associated with increased night time study by children. While some people (e.g. in Lamay) have had difficulty covering the recurrent costs of electricity, the multiplier effects of the service are clearly important. In all cases this service was provided by the state.

NGOs played more of a role in the provision of those collective and club capital assets that have a directly productive purpose. In particular they have provided irrigation systems, cattle dips, mills, abattoirs etc. It is also the case that these assets tend to be those that reflect the NGOs’ own institutional agendas. The success of these has been varied. The most successful have been irrigation systems (which are really a mix of collective and private assets). These have had various effects (see above and Table 6.5) they have led to changes in production systems, sometimes involving product diversification (e.g. into horticultural crops) in other cases leading to further specialization (e.g. into livestock-forage production systems). This has generally led to yield increases and some improvement in income, and increased interaction with the mar-
Income increases have not however been commensurate with yield increases because of continuing marketing constraints. Also, in Cusco, irrigation seemed to lead to improved food security: in Añilmayo, all those families who had worked closely with Ccaijo and who had gained access to irrigation associated irrigation with improved nutrition (Table 6.11). However, as noted earlier, only some families in the community gained access to irrigation. Continuing with the example of Añilmayo, of 504 families in the watershed, 87 gained access to irrigation via Ccaijo (plus a further 100 via World Vision). Benefits are thus concentrated in these families. Because there is virtually no private replication of irrigation because of the cost involved, and because plots are generally too small to lead to demands for wage labor, there has been little trickle down effect of this intervention.

<table>
<thead>
<tr>
<th>Community</th>
<th>NGO</th>
<th>Saywa Arariwa</th>
<th>Chumpi Arariwa</th>
<th>Callatic Ccaijo</th>
<th>Urinposqo Ccaijo</th>
<th>Yurubamba IPTK</th>
<th>Horcas Aclo</th>
<th>Milanés bajo Aclo</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nature of intervention</td>
<td>Irrigation canal</td>
<td>Irrigation canal</td>
<td>Spray irrigation</td>
<td>Spray irrigation</td>
<td>Canal improvement</td>
<td>Micro-irrigation</td>
<td>Micro-irrigation</td>
<td></td>
</tr>
<tr>
<td>Number of families benefiting</td>
<td>All community</td>
<td>All community</td>
<td>22 families*</td>
<td>200 families*</td>
<td>6 families (10)*</td>
<td>30 (or 32) families*</td>
<td>10 (23) families*</td>
<td></td>
</tr>
<tr>
<td>Effects</td>
<td>Increased market production; introduction of horticultural crops</td>
<td>Increased market production; introduction of horticultural crops</td>
<td>66% report increased production; pasture production; 16% now double crop</td>
<td>66% report increased production; pasture production; 16% now double crop</td>
<td>Little 40% families achieve double cropping</td>
<td>9 families achieve double cropping</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Quality of maintenance</td>
<td>Good</td>
<td>Good</td>
<td>Good</td>
<td>Good</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost per family</td>
<td>n.d.</td>
<td>n.d.</td>
<td>n.d.</td>
<td>n.d.</td>
<td>$4,708</td>
<td>$3,295</td>
<td>3,875</td>
<td></td>
</tr>
</tbody>
</table>

Sources: Field studies; Soriano, 1999
Notes:
* for Yurubamba, Horcas and Milanes the first figure is from Soriano, the second (in parentheses) from our field studies.
** of the 222 families with irrigation in Añilmayo, 187 received it from Ccaijo and the remainder from World Vision.

Other interventions aimed at building collective, or club assets have been less successful. Cattle dips installed by Ccaijo in Añilmayo had beneficial effects on animal health, but those built by IPTK in Ravelo never functioned because of design flaws. Cipca and Qhana invested in a series of club assets to support production in the altiplano: greenhouses (Cipca), community cattle stalls (Cipca), abattoirs (Qhana), plants for producing feed concentrates (Cipca), and cheese plants (Cipca, Qhana). These have all encountered serious management problems and did not figure in people’s discussions of changes in their livelihoods except to the extent that they were identified as sources of conflict within the communities (e.g. Ayo Ayo). Very many of them are now abandoned.
The case of greenhouses is interesting in this regard. As we noted in chapter 5, greenhouses constituted a potentially interesting response to the production constraints of the altiplano. Yet, an early study of greenhouses promoted by 40 different NGOs (including Cipca) suggested that within 5 years of being built, 85 percent (and in some cases 95%) of these greenhouses had been abandoned (Kohl, 1991). The reasons for this failure were many; in some cases there were design problems; in other cases, efforts to foster collective production in greenhouses failed because of free-riding by some, and because the individual incentives were too low (once the harvest had been subdivided among families people had little to show for their time). Perhaps most importantly, the logic of greenhouses conflicted with that of livelihoods:

‘Central to the weak impact of [protected horticultural systems] is that altiplano campesios are not solely agriculturalists: their survival strategy ... encompasses diverse other productive activities. Project implementers have not always understood the opportunity costs associated with campesinos’ participation in projects. ... [greenhouses’] labor requirements are quite different: rather than being seasonal activities [they] require daily attention.’ (Bebbington and Thiele, 1993: 109 summarizing Kohl, 1991).

That assessment was made in 1991. Moving to today, in the words of a focus group in Sullicawi:

‘the greenhouses that they [CIPCA] installed for all the community have benefited nobody – quite the contrary, they’ve brought many problems and headaches for everyone. Now, however, some families are making a go of greenhouses, but using their own resources.’

As this focus group suggested, those greenhouses that have survived have been privately owned ones – which implies the concentration of significant resources in just a few families. Indeed, Cipca’s subsequent strategy has been to support greenhouse installation only for families: these family owned greenhouses have then constituted the basis of a horticultural marketing enterprise (PADA) that Cipca has created, which links about 300 private greenhouse owners in the altiplano, and that is now almost self financing. This is likely what leads to very divergent opinions about greenhouses in the altiplano: those who have benefited are more positive, those who have not benefited and/or saw collective greenhouses fail are critical.

At a household level, the cases suggest that overall tangible asset bases are stable or slightly increasing. While there are still many very poor people, the research encountered few cases of people reporting chronic asset loss and impoverishment. Of course, it may well be that such people would have been absent from the communities, pursuing survival strategies elsewhere: but it was notable that they were not mentioned in focus groups.

This overall trend, however, hides considerable variation among particular types of tangible asset and among locations. The one asset which campesinos perceive as less generally available today than ten years ago – in both Peru and Bolivia – is credit. This seems to reflect the closure of state agricultural

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96 A more recent evaluation of Proandes’ promotion of greenhouses in Potosí and Cochabamba came to a similar conclusion (Bebbington et al., 1997).
banks in both countries just before or just after the turn of the decade – and although the agrarian bank of Bolivia reached only a few in the altiplano, comuneros sensed that credit coverage was greater then than now. That credit which is available comes from informal or non-governmental sources (the latter supported in very many cases by Dutch CFAs). This coverage is, however, still limited. In Lamay, Arariwa provides credit, but to only 14 families in the three communities studied. In Añílmayo, Ccaijo had worked with rotating funds that were later converted into three community banks, only one of which still exists. In Ayo Ayo and Los Andes, some farmers gained credit from Fondecó, Aned and Aned/Procade, though a good number are now behind in repayment, which itself has brought some tensions (Cipca forgave some people’s debts (with Fondecó) but continues to charge other people,’ focus group, Collana). The most significant credit coverage was in Canas, where around 30 percent of comuneros have access to credit from IFOCC, a partner of Hivos. Difficulties in repaying this credit, however, led to tensions between IFOCC and comuneros, and ultimately to a conflict between IFOCC and IAA – i.e. between two different CFA partners. IFOCC insisted that credit be repaid (or guarantees surrendered) while IAA (assuming the position of the FDCC) insisted that it be forgiven or re-negotiated. This conflict ultimately became so intense that it spilled over into the Dutch media. Icco aimed to resolve it through Conveagro,\(^\text{97}\) in conjunction with Arariwa (a Cordaid partner!), though in the end it was not discussed there (it was Caritas who managed to reduce tensions).

One of the most significant changes in families’ tangible asset portfolios over the decade has been in livestock and assets related to livestock systems (cattle, stables etc.). Interestingly the trends here vary among the different cases. In Lamay, Ravelo and Sopachuy herd size has fallen – and interestingly in Ravelo seems to have fallen more for families who worked with IPTK than for those who have not.\(^\text{98}\) In some cases numbers have reduced because pastures have been converted to agricultural land, while in other cases livestock has been converted into other household assets reflecting broader livelihood changes. In Ayo Ayo, Los Andes, Canas and Añílmayo, cattle herd size appears to have increased, while potato production and sheep numbers have declined. The fact that the response has come from a greater number of families than those with whom the NGOs work suggests that the aid chain is not the only factor explaining this increase in herd size. Indeed, the increase in livestock in these areas appears to be an effect of the growing market for livestock (especially dairy products), and the fact that Los Andes, Canas, and Ayo Ayo have good road access to these markets. Furthermore in these three cases (but not Añílmayo) there is a tradition of a livestock and dairying economy that predates the NGOs’ interventions, and in La Paz the presence of the PIL helped amplify aid chain impact. The aid chain has played off these pre-existing conditions, and its contributions are recognized by campesinos (Table 6.6).

97 Conveagro is an inter-institutional forum for discussing agrarian issues, and one its strongest regional fora is that in Cusco.

98 For instance, from 1990 to 2000, the average number of cattle owned by IPTK beneficiaries in Ravelo fell from 9.3 to 3.5, and sheep from 36.9 to 26.3. It is worth noting that in Lamay there was little evidence that Arariwa’s longstanding project to recover and develop management systems for Creole sheep had had any impact on livelihood strategies.
Table 6.6 Campesino perceptions of the impact of aid chain on livestock production in La Paz

<table>
<thead>
<tr>
<th>Area</th>
<th>Quotations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ayo Ayo</td>
<td>‘Cipca has helped us to improve things since 1994 with training in alfalfa cultivation and stall building. Dairy production brings us more money, and there is a market – others make cheese.’ (Sullcawi)</td>
</tr>
<tr>
<td></td>
<td>‘Cipca has helped expand that dairying activities that already existed.’</td>
</tr>
<tr>
<td></td>
<td>‘From Cipca milk producers have learnt about technology, administration, group management and organizations .... The system that we learnt from Cipca is the same as that being usied by the PIL.’</td>
</tr>
<tr>
<td>Laja</td>
<td>‘Before the PIL arrived we sold a bit of milk in Viacha, noone had good animals: with Qhana we have learnt how to improve’ (Ullajara)</td>
</tr>
<tr>
<td></td>
<td>‘Even before Qhana arrived I produced milk and knew how to produce cheese’ (Ullajara)</td>
</tr>
</tbody>
</table>

Source: focus groups

It also merits note that only a few families have benefited from NGO provision of complementary assets to support dairy production. Furthermore, in Ayo Ayo, these families appear to have been selected on the grounds of creditworthiness – and as a result these families have been the upper and upper middle strata of the local population (as can be seen from the monetary value of their asset base: Table 6.7). As Table 6.7 suggests, these people have been able to make good use of the livestock model introduced by Cipca and Qhana, and in the process of transforming their production systems have become very wealthy – they have also been able to build up tangible assets in housing and vehicles. These impacts are significant and mark the creation of a capitalized family farm class in the altiplano, but inevitably they have been concentrated in a few beneficiaries. Other families have drawn only limited benefit from any trickle down, as there is little replication of these investments among families with whom Cipca and Qhana have not worked, and only some multiplier effects (e.g. some increased demand for labor and a tendency among some in the control community to produce more alfalfa to sell as forage to dairy producers).

Although none of the NGOs studied work on housing issues, it is notable that many families have prioritized investment in their homes (e.g. Table 6.7 and 6.8), and this seems to be so regardless of family wealth, though the types of investment clearly vary. For poorer and middle campesinos, this housing has been paid for through the sale of livestock (indeed this is one cause of declining herd size in some areas) and through income from off farm employment. In some cases, such as Añilmayo and Lamay, housing investment has been primarily within the community (indeed Añilmayo was the only case were there was no evidence of investment in any tangible capital outside the community). In Sopachuy people have also invested in housing in the community, often in order to install a small store in the home. Wealthier families have instead used agricultural income to build up such assets, and have tended to prioritize investments in urban housing. Some of these investments can be quite substantial, as Table 6.7 demonstrates for La Paz; and in Ravelo, while 25% of interviewed families had homes in Sucre in 1990, 50% of them did
<table>
<thead>
<tr>
<th>Head of household</th>
<th>Self-designated status</th>
<th>Level of NGO intervention</th>
<th>Asset value</th>
<th>Value of house/lot in city</th>
<th>Value of truck/tractor</th>
<th>Main income source 1990</th>
<th>Main income source 2000</th>
<th>NGO</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wilfredo Morales</td>
<td>Powerful</td>
<td>Moderate</td>
<td>19,239</td>
<td>4,000</td>
<td>6,500</td>
<td>Wage labor in Cochabamba</td>
<td>Lettuce production in greenhouses</td>
<td>Cipca</td>
</tr>
<tr>
<td>Juan Saravia</td>
<td>Powerful</td>
<td>Intensive</td>
<td>20,619</td>
<td>0</td>
<td>6,500</td>
<td>Potato processing, onion</td>
<td>Lettuce production in greenhouses</td>
<td>Cipca</td>
</tr>
<tr>
<td>Hipolito Condori</td>
<td>Moderately Low</td>
<td>Moderate</td>
<td>28,623</td>
<td>10,000</td>
<td>0</td>
<td>Potato processing, livestock fattening</td>
<td>Potato processing, livestock fattening and sale of milk</td>
<td>Cipca</td>
</tr>
<tr>
<td>Alberto Mamani</td>
<td>Moderately Intensive</td>
<td>Powerful</td>
<td>24,762</td>
<td>9,000</td>
<td>0</td>
<td>Milk for cheese, potato processing</td>
<td>Sale of cheeses in La Paz</td>
<td>Cipca</td>
</tr>
<tr>
<td>Gregorio Quispe</td>
<td>Powerful</td>
<td>Moderate</td>
<td>38,329</td>
<td>5,000</td>
<td>15,500</td>
<td>Livestock fattening and trade, potato processing</td>
<td>Tractoring, livestock trade, dairying, potato processing</td>
<td>Cipca</td>
</tr>
<tr>
<td>Adolfo Poma</td>
<td>Moderately powerful</td>
<td>Moderate</td>
<td>4,463</td>
<td>0</td>
<td>0</td>
<td>Teacher in town; dairying and crops</td>
<td>Dairying and cheese; teacher in town</td>
<td>Qhana</td>
</tr>
<tr>
<td>Cruz Quispe</td>
<td>Powerful</td>
<td>Moderate</td>
<td>22,862</td>
<td>9,800</td>
<td>0</td>
<td>Construction, tailoring, livestock fattening</td>
<td>Dairying, livestock fattening, construction, tailoring</td>
<td>Qhana</td>
</tr>
<tr>
<td>Jacinto Medrano</td>
<td>Moderately powerful</td>
<td>Intensive</td>
<td>12,668</td>
<td>0</td>
<td>0</td>
<td>Agriculture/construction worker</td>
<td>Dairying, livestock fattening</td>
<td>Qhana</td>
</tr>
<tr>
<td>Lorenzo Pacohuanca</td>
<td>Powerful</td>
<td>Moderate</td>
<td>50,618</td>
<td>5,000</td>
<td>8,000</td>
<td>Tailoring, cheeses, potato processing</td>
<td>Tractoring, cheeses, dairying, potato processing</td>
<td>Qhana</td>
</tr>
<tr>
<td>Placido Quispe</td>
<td>Moderately powerful</td>
<td>Moderate</td>
<td>17,884</td>
<td>1,500</td>
<td>0</td>
<td>Milk for cheese, potato processing, livestock trade</td>
<td>Cheese making, sale of milk to PIL, potato processing, livestock trade</td>
<td>Qhana</td>
</tr>
</tbody>
</table>

98 A ‘0’ in this column and the next means that the person has no urban home or truck.
100 Two homes, one in El Alto, one in local town.
101 Includes a tractor, a truck and a bus.
102 Two homes, one in El Alto, one in local town.
103 However, note, this family has two houses in the community, worth 4,600 in total.
by 2000 and the value of these investments was significant (Table 6.8). The reasons for this are discussed later in the chapter, though suffice to say here that they have much to do with broader household strategies aimed at building up human capital assets.

Table 6.8 Urban housing and land investments in Sucre by families in Ravelo (in $US)

<table>
<thead>
<tr>
<th>Type of household</th>
<th>Average value of an urban lot</th>
<th>Average household investment in urban housing over the period 1990-2000</th>
<th>Average value of urban home in 2000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct beneficiaries of IPTK’s services in Ravelo</td>
<td>4,162</td>
<td>707</td>
<td>11,392</td>
</tr>
<tr>
<td>Non-beneficiaries of IPTK’s services in Ravelo</td>
<td>2,020.7</td>
<td>785</td>
<td>16,610</td>
</tr>
</tbody>
</table>

Source: household interviews in Ravelo and Sucre

In many of the communities studied, a small number of families have therefore, over the course of the decade, been able to acquire significant tangible assets: houses, trucks, minibuses and taxis. These families are generally the economic elite of communities, and in a number of cases their ability to acquire these assets has been helped by the aid chain.

**Human capital**

Across all the case study sites, the most consistent set of changes in household assets was that related to human capital. For ease of presentation, we focus on those human capital changes related to formal and semi-formal education, health, and technical and organizational training.

The indicators of change in **formal and semi-formal education** are similar across all the research sites. They include:

- increased levels of school attendance
- reduced rates of student truancy from school
- increasing (albeit still slowly) attendance of rural youth at secondary school
- increased attendance of girls in both primary and secondary school
- reduced rates of adult illiteracy. In Lamay, for instance, in the two study communities for which data was available, from 1990 to 2000 illiteracy rates fell for women from 10% to 3%, and from 50% to 20%; and for men, rates fell from 10% to 2% in one community, and from 30% to 20% in another. In Canas, comuneros estimated that illiteracy rates had fallen by half.

The reasons for these improvements reflect changes in both supply of and demand for formal education. On the supply side, in all communities studied the quality and availability of educational infrastructure, the number and quality of teachers, and (in some cases) the availability of materials had increased. These changes are almost entirely an effect of state programs (and national policies). NGO contributions were limited to those few instances in which

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104 A recent paper on rural education in Peru notes a similar pattern of positive change in infrastructure and teacher availability (Hunt, 2001).
CFA partners have provided training to teachers (as in the cases of Ccaijo and Arariwa, albeit in the latter case via the District Development Committee of Lamay). Another change on the supply side has been the increased availability of adult literacy training. This is an area in which a couple of the NGOs have worked (Ccaijo, Aclo) and in which both Peruvian and Bolivian public programs have become more active in recent years. The impacts of this literacy training are relatively clear (as noted above). And even if in many cases the principle change has been that people are now able to sign their names properly, the effect of acquiring this skill is still quite empowering.

The main change in demand for education derives from a change of values among parents – a change captured nicely in a quotation from Sopachuy in which one comunero comments:

‘In the past we put more value on livestock than on what we could learn, without realizing that in the end we will finally run out of land and livestock. We didn’t appreciate that in the end knowledge would benefit us more. Knowledge lasts. That’s why we insist so much on literacy training, even if it’s only so we can learn how to sign our names properly.’

This increased demand for education has been coupled with an increased belief among comuneros that both girls and boys, women and men, ought have access to it. Indeed in Añílmayo, communities have begun a system of fines for those parents who do not send their children to school – and indeed time allocation data from there and Lamay show that children really do stay in school (Table 6.10). Another remarkably common change among all the sites has been the increased attendance of girls in school.

The situation is such now that in most of the communities studied almost all children (boys and girls) attend primary school. The concern now is to increase enrollment in secondary schools. This is harder, as these are more distant. Still, families make many efforts to do this, and levels of enrolment have increased for both boys and girls, even if rates of secondary school enrolment are still higher for boys (as families resist sending their daughters away for fear of what may happen to them). The most interesting innovation around secondary schooling has been in Añílmayo where the community itself has created a private secondary school that the community finances, and for which it pays the teacher. This resolves problems of physical access. Likewise in a number of cases, communities have organized to try and acquire more adult literacy training (a trend also noted by Garcia, 2000, for Cusco).

As one caveat to this generally positive interpretation of change in human capital assets, it is still evident that poorer families have more difficulty keeping their children in school for longer periods. This is because of the cost of attendance, and because of the families’ overall needs for labor, needs that derive from family livelihood strategy. It is also clear that children from rural schools drop out more frequently from urban secondary schools, because they are less well prepared than children who attended an urban primary school.

The indicators for changes in health status are likewise remarkably common across the sites. Among the most frequently mentioned are:
• reduced infant mortality
• reduced child malnutrition
• increased attention to women’s health concerns (though this varies more across sites).

Again, one of the main explanations of these changes is that central, in many instances municipal, government has extended health services in the form of clinics, basic health insurance programs, provincial hospitals, and childhood immunization programs. However, other factors are also at play. Health teams visit communities more than in the past, but this is partly a result of improvements in roads\textsuperscript{105} – in some cases as a result of NGO investments (e.g. Aclo and Ccaijo). In other cases (e.g. Lamay and Añilmayo: Table 6.11), a perceived improvement in family nutrition may well have influenced health status – and in this particular case, this improved nutrition is an effect of Arariwa’s work. In Los Andes, Qhana’s (albeit limited) support to basic sanitation programs has apparently improved health status. In yet other cases, CFA partners have run health programs directly: this is so for IPTK in Ravelo, and Ccaijo and Arariwa (via the NGO consortium Coincide) in parts of Cusco. Comuneros perceive that these programs have had an impact on family health.

It is noticeable that the only example consistently identified by respondents of a health problem that had become more acute over the last decade was in the altiplano of La Paz. In both Ayo Ayo and Laja people noted a recent increase in bronchial problems. They related this problem directly to the recent change in the PIL’s marketing policy. As a result of this, people now have to pass their milk to the PIL’s wagon in the early hours of the morning. The subjection to the cold and rain at these early hours has been to increase pulmonary infections.

The area in which NGOs have concentrated far more effort has been in technical and organizational training – generally to complement the productive and organizational agendas being promoted by their projects. In this domain, NGO coverage has been greater than in the case of direct delivery of material inputs (like seed, stall, etc.). NGOs have also tried to reach wider populations by ‘training trainers,’ either as promoters or as lead farmers – some of these have been appreciated by comuneros:

‘The best [promoters] are Evaristo Ajata and Sabina Cori. These people take courses with Qhana’ (focus group, Laja)

but all too often these trainers (promotores) have generally kept the knowledge to themselves or have migrated to the city – this has been the case, for instance, with many promoters trained by Ccaijo and Arariwa, and again in the altiplano of Bolivia:

‘In the past there were livestock promoters, first trained by Cordepaz, and then by Qhana – but all of them have gone to La Paz’ (focus group, Laja).

Although training reaches more people, those most able to make use of it tend to be those who already have other assets that they can combine with the new knowledge (e.g. improved cattle, stalls). Furthermore, where they have

\textsuperscript{105} In other words, collective tangible assets can increase private human capital assets.
had these assets, the likelihood that the knowledge leads to productivity increase is also greater. Indeed, the training that has been most valued is that in intensive cattle production in the Bolivian altiplano – in both Laja and Ayo Ayo:

‘Beforehand we fed our animals worse, but after the courses we received from Qhana on managing forages we feed our animals better’ (focus group, Laja)

‘On the basis of exchanges of experiences that Cipca fostered, we’ve become aware of many things that help us to our work better.’ (focus group, Collana)

‘Some promoters have learnt to make yoghurt, pasteurized cheese and milk pudding – they were taught by Cipca’s technicians’ (focus group, Ayo Ayo)

However, (and not surprisingly) people only appropriate new technical knowledge when there is an incentive to do so. Thus, while training in dairy production has been valued in Ayo Ayo (because of the market that exists for milk), training in horticultural production has had little impact, even among those who had the necessary land and access to greenhouses.

Another inequality in access to this new knowledge is related to gender – and the responsibility for this differentiation resides largely in the sources of training (NGOs, or state programs such as Pronamachcs in Peru). It is clear from the responses of individually interviewed households, for instance, that in most cases technical training has been directed more at men than women – even when it deals with tasks for which women have equal or more responsibility (such as herding, or cheese making). There was little evidence that NGOs had adapted the timing, location or approaches used in training sessions so that they could be more accessible to women in the communities.

I have never been able to go to a training course because I have no time and my husband doesn’t want me too – but I would like to. ... Qhana has never come to say that women should go to their courses’ (woman in Quella Quella)

If certain bodies of technical knowledge have increased in communities, so has ‘organizational knowledge’ – that is to say, knowledge in managing community and supra-communal organizations, leadership knowledge etc. While the distribution of this knowledge also seems somewhat gendered, this is so to a lesser degree than in the case of technical knowledge. The valuation of the knowledge also varies, and interestingly it often seemed the case that people gave it a different value than did the NGOs providing it. For instance, while comuneros in Canas and Ravelo felt that NGO organizational training had been too ‘political’ in orientation, many still valued elements of what was learned – they often did so, however, because they felt that this knowledge helped them maneuver themselves in urban environments. This was particularly so for women. That is to say, knowledge that was meant to foster collective political capacity was just as often appropriated for more individually and family oriented livelihood needs.

Beyond the specialized knowledge received in NGO trainings, it is important to note that in a number of cases, comuneros have themselves sought out

106 This problem was encountered in Ccaijo, IPTK, Qhana and Aclo.
other types of specialized knowledge – generally knowledge that will help them maneuver more effectively in urban labor markets. This is most apparent in those communities located close to large labor markets, in particular the sites in La Paz many of whose residents work part time in urban La Paz and El Alto. In these cases (more so in Laja, but also in Ayo Ayo) different people have managed to find training so that they can work in varied professions. In the course of the field work in La Paz, for instance, we encountered people who had sought training in and now worked as plumbers, carpenters, computer users, metal mechanics, electricians, cooks, tailors and seamstresses, artisans of various types and hatmakers.

It is, then, clearly the case that in addition to knowledge acquired through the basic educational process and through their daily practice as farmers, people in the different sites have acquired other bodies of knowledge that help them pursue their livelihoods, and which they combine with other of their assets. Some of this knowledge helps them take advantage of particular agricultural niches (this type of knowledge is particularly supplied by CFA partners), while other knowledge helps them open up off-farm livelihood options. Far less of this second type of knowledge is supplied from NGOs\(^7\) – and to the extent that it is, it is often accidentally so (as in the case of organizational training). However, it is probably the case that the one thing most widely valued by comuneros in NGO programs has been the training and knowledge that they have provided.

Social capital

In a 1998 evaluation of Arariwa’s program to strengthen community organizations in Calca and Urubamba, Jaime Urrutia (1998) suggested that the community was still the principal axis of organization in the region. Our results are somewhat consistent with this conclusion: the community continues to be the main political and representative interface between people and external institutions, and has relevance for more people’s day to day lives than any other single organization. However, our cases also suggest that in some areas the relevance (or vigencia) of the community is declining. They also suggest that an equally and increasingly important organizational unit is the family and its own network of relationships – indeed these are particularly important to people for resolving economic matters. Conversely – and notwithstanding considerable efforts on the part of NGOs – supra-communal representative organizations, and campesino economic organizations still have little relevance in people’s livelihoods, with the odd notable exception.

In general, community organizations seem at least as strong in 2000 as they were in 1990. In fact in some cases, community organizations seem stronger today, as result of the work of the aid chain. Indeed, in Lamay and Añilmayo, it appeared that the communities where Arariwa and Ccaijo had worked were more dynamic and better managed than the control communities. There were various explanations for this dynamism. People noted the increased pool of younger leaders who had acquired new skills in the process of engaging with

\(^7\) It is worth noting that several of the NGOs (Arariwa, Ccaijo, IPTK) run specialized training in other non-agricultural skills (metal mechanics, health care etc.). However, this training was mentioned very rarely in the course of the research, for perhaps two reasons. First, this training may be captured mainly by people from towns and parish capitals rather than rural areas; and second, those trained in these skills often then leave the countryside to work in urban areas or, in the case of IPTK, in other development projects elsewhere.
NGOs, as well as with the educational system more broadly. Another factor identified by some communities (e.g. Lamay) was that they now had formal statutes and community plans – these were viewed as useful instruments for regulating relationships both within the community and with other external actors. The one case where informants perceive increasing problems in the community was in the Bolivian altiplano. In this case, people suggested that the combined effects of migration and inter-generational differences of opinion on the future of the community had weakened community organizations (sindicatos). In one case (Ayo Ayo) there was also some hint that NGO presence dampened community mobilization, as the control community seemed to be more dynamic than those in which Cipca had worked. Indeed, some focus groups suggested that Cipca’s focus on small sub-groups within the community may have weakened it:

‘Cipca organized groups, according to people’s possibilities – and then it worked with them individually. Cipca disorganized the community’ (Sullcawi)

‘Cipca’s training is recognized by everyone because it has taught us to work better – on the other hand, the material support has always brought problems and conflicts’ (Collana)

In most of the cases, another important change has been the increased visibility and participation of women in community (and other) organizations. Women not only participate more actively in assemblies but have increasingly assumed elected positions in community and supra-communal organizations. In some cases – as in Añilmayo and Lamay – this seems to be an effect of the way in which CFA partners have explicitly worked with Women’s Committees in certain project interventions. In other cases, such as Sopachuy and Ravelo, while women’s participation had increased, there seemed to be little difference between those communities where the NGO had worked and the control communities suggesting that causal factors other than NGO presence were at work here.

The last decade has witnessed impressive moments of rural mobilization at a supra-communal level. Examples include the recent mobilizations in the Bolivian altiplano led by El Mallku, but also the mobilizations for democracy that occurred in Cusco in the late 1990s. Yet – notwithstanding these moments of mobilization, at a more organic level supra-communal representative organizations in the study areas are today more distant from livelihoods than they were ten years ago. This appears to be part of a longer-term decline in the strength of these organizations – a process in which NGOs have played different roles at different moments. One of the most serious causes of organizational weakening at the supra-communal level is that communities and other observers view campesino federations as excessively politicized:

‘they are managed by political parties’ said one focus group in Ravelo.

At certain moments, each of the NGOs in this study has been involved in promoting the activism of particular parties within and through campesino organizations. This was especially so in the 1980s – though has in some...
cases continued into the 1990s. However, during the 1990s most of the case study NGOs have tended to step back from this strategy. Some (e.g. Arariwa, Ccaijo) simply distanced themselves from *campesino* federations. Others maintained a close relationship, but made its contents slightly more technical than political. Of all the NGOs studied, IAA-Canas sustains the closest such relationship – with the Departmental Federation of *Campesinos* in Cusco. In the 1990s, however, the main component of this has been to support a well thought of program of *Campesino Schools*. Against six different indicators of capacity, the FDCC seemed internally stronger as a result of this support program. At a grassroots level, however, its relevance and representativeness was still severely questioned – not only in Canas, but also in Lamay and Añilmayo.

While they have stepped back from supporting supra-communal political organizations, most of the NGOs have provided increasing support to *campesino economic organizations*. Indeed a number of these organizations now exist where they did not beforehand. However, they tend to depend greatly on NGO projects and have developed only limited autonomy. One measure of this dependence is that in the one region in which they are absent (Ravelo), IPTK has not encouraged the emergence of such organizations (reflecting its own institutional commitment to sindical organizations, and apparently some of the political affiliations they have tended to sponsor).

In the other regions (e.g. La Paz, Lamay, Sopachuy), the NGOs have aimed to create product specific economic organizations (e.g. dairy associations, potato producer associations, forestry groups, herders of Creole sheep). The area in which such organizations are strongest is the altiplano of La Paz, although in this case some milk producers’ organizations have a history that is either independent of or predates the NGOs’ work with them, having been supported by broader (public) programs of dairy development in the altiplano. Furthermore, these organizations (like many economic organizations in the region: Bebbington, 1996) have some bias towards slightly stronger and more viable producers. Still, Cipca’s success in creating a horticultural marketing associative enterprise (PADA) for 300 families is significant, and though it has taken great investment this is no different from other successful economic organizations in the Andes (Bebbington, 1996).

In most other cases, results have been more disappointing. One of the most striking cases in the research of the mis-match between NGO efforts to build organizational capacity and local perceptions of the relevance of these organizations in livelihoods was in Los Andes where Qhana has dedicated considerable effort to building up Peasant Agricultural Corporations (CORACA’s) at different levels – and yet CORACA was not mentioned once by *campesinos* interviewed in Los Andes. In its other program in Yungas, Qhana has had far more success in helping build a vibrant and relevant Coraca, based on coffee production and marketing, and while Qhana has argued (see chapter 5) that Coraca in Los Andes has also been successful, our field data suggests that people do not perceive it as relevant in their livelihoods.

109 Indeed this program constitutes one of IAA’s two main areas of work.
110 This scheme was a modification of one developed for a prior study of supracommunal organizations. See: Carroll and Bebbington, 2001; Bebbington and Carroll, 2001.
It is this relative absence of supracommunal or economic organizations that means communities continue to be the main interface between families and other state and civil society institutions. Another important – perhaps increasingly important – interface is that of social networks linking families and migrants. With increasing migration these networks have also become more extensive. The research identified many cases where these networks have been resources for family members seeking work or shelter as migrants. In some cases the networks also help communities as a whole. Lamay’s success in obtaining electricity owed much to the help of a residente (i.e. a community member living elsewhere but retaining community rights and responsibilities) who worked in the electricity company in Lima. Improved roads appear to increase the fluidity of communication through these networks.

It is worth noting that while these networks were in general viewed as positive resources, this is not always so. Not only do they facilitate access to urban institutions – they also transmit urban norms and rules back to communities. In Ayo Ayo this has lead to some tension between residentes and comunes, because the former have aimed to invoke national legislation rather than community norms in negotiating their community rights and responsibilities- generating considerable tension and conflict in the process. Likewise the migration that underlies the development of these networks was as often identified as a source of organizational weakening as it was viewed as generating new forms of social capital linking town and communities.

Another striking change in all the cases studied is that the presence of external institutions in communities has increased. Both the central and local state are more visible than a decade ago. Similarly, the number of NGOs present had increased, particularly in the form of new, evangelically linked NGOs such as World Vision (and its local off-spring), Plan International and the Hunger Foundation. This increased institutional presence has had the effect of increasing overall access to (and provision of) basic social services. The reasons for this increased presence are many. Improved road access has clearly helped, as have state reforms. In some cases, the creation of inter-institutional coordination committees – in particularly the District Development Committees in Cusco – has also helped ‘pull’ public institutions into the communities. As one former mayor noted in Lamay: ‘Before the District Development Committees existed, the district municipalities were almost exclusively concerned with urban centers: there was absolutely no coordination among institutions.’ It is worth noting that this increased institutional presence often appears to have something to do with the existing presence of CFA partners in these areas: they have fostered CDDs (e.g. Arariwa), built roads (Aclo, Ccajiga) and strengthened municipalities (e.g. Cipca, IPTK). It may also be that for political and religious reasons they have also attracted competition from protestant and/or more conservative NGOs, though this is clearly more conjectural.

111 It should be noted, though, that some informants had a less positive interpretation of the effects of institutional presence. In Ayo Ayo, one commented that ‘...the presence of support institutions in rural areas has contributed to increasing economic differentiation among families of the same community – because only some have benefited from this presence while others have not.’

112 It is worth noting that these committees were in fact the creation of a public program in the early 1990s – PREDES, the Emergency and Social Development Program – a program in which Dutch bilateral aid was involved. NGOs such as Arariwa then aimed to consolidate the model for local level coordination that PREDES had initially promoted.
In Bolivia, the Law of Popular Participation has also fostered some increase in (and coordination of) institutional presence in rural communities. Each of the Bolivian NGOs in this study have dedicated considerable resources to supporting the implementation of this legislation – by helping in the elaboration of municipal development plans, by supporting participatory planning processes within communities, and by providing training and direct logistical support to municipal governments. It is likely that the significance of this support has been underestimated in community responses in this research because it is, to them, a relatively distant phenomenon – and indeed, the theme of the LPP did not emerge in all the communities as a significant change in recent years. Still there is no doubt that these NGOs have helped considerably in the implementation of the legislation.

These different institutional changes have also had implications for the quality of relationships between the aid chain and rural people. In most general terms, this relationship seems, today, more stressed today than in 1990 – this seems particularly so in the Bolivian cases (see 6.9). This **weakening in levels of trust between NGOs and communities** again has many possible explanations. The two main ones that emerged in the research were: the perceived poor performance of many of the NGOs, above all in organizational development initiatives; and the sense that the relationship between NGO and community is ultimately not transparent. Indeed even the communities that appeared most trusting of the case study NGOs noted that they knew very little about how the NGOs operated, how they made decisions, or what their future plans were.¹¹³ In this sense, the community-NGO relationship (like that between communities and other institutions) has still not moved far beyond being a dependent relationship between patron and client.

<table>
<thead>
<tr>
<th>Table 6.9</th>
<th>Focus group assessments of the quality of their relationships with Qhana and Cipca</th>
</tr>
</thead>
<tbody>
<tr>
<td>Community 1</td>
<td>Community 2</td>
</tr>
<tr>
<td>Qhana</td>
<td>Little trust</td>
</tr>
<tr>
<td>Cipca</td>
<td>Mutual trust</td>
</tr>
</tbody>
</table>

**Source:** focus groups

**Note:** communities 1 and 2 were ones of intensive intervention; Community 3 was where the NGO had intervened only to a limited extent. The La Paz studies were the only ones that tried to ask communities to assess their level of trust with the case study NGO.

**Cultural capital**

It is probably reasonable to say that CFA partners – like development organizations in general – have understood the relationships between culture, development and livelihoods in at best an instrumental sense. As a result, they have ‘harnessed’ culture in ways that tend to be functional to the needs of the project. Thus projects have used Andean forms of labor organization in order to mobilize community labor; projects have installed certain demonstration works on collective and community land; and NGOs have thought of language as culture in terms of its implications for bilingual education. None of this is necessarily inappropriate, but it reflects a partial understanding of...
the significance of culture in development – for culture is also: the domain in which values relating to the relative weight of individual, family and community are worked out; the domain in which gender relationships and roles are understood and argued over; and the domain in which aspirations, values, religious commitments and overall hopes for the future are worked through (and livelihoods adapted to these hopes). These dimensions of culture have received far less attention from CFA partners – in part because they have lacked the time and capacities to enquire into these questions, and in part because they worked with somewhat pre-given notions of indigeneity and rurality. In a study such as this it is impossible to delve much into these questions, but the research did identify some significant dimensions of cultural change that have implications for livelihoods and for the degree of convergence (or not) between these and external intervention. Here we focus on four of these dimensions: questions of community; questions of faith; questions of identity and aspiration; and questions of gender.

As we noted in chapter 5, most of the NGOs studied here worked for a long time with more collectivist approaches to production and to development more broadly. While the failure of these approaches led later to a focus on working with individuals and families, it could also have led to a reflection on the very culture of community, and cultural conceptions of the relationship between individual, family and community. This appears to have happened less, yet it is clear in the research that this relationship has changed significantly in all the communities. The indicators of this change include: the steady decline in collective labor and, non-monetized (and partially collective) forms of labor exchange; the increased prevalence of monetized relationships; and the increasing difficulty that some communities (e.g. in La Paz) face in convoking meetings and foster coordination.

Another significant cultural change in the communities studied has been the increasing importance of protestant – in particular evangelical protestant – faiths. In some communities, more people ascribe to these than to the Catholic church – for instance, in the two communities in which Ccaijo works only 25% and 56% are Catholic, while 70% and 40% are Protestant; in the communities in Lamay some 40% are Protestant, and in Canas some 20%. This clearly has ramifications for social organization and networks, as well as for attitudes to production and accumulation, politics, and technology. Yet in some instances this whole transition appears to have been lost on the NGO. To the extent that faith constitutes one of people’s primary concerns, this marks a significant gap in cultural understanding between NGO and the rural population. It has also been a source of some irony – Cipca’s single success with group based greenhouse production in Ayo Ayo was with evangelical families (Cipca has until recently been part of the Company of Jesus). Indeed, evangelical families, who cease spending on alcohol, are probably better placed to afford the technical packets promoted through the aid chain (ceteris paribus).

This religious change also has implications for NGOs’ inter-institutional relationships for it is often accompanied by the arrival of protestant non-governmental organizations. Coordinating with such NGOs is often a psychological as well as organizational challenge for NGOs with longstanding links to the

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114 In a workshop with Qhana, the field team commented that they had never thought about the question of conversion and its implications for their work.
Catholic Church and/or the left (and often both). Over time, however, many of the CFA partners have managed such coordination (e.g. Lamay, Añilmayo), although it probably fair to say that such coordination has been more fluid at the level of field staff than at a more institutional level.

Just as religious convictions have changed so have cultural aspirations, though other factors also influence these aspirations. Indeed the most notable issue here is how far aspirations identified during the research vary according to gender, generation, ecological level (higher or lower communities), distance from urban areas, and levels of education. These varied aspirations clearly have implications for livelihoods, and for willingness to invest time and resources in one or another type of asset. Yet this theme appears only rarely in NGO projects, and certainly not in their conception of development (for indeed it complicates how any of us conceptualize the goals of development).

Culture is also contested, and it became quite clear during the research that in the communities studied there are significant axes of conflict that have implications for intervention. Perhaps the most significant tension is that between generations: aspirations, beliefs, livelihood needs and goals all vary between younger and older people. In some sense this is also a difference of opinion about questions of ethnic and group identity. A second dimension of tension is around gender relations. These have without doubt changed during the decade, and while women still enjoy less benefits than do men, there are signs of significant change in the culture of gender relationships. Our case studies hinted at some decline in levels of domestic violence. They also suggested, with somewhat greater clarity, that gendered roles in production were changing. However, it still seemed to be the case that NGOs did not consider the contents and timing of training and other activities on the basis of a prior understanding of ways in which gendered roles in the community influence when women might be able to attend meetings.

These are just a few of the ways in which cultural practices and norms have changed in the case study communities – more in some (especially those closer to urban centers and principal roads), less in others, but substantially in all. As a result there are also profound changes in the way in which culture is a resource for livelihood, and in which culture and identity permeate notions of personal and group development. These changes develop dilemmas, not least for comuneros. Indeed, they probably form a terrain in which external support in thinking through the implications for how to think about development (as a goal and as a strategy) would be very helpful. There is, though, little evidence that the aid chain has fostered this reflection and rethinking of development (with the possible exception of Cipca) yet it could potentially constitute a platform to begin the so urgently needed re-thinking of project activities and the rebuilding of NGO-comunero relationships.

6.1.2 Livelihoods and asset management strategies
While it is risky to generalize about livelihood trends across the seven micro-regions studied here, certain patterns do seem to emerge: both in terms of livelihood dynamics and in terms of the effects of the aid chain on them.

However, even if Cipca has engaged in reflections on Aymara identity and development at the level of its intellectual elite, those who have to translate these reflections into practice are agronomists, veterinarians and other field technicians. The translation is thus at best imperfect.
The first is that, across the cases, most people (and above all most women) are still primarily or very significantly engaged in farming. This is so in different ways and for different reasons, however. Some families – those on the pathway of the capitalized family farm – are primarily farmers because this is part of their accumulation strategy. Others are because it is central to their survival strategy – one which revolves around food security. And even those who are diversifying income sources still spend considerable time farming to secure the food needs of the family members living both in the countryside and in the city.

That people are primarily or significantly farmers is evident in how they talk about themselves, but also more quantitatively in the time allocation data that we were able to gather in Cusco (see Table 6.10). That data show that above all in higher altitude communities (further from the road), men and women dedicate most of their time to crops and livestock. However, the data also show that in communities closer to the road, men dedicate considerable time working outside the community, as agricultural laborers and in non-agricultural activities. Furthermore, time dedicated to non-agricultural activities has increased over the decade, and now women in lower slope communities are also beginning to dedicate time to non-agricultural work outside the community. While we only have such data from the two Cusco sites, focus group information suggests trends are similar in the other sites – with Laja, Ayo Ayo and Canas being the correlates of the lower parts of Lamay, and Sopachuy and Ravelo looking more like the communities of Lamay and Anilmayo that are higher altitude and more remote.

The second striking similarity across the cases is the extent to, and complex ways in which families – however agricultural – organize their resources, activities and time in order to enhance educational opportunities above all for children, but also for parents. This is manifested in many ways in their livelihood strategies and practices. One strategy we encountered often was that families aim to reduce the distance between themselves and quality schoolings, in particular post-elementary schooling. Those with most resources (e.g. a number of Cipca, Qhana and IPTK beneficiaries) do this by purchasing a small lot on which they build small shacks and then homes in urban centers with greater educational opportunities (El Alto and Sucre, Tables 6.7 and 6.8). Those with less resources acquire land and lodging in lower order urban centers where there are secondary schools (for instance, Viacha, Sopachuy, Lamay and Yanaoca). In yet other cases, people have invested in particular social relationships so that their children can stay with other people who live in places that are closer to schools.

A third set of strategies – generally complementary to these – has been to shift gender and generational roles within the family in order to facilitate school attendance. Specifically this means that adults do more and more of the pasturing of animals, whereas this has traditionally been a task for children (see notes to Table 6.10). This frees up time so that children – and most strikingly, young girls – can attend school. The consequence, however, is that some families appear to have smaller herds than they did in the past, because of labor constraints on herd management – constraints that derive directly from the decision to keep children (of both sexes) in school.
Table 6.10  Time allocation and livelihood activities in Cusco (percentage of total time)

<table>
<thead>
<tr>
<th>Activity</th>
<th>Family member</th>
<th>Lamay (low slope)</th>
<th>Lamay (mid-slope)</th>
<th>Lamay (upper slope)</th>
<th>Añil Mayo</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture in community</td>
<td>Father</td>
<td>50</td>
<td>38</td>
<td>42</td>
<td>42</td>
</tr>
<tr>
<td></td>
<td>Mother</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>‘Helps’ during the year</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Agriculture outside community</td>
<td>Father</td>
<td>v. little</td>
<td>v. little</td>
<td>44</td>
<td>41</td>
</tr>
<tr>
<td></td>
<td>Mother</td>
<td>None</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Livestock herding</td>
<td>Father</td>
<td>None</td>
<td></td>
<td></td>
<td>46</td>
</tr>
<tr>
<td></td>
<td>Mother</td>
<td>v. little</td>
<td></td>
<td>Main activity</td>
<td>Main activity</td>
</tr>
<tr>
<td>Non-farm activity inside community</td>
<td>Father</td>
<td>None</td>
<td></td>
<td></td>
<td>v. little</td>
</tr>
<tr>
<td></td>
<td>Mother</td>
<td>None</td>
<td></td>
<td></td>
<td>v. little</td>
</tr>
<tr>
<td>Non-farm activity outside community</td>
<td>Father</td>
<td>56</td>
<td>62</td>
<td>14</td>
<td>17</td>
</tr>
<tr>
<td></td>
<td>Mother</td>
<td>None</td>
<td>10</td>
<td>None</td>
<td>3</td>
</tr>
</tbody>
</table>

Source: household interviews; community rapid surveys

Notes:
1. Figures are average time allocations of 30 families in Lamay and 27 in Añil Mayo.
2. Interviews showed that children dedicate little time to any of these activities as they are in school. The only significant contribution is that made by sons (and to a less extent daughters) to agriculture during weekends and school holidays.

Families give many reasons for this emphasis on human capital formation. Parents’ underlying concern, though, is to ensure that their children have more opportunities than they enjoyed. Furthermore, in many cases parents neither wanted nor expected their children to be campesinos (c.f. Garcia, 2000 for a similar conclusion in Cusco).117 Another and related reason given for investing in education is that it constitutes a way reducing pressure on natural capital. Families noted quite explicitly that one reason for aiming to increase their children’s human capital was in order that the farm could be passed on to just one or two of them, thus reducing the rate of sub-division of the property.

This reasoning relates to another relatively common pattern across the cases – namely the increasing pressure on resources. One source of this pressure is demographic – most of the communities studied register stable or slightly increasing population levels even after the effects of out-migration. Another source of this stress is itself environmental – many families perceive that changes in climate are leading to increased erosion. Responses to this pressure on natural capital are varied. From the farmers’ side, the main responses to pressures on natural capital have been to: expand the agricultural/pas-

117 Interestingly, Garcia’s field sites were areas of intervention of Ccaiño and Arariwa.
ture frontier and reduce fallow; to intensify in those few cases where families have access to the (generally externally provided and subsidized) means to do so; and to seek off farm income sources. In one case (in the area of Ccaijo) a community was explicitly discussing (with Ccaijo) the possibility of an organized group migration to the humid lowlands of Quispicanchi. From the NGO side one response has been to promote agro-pastoral intensification, generally through promoting small scale irrigation (Ccaijo, Aclo, IAA) and stall feeding of cattle (Qhana, Cipca, IAA). This option has been absorbed by families benefited by direct NGO assistance, but, because of the costs involved, has spread relatively little except among wealthier campesinos.

In this instance it is not that there is a mismatch between NGO proposals for intensification and what farmers would like to do about pressure on natural resources, but rather that the NGO response (irrigation) can be afforded only by very few unless they receive the direct subsidy from the NGO (which the NGO can only give to very few). Other NGO responses (or non-responses), however, do reflect more of a mismatch. Most have promoted conservation measures – which revolve around the normal packet of run-off ditches (zanjas de desviación), slow forming terraces, and tree planting (each of the NGOs have done some of this). This intervention has had far less success: in most cases tree death has been high, maintenance of conservation measures poor, and installation of terraces limited (Table 6.4). On the other hand, only one of the NGOs has addressed family planning directly. While there may be understandable reasons for this (it is a sensitive topic; has been associated with heavy handed sterilization programs of the Fujimori government; and is impossible for a Catholic Church linked NGO to address), it also means NGOs have not responded to certain felt needs of women in communities. In at least some of our case studies, women expressed a preference for smaller families, and for more ability to control fertility in order to assure they can finish school before becoming a parent.

If we combine these two common themes (concern for education and pressure on natural capital), we might say that while many livelihoods still depend above all on the use of natural capital, that asset in which families seem much more concerned to invest is human capital. Put another way, this implies that while their current livelihood practices are still primarily those of farmers, their strategies for the medium and long term are to allocate resources to allow most family members to escape from farming. One might go so far as to say families are drawing down on their natural capital assets, partly out of necessity (the famous simple reproduction squeeze still applies: Bernstein, 1979) but also partly as a component of a cross-generational strategy of building up human capital. This human capital offers an ‘escape’ clause for children. It also increases the productivity of other assets, both in the present and in the future. For instance, in Añilmayo, it was clear that tangible capital assets had a greater impact on income for those who also had stocks of human capital; it was also evident that these families then invested this income from tangible capital in their children’s education (a synergy at a point in time thus enhanced capital switching strategies across time). Thus, what matters less is that people are still mainly farmers (they clearly are) than that it is not always their objective that they or at least their children contin-

118 These patterns are pretty much the same as those identified in the study VMPPFM-BM, 1998.
ue in agriculture. This objective (rather than current practice) goes a long way in determining people’s relative propensity to invest in particular assets. Arguably development interventions will have more success if they are based on what people want to become, rather than on what they are (or what the NGO wants them to become).

These observations do not necessarily imply that external interventions ought only support human capital formation. However, they do imply that it is important to recognize the synergies among families’ assets — and to note that these synergies occur both at a point in time, but also over time. Furthermore it is important to recognize that these synergies have a purpose. Thus people (as in Canas) may still wish to build up tangible capital assets in agriculture, but ultimately they do so with a view to transferring the income generated to investments in secondary and higher education and housing in Yanaoca. (Note that a corollary implication of this is that families may often be using the income generated by agricultural projects to fund the steady migration of family members to urban settlements). Finally it is clear that the potential to exploit these synergies among private assets is the greater when there are also synergies among private, club and collective assets such as roads or electricity systems that further facilitate access to health and education.

A final important commonality among the cases is that livelihood possibilities are clearly differentiated among social and economic strata (and so the possibility of exploiting synergy is also differentiated). We have reiterated this several times, so need not do so here except to note two things. The first is that we must not overlook that livelihood options are segmented in communities. A significant part of the community has no option but to continue farming because of their asset bases, age and gender (though they may hope that their children do not farm); another segment (los viables) has the option and wants to farm; another segment (younger, married adults) may want to remain in the community, but not as farmers; and yet another segment (the young and single) is more inclined to leave the community altogether. NGO proposals have mainly addressed the conditions of the second segment — leaving the first stuck in agricultural marginalization with little chance of prospering, and the latter two to develop their own options.

The second point is that — consistent with the findings of Reardon, Berdegué and Escobar (2001) — for the wealthy, livelihood diversification is a strategy of accumulation, while for the poor it is one of survival. Furthermore, there may be a structural relationship between these two types of diversification. For instance, in Los Andes, wealthier families who had built up large dairy farms deliberately created opportunities for their children to work in more profitable activities as tailors, builders or drivers in the city. As their children’s absence meant that an alternative labor supply had to be found, they therefore employed less wealthy campesinos from the community to work on the farm. Thus, in order to diversify their own family strategies they created employment opportunities that allowed poor families to diversify their income sources. These two types of diversification are thus different sides of a larger process of increasing differentiation in the types of opportunities open to different families. Thus, just as it is important to understand the synergies among families’ assets, it is also important to understand the differences between these two types of diversification.

119 Peter Druijven (2001) of the University of Groningen has recently suggested a similar pattern for livelihoods in peri-urban New Delhi.
among assets, so it is important to understand the synergies among different families’ livelihoods – and to recognize (once again) that these synergies occur at a point in time, but also across time.

6.1.3 Summarizing impact
The conceptual framework for this study distinguished between: (i) changes in assets as a domain of livelihood changes in which we might talk of ‘effects’ of intervention; and (ii) changes in broader dimensions of poverty and well-being as a domain in which we might talk of the ‘impacts’ of these interventions. This second domain is more awkward – it is easier to generate information and/or indicators for asset changes than it is for the outcomes that derive from the ways in which people turn those assets into something more. Still in this section we draw some conclusions on the extent to which we can say that interventions led to improvements in economic opportunity (income), human capacities, empowerment and environmental quality. This is important, as ultimately the NGOs in this study do or have until recently, variously identified their strategic objectives in terms of enhancing human capabilities (capacidades humanas – Ccaijo, Arariwa, Aclo),120 empowerment (poder campesino or poder local – Cipca, IAA, IPTK), increasing income and improving environmental quality. Our indicators for this assessment are interpretative and based on overall campesino perception, but we also base the assessment on the logical coherence of the link between asset formation and livelihood outcome.

Economic opportunity
In one way or another each of the NGOs identify income and productivity improvement as central to their objectives. And indeed – for their direct beneficiaries – one can see a direct link between asset change and income growth. Building assets for dairy production has clearly allowed families to increase their income, and as a result improve their houses, children’s schooling and other assets. Similarly, irrigation has led to increased agricultural and pasture production for those who have benefited. Indeed, that there has been accumulation is clearly visible to the human eye in Ayo Ayo and Laja, for instance; but also from the odd vehicle visible in, say, communities in Ravelo or Añil-mayo. In Cusco it is manifested in perceived increases in seed stocks, improvements in family nutrition and (for some) increased links to agricultural markets (Table 6.11). Likewise the accumulation of urban properties speaks of expanded economic opportunity over time, although this clearly varies among strata (Tables 6.7, 6.8).

Some of this accumulation is clearly due to the NGOs’ intervention. In some cases this appears to be a consequence of strategies that focus on the more viable families, and that sustain a contact with those families over time. This allows these families to accumulate resources and knowledge that over time translate into increased income and so further asset accumulation. In some cases this asset accumulation has been significant (as in Table 6.7, which notes the assets of direct beneficiaries of Qhana and Cipca); in other cases it has been far more marginal (as suggested in Table 6.3 which suggests that direct beneficiaries in the Cusco sites have tended to accumulate slightly more land than have families with less contact with Ccaijo, Arariwa and IAA-Canas).

120 Note that these are the NGOs inspired by Catholic social teaching who tend to emphasize human capacities in their mission statements more than do the others – these are all partners of Cordaid.
However, the degree of accumulation is also due to opportunities opened (or closed) by other factors, above all the structure of the market. At times when prices have been higher and levels of demand stable, accumulation has occurred – as in the potato market in the early 1990s in Chuquisaca/Chayanta, and the dairy market in La Paz. However, when these markets have become less stable, since 1995/6 in the former case, and since 2000 in the latter, this has reduced the impact of the NGOs’ intervention on economic opportunity. And where market access has been generally constrained (as in Cusco) the effects of intervention on asset accumulation are far more modest (Table 6.3).

This asset accumulation among direct beneficiaries means that across a number of the cases the aid chain has also increased socio-economic differentiation among families. This is particularly so in those cases where NGOs have provided subsidized goods to individuals which, as we have noted already, they have indeed done: Cipca, Qhana and IAA-Canas distributed livestock production assets, Cipca and Ccaiño have given greenhouses; Ccaiño distributed sprinkler based irrigation systems to individuals; IPTK, potato seed etc. Indeed, the tendency to provide subsidies to targeted and already more viable households has increased in recent years in an effort to increase visible impacts among some individuals. While many NGOs have also provided club and collective assets, which have a less differentiating effect, we have noted that this does not offset the differentiating effect of significant household level subsidies.

Some of the case studies arrive at even stronger conclusions about the impacts of the aid chain on socio-economic differentiation. The study in Ayo Ayo, for instance, concludes that CIPCA’s intervention has done little or nothing for poorer families who are unable to respond to the NGO’s technological and economic packet – indeed if anything, these families may have become worse off, selling their land to wealthier families who have been able to benefit from NGO interventions.

The cases from Cusco and Sopachuy are illuminating counterpoints to those of Chayanta and the altiplano of La Paz. While in Cusco it is also clear that social differentiation has increased, it seems that the aid chain has also benefited the lower strata in the communities. Why? First it seems that in these cases there have been less barriers to poor people’s participation in these interventions. Second, at least in Lamay and Añilmayo, the NGO has a sort of ‘differentiated policy’ (política diferenciada) for different strata in the community, tailoring different elements of intervention to different social groups in a way that was not the case in, for instance, La Paz.

That socio-economic differentiation has increased in most cases is one point. Whether this is desirable or not, is of course another. There is a tendency to automatically dismiss differentiation as undesirable, but this may not be so. There is good reason for NGOs to focus on more viable producers as these are the most able to respond to new productive options and the most able to

121 The only case which insists that this has not happened is that of Sopachuy, where Aclo’s interventions have allowed more families to benefit from water resources that had previously been controlled by a small handful.

122 For instance, of 21 families interviewed intensively in Añilmayo, 10 (poor and less poor alike) noted that their food security had increased over the decade.
take risks. Indeed, to focus on the poorest of the poor can doom a production project to failure simply because these very poor families are unable to assume the risks and costs associated with new technologies. Furthermore, Peru and Bolivia desperately need rural economic growth, and focusing on a group within the peasantry that can become capitalized family farms can foster important and slightly more inclusive rural economic growth than that fostered by dominant policy. However, we encountered little evidence in the field sites that such rural economic growth focusing on ‘viable’ peasants will also include the poorer segments of the peasantry: it addresses one sort of poverty, but not others. We return to this theme in Chapter 8 where we argue that it is important to develop differentiated approaches for different groups of the poor in the countryside.

**Human capabilities**

Perhaps the greatest changes identified in each of the case studies has been an improvement in overall human capabilities. People are healthier, have a

### Table 6.11 Perceived changes in agriculture and nutrition over the decade among 25 families in Cusco

<table>
<thead>
<tr>
<th>Area</th>
<th>Type of family: level of access to NGO services*</th>
<th>Perceived changes over the decade</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Increased seed stocks</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Increased irrigation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Increased crop diversification</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Increased market access</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Improved family nutrition</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lamay</td>
<td>Families with significant access</td>
<td></td>
<td>3</td>
<td>2</td>
<td>3</td>
<td>0</td>
<td>1</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td>Families with limited access</td>
<td></td>
<td>2</td>
<td>1</td>
<td>4</td>
<td>1</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Families in control communities</td>
<td></td>
<td>0</td>
<td>2</td>
<td>0</td>
<td>2</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td>Canas**</td>
<td>Families with significant access</td>
<td></td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Families with limited access</td>
<td></td>
<td>2</td>
<td>0</td>
<td>0</td>
<td>2</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td>Añilmaya</td>
<td>Families with significant access</td>
<td></td>
<td>5</td>
<td>1</td>
<td>4</td>
<td>2</td>
<td>2</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td>Families with limited access</td>
<td></td>
<td>2</td>
<td>0</td>
<td>0</td>
<td>2</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>Families in control communities</td>
<td></td>
<td>2</td>
<td>1</td>
<td>0</td>
<td>3</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Totals</td>
<td></td>
<td></td>
<td>17</td>
<td>8</td>
<td>12</td>
<td>13</td>
<td>18</td>
<td>9</td>
</tr>
</tbody>
</table>
broader view of the world (because of information and education), enjoy more options (even though these are still limited), and have a stronger sense of self-confidence. In a more general developmental sense, this is very encouraging. It is also telling, because at the center of this improvement is the extension of basic social services – education, health, electricity, roads etc. While some of the NGOs have played a role in this extension, it is primarily an effect of increased state provision of services. In the one case where this extension is primarily due to NGO programs (that of IPTK), in many senses, the NGO was the state in Chayanta.\textsuperscript{123}

There is also an important gendered component to this change (and to questions of empowerment). Several of the case studies suggest that over the last decade women in the study communities have become more self-confident and assertive. Even if their participation in formal social organizations is still lower than that of men, it has increased. More telling is the extent to which girls’ access to school (and adult women’s concerns to acquire basic literacy skills) has increased. While the effects of this will be seen in years to come, we can already say that these changes reflect a value shift in communities. How far this value shift can be interpreted as an impact of the aid chain or instead of more general integration into national society is very difficult to say (we pursue this theme at the end of the chapter). However, to the extent that NGOs are in and of themselves agents of this integration process, then it seems likely they have played some role in these shifts in norms about gendered relations and gendered access to resources. On the other hand, to the extent that each of the NGOs has had considerable difficulty in embracing and acting upon a gendered approach to development we must be careful not to claim too much.

Empowerment

At the onset of this research the team worked with the informal hypothesis that the greatest impact of the aid chain would be in empowerment, manifested above all in the realm of stronger, more visible and more influential social organizations. This was based on the view that the NGOs included in the study had, for a long while, emphasized the political dimensions of development and the central importance of enhancing popular participation. In practice the study did encounter spaces in which one can speak of rural empowerment, but these were not the ones associated with work aimed at strengthening rural social organizations.

In some cases respondents barely even mentioned the importance of work aimed at strengthening second order organizations. Respondents in Los Andes did not mention Coraca once even though this had been a central pillar in Qhana’s discourse on development; in Ayo Ayo, Cipca was apparently viewed as a source of technical assistance only, and any sense of enhanced ‘poder campesino’ was at best remote. In the cases of IPTK and IAA, while respondents recognized the organizational strengthening work of the NGO, their views were ambivalent. IPTK’s work was seen as too linked to a political party, and so even though some of the leaders formed by IPTK had gained positions of authority in municipal government, this was not necessarily seen

\textsuperscript{123} This case is significant for another reason too – for it shows that the same NGO can have great success and impact in one sector (health), while demonstrating very serious deficiencies and minimal impact in another (productive investments).
as generating benefits for communities (though one senses that it probably does change the tone of discourse in local government meetings). In the case of Canas, people in all three research sites in Cusco questioned the representativeness and relevance of the FDCC that IAA had supported for so long and certainly doubted its effectiveness in furthering the spread of productive options. Still, the FDCC does remain one of the few living departmental campesino federations in Peru, which is in itself important.

It is important, though, to note that the methodology selected for this study – namely to emphasize that dimension of impact manifested in people’s livelihood strategies, and to draw primarily upon comuneros views of impact – may have affected these findings. The findings suggest that comuneros perceive little effect on empowerment via their organizations; however, it certainly is the case that in some instances campesino organizations strengthened by these NGOs have influenced local politics, and in some cases national policy. Likewise it is the case that NGOs such as Cipca have lobbied to open political spaces for campesino-indigenous movements at a national level. It is probably also the case that these interventions have had important effects on how people think of indigenous campesinos and their role in society and politics, as well as on the ways in which people view politics in Bolivia. However, at least at the level of the communities where this research was conducted, these effects were not much talked about – and even when the recent massive peasant mobilizations were mentioned, comuneros did not link them to NGO interventions.

While organizations have been only modest sources of rural empowerment, changes in human capabilities (see above) and the overall quality of social relationships among people have generated more interesting forms of empowerment. Reiterating a point in the prior section, the studies noted enhanced presence and visibility of women in community organizations (especially in Cusco, but also elsewhere). Another group that has, in some instances, benefited has been young adults who have become more visible in local organizations as a result of participation of leadership and other training (e.g. Lamay). An interesting implication of these results is that shifts in power have occurred as much in the relationships within rural populations as in those between rural people and centers of authority. This observation does, however, have to be tempered by the related observation that the more productive components of NGO interventions have fostered socio-economic differentiation. Indeed, there is some suggestion that the women and young adults who have become more visible may also be those who control more assets in general.

Environment
As we have noted, natural capital assets seem to be under great pressure in all the cases (c.f. de Zeeuw et al., 1994, also). Given that interventions aiming to promote reforestation and direct erosion control have had minimal effect (or even aroused much interest among rural people), we can reasonably say that there have been few if any impacts on environmental quality (and thus the long environmental base for sustainability). In this sense our findings are not dissimilar to an earlier evaluation of 7 Icco partners, that suggested that sustainable agricultural programs were still poorly conceptualized and had very limited coverage (de Zeeuw, et al., 1994). Indeed, the general sense is that the tendency towards environmental decline will only be offset
once there are broader intensification possibilities for a large number of families, or broader off-farm income possibilities. Environmental improvement is likely to come only as an indirect effect of some other change — it seems very unlikely that it will come as a result of direct action over natural resource management.\(^1\)

### 6.1.4 Perceiving impact

While these are summaries of our conclusions on impact, it is also helpful to present comuneros’ perceptions of the impacts of various aid chain interventions in their communities. Of course, we have already done this throughout the text, but in this section we bring together a number of these perceptions. We do so for the case of interventions of Cipca and Qhana in the altiplano, for which we have the most synthesized information on comunero perceptions of NGO impacts. These perceptions come from focus groups in the communities where the research was done. The focus groups were asked to list as many interventions as they could recall, and then identify who the main beneficiaries were, what the current state of the project was, and what they perceived its impacts to have been. These perceptions are brought together in the following two tables: Tables 6.12 and 6.13.

A number of themes jump out from these tables. First, the tables indicate the enormous number and variety of projects that the NGOs have implemented in the communities. Second, they show the very varying perceptions of impact of these different projects — some are seen in positive light, others very negatively. Third, and relatedly, many of the interventions are perceived to have benefited only a minority of the community — who are in many cases those perceived as the more powerful. And fourth, they suggest just how difficult it is to do agricultural development in these environments. For the rest, the tables can speak for themselves.

#### Table 6.12 Perceived impacts and beneficiary groups of Cipca’s interventions in the altiplano of Bolivia*1

<table>
<thead>
<tr>
<th>Nature of intervention</th>
<th>Who was the beneficiary group</th>
<th>What is the current state of the intervention?</th>
<th>What were the perceived impacts?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cipca community 1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• 42 dairy stalls</td>
<td>• Families with dairy cattle (half of community)</td>
<td>Completed</td>
<td>• Improved cattle produce more milk</td>
</tr>
<tr>
<td>• Pasture seed loan</td>
<td>• Families with dairy cattle (half of community)</td>
<td>Completed</td>
<td>• We have increased the number of dairy cattle</td>
</tr>
<tr>
<td>• Video based training in livestock production</td>
<td>• Those who sell to the PIL (half of community)</td>
<td>Completed</td>
<td>• We have learnt to take care of the improved cattle</td>
</tr>
<tr>
<td>Cipca community 2</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• They built a dairying plant with cattle from Cochabamba</td>
<td>• The somewhat powerful – a minority of the community</td>
<td>Failed</td>
<td>• The majority now knows about dairy management</td>
</tr>
<tr>
<td>• Training</td>
<td>• A majority of the community</td>
<td>Now ended</td>
<td></td>
</tr>
</tbody>
</table>

\(^{1}\) In this regard our conclusions differ from those of de Zeeuw et al’s earlier study (1994) in that they still clearly feel that a more complete adoption of a sustainable agriculture and agroecology approach among Icco partners could lead to beneficial impacts on the Andean environment.
<table>
<thead>
<tr>
<th>Nature of intervention</th>
<th>Who was the beneficiary group</th>
<th>What is the current state of the intervention?</th>
<th>What were the perceived impacts?</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Family level stalls</td>
<td>• The powerful families – a minority of the community</td>
<td>• Completed</td>
<td>• We now have the chance to manage our livestock better</td>
</tr>
<tr>
<td>• A dairy plant</td>
<td>• An extended family group from the locality – made up of somewhat and quite powerful people</td>
<td>• They withdrew</td>
<td>• No information</td>
</tr>
<tr>
<td>• Five years of potato cultivation in cooperatives</td>
<td>• The somewhat powerful – a minority of the community</td>
<td>• It failed</td>
<td>• We got new seed</td>
</tr>
<tr>
<td>• Quinoa cultivation</td>
<td>• The somewhat powerful – a minority of the community</td>
<td>• No information</td>
<td>• No information</td>
</tr>
<tr>
<td>• Greenhouses</td>
<td>• A minority, organized into groups</td>
<td>• It failed</td>
<td>• In other communities some communities have benefited</td>
</tr>
<tr>
<td><strong>Cipca community 3</strong></td>
<td>• Dairy cattle were brought from Cochabamba</td>
<td>• Between 10 and 40 families (estimate)</td>
<td>• None</td>
</tr>
<tr>
<td></td>
<td>• Training in managing dairy cattle</td>
<td>• It failed because the cattle suffered from altitude sickness. Cipca took away the few animals that survived</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Factory for producing cattle feed</td>
<td>• Paralysed – no longer functions</td>
<td>• It was postponed</td>
</tr>
<tr>
<td></td>
<td>• Factory for producing dairy products</td>
<td>• Paralysed – no longer functions</td>
<td>• None</td>
</tr>
<tr>
<td></td>
<td>• Community stable</td>
<td>• Abandoned: no longer functions</td>
<td>• None</td>
</tr>
<tr>
<td></td>
<td>• Tractor</td>
<td>• The tractor was taken away</td>
<td>• Only worked with groups; didn’t support everyone</td>
</tr>
<tr>
<td><strong>Cipca Community 4</strong></td>
<td>• Potato cultivation (for two years)</td>
<td>• Half the community</td>
<td>• No change because of drought</td>
</tr>
<tr>
<td></td>
<td>• Training</td>
<td>• A minority of the community</td>
<td>• Cipca withdrew</td>
</tr>
</tbody>
</table>

Source: Muñoz and Cruz, 2001a, focus group discussions.

Notes:
* the text here follows the terms used by the focus group as they discussed how to fill out these tables.
** although this community was the control community, Cipca had in fact done a couple of very specific things over the last two decades which the comuneros recalled and commented on.
<table>
<thead>
<tr>
<th>Nature of intervention</th>
<th>Who was the beneficiary group</th>
<th>What is the current state of the intervention?</th>
<th>What were the perceived impacts?</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Qhana community 1</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Barley silage</td>
<td>The dairy producers (30 families)</td>
<td>No longer practiced</td>
<td>• Most of the cattle died</td>
</tr>
<tr>
<td>• Cattle feeding</td>
<td>The dairy producers (30 families)</td>
<td>No longer practiced</td>
<td></td>
</tr>
<tr>
<td>• Livestock care</td>
<td>The dairy producers (30 families)</td>
<td>No longer practiced</td>
<td></td>
</tr>
<tr>
<td>• Credit for livestock purchase</td>
<td>The dairy producers (30 families)</td>
<td>It failed because families were unable to pay the credit.</td>
<td>• Some families maintain their stalls, others do not</td>
</tr>
<tr>
<td>• Credit for building dairy stalls</td>
<td>The dairy producers (30 families)</td>
<td>The project is paralyzed.</td>
<td></td>
</tr>
<tr>
<td>• Construction of cheese plant</td>
<td>The dairy producers (30 families)</td>
<td>Failed because of bad administration</td>
<td></td>
</tr>
<tr>
<td>• Farm level courses in animal health</td>
<td>The dairy producers (30 families)</td>
<td>No longer continues</td>
<td>• We have learnt to control livestock illnesses</td>
</tr>
<tr>
<td>• Courses on livestock management and milk hygiene</td>
<td>Majority of the community</td>
<td>Stopped five years ago.</td>
<td>• We learnt in the courses and promoters were trained</td>
</tr>
<tr>
<td>• Courses in artificial insemination</td>
<td>A few (only 10 families)</td>
<td>No longer continues</td>
<td>• Most of the calves produced by artificial insemination have died</td>
</tr>
<tr>
<td>• Credit for planting barely, oats and alfalfa</td>
<td>30 families</td>
<td>There is no more credit for alfalfa but the credit for barley and oats continues</td>
<td>• Everyone uses tractors today</td>
</tr>
<tr>
<td>• Credit for tractor</td>
<td>30 families</td>
<td>Paralysed, and the tractor was withdrawn</td>
<td></td>
</tr>
<tr>
<td><strong>Qhana community 2</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Credit for purchasing cattle, forage and stalls</td>
<td>Minority of community (45 dairy families)</td>
<td>Has been abandoned.</td>
<td>• More than half the animals died, though now we have improved cattle</td>
</tr>
<tr>
<td>• Credit for constructing stalls</td>
<td>Minority of community (45 dairy families)</td>
<td>Has been abandoned. They no longer come to do training</td>
<td></td>
</tr>
<tr>
<td>• Dairy cattle</td>
<td>Minority of community (45 dairy families)</td>
<td>Has been abandoned. They no longer come to do training</td>
<td></td>
</tr>
<tr>
<td><strong>Qhana community 3</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Alfalfa production, stalls and livestock</td>
<td>A minority of the dairy producers (15 families)</td>
<td>No information</td>
<td></td>
</tr>
<tr>
<td>• Credit for constructing stalls</td>
<td>A minority of the dairy producers (15 families)</td>
<td>The stalls are working</td>
<td>• The stalls improve livestock management</td>
</tr>
<tr>
<td>• Dairy cattle</td>
<td>A minority of the dairy producers (15 families)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### Nature of intervention | Who was the beneficiary group | What is the current state of the intervention? | What were the perceived impacts?
--- | --- | --- | ---
• Aned credit for purchasing alfalfa seed | A minority (13 families) | In implementation | Alfalfa is useful for diversifying livestock feeding
• Training in control of tinpanism | A minority (13 families) | In implementation | Now we can cure livestock from tinpanism
• Credit for livestock purchase | A minority (12 families) | In implementation | Now we have improved livestock
• Purchase of potato seed, barley and alfalfa; creation of a small rotating fund | A majority | Failed, because of frosts and rain that waterlogged alfalfa plots

Source: Muñoz and Cruz, 2001b, focus group discussions.

Notes:
* the text here follows the terms used by the focus group as they discussed how to fill out these tables
** although this community was the control community, Qhana had implemented one activity in the 1980s which the comuneros recalled and commented on.

### Secondary evidence on livelihood changes and aid chain effects

6.2 Though our primary data is based on a relatively limited sample of communities and families, it is in many ways consistent with other research and evaluation work that has been conducted in similar regions over the last fifteen years or so. Some of this work has already been discussed in chapter 2. Here, we will refer to parts of this work that seem especially relevant to the themes of this chapter.

6.2.1 Cusco

Of the three case study regions, Cusco has probably been the most systematically studied over the years. These studies – though often very ethnographic in nature – made clear from an early time that rural livelihoods were changing rapidly and that rural differentiation was proceeding apace. Radcliffe (1991), reporting on an area close to Lamay, notes already advanced rates of seasonal and permanent outmigration by the early 1980s. Citing work published already in 1983, she notes that ‘small-scale agriculture is in crisis: between 1958 and 1978 food production declined by an average of 2.2% annually’ with the effect that ‘Cuzco has experienced much outmigration’ among both men and women (1991: 233). Indeed 54 of 56 women she interviewed had some migration experiences, and migration to work in domestic service had increased 60 per cent from 1950 to 1980. Reporting on work conducted during the 1980s with Enrique Mayer in Paucartambo (the valley ‘behind’ Quispicanchi), Zimmerer (1996) notes significant migration to frontier economies, where day labor in rice production, logging, gold mining, fruit and cocoa fields paid wages 3 times as much as a day of work in highland farms. Though market access is more constrained in Paucartambo than in Lamay or Añilmayo, livelihood decisions among the people with whom Zimmerer worked were still clearly based on calculations about relative wage rates in agriculture and distant labor markets. In a more recent paper Zimmerer (2001) has developed this point further, suggesting that the agricultural crisis has now become so acute in Paucartambo that people have progressively withdrawn from producing crops for sale: agriculture has become more and more a sub-
sistence activity, with other activities presumably generating cash for families. Though Bernex and Ccaijo (1997: 135) suggest that in Quiquijana (close to the field sites) only 10 percent of population say they migrate (against a provincial average of 14%), this seems slightly lower than our field results. As in our work, though, they also note that migrants go mostly to Cusco, Madre de Dios (gold mining) and Quillabamba (coffee harvest). They note that coffee migration for wages leads to demands for greater income, changing comuneros world views.

Finally, in the area of IAA-Canas’s work, Zoomers and Guerten (1991) note that already in 1979 ‘Out-migration was high, not only as a result of the insufficiency of cultivable land and low agricultural productivity, but also because of insufficient non-agricultural employment opportunities.’ They also note ‘... that non-agricultural employment and temporal labour migration form important components of the farmers’ economy, thus relegating agriculture merely to satisfying subsistence needs’

In each of the study areas in Cusco, then, livelihoods appear to have been multi-activity and multi-locational at least since the case study NGOs began their work.125 These studies also note significant socio-economic differentiation within communities since this same period (c.f. Mayer and Glave, 1992 also). NGOs’ proposals have not really responded to this, or tried to attend to the non-farm sources of income and accumulation in these strategies – something which de Zeeuw et al., (1994) also noted in an earlier evaluation of Icco partners.

6.2.2 Valleys of Chuquisaca and Potosí

While these studies in Cusco have little to say about the impact of project interventions, other studies in the valleys of Chuquisaca and Potosí paint a somewhat similar image of livelihoods, but also go on to suggest relatively limited impact of the interventions of the NGOs working there, including ACLÖ and IPTK. Indeed, a 1997 interview with then deputy director of IPTK126 also suggested that the NGO had come to the conclusion that its rural interventions were at best a palliative, and that notwithstanding their years of promoting rural development in Chayanta, the region ‘will continue emptying, will continue being poor, will continue to be eroded.’ In a similar vein, Le Grand (1998b) concludes that projects in Chuquisaca and Potosí have often had little impact on the peasant economy, and that the economic results of productive projects are ‘ambiguous’ (p. 418). He also suggests that many of the more interesting effects of NGOs have been unintended ones. These unintended effects can be positive (e.g. road building that facilitates market relationships and increased links with external institutions: p. 402), negative (e.g. irrigation systems that increase conflicts over water: p. 404), and significant (such as the way in which Plan Sequía and Praca’s interventions – involving Aclo and IPTK - changed the varietal composition of potato systems in the area127).

125 Also changes in participation in district governance has roots going at least to the 1980s – Radcliffe (1991), for instance, notes increasing numbers of campesinos participating in local government.
127 In later years, the national potato seed program, Prosempa/Proinpa, had similar effects with the introduction of new varieties, such was Waych’a.
While these more disappointing conclusions are pitched at a slightly more general level, studies of specific components of rural development intervention in the region suggest the need to disaggregate the effects of different components. In a study of thirty-eight micro-irrigation systems implemented by IPTK and ACLO with Swiss financial support, Soriano (1999) suggested that these interventions had positive effects and impacts, though less than those anticipated. The main effects and impacts had been on food production, income, price [by allowing earlier plantings], risk reduction, and time savings for collecting drinking water for people and animals. The main limits on impact were, as in our research, marketing constraints, especially those related to falls in the price for potatoes. This conclusion is confirmed in other studies. While the VMPPFM-BM (1998) study of rural productivity changes in the valleys and altiplano found that only 20 percent of informants perceived that agricultural yields had increased or remained stable over a decade, fully 87 percent of those reporting yield increases had irrigation. An evaluation of the Unicef supported rural poverty alleviation program PROANDES in Chayanta and neighboring areas\(^{128}\) (Bebbington et al., 1997) found that the only productive components to have significant impact were the installation of micro-irrigation systems and the creation of village banks. That same evaluation concluded that the other components of PROANDES to have had significant effects were water systems, support to bilingual education, particularly for women, and support for pre-school education — again confirming our studies’ conclusion that demand for education is very high among the rural poor and therefore that interventions expanding educational opportunities for rural people can have very high pay-offs.

These different studies (and Le Grand’s, 1998, also) suggest that micro-irrigation can and has had important impacts on rural poverty in the valleys and altiplano. However, they also note that these benefits are unequal, concentrated in those with access to the water, and with other assets also, and that impact is ultimately limited by market access and price fluctuation.

### 6.2.3 Altiplano of La Paz

Studies of the altiplano of La Paz have repeatedly drawn attention to the increasingly commercial nature of the rural economy, and the very close relationships between communities and the cities of La Paz and El Alto (Sandoval, 1998). This is particularly so for provinces such as Los Andes which are far closer to the city, but it is also the case for those that are further afield but have good road links, such as Ayo Ayo. Central to this commercial transition has been the increasing production (by small farmers) of milk for sale, the rise of a trading economy (some of it linked to illicit border trade: Bebbington and Bebbington, 2001), and the frequent (often weekly) circulation of labourers between communities and La Paz (Muñoz et al., 2000). This has also had implications for political organization in that both municipal and peasant leaders are often resident in La Paz, complicating efforts to build capacities of either sort of organization (Sandovál, 1998).

Even prior to the land reform, the altiplano of La Paz had commercially oriented and technologically innovative agriculture — with an economy even then based on dairy and potato production. While most trade had been channeled via the hacienda owners, following land reform new trading systems

\(^{128}\) I.e. in the same areas as those of IPTK’s interventions.
emerged in a way that has implications for our assessments of NGO marketing initiatives. Unlike current NGO models, which promote marketing channels controlled either by the campesino organization (e.g. CORACA) or by businesses created by the NGO (e.g. PADA), post land reform markets often emerged as a result of collaborations between community organizations (sindicatos campesinos) and La Paz based traders (Clark, 1968; Preston, 1978; Preston pers. com., 2001). These markets ultimately generated new or expanded urban centers, some of which have gone on to become important centers of accumulation and commerce (Preston, 1992). In Los Andes for instance, Batallas was founded only in 1953 (Preston, 1978: 28) and has since gone on to become an important urban center boasting video stores, multi-story buildings and the like (Preston, 1992). Learning from history, then, it may be that such sindicato-trader collaborations offer more potential for marketing initiatives than do campesino controlled marketing enterprises. This observation is especially important in the current context, now that the PIL’s importance as a purchaser of milk will decline. Indeed one already sees small businesses such as Productos Irupana seeking out suppliers in the altiplano of La Paz in order to provide milk to the schools of urban La Paz.

The post land reform period in the altiplano of La Paz has also seen shifts in the exercise and balance of municipal power in the region, as Aymaras have replaced mestizos and whites in positions of authority. Somewhat surprisingly, this theme was mentioned very little by informants in our research. Still, other studies have suggested the importance of this process (Preston, pers. com., 2001), and – moreover – of the role that Cipca has played in it. In particular a number of important Aymara leaders were formed and trained by Cipca, and subsequently went on to become nationally visible political leaders who have brought a more Aymaran agenda to government (van Niekerk, forthcoming). How far Cipca has contributed to the more recent mobilizations in the altiplano is less clear – though it would seem that these mobilizations were successful in achieving some degree of policy change and government concessions to rural demands.

Discussions of the impact of development interventions in the altiplano of La Paz have not been especially optimistic. The cases conducted for the VMPPFM-BM (1998) study suggest relatively little productive impact. More specifically, a study of Cipca’s interventions in Santiago de Machaca and Ayo Ayo also suggested that – at least up to the late 1980s – there had been little or no economic impact (van Niekerk, 1994). In the light of such findings some of the discussion about the altiplano (including that of La Paz) have been couched in terms of the relative non-viability of the altiplano (IDB, 1996; van Niekerk, 1997). Indeed, Cipca itself entered this same reflection in 1997.

Overall, then, our findings on the dynamics of livelihoods and on the relative effectiveness of particular components of rural development interventions are consistent with those of other studies.
6.3.1 Structural constraints on access: macro-barriers to access and micro-access responses

Livelihood frameworks emphasize the importance of access to and control of resources in determining livelihood possibilities. They also emphasize the importance of broader socio-economic structures (policies, institutions and relations of power) in determining the extent to which (i) people are able to turn these resources into satisfying, stable and progressively ‘better’ lives, and (ii) people are able to renegotiate these policies and institutions in order to improve the quantity and productivity of the resources to which they have access.

The interventions of the case study NGOs can be viewed as efforts to address problems of access: for those families able to participate directly in their programs, they reduce barriers to access to irrigation, credit, knowledge, technology etc. In some cases, their interventions also remove access constraints for people who do not benefit directly – for instance when these people are able to learn from innovations by direct beneficiaries and incorporate this learning in their livelihoods.

However, in most cases the case study NGOs work on removing micro-barriers to access. Yet in many of the communities involved in these studies, there still exist a number of macro-barriers that limit both access to resources, and limit the possibility that these resources can be transformed into income, power, capabilities and environmental improvement. These macro barriers might be thought of as: infrastructural, institutional and political economic.

Among the most critical infrastructural barriers to access we encountered were:

- **Roads**
  Roads emerge as perhaps the most important determinant of local development possibilities. Where roads had been built, their construction was viewed by communities as one of the most important ‘hitos’, or critical moments, in the recent history of the community (much more so than the far more celebrated policies of Popular Participation, for instance). Their building allowed trucks to enter communities, facilitated access to markets, allowed people to bring in building materials to improve their houses, eased access to schools (especially secondary schools) etc. In some instance, the NGO helped put the road in – e.g. Ccaijo in Lamayqosqo and Aclo in Horcas. Much of the NGOs’ motivation for building the roads was to facilitate other parts of the NGOs project (e.g. vehicular access, and taking in construction materials) – but the communities seemed to view the roads as more important than many of the NGOs’ other activities.

- **Electricity**
  Again, in those cases where electricity had been installed it was viewed as one of, or the most important change in the community in the decade. Lack of electricity is also a serious barrier to taking full advantage of educational and organizational resources: light facilitates evening study and also evening meetings. It also facilitates (as in Yurubamba, Ravelo – partially funded by IPTK) the emergence of small family enterprises (milling) and a concentration of the community around the point where electricity is available. These services are clearly valued by the community – as reflected in the decision to relocate houses (Yurubamba). The relative valuation of the service is also reflected in
Lamay where *comuneros* worked on natural resource conservation activities of Arariwa. They used the wage they received to cover the cost of their contributions for the electricity; meanwhile the maintenance of the conservation measures has been poor.

- **Water**
  While a number of the NGOs have worked on installing micro-irrigation systems, these have had the effect of better using existing water resources (at least for a small group of families in the communities), but do not resolve problems of overall water availability, which is the more significant constraint on access. While Ccaijo, for instance, has worked in installing small captation reservoirs and tanks, none of the case study NGOs aimed to address the macro barrier to water access.129

Resolving infrastructural barriers to access such as these is a less sexy aspect of development options; indeed, it might be actively resisted because it is a hallmark of modernization projects. Still, in the communities studied during this research at least, these were deemed important problems that, if resolved, would enhance the impact of other interventions and bring other multiplier effects.

Among the most critical political and economic barriers to access we encountered were:

- **Business decisions and trade policy**
  Undoubtedly, broader economic and trade policy constituted the most serious political economic barrier to improved livelihoods — in some cases reducing rural peoples’ access to markets, and in other cases reducing the overall value of their assets. This was manifested in many ways. In Ravelo the combined effects of the work of IPTK and Prosempe on improving potato production were greatly diminished after the mid 1990s, as cheap potato from Argentina (and oversupply in Chuquisaca itself) brought prices down in the Sucre market. In the altiplano of Bolivia, the decision of Nestle to close the La Paz based milk processing plant drastically reduced market opportunities for farmers who had worked with Qhana and Cipca on increasing milk production. This closure has meant that if farmers want to continue selling to Nestle they have to wake at 2a.m. to meet the truck taking milk to Tacna, Peru.

- **Stagnant regional economies**
  In Sopachuy, the unit value of many family assets appears to have decreased over the last decade, meaning that the accumulation of physical assets does not necessarily translate into realizable monetary accumulation. In Cusco, the generally depressed regional and rural economy limits market possibilities. In each of these cases, any effects of interventions that reduce smaller scale barriers to access are overshadowed by these policy obstacles to market access or to the ability to convert tangible assets into income.

129 Note that one of the cases nearly included in the Peruvian part of this research, Cidiag (a Novib counterpart), has addressed this issue, installing a very long main canal from snowfields to communities. Though this has been a highly expensive venture it opens the prospect of transforming agricultural opportunities in Sihuas, Ancash. Interview, Oscar Balbuena, July 2000.
Among the most critical institutional barriers to access we encountered were:

- **Absence or weakness of state programs resolving basic problems of service availability in education and health**
  This continues to place overall constraints on access to basic human capital assets, limiting the quantity and quality of education and health care that families can access – and requiring them to develop other strategies to access these services, often outside the community. Still, as we noted above, the presence of state institutions has nonetheless increased in the last decade.

- **The inability of state programs to sustain the quality of programs they inherit from NGOs and special projects**
  In Chayanta, for instance, the state has been unable to maintain the quality of health care previously provided by IPTK – this for lack of resources. This clearly weakens the long term (sustainable) impact of these NGO asset building programs.

- **The general weakness and absence of markets – in particular in acutely remote settings such as Sopachuy**
  This institutional absence limits the extent to which people can translate their assets into other (market tradable) assets of more use to them.

The existence of these larger constraints on access to resources and to the markets that help people to convert assets into other benefits, has often overshadowed the effects of interventions that aim to address more specific access problems. Given this, it is not surprising that the greatest impacts have been at those times, and in those places, when macro-constraints on access have not been as severe. The clearest case of this is that of dairying in the Bolivian altiplano. In this case there was a stable market created by public policy (and then transferred to the private sector); there was good road infrastructure built by the state and bilaterally funded dairy development programs; and targeted interventions to specific families to increase their ability to negotiate their market relations and increase the productivity of their other land and human assets. Under circumstances such as these one can speak of synergies between more favorable policy and economic contexts, favorable conditions of basic service and infrastructure provision, and specific NGO interventions. In other cases, such synergies are rarer.

These observations clearly have implications for the role(s) that NGOs might play in addressing macro-barriers to access. To do this would require lobbying, advocacy and the odd large project (e.g. for large irrigation canals). Some of these NGOs, for instance Cipca, have engaged in lobbying for policy change. However, their lobbying has tended to be on more ideological and political themes -bilingual education and educational reform, land and territory etc. These are clearly important issues – but the implication is that there is also a quite different terrain in which lobbying is needed. Lobbying is needed on infrastructural investment policy, on the future of the dairy sector in Bolivia, on the future of the alpaca sector in Peru, on sector specific trade policy ... and so on. Yet these NGOs have done very little in this regard. This is a serious gap. On the one hand it is a reflection that – notwithstanding their intentions – these NGOs have not aimed to scale up their experiments with production systems into proposals for policy change. More fundamentally, it means that the NGOs have at best removed micro-barriers to access while macro-barriers limiting access to and transformation of assets have remained in place and often become yet more severe.
6.3.2 Long term environmental constraints
A surprisingly consistent theme in each of the case studies is the perception of environmental and climatic change in the communities in which we worked. In almost each community – and certainly the majority of the communities in each case study – people perceived a change in climate that implied more extreme storms and winds, and an overall decline in rainfall and more general water availability (other than that supplied by irrigation). The perception is that these changes have led to increased soil degradation, and increased drought hazard. Comunero perceptions of climatic change also emerged clearly in another recent study of rural productivity changes in the altiplano and valleys of Bolivia (BM-VMPPFM, 1998). Likewise, it appears to be confirmed by more casual and anecdotal encounters with rural people – as well as the visible indicator of a receding snowline in much of the Andes.

Of course, we need to be careful before accepting perception as truth – and some recent research in Tarija has suggested that perceptions far exceed geomorphological estimations of either soil erosion or overgrazing (Preston et al., 1997; Preston, 1998; Beck y Preston, 2001). Still, if it is the case that climate is changing, and if the effect of this is to increase drought, climatic hazard and erosion proneness, then this intensifies some of the most critical constraints on production in the region. To the extent that much peasant agriculture is not viable because of ecological disadvantage, then such climatic stress only aggravates viability problems. It also has implications for intervention strategies. On the one hand it reduces the likelihood that agricultural interventions will have significant impacts in short or medium terms. On the other hand, it makes interventions aimed at increasing water availability, and managing run-off from high magnitude storms that much more relevant. This would endorse interventions such as those of Aclo, Ccaijo and Arariwa. Campesino practice, however, seems to be yet more discerning, endorsing water management interventions, but largely dismissing erosion control interventions. It is to the theme of intervention we now turn.

6.3.3 Livelihoods and NGO interventions: encuentros y desencuentros
Several recent studies of livelihoods in the Andes have talked of a desencuentro between rural livelihood strategies and project interventions, particularly of NGOs (Zoomers, 1998; le Grand, 1998a, b; van Niekerk, 1997). These studies have been based on research in areas where CFA supported NGOs are active (in particular, Chuquisaca, Chayanta and the altiplano – i.e. similar areas to those studied in this research). Our own research comes to similar conclusions.

At their core, such studies suggest two main problems. One is that the selection of project sites, contents and ways of working are not necessarily based on a prior analysis of priorities and current conditions in the rural economy; instead they are driven by institutional concerns, pre-existing networks of contacts, existing human resource capabilities of the institutions etc. Indeed, in Chapter 4 we suggested that the ‘geography’ of CFA aid flows and of NGO interventions is driven less by analyses of development possibilities and more by existing relationships of the key actors and institutions involved. These relationships can of course still lead to activities in very poor areas, but the selec-

130 ‘When all is said and done, one can’t change environmental limitations’ commented one project official quoted by van Niekerk (1997:3).
tion of these areas is not necessarily based on ex ante analysis of the rural political economy. Indeed, there is very little such analysis at all in the case studies for this research. NGOs speak of the campesino economy, without ever defining it conceptually or empirically. Instead, they turn out (endless) large surveys (diagnosticos), with lots of data that ultimately explains little – these surveys tell little about the dynamics of livelihoods, the economic and market networks in which families are involved, the real political processes governing local resource access etc. Likewise, they tell little about the actual agro-ecological dynamics of the production systems being addressed (de Zeeuw et al., 1994: 129-130).

A second and related claim of these studies is that interventions have often been based on misconceptions of contemporary rural livelihoods. The most frequent misconception, it is claimed, is to view rural livelihoods as essentially agricultural, and therefore geographically static, when in fact they are often geographically mobile and based on multiple income sources and activities, pursued in a range of locations (Zoomers, 1998, 1999). This ‘agro-centric’ (agro-centrista) view of livelihoods leads to desencuentros between the geographical structure of project interventions which tend to be based on one delimited site (community, municipality, watershed etc.), and the geographical structure of livelihoods which is often discontinuous, with some activities within the community and watershed but many others in other rural and urban locations.

Our own research suggests a similar phenomenon. All the projects reviewed (and indeed the larger population of partner NGOs from which they were drawn) include activities related to agriculture, livestock or natural resource management. They all work in geographically bounded areas; and in all these areas the livelihoods of many families include important economic and social activities in other locations. While these activities may not always be directly productive, they assume importance in family life strategies – for instance, educating children etc.

As a consequence – thinking within an assets framework – projects and families appear to differ in the assets that they prioritize. Projects have spent considerable resources investing in tangible assets, while families also invest much of their effort in building up human and social capital (in the form of social networks). In Laja, respondents estimated that they spent from 25 to 30% of their income on their children’s education. The implicit and explicit rationale for this has been that families view their children’s future as being outside of agriculture – and that indeed they want it to be (c.f. Garcia, 2000). While people have invested mostly in the human capital of their children, they have also aimed at expanding their own capacities – particularly by participating in literacy programs. Literacy – and education more generally – are viewed as crucial for empowerment and advancement, and also in order to reduce mistreatment when working and living as migrants in other areas.

131 In an evaluation of 7 Icco partners, de Zeeuw et al. (1994: 130) note: ‘in most cases, the NGOs have not developed a deep understanding of the agroecological systems in which they work, and their strategies are still fragmented, and not based in any analysis of how to strengthen the sustainability of different agroecosystems in any integral sense.’ They also note that ‘the NGOs’ development proposals are insufficiently based in a thorough understanding of campesinos strategies for using time and managing natural resources – this reduces the effectiveness of their programs’ (1994: 132).
Indeed, a general sense from those cases in which the NGO combines productive activities with human capacity formation is that the latter activities have been more effective.132 They have also tended to reach a far broader segment of the population than have productive activities that (for understandable reasons of cost and risk) are generally concentrated in just a few families.

Another desencuentro between interventions and communities – particularly in the first half of the decade – derived from NGOs’ conceptions of communities. Reflecting the tradition of community studies and community development in the Andes (Degregori, 2000), all these NGOs at some point pursued a model of collective production – whether in the form of Cipca’s CDTs, Qhana’s model communities and so on. These all failed, reflecting the extent to which production was always individual. The community never governed production, and while it has governed resource management (land, water, pasture), in all the case studies this role is also under pressure as the tendency among comuneros is to want ever more private tenure in natural resources. The community continues to play an important role in providing collective assets and NGOs have been able to build on this by mobilizing communal labor for building infrastructure. However, because in many cases this infrastructure has been a club asset (open to some) rather than a collective asset (open to all), this has sometimes generated dissatisfaction and tensions among those comuneros who don’t benefit from the asset but still worked in building it.

These problems reflect a related ‘mis-conception’ – the continuing tendency of these NGOs to understate or skate over the implications of social differentiation within the community (de Zeeuw et al., 1994: 133 also noted this). This has meant, in practice, that the productive options promoted by the projects tend to be relevant for the more ‘viable’ – i.e. wealthier – families, but not for the livelihoods of poorer people. Of all the cases, it is arguably only Arariwa that has differentiated productive options for different strata within the community – its food security program (supported formerly by Dutch Caritas) being for the poorer comuneros, while its other programs (funded in part by Bilance-Cordaid) have been for the wealthier comuneros.

This prior point is important, because – while livelihood strategies might have become more diverse and complex – subsistence agriculture continues to be an important basis for these complex rural livelihoods. Indeed, in this sense there is still a strong case to be made for agricultural interventions, to the extent that they can enhance the security of this subsistence base. Where there is much more uncertainty is whether agriculture, and the assets on which it depends, will ever constitute the basis for accumulation strategies for any other than the wealthier campesinos.

6.3.4 The simple effects of presence
In one of the earlier overviews of the effects of Latin American NGOs on democracy and development in the region, David Lehmann (1990) suggested that ultimately the most significant effects of NGOs (especially in rural areas) derived simply from their very presence in these areas. Lehmann (who was writing about precisely the same types of NGO as those studied here) suggested that this very presence conveyed a series of ideas about the importance

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132 These cases are Aclo, Ccaiyo, IPTK, IAA-Canas.
of democratization and expanding poor people’s access to everything from basic services to the political process, the universality of citizenship, and so on. In short, Lehmann suggested that beyond any direct impacts of projects on basic human needs, the most important impacts of NGOs were indirect and in some sense unintentional.

While this argument is ‘wooly’ (gaseoso) there is something to it. When all is said and done the presence of NGOs in remote communities has an effect that is modernizing (they are after all modern institutions) and integrative – their presence breaks down some of the sense of distance between rural people and urban centers of power, and between communities without resources and institutions with resources. It also conveys the value of gaining access to education (in particular when some of the tecnicos are clearly of indigenous or ‘cholo’ origin). Even after the NGO has left, these ideas remain.

Of course, it is not only NGOs that convey these messages – other institutions (of the state, the church and even the market) can do the same. However, in the communities studied here, the NGO has been the most important, visible and long-lasting organization in the communities. Thus it is likely to have been more important than others in affecting how rural people think about the world, their world, and their ambitions.

And there is little doubt that there have been important changes in how people think in each of these areas. This is most clearly the case as regards attitudes to education. Each of the case study reports note that parents have come to value education much more highly than in the past. While only some of the NGOs (Ccaijo, Aclo, IAA, IPTK) have brought educational services to the communities and micro-regions, each of them convey the importance of education, through their simple existence. Likewise most of the cases suggest a change in gender roles, manifested in at least some movement towards more gender equity (in access to education, in participation in organizations etc.).

At the same time, the NGOs can convey other, less positive messages. In some cases (Cipca, IPTK), a comparison between the control and intervened communities suggests that the NGO’s presence may have created a dependency syndrome – the message here being that ‘if they leave, others will come.’ In other cases (as reflected, perhaps, by recent Aymara mobilizations in the Bolivian altiplano) the NGO may ultimately have conveyed the message that more radical forms of self government are necessary because decades of NGO presence have made little difference to community well-being – this indeed is a common complaint of the Bolivian peasant movement in particular.

Whatever the case, the more general point is an important one that evaluation studies tend to ignore – namely that simply by ‘being there’ the NGO changes the meaning of development, perhaps forever. This is so regardless of whether it promotes kitchen gardens, market oriented dairying or peasant organization. There is absolutely no doubt that the NGOs studied here have changed meanings, aspirations and ambitions forever in Quispicanchis, Llallay, Canas, Ravelo, Sopachuy, Lajas and Ayo Ayo.

133 The one exception is that of Canas. In Canas, the presence of the Dutch funded bilateral project Proderm was far more significant until 1990 than IAA’s presence has ever been in the 1990s.
More than just money?
The aid chain in practice
Contributions of CFAs to partner impacts

At its most basic, the aid chain marks a set of relationships through which money flows. The effect of this aid chain on livelihoods and on the actors within the chain depends considerably on the volume of these financial resources. However, there is much more to aid chains. On the one hand much more flows through them than money: information, training, ideas etc. — indeed the CFAs have invested considerably in non-financial forms of support to their counterparts. Furthermore, it is not only the volume of resource flows that matters, but also the nature of these flows — the rules that govern them, and the quality of the social and inter-institutional relationships that sustain them. In Chapter 4 we talked about the quantity and distribution of financial resources. In this section, after a brief comment on modalities of financing, we pay more attention to other resources and activities within these aid chains, and also to the ways in which they are provided. The bulk of the chapter focuses on the CFA-NGO relationship within the aid chain, and especially what CFAs add to the work of the NGOs other than money, and how far the CFA-NGO relationship can be considered a ‘partnership.’ The aid chain however also embraces the relationship between NGOs and rural populations, and between the co-financing and the bilateral programs. The final two sections consider these relationships.

While each CFA has its own sui generis modalities for funding their partners, these can be broken down into three main types of support:

- **project support** – which finances specific and fixed, short term activities without implying that once the project is completed it will be followed by another project
- **programme support** – in which a number of activities are supported, often for slightly longer periods, and with the very great likelihood that this period of financial support will be followed by another
- **institutional support** – in which a large, block grant is given against an overall institutional budget and certain outputs, and where it is understood that – pending some serious change – the relationship will continue indefinitely. These may be from 3 to 4 years (at one point Novib had a five year funding window for Cipca, IPTK, Cedep and Cidiag, but for administrative reasons this has been reduced to 4 years).

In addition, each of the CFAs have been able to leverage DGIS sector, program and thematic funding to support one or other of their counterparts. Such funding is generally on a project basis, and complements the CFA’s existing support to the NGO.
The relative balance of modalities varies among the CFAs (Table 7.1). Novib, which has fewer, larger partners and least partner turnover tends to work more with programme and institutional arrangements, and Cordaid and Icco, who have more, smaller counterparts have more project by project arrangements. There also appears to be some difference as regards the trends among the CFAs. Novib has moved toward more institutional funding, in order to rationalize its partnerships, give partners more budget flexibility in implementing strategic plans, and – in essence – bank on the potential policy influence of powerful partners. Conversely Cordaid has moved away from institutional and programmatic support, on the grounds that more project specific funding is necessary in order to better specify outputs, link activities and budgets to outputs, improve monitoring and so enhance impact.

From a partner point of view, programmatic and institutional funding are clearly preferable. They give more stability and security, and so allow longer range planning. The overheads involved, and the line item flexibility implied, also allow them more room to maneuver, and scope to take advantage of strategic opportunities as they arise (e.g. participation in government working groups, production of publications etc.). Many recognize that such funding is ‘something exceptional in these times’ – and for that reason ‘we value this relationship greatly, and we don’t wish to lose it.’ From the CFA’s viewpoint, such arrangements have the advantage of reducing administrative burden. However, they also need to feel they have complete faith in the partner’s ability to conceive of and implement a strategic plan. Hence such funding arrangements are limited to longer standing and more trusted partners – and even in these cases, approval of institutional funding generally has to pass through all manner of checks and balances and levels of decision making before it is approved, as for instance was the case when IPTK and Cipca graduated to more open ended forms of institutional support from Novib.

### Table 7.1: Project funding mechanisms among the CFAs and the case study NGOs

<table>
<thead>
<tr>
<th>NGO</th>
<th>Current funding arrangement</th>
<th>Prior funding arrangement</th>
<th>CFA</th>
</tr>
</thead>
<tbody>
<tr>
<td>ACLO</td>
<td>Project funding</td>
<td>Project funding</td>
<td>Cordaid</td>
</tr>
<tr>
<td>Ccaijo</td>
<td>Project funding</td>
<td>Institutional support</td>
<td>Cordaid</td>
</tr>
<tr>
<td>Arariwa</td>
<td>Project funding</td>
<td>Institutional and project funding</td>
<td>Cordaid</td>
</tr>
<tr>
<td>Desco</td>
<td>Institutional funding</td>
<td>Institutional funding</td>
<td>Cordaid</td>
</tr>
<tr>
<td>Cipca</td>
<td>Institutional funding</td>
<td>Program funding</td>
<td>Novib</td>
</tr>
<tr>
<td>IPTK</td>
<td>Institutional funding</td>
<td>Program funding</td>
<td>Novib</td>
</tr>
<tr>
<td>Qhana</td>
<td>Program funding</td>
<td>Program funding</td>
<td>Icco</td>
</tr>
<tr>
<td>IAA-Canas</td>
<td>Project funding</td>
<td>Project funding</td>
<td>Icco</td>
</tr>
<tr>
<td>Cepes</td>
<td>Institutional funding</td>
<td>Institutional funding</td>
<td>Icco</td>
</tr>
</tbody>
</table>

At least among the NGOs interviewed in this study, institutional funding is perceived as a necessary (but still not sufficient) condition of considering your relationship with the CFA a ‘partnership’ (see below for more on partner-
ship. They recognise it as an indicator of being trusted (which indeed it is), and partly for this reason, rightly or wrongly, Novib is perceived (by both its partners and non-partners) as a more trusting CFA than Cordaid. Such funding is also viewed as enhancing impact. Of course, informants have a vested interest in saying this, and while the case studies suggested that institutional funding clearly facilitates certain actions, there appears to be no necessary relationship between impact and having institutional support. An exception would be policy oriented NGOs – where the quality of research and of political networking increases where funding is more flexible.

The CFAs – and above all Icco and Novib – have had particular emphasis on supporting rural development networks and consortia in both Peru and Bolivia (Table 7.2). This support has taken various forms and reflects an effort both to innovate in modalities of financing, and at the same time to provide non-financial forms of support. Many types of network have been supported, and have varied in purpose, membership rules, activities and geographical reach (Table 7.2).

Notwithstanding this level of support, as we noted earlier, networks were not evaluated directly in this study because the links between network activity and poverty alleviation seemed far too indirect. Nonetheless, many of the NGOs studied (and others interviewed) participated in these networks, and the first part of this section traces some of the effects of this participation on their work. For the amount of overall support given to networks, these effects seem relatively limited. Furthermore, the relative success seems to vary in relationship to two key factors: incentive to participate, and origin of the network. Following a brief discussion of network influence, we consider the significance of these two factors in turn.

### Table 7.2: Networks supported by the CFAs in the 1990s

<table>
<thead>
<tr>
<th>Type of network</th>
<th>Example</th>
<th>Geographical coverage</th>
<th>Activities</th>
<th>Funder</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sector specific national networks to fund and coordinate rural development activity</td>
<td>Unitas/</td>
<td>Bolivia, highlands/valleys</td>
<td>Fund rural development projects, Advise on systems and agro-ecological approaches to agricultural development, Training, Develop policy alternatives</td>
<td>Icco/Novib (and previously Cebemo)</td>
</tr>
<tr>
<td></td>
<td>Procade/ Praca</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Aipe/Procom</td>
<td>Bolivia, highlands/valleys</td>
<td>Fund rural development projects, Training, Develop policy alternatives</td>
<td>Novib</td>
</tr>
</tbody>
</table>

| Sector specific international networks to exchange information and systematize experiences | Secretariado Rural       | Peru and Bolivia        | Promote exchange of lessons and learning among NGOs on sustainable agriculture and rural development | Icco (with Eze and LWR)         |

135 If there is any relationship at all, the causal relationship is the other way around – namely, the NGO is more likely to secure institutional funding once the CFA has been convinced that the NGO has had impact on rural poverty.
<table>
<thead>
<tr>
<th>Type of network</th>
<th>Example</th>
<th>Geographical coverage</th>
<th>Activities</th>
<th>Funder</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grupo Chorlavi</td>
<td>Latin America</td>
<td></td>
<td>Promote exchange of lessons and learning among NGOs on sustainable agriculture and rural development</td>
<td>Iccoo (with IDRC and ALOP)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Develop policy ideas and influence dominant paradigms on rural development</td>
<td></td>
</tr>
<tr>
<td>Sector specific sub-national networks to finance and support member projects</td>
<td>CAME</td>
<td>Puno, Peru</td>
<td>Develop training materials and increase member capacity in agro-ecological and indigenous technology approaches</td>
<td>Iccoo</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Fund project of members</td>
<td></td>
</tr>
<tr>
<td>National consortia for coordination and representing interests</td>
<td>Coordinadora Rural</td>
<td>Peru</td>
<td>Develop national and departmental platforms for policy dialogue</td>
<td>Iccoo (and others)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Represent members (NGOs, community based and peasant organizations)</td>
<td></td>
</tr>
<tr>
<td>Regional consortia for coordination and representation</td>
<td>Coincide</td>
<td>Cusco, Peru</td>
<td>Coordinate NGO input into regional policy</td>
<td>Cordaid (and later others)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Fund activities of members</td>
<td></td>
</tr>
<tr>
<td>Networks of CFA partners</td>
<td>Platform of Novib Counterparts in Peru</td>
<td>Peru</td>
<td>Facilitate communication between Novib and partners</td>
<td>Novib</td>
</tr>
<tr>
<td></td>
<td>Platform of Novib Counterparts in Bolivia</td>
<td>Bolivia</td>
<td>Facilitate communication between Novib and partners</td>
<td>Novib</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Production of project planning guidelines Desarrollo sostenible en los Andes</td>
<td></td>
</tr>
</tbody>
</table>

**Benefits and impacts of network support**

During the community level research for this study it was hard to find evidence that network based institutional development initiatives (other than those involving direct project funding, as in the case of IPTK) had had a direct and perceivable impact on people’s livelihoods (and indeed, over the course of time Cordaid withdrew from the GoM’s coordinated support to Procade). To expect easily verifiable evidence of impact is, however, probably to ask too much – the links between Procade’s advisory work and rural livelihoods are very indirect. Where Procade appears to have had some effect is at the level of policy thinking – particularly around the concepts of micro-regional development and participatory planning. Some of Procade’s plans fed directly into municipal plans under the Law of Popular Participation (IOB, 1998: 137).
At an institutional level, individual NGOs perceive some impact of some of these network activities. Ccaiío recognized the value of planning and training work done by Coincide in Cusco; IAA-Canas felt it had learnt a great deal, in particular as regards watershed approaches to rural development, from its participation in the Secretariado Rural; Cipca suggested that Procade had been valuable at certain moments. An earlier evaluation suggested that among its member NGOs, Procade improved the quality of agricultural planning and increased gender awareness [De Zeeuw et al., 1994].

**Incentives to participate**
The incentives to participate in these networks vary, and sometimes the relative weight of incentives is not the same as those laid out in the founding documents or funding proposals of the networks. This is most clearly the case where the stated rationale for the network is to provide technical support to its members (e.g. in project design, agroecology etc.), while in practice the member NGOs see the network very much (and at times above all) as an additional source of project funding. This became most clearly the case in CAME, where in some cases its members came to depend exclusively on CAME for project funds (Haverkort and Milligan, 1997) but it has also been the case in Unitas-PROCADE, AIPE-PROCOM and arguably also in COINCIDE. In such cases, it becomes difficult for the network to play the role of technical advisor,\textsuperscript{136} because once its technical team attempts to allocate funds on the basis of the technical quality of proposals (and so excludes certain network member NGOs from access to these funds) these NGOs are likely to take their grievances to the board of the network in order to ensure that they sustain access to funding. These confused incentives clearly reduce impact, as well as network sustainability.

A somewhat similar lack of clarity applies to those cases where the CFA creates platforms of its counterparts (a practice that dates back to the 1970s though today only Novib has formal partner platforms).\textsuperscript{137} While the stated rationales for these attempts have included exchange of information, policy dialogue, and partnership, they have rarely been successful in this regard (Valderrama et al., 2001; Vela, 2000). Partners have often attended because they feel they have to respond to their funders’ request to do so, but for the very same reason are not inclined to engage in serious policy dialogue and argument, or critical self-reflection, for fear of endangering that same funding. In these cases then, the financial incentive thus encourages physical participation but discourages substantive participation. As a result the platforms end up benefiting the CFA and serve primarily as a mechanism through which it can inform itself of conditions in country, and communicate its policies more efficiently to all its members.\textsuperscript{138} Indeed, it is notable that the strongest working groups of the Novib platform are those on human rights, gender and environment, Novib’s (and the GoM’s) three cross cutting themes.

In those cases where the incentive to participate is one of exchanging information, a different problem arises: namely that the expected value often does

\textsuperscript{136} The GoM evaluation of networks in Bolivia (including Procade and AIPE) was quite critical of their ability to play this technical role (Wils, 1995).

\textsuperscript{137} While at its origin the Secretariado Rural was an Icco specific platform, this is no longer the case as other funders (and their partners) have become involved.

\textsuperscript{138} This comment was made especially as regards the Novib platforms, by NGO and Novib staff alike.
not justify the costs of participating (especially costs of time). This is particularly the case when participation is electronic (if periodic face to face meetings are involved people are more likely to participate as the direct and indirect benefits become greater). Thus, in the perception of some of the key stakeholders in both the Secretariado Rural and the Grupo Chorlavi, levels of participation have been patchy and generally disappointing. Furthermore, those participating have been central management staff (who live closer to the computer) rather than field staff (who live further from the computer, and for whom the costs are therefore greater).

One of the implications is, perhaps, that network incentives are more likely to encourage participation when the network emerges from the members. This has not, however, generally been the case.

Origin of network
In a number of cases, the CFAs have played important roles in inducing the existence of the networks. This is most clearly the case with Novib’s platforms. It is also the case of Secretariado Rural and the Grupo Chorlavi, in each of whose creation Icco played an important role (Chorlavi et al., 1999). Their creation reflected Icco’s belief (which was also endorsed by a program evaluation: de Zeeuw et al., 1994) that its partners could learn a great deal from each other (and in the case of Chorlavi, from non-Icco partners). Most of the partners it consulted said they felt the same and so, after much design work, the networks were created. However, as noted above, levels of participation in them have been disappointing.

A related problem with networks that are very closely associated with the CFA is that they tend to be perceived as the CFA’s initiative – as a result, it can take a long time for the members to begin to take ownership of the network (if ever they do). This, furthermore, can make it difficult for the network to secure funding from other sources. CAME, for instance, never did diversify its funding and has since disappeared (though overall lack of professional resources and a somewhat conflictive environment among NGOs in Puno also left CAME weak). The SR and Chorlavi are also still each highly dependent on Icco’s resources, but are professionally much stronger.

Some of the case study NGOs participate in other networks than those supported by the CFAs, and interestingly seem to have more interest in networks whose creation emerges from the NGOs themselves and reflects a shared concern among the members. Indeed, these are at times networks without resources. Examples include the Coordinadora de Provincias Altas in Cusco (in which IAA-Canas and Cadep [another Cordaid partner] are active) and the network of Jesuit institutes in which Ccaijo has ever greater interest.

Each of the CFAs works with a form of in-country service organization (ICS), though the way in which this relationship operates varies. These ICS’s are intended to give support to both CFA partners as well as to the CFA itself.

139 For reasons of transparency, it ought be noted that Bebbington currently serves as member of the advisory board for a small project fund managed by the Grupo Chorlavi.

140 And even in cases such as Chorlavi, where it has assumed a life of its own, the word of the funder still carries disproportionate weight.
The most intensive ICS’s are the so-called IAS’s of Cordaid.\footnote{IAS is Instancia de Apoyo y Seguimiento – roughly translated as Support and Monitoring Units.} In both Peru and Bolivia these IAS’s grow out of long-standing relationships with key individuals who at certain points have had considerable influence on Cebemo/Bilance thinking.\footnote{Mario Padrón and Godofredo Sandovál respectively.} In Peru, the IAS is a group called PAED that exists as a semi-autonomous program within Cordaid’s policy partner, Desco. This ambivalent distinction between Desco and Paed is further complicated by the fact that the funding for Paed is agreed as part of the overall triennial package of funding for Desco. This blurred boundary has at times had the effect that some NGOs in Peru are cautious in their relationships with Paed for they feel they are in essence showing their ‘family affairs’ to another NGO. In Bolivia the IAS is an independent, and highly respected consulting group, Sinergia. This status clearly facilitates its relationships with Bolivian NGOs.

While the IAS’s primarily provide services to Cordaid (with information, feedback, organization of program officer visits, occasional commentary on project proposals etc.) they also offer some monitoring, advisory and technical support to Cordaid’s partners. This they do either by contracting consultants, or with in-house skills (and in Paed’s case, sometimes with other Desco staff, which only deepens the ambivalent identity of Paed). Some of this support is given to individual NGOs when they request it, and this appears to be effective and has, for instance, assisted ACLO in certain aspects of institutional reorientation. At other times training is given in group form (through workshops and trainings). While there is some impact here (and likely more so among the small NGOs which were not in our sample) there remains some sensitivity to these events in part because they are also viewed by some as mechanisms for disseminating Cordaid’s generic policy.

Icco has slightly less intensive relationships with consulting groups in each country (Clave in Bolivia, ETC-Andes in Peru). In addition to their support to Icco (in hiring consultants, coordinating evaluations), these will also provide (or find specialized consultants to provide) support services that the NGO requests, and/or that Icco recommends for particular partners. They do not provide group based training, however. Novib operates in a similar, but even less intensive way, working with Clave in Bolivia and the joint NGO/consultancy, the School for Development in Peru. Indeed Novib, because it has fewer counterparts, has less need of a local support service. Also it has recently decided to include resources for technical assistance as a budget line in all partner grants, allowing the partner to look wherever they need for resources rather than feeling the need to go first to Novib’s ICS.

All the ICSs occupy a structurally awkward position, which some handle better than others. They are not the CFA, but are clearly perceived by many NGOs as having the CFA’s ear. In response to this perception, some of them struggle to maintain as much independence as possible, refusing (even when the CFA asks) to comment on project proposals or the general qualities of different counterparts and NGOs. Though perhaps at times frustrating to the CFA, this attitude helps keep CFA-partner relations as transparent as possible, and reduces the extent to which the ICSs are perceived as intermediaries and brokers, rather than just facilitators. Others are willing to see themselves as ‘the
eyes and ears of Cordaid,’\textsuperscript{143} which while helping Cordaid in the short-term probably aggravates its longer term relationships with its partners (as well as relationships among NGOs in country).

The ICS also play another (also awkward) role- that of cultural broker. This role is necessary, for if, as Mariano Valderrama claims, there is often a serious ‘cultural gap’\textsuperscript{144} between CFAs and their partners, some mechanism needs to be found to improve understanding. In the absence of a local CFA office, the ICS is probably the best, but not ideal mechanism for this. The complication, however, is that in playing this role, it once again begins to influence decisions without formally having the authority to do so.

Much of the work through networks can be understood as institutional strengthening initiatives. However, the CFAs have provided and supported a host of other capacity building activities that are not directly linked to networks. Once again, it was almost impossible to demonstrate a direct impact of these activities at the level of livelihoods. However, we also tried to identify effects of the activities at the level of the NGOs themselves. Here there was more, if mixed, evidence.

Some activities appear to have been quite useful. Icco’s PEYDI program of support in strategic planning (and M&E systems) was highly appreciated by IAA-Canas. When this program began, IAA realized that it was almost beginning from scratch as regards strategic planning, and it took full advantage of the program. Today it perceives significant changes in its own institucionalidad, and also the ways in which it develops projects and understands its work. The best indicator of this perceived effect is that, even though Icco has stopped funding the PEYDI activities, IAA has continued to contract (with its own resources)\textsuperscript{145} the services of one of the two Colombian consultants that Icco had funded.

In a similar vein Cipca valued greatly the consultancy support which Novib provided in order to help it develop strategic planning, monitoring and evaluation systems: ‘the new type of relationship we have with Novib, involving regular accompaniment that takes the form of external advice rather than evaluative auditing, has been very positive. It has helped us identify problems and seek solutions to them jointly, and has contributed significantly in creating a climate of trust’ (Cipca 1999). In this case, it merits note that the systems also helped Cipca meet Novib’s demands for more flexible, programmatic funding and so there was something of an incentive here. In the same vein, it appears that the consultants to Cipca also played the role of cultural broker similar to that occasionally played by the CFAs’ in-country services. That is to say, they were able to help Cipca read other ‘cryptic’ Novib documents and tell them ‘when the Dutch say this, they really mean this.’\textsuperscript{146}

While these more individualized, targeted forms of support are valued (because they can be adapted to the NGO’s own context, and also imply partnership more than do group based trainings), the more general initiatives at in-

\begin{footnotesize}
\begin{itemize}
\item \textsuperscript{143} A quotation from the head of one ICS.
\item \textsuperscript{144} ‘Brecha cultural,’ pers. com. 27/3/01.
\item \textsuperscript{145} Though it ought be noted that over 90% of these resources have, during the 1990s, come directly or indirectly via Icco.
\item \textsuperscript{146} Quotations from an interview with the senior management of Cipca.
\end{itemize}
\end{footnotesize}
institutional strengthening seem to have had less effect. The Novib platform in Bolivia co-ordinated an inter-disciplinary effort among its members (and subsequently some non-members) to develop indicators for sustainable agricultural development in the Andes analyze and select among intervention strategies, and to elaborate guidelines for project design. An expensive effort involving 3 consultants, 2 years of half time work, many meetings and field trials, this resulted in a book whose guidelines have to date only been used by one NGO to design a project proposal for Novib (which was, moreover sent back for revision because the guidelines don’t include a cost-benefit analysis). Novib counterpart incorporation of this methodology has been patchy.

It is difficult to discuss the issue of PME independently of a discussion of partnership because in most cases any effort to establish systems for impact oriented monitoring and evaluation is perceived to have come in large measure at the behest and pressure of the CFA. The demand for evidence of impact is often seen as one more conditionality of the CFAs (and other funding agencies), in much the same way as the people we interviewed in the CFAs perceive that they too are under great pressure from the Ministry to produce results on impact.

Read one way then, the establishment of PME systems can be seen as the result of a chain of conditionality. It is also often perceived as a chimera, as many people interviewed in this study (whether currently or formerly of the Ministry, of CFAs or of the NGOs) express serious reservations about the possibility of identifying or establishing impact, and linking impacts to specific interventions. Most informants (in NGOs at least) believe they are having an impact, but many doubt that this can be convincingly shown through PME systems.

This would, though, be too negative an interpretation of the work that CFAs and NGOs have done to establish systems of PME. Indeed, NGOs such as Cipca, IAA-Canas and Cepes\textsuperscript{147} each value the support (and de facto pressure) they have received from Novib and Icco (respectively) to create, or strengthen, their M&E systems. In some instances, they appreciate that this support has helped them establish systems that give them sufficient credibility to gain access to (or sustain) multi-year institutional funding which is given by the CFAs against programs of work rather than just against projects. Some also feel that the exercise of establishing an M&E system was in itself helpful in focusing, clarifying and improving the ways in which they conceptualize their intervention and overall role as an NGO. Put another way, the struggle to establish a PME system effectively led them to reconsider their model of development, poverty reduction and intervention.\textsuperscript{148,149}

The progress in establishing such PME systems among NGOs (and thus of reaping any fruits of the process) is, nonetheless, uneven. One notes slightly more evidence of proactive support to this from Novib and Icco (via sub-con-
tracted consultants) than from Cordaid (Table 7.3). In some regard this is surprising, as Cordaid has the best developed in-country services (the IAS’s – see earlier), and these have given support in PME, particularly as it relates to the Generic Policy. It may be that the Novib and Icco support has been more institution specific in the cases we considered, and that for this reason it is more readily recognized.

Table 7.3 PME systems and practices in the case study NGOs

<table>
<thead>
<tr>
<th>NGO (CFA)</th>
<th>Impact oriented M&amp;E system?</th>
<th>Degree of involvement of CFA in mounting system</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cipca (Novib)</td>
<td>Strong</td>
<td>Much</td>
</tr>
<tr>
<td>IPTK (Novib)</td>
<td>Moderate</td>
<td>Some</td>
</tr>
<tr>
<td>ACLO (Cordaid)</td>
<td>Weak</td>
<td>Some</td>
</tr>
<tr>
<td>Ccaijo (Cordaid)</td>
<td>Moderate</td>
<td>Limited</td>
</tr>
<tr>
<td>Arariwa (Cordaid)</td>
<td>Strong</td>
<td>Limited</td>
</tr>
<tr>
<td>Qhana (Icco)</td>
<td>Currently in abeyance</td>
<td>Some</td>
</tr>
<tr>
<td>IAA-Canas (Icco)</td>
<td>Moderate/strong</td>
<td>Some</td>
</tr>
</tbody>
</table>

Source: researchers’ assessments

Finally it merits noting that there is a necessary synergy between initiatives to foster learning among NGOs (as in the Secretariado Rural) and efforts to establish PM&E systems. If NGOs are unable to systematize their experiences, and demonstrate at least hints of impact (positive or negative), then they have less to share with others. However, it may well be that large quantified data bases are not the best basis for drawing lessons that can be shared – instead *systematizaciones* of particular experiences (including experiences of impact) might be much more appropriate and accessible ways of exchanging information, and indeed of fostering learning (both within and among NGOs). If this is so, more effort could be spent on helping partners develop this capacity to systematize. Indeed, Novib notes that it has encouraged Cipca to include applied research as part of its notion of M&E. Still, the number of useful *systematizaciones* remains limited, among NGO in general, and CFA counterparts in particular. Yet this is clearly a necessary input if networks such as the SR and Chorlavi are to serve as fora for mutual learning (*inter-aprendizaje*).

The preceding observation raises the wider question of support to research for rural development. Historically the CFAs – in particular Cebemo/Bilance – have been an important source of support for research on issues related to rural development. This research had direct and indirect influences on rural development in the region. Several of Desco’s rural development programs

7.6 Rural research and poverty alleviation

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150 Arariwa and Ccaijo each have strong PME departments – however, their establishment has not, apparently, received significant support from Cordaid.

151 Indeed it is the case that IAA-Canas was one of the pilots for Icco’s Peydi program; and Novib supported Cipca directly.

152 For one useful *systematización* in Arariwa see Chevarria, 2000. Chorlavi has also recently launched a competitive fund to finance such *systematizaciones* – this is funded primarily by Icco.

153 One which falls somewhat outside our terms of reference but appears important.

154 These programs were evaluated in March 2001, with reasonably positive results (Vellinga, pers. com., June 6, 2001).
grew directly out of research conducted by Desco; Xavier Albó’s research at Cipca has arguably been the single most important influence on indigenist thinking about the links between identity, power and rural development in Bolivia (van Niekerk, forthcoming); and research at Centro Bartolomé de las Casas informed training programs for many rural professionals from the Andes and Southern Cone.

This NGO research capacity has since been considerably reduced. Desco once had seventeen researchers, it now has two; CBC has no research program and just three academics who work primarily as administrators; and so on. The first irony of this is that, just as liberal agencies such as the CFAs have reduced their support to research, more conservative agencies have built up new think tanks (e.g. GRADE in Peru). The second is that – arguably – it has been research (coordinated by Dutch researchers) that has upset the ground underneath some Dutch thinking about rural development (Zoomers, 1998) – i.e. CFA and DGIS staff know (en carne propia) that research matters and makes a difference. And the third irony is that just as CFAs cut support to research, the Dutch bilateral program has supported an innovative program for social science research in Bolivia – which (to compound the irony) was initially managed by Cordaid’s IAS.

The rationale for reducing support to rural development research has been that there is little evidence of impact. Also, some CFA program officers are also quite clearly skeptical of the value of research. More specifically, in the case of Cordaid, support to research doesn’t fit easily within the structure of the Generic Policy – and when it once tried (as Cebemo), to make research at CBC better fit the Generic Policy by linking CBC’s research to an NGO network, Coincide, the effort backfired. Nonetheless, many of the NGO staff interviewed for this study perceive this lack of research as a significant gap, and compare current CFA support to research activities very negatively with prior periods.

CFAs often talk about their ‘partners’ in Peru and Bolivia, and in doing so immediately imply that there is more to the aid chain than simple resource flows. To some extent this ‘more’ is reflected in the giving of forms of non-financial support as outlined in this chapter. But it also implies more than this – it suggests the notion that relationships between CFA and NGOs (and NGOs and communities) be based on trust, and a commitment at least to overcome imbalances of power. A precise definition of partnership is beyond the scope of this report, and would anyhow be contested – nonetheless, even if definitions might be contested there was general agreement among most interviewees in Peru and Bolivia that the quality of partnership between CFAs and NGOs had declined over time.

7.7 Is it only about money? problems of partnership in the aid chain

155 The GOM is supporting some research at CEDLA in La Paz.
156 This is PIEB. Sinergia initially managed this research program, but more recently it has become administratively independent of Sinergia.
157 Here we refer to staff in non-research NGOs as much as those in NGOs which previously had far more research capacity.
159 A position argued more generally by Latin American NGOs in La Realidad de la Ayuda Externa. América Latina al 2000 1999. Lima. Ayuda en Acción/Actionaid/ALOP. The same case is argued generally, and for Peru in: Valderrama (2001) and Valderama, Negrán and Picón 2000. (It ought be noted, Valderrama played an important role in writing La Realidad de la Ayuda Externa also).
On a number of occasions, interviewees used the analogy of marriage to refer to this partnership problem, suggesting that like marriages that have gone on too long without being carefully discussed and revisited, many CFA-NGO partnerships are either under strain or fizzling out. The indicators of this impoverishment of partnership that were given include:

- increasing conditionality linked to CFA programs and projects
- increased demands for impact, and M&E systems
- reduced willingness to give institutional funding (i.e. more project specific funding)
- a perceived increase in the tendency of CFAs to impose agendas (specifically the Generic Policy of Cordaid)
- reduced willingness, or time, to discuss larger policy issues.

Many reasons were given for these changes, among them:

- the increased pressure for impact and accountability put on CFAs from the Dutch government, and the tendency of the CFAs to respond defensively to this pressure
- increased workload of project officials
- the incorporation of new project officials who are perceived as more technocratic, less interested in getting to know the larger history and dynamic of Peru or Bolivia, and as a result less able to contribute useful and context sensitive ideas
- the decline of the ‘old guard’ in the CFAs who were more trusting and more solidarity minded and who had personal experience of earlier political moments in the two countries.

There is some truth to each of these observations, though whether they lead to less partner-orientation in the CFAs is more difficult to say. What is clear, though, is that many of the NGOs interviewed are less enamoured of their respective CFA than they used to be, with the disenchantment being particularly great in the case of Cordaid and its generic policy that, for one Director, ‘allows for no discussion.’ Thus the sense of decline in the quality of relationship is particularly acute in organizations like Desco, Ccaijo, Arariwa and Centro Bartolomé de las Casas, though Icco itself has also noted this problem (Verhallen, 2000).

It is important not to overstate this issue, however. Some of the changes that NGO staff note in CFA practice may not be entirely bad. To the extent that they force funding, project and other strategic decisions to be subjected to rational criteria as well as simply ones of trust and faith – or at least to the extent that they force all involved to be more explicit about what, and who, is really being funded – then this is a step forward. In this sense, these changes reflect the extent to which not only Andean NGOs, but also the CFAs have become progressively institutionalized over the last three decades. Such an institutionalization means that aid relations become progressively less based on personal relationships (where questions of trust are more apparent) and somewhat more on more formal procedures. The challenge of course is not to go too far in this direction – and many involved clearly perceive this is a

In the words of one Director: ‘the old idea of partners is dead.’
real risk, and to the extent that it happens it will turn the Dutch-Andean aid chain into more and more of a funding channel, and not much more.

One critical aspect of partnership that has been important and merits protecting (see Chapter 8) is participation of CFAs and NGOs in the debates on the definition of each other’s policy. This is clearly a sensitive area, and at times both sides have overstepped the mark, but there are many cases where each other’s contributions have been highly valued. Novib is seen as a participant in the definition of its partners’ policy – a participation that is highly valued even if it seems a touch too involved at times. Cepes and Tierra value Icco as a sparring partner. Indeed, there are even cases where the NGO has sought out this CFA intellectual input. For instance, when in the mid 1990s Arariwa didn’t want Bilance’s money, it still wanted to maintain the relationship because it felt it would learn from Bilance’s comments – and indeed, those comments did help Arariwa design its internal restructuring.  

From the CFA side, there have likewise been moments when the platform of Novib partners in Peru influenced Novib policy (Wehrkamp, 1990: 1), when NGOs linked to MBL also influenced Novib thinking in Bolivia, and when Desco (in the person of Mario Padrón) had considerable influence over Cebe-mo and Novib thought and policy. However, it does seem (though this would require more work to substantiate fully) that Andean NGOs now have far less influence than in the past in the definition of the CFAs’ own policies. In this sense, the power relation has become more lop-sided – CFAs can influence NGO policy (through the weight of money), but NGOs have rather less ability to influence CFA policy (perhaps because this in turn is increasingly influenced by the weight of the CFAs’ own donors). As a result, it is today difficult to speak of joint policy formulation (c.f. Verhallen, 2000 too).  

Right now CFAs induce NGO policy far more than NGO affect CFA policies. One of the most striking indicators of this is the way in which the three themes of gender, human rights and environment (cross-cutting themes in the co-financing program) repeatedly appear as cross cutting themes in CFA partners’ proposals and policy documents, and in the working groups of the Platform of Novib partners in Peru.

Even if one would not want to return to a situation in which large grants are approved purely on the basis of personal relationships, this final observation at least clearly is a step backwards. One of the critical challenges in the future of the aid chain will be to re-open these spaces for dialogue (we return to this in Chapter 8).

161 Partly at Bilance-Cordaid’s suggestion, Arariwa split its different activities up into mini-Ararivas, semi autonomous and self-budgeting programs – Cordaid had strongly encouraged this, on the ground that the different components (adult training, commercial seed production, technical assistance and the vocational training center) were too different to be managed within the same organization.

162 Again, this issue is not limited to the CFAs, but more generally to Latin American NGO perceptions of their relationship with their traditional European donors: ‘the terms of the relationships between Northern and Southern NGOs seem to carry a new meaning .... their is a general, and noticeable trend from relationships based on a logic of solidarity and partnership, to a logic of pragmatism and projects. More and more, many Northern NGOs unilaterally impose their geographical, thematic, and sectoral priorities – and furthermore their criteria constantly change. Old concepts like development and democratic transformation seem to be somewhat crowded out by concerns such as efficiency’ (Ayuda en Acción/ALOP, 1999: 56).
If it has often been difficult to equalize relations of power and sustain partnerships between CFAs and NGOs, it has been even harder to do so in the relationships between NGOs and rural people. Indeed, the general impression from the case studies is that this relationship has been between a service provider and clients, rather than between partners. This is not necessarily a bad thing; clients can be satisfied with service providers. However, a service provider-client relationship is never one in which the participants really join forces. Furthermore, in these cases, because the financial survival of the service providers (the NGOs) does not depend on payments from their clients (rural people), the latter have no effective way of expressing dissatisfaction.

To some extent, if it is the case that the case study NGOs know relatively little about the dynamics of the livelihoods of the people with whom they work, then this is immediately a measure of the absence of much participation – let alone partnership – of these populations in establishing agendas of the NGOs. Indeed, while projects have often been designed on the basis of information from *diagnosticos*, there has been far less participatory identification of project priorities and components. In one workshop feeding back the initial results of our fieldwork to the NGO (Qhana), the staff present were clearly surprised by some of the material being presented as it raised aspects of local livelihoods they had not previously considered. They commented that clearly they ought have first studied and consulted the communities before designing the project.

If there is little participation at the level of project design there is even less at the level of overall NGO strategy. In only one case – that of IAA-Canas – has the NGO tried consistently to coordinate its work with existing peasant organizations at a supra-communal level. This, however, is also because of a political commitment to the work of the Departmental Peasant Federation in Cusco (FDCC) – a commitment that at a certain moment was mediated by party politics (though less so today, as the Federation, with IAA’s support apparently, signed a pact with Alejandro Toledo prior to the recent presidential elections).

Indeed, party politics have confused the relationship between NGOs and rural people in other cases – the most notably being that of IPTK. Thus, while IPTK has contributed significantly to leadership formation and community capacity building in Ravelo, this was often on the understanding that this was in return for party political support. This could be viewed as a condition of rural people receiving IPTK’s support – to the extent someone commented during the research that, if Cipca focuses its attention on los viables, IPTK has focused its support on los leales. Clearly this confounds any chance that rural people will influence the NGO’s strategy with their own agendas.

The absence of mechanisms of structural co-ordination between NGOs and rural populations, in which each party formally participates in the decision making of the other, also means that it is hard to say that NGOs and rural people have been able to develop any sense of joint mission or vision for the areas in which they live and work. It can reasonably be argued that this is close to impossible, because the rural populations do not have representative organizations – and many question the representativeness of the FDCC too.

161 In much the same way as establishing PME systems is for the NGO in its current relationship with Novib.
(IAA-Canas’s partner). Perhaps the closest to which NGOs have come to this has been in some of the Watershed Management Committees, and District Development Committees in Cusco, which — even if they have no formal say over the NGO — do serve to exercise some influence over the NGOs actions. Many (most?) of these committees, however, remain quite dependent on the NGOs — again limiting scope for critique.

Indeed, the fundamental imbalance in the NGO-community relationship is similar to the fundamental imbalance in the NGO-CFA relationship. Namely the community depends on the NGO for resources, but not vice versa (and the NGO depends on the CFA, but not vice versa). This inevitably influences incentives — it reduces the incentive to the NGO (CFA) to let the community (NGO) participate formally in its planning processes; and it reduces the incentives to the community (NGO) to tell the NGO (CFA) what it really needs and what it really thinks. Much experimentation in funding mechanisms remains to be done to change this relationship.

Although administratively distinct, Dutch bilateral and co-financing programs are linked in many ways. While financial flows are one such link, perhaps of more significance for understanding the relationships between the two domains are the ways in which social networks cut across government-civil society boundaries in both the Netherlands and the Andes. These networks have channeled resources, ideas, policy innovations etc., though the extent to which they do so has varied over time.

The simplest link between the two programs is the financial. CFA activities in Peru and Bolivia have been supported not only by co-financing resources but also by bilateral funds. The CFAs saw their activities grow significantly in Peru, for instance, when it was declared a sector country by DGIS in 1985, opening the possibility that the CFAs could seek additional funding. Novib immediately informed its counterparts of this, and within the year three new NGO projects had been funded through this window (Wehrkamp, 1990: 20–21). In the 1990s Novib and Icco continued to access DGIS resources for particularly expensive projects, one of which was IAA-Canas’s program in Cusco. Minister Bukman’s initiation of the special Andean Program was likewise an important source of funds for the CFAs and their partners in both countries. In Bolivia, while the co-financing program accounted for 100 million florins of CFA investment from 1970 to 1995, the DGIS’s Andean Program was the source of a further 104 million florins, and indeed 27 per cent of all Dutch aid to Bolivia was channeled via the CFAs (IOB, 1998: 117). Over half of this amount was disbursed from 1990-1995, making the 1990s by far the most budgetarily significant decade for CFAs in Bolivia (Table 7.4).

164 The same report goes on to say that ‘Since Bolivian NGOs were also involved in activities financed by other budget categories, they were responsible for the implementation of 47% of all disbursements’ (IOB, 1998: 117-118). This presumably means that they implemented somewhat over a quarter of the bilateral program too.
Table 7.4 Percentage distribution of disbursements by period and by CFA

<table>
<thead>
<tr>
<th>Period</th>
<th>Bilance</th>
<th>Hivos</th>
<th>Icco</th>
<th>Novib</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1970-74</td>
<td>1.1</td>
<td>0.1</td>
<td>0.3</td>
<td>0.4</td>
<td>0.4</td>
</tr>
<tr>
<td>1975-79</td>
<td>11.8</td>
<td>1.7</td>
<td>0.4</td>
<td>5.0</td>
<td>5.1</td>
</tr>
<tr>
<td>1980-84</td>
<td>22.1</td>
<td>14.4</td>
<td>8.0</td>
<td>10.6</td>
<td>13.0</td>
</tr>
<tr>
<td>1985-89</td>
<td>28.9</td>
<td>28.5</td>
<td>22.3</td>
<td>26.7</td>
<td>26.1</td>
</tr>
<tr>
<td>1990-95</td>
<td>36.1</td>
<td>55.4</td>
<td>69.2</td>
<td>57.4</td>
<td>55.4</td>
</tr>
<tr>
<td>Total (%)</td>
<td>25.3</td>
<td>8.0</td>
<td>30.0</td>
<td>36.7</td>
<td>100.0</td>
</tr>
<tr>
<td>Total (Fl)</td>
<td>51,646,000</td>
<td>16,356,000</td>
<td>61,274,000</td>
<td>74,754,000</td>
<td>204,030,000</td>
</tr>
</tbody>
</table>

Source: Adapted from IOB, 1998: 123

These funding links have been helpful for CFAs and DGIS alike. They have allowed DGIS to broaden its links with Andean civil society in ways that would have been otherwise difficult. Bilateral program officers (even those critical of the CFAs and of NGOs) realize that that this funding mechanism allows support to activities that would be too sensitive for the bilateral program to fund directly. Also – and at times quite explicitly – these flows have been viewed by the bilateral program as a means of enrolling CFA support for the aid budget back in Holland. For the CFAs, this funding allowed them to deal with budget crunches (as for the case of Novib’s program in Bolivia in the 1980s), and to broaden or deepen their coverage. In practice it has meant that their partners have received funding from two separate Dutch government windows – the co-financing program, and the bilateral program. For instance, and continuing with the case of Novib, Andean Program funds in Bolivia allowed them to begin working with AIPE, a network of NGOs, and through this window channel additional funds to individual NGOs with whom they were already working (IPTK and Proagro). Likewise Icco was able to channel extra funds to IAA-Canas in Peru this way. In the 1990s in Bolivia, bilateral funds supported CFA links with Procade, Cipca, Fondeco, and NGOs in Cochabamba; in Peru, they helped support Icco’s work in irrigation in Lambayeque, Novib’s program with Cidiag, and Cordaid’s with Cadep. In many cases, these funds have allowed more lumpy and expensive infrastructural investments (e.g. for irrigation) that might have been more difficult to cover using co-financing resources. These funds also have the advantage to CFAs that even though they come from the bilateral program, the embassy and local office of DGIS have very little scope to monitor how they are used. Indeed, at certain times when the embassy has tried to do this (for instance in Bolivia), the CFA has been able to mobilize political contacts in Holland in order to prevent what they see as meddling.

While these funding links are perhaps the most tangible relationship between the cofinancing and bilateral programs, perhaps more interesting is the way in which the two programs have helped lay the way for the other to expand operations. This has happened differently between Peru and Bolivia, reflecting the political differences in the two countries. In Peru, the bilateral program was important well before the CFA programs – indeed these only began

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165 The reasons for such monitoring have been varied, but in cases in Bolivia in the 1990s the embassy felt that funds were not being used honestly by the NGOs involved.
to grow in the mid-1970s following the demise of the Velasco regime which the bilateral program had already been supporting intensively. As the CFAs later began to expand their operations, in many cases they built directly on relationships that dated from different parts of the bilateral program (Nufic, support to Cencira, Sinamos, Proderm etc.). Indeed, in several cases the earlier phases of these partnerships could be viewed as efforts to continue funding core themes in the Velasco reforms (e.g. the support to Cedep, Cidiag, IAA-Canas and the CNA could all be seen this way). People and ideas moved from the Peruvian state (where they were supported by Dutch bilateral funds) to Peruvian NGOs (where they were supported by Dutch co-financing funds). In some cases, the ideas also moved across the border to Bolivian NGOs as well.

This relationship was also to some extent reciprocal. Thus, an experiment such as PREDES in Cusco—a poverty alleviation initiative promoted by the bilateral program—reflected an attempt to link an effort of the Peruvian government to the work of some of the CFAs’ most important partners in Peru. In this sense it was an attempt to build on some of the capacities that these NGOs had developed in the course of their relationships with the CFAs (and other European agencies). Even though the PREDES experiment ultimately unravelled, it did leave behind a ‘model’ for district level civil society-state coordination that subsequently became a central theme in the work of NGOs in Cusco, especially ARARIWA (Azpur, 1999; Valderrama, 1998). In a similar vein, current DGIS support to environmental management efforts in the Vilcanota valley in Cusco are building directly on the District Development and Watershed Management Committees that have been built up by NGOs (such as Ccaijo and Arariwa) over the past decade. Ideas and experiments have thus circulated between bilateral and CFA funded programs in important and interesting ways.

In Bolivia, the relationships underlying CFA program had been developed before the bilateral program grew (IOB, 1998: 117), reflecting the fact that the authoritarian periods of the Banzer and Garcia Mesa governments pulled in CFAs just as they repelled the bilateral program. When in the mid-1980s the bilateral program began to grow, in many cases it built on NGO capacities partly built up by this CFA support. This synergy became even clearer in the 1990s when both the Paz Zamorra government, but especially the Sanchez de Lozada government, pursued policies that quite clearly drew upon innovations developed among NGOs supported by the CFAs. The Law of Popular Participation, for instance, apparently drew on ideas of micro-regional development and local municipal development as elaborated in different CFA funded programs: e.g. PRACA/PROCADE (supported by the GoM) and Cipca (supported by Novib). Furthermore, a number of NGO professionals with longstanding links to the CFAs moved into government in this period, taking with

166 A more recent example was the Ministries’ donation to the ETC to open its office in Lima; ETC then served (inter alia) as Icco’s in-country support agency.
167 For instance, methods for communicating irrigation management practices, developed in Proderm were continued by IAA-Canas. Subsequently, IAA-Canas talked about its methods in the Secretariado Rural, and then received visits from Bolivian NGOs specifically interested in learning about these communication/extension techniques.
168 Albeit by a program officer who had previously worked for the cofinancing agencies.
169 In Spanish, these are, respectively, the Comites de Desarrollo Distrital, and Comites de Gestión de Microcuenca.
them policy ideas (and skills) they had developed in the course of their work with NGOs.

This slightly more historical take on the ways in which policy ideas (and innovators) move from one institutional sphere to another provides a somewhat different – and more optimistic – interpretation of the (albeit unplanned) synergies between bilateral and co-financing programs than that which emerges from specific interviews with program officers on both sides of the divide. In interviews for this study, informants tended to argue that the links between the two programs are not particularly strong. At best these interviews tended to suggest lack of coordination – people noted that CFA officers do not always visit the embassy when they are in country; and if they do visit, conversations tend to be quite formal moments of information exchange rather than dialogue about development strategy. For some this seemed quite appropriate: let the CFAs do what they are good at, and let the embassy do what it is good at; let the CFAs engage in slightly more sensitive projects with civil society, while the embassy should deal with government and public policy; and so on. At worst, interviews suggested difficult relationships: ‘they didn’t trust me, we didn’t trust them’ said one embassy official referring to the 1990s in Bolivia (though the degree of trust also depends on the personal relationships involved).

But, notwithstanding these assertions, a more historical take suggests that over time there is significant synergy between the CFA and bilateral program – even if this has been far more accidental than planned. This is not just a hair-splitting academic observation – it has significance for the sector approach adopted by the Dutch government. That approach draws a sharp distinction between government and civil society, and in essence argues that ‘government’ and ‘country’ are synonymous. This cannot be. Indeed, Holland’s own development experience in Peru and Bolivia shows that the division between government and society is quite porous. At times, governments have drawn on ideas and capacities developed in civil society; at other times, when government has become less pro-poor, people have moved back to NGOs to continue their work. The strength of the Dutch experience in the two countries is that it has been able to work on both sides of this divide – it is impoverished if it does not.

Indeed, recent trends in the bilateral program suggest that the degree of interaction between the co-financing and bilateral programs may change. In Peru this is clearest because, as of 1999, the only bilateral activities to be supported are related to environmental protection, with a focus on Amazonian forests, protected areas, renewable energy and institutional strengthening. The first three of these areas are not strengths of these 3 CFAs, and so the Ministry is far more likely to find partners in government (because of the sector approach) and among international environmental NGOs than among CFAs or their partners. It is to be noted that even with this reduction in size, in 1999 bilateral disbursements came to 11 million dollars, which still just

170 Recent discussions among CFAs and the embassy in Bolivia about the possibility of a coordinated program of support to peasant economic organizations suggest that this might be changing.
171 Thus at moments in Peru, relationships have been quite cordial.
exceeds total expenditure by the three CFAs studied here (for whom total disbursements were $10.4 million in 1999).  

In Bolivia the bilateral presence remains strong. While the previous bilateral program was concentrated in Chuquisaca, Potosí, Cochabamaba and Tarija (similar areas of concentration to the co-financing program), under the sector approach work will be coordinated with national level ministries. Under this approach bilateral support will focus on education, decentralization and rural productive development, with cross cutting themes in gender, environment and indigenous peoples. It is notable that the three areas and themes are quite similar to those emphasized in the case studies in this research, though little evidence emerged of efforts to co-ordinate or cross-fertilize lessons between Ministry and CFAs. This is unfortunate for clearly the accumulated lessons of the CFAs and their partners could have much to offer. One area in which there has been some coordination has been in rural productive development: in early 2001, the Ministry met with the CFAs and SNV in La Paz to discuss how they might coordinate efforts in a program of support to rural economic organizations. However, the Ministries’ program of support to productive development overlaps in a range of other ways with the accumulated experience and uncertainties of the CFAs: for instance, its strategy speaks of multifunctional livelihoods but its interventions seem to privilege agriculture. Once again in this area it would seem that the scope for mutual learning (and for CFAs and their partners to attempt to contribute their lessons to policy formation) is potentially great.
Summary and conclusions

In this chapter we summarize and draw conclusions from the arguments presented so far. Again, we use the livelihoods framework introduced in chapter 1 to structure these conclusions. We first comment on the broader context of livelihood change in the region over the last decade, and then review the evidence on changes in livelihoods in the study areas. We go on to draw conclusions on the contributions of the CFA aid chain to these changes, and comment on the costs of these contributions, though without going into detailed cost-benefit assessment. We then try to explain why the aid chain has made the contributions it has, and why it has not made other contributions. The chapter closes with a brief reflection on the implications of these conclusions.

These conclusions are based on a relatively small sample – they draw on studies of small parts of larger programs of only a small subset of CFA partners. They should therefore be treated in that light. On the other hand we feel quite strongly that the sample is a representative one, and patterns would not have been very different with a larger or different sample.

8.1.1 The broader context in Peru and Bolivia

The conceptual framework introduced in chapter 1 suggested that in very broad terms we can think of livelihoods as being a function of three broad domains: (i) the assets that people have at their disposal at any one point in time; (ii) the institutions and social structures that affect their access to and control of those assets; and (iii) the institutions and social structures that determine how they are able to use, transform and reproduce these assets.\(^\text{174}\) A change in any of these domains could lead to a change in people’s economic opportunities, capabilities and sense of empowerment, and the quality of the physical environment in which they live. In this sense, each domain also constitutes an area of potential intervention by development programs (Figure 1.1),\(^\text{175}\) and the final impacts of an intervention in any one of these domains will be affected by conditions in the other domains. Thus, for instance, land reform in Peru (an effort to affect institutions governing access to natural capital) had limited impacts on rural incomes, because market structures during the 1970s and 80s continued to keep agricultural product prices low and so reduced campesinos’ ability to turn their increased natural capital into income.\(^\text{176}\) The same interactions affect the impact of the aid chain: more specifically, as the interventions studied in this research have been primarily concerned to

\(^{174}\) Presented in this way, it is clearer that the livelihoods framework is really an extension of far longer standing frameworks for understanding peasant and petty commodity modes of production.

\(^{175}\) Referring back to our two notions of development, it is also the case that each of these domains is also continually affected by the broader development of capitalism in the region.

\(^{176}\) There were of course many of other problems in the Peruvian land reform.
increase people’s asset endowments, and far less focused on changing institutions and structures, their impact has been influenced by these other structural and institutional conditions. This a point we return to below.

As was discussed in chapter 2, the general sense to emerge from literature on agriculture and livelihoods in the Peruvian and Bolivian Andes is that – at an aggregate level – there has been very little progress to speak of during the last decade. Indeed, a study in 40 communities in the Bolivian and Peruvian altiplano (VMPPFM-BM, 1998) suggested that 79% of all people interviewed perceived declines in agricultural productivity, among the poor, fully 94% perceived such declines. The last decade in Peru has seen rural poverty remain the same or increase, and two of every three rural inhabitants remain poor (Escobal, 2001).

These same studies suggest that the reasons for these problems inhere in campesinos’ asset bases and the broader policy and structural conditions affecting asset productivity. Thus in the Bolivian study (VMPPFM-BM, 1998), productivity decline was mainly explained by falls in the quality and quantity of natural capital assets (soil and water) available to rural people, which in turn were a consequence of demographic increase, climate change and the cumulative effects of resource degradation. Though the Law of Popular Participation had been enacted 3 years prior to the fieldwork for this study, it had at that time had little effect on people’s perceptions of the health of the rural economy. In Peru, Escobal (2001: 506) and others suggest that rural stagnation has had much to do with policies implemented during the 1990s which have liberalized agricultural trade and land ownership, eliminated product and input subsidies, and dramatically reduced state support to the small farm sector (most of which are policies that also characterize the 1990s in Bolivia). People’s ability to cope with this change has been related to their asset endowments. The negative impact of these policies on Peruvian small farm agriculture seemed to have the effect that people increased their participation in income generating activities off their own farms (Escobal, 2001). Their income earning potential in these other activities appears to be directly related to their access to credit, and their human capital endowments, as greater skill and educational levels allow some to participate in higher paying employment opportunities. Access to certain public assets – in particular roads – that have been increasingly provided by the Peruvian state in the 1990’s has also increased livelihood opportunities (Escobal, 2001).

Various Bolivian studies (VMPPFM-BM, 1998; Zoomers, 1999) also note that in response to constraints in the agricultural economy, campesinos have increasingly diversified their income sources since the early 1980s. It is important, however, not to assume that this shift towards off-farm activities means that agriculture is no longer important. Time allocation data from Peru shows rural people in the highlands still dedicate 41.6% of their time working on their own farm, plus another 5.3% on other people’s farms (the remaining 53.1% of time being spent on non-agricultural activities) (Escobal, 2001: 502).

In other words, it is not necessarily the case that rural people are abandoning agriculture or that it is ceasing to play an important role in the household eco-

177 By ‘agricultural’ we are referring both to crop and animal production, as we have throughout the text.

178 These figures are based on samples of 2,284, 1,338, and 1,191 families taken in 1985/6, 1994 and 1997 respectively.
nomy. Rather it seems to be that for many households the role of agriculture is to secure a family subsistence base, while other activities assume growing and perhaps primary importance in generating monetary income for the family.

In such adverse circumstances – where policies and institutions do not favor agriculture, where asset bases are under stress, and where agriculture is increasingly assuming the role of subsistence base and buffer – it is perhaps not surprising that most assessments of the impacts of agricultural development interventions have been pessimistic. This is so whether we are speaking of assessments of NGO interventions (van Niekerk, 1994, 1997; IOB, 1998; 138, 144; Cossio, 1995; GOM, 1995; de Zeeuw et al., 1994; Wils, pers.com.), or of government interventions financed by public, bilateral and multilateral funds (Bebbington et al., 1997; IOB, 1998; VMPPFM-BM, 1998). This observation is important, for whatever our conclusions about the impact of the CFA aid chain, there is little evidence to suggest that public programs have done any better. In Peru, for instance, the amount spent on the National Program for Watershed Management and Soil Conservation (PRONAMACHCS) well exceeds CFA support to rural development: yet assessments to date have been very critical of PRONAMACHCS’ impacts. Indeed, in the case study areas for this research, families felt that CFA supported interventions had been more useful to them than those of PRONAMACHCS.

8.1.2 Livelihood changes in the case study areas

These are, however, general patterns, and there is of course important geographical and social variation in livelihood trends (and the role played by agriculture within livelihoods). This variation is evident from the information gathered in the study areas. Across these areas, it was possible to distinguish a number of the potential livelihood changes identified in chapter 2. While there was almost as much variation in such livelihood changes within regions as between them, certain regional patterns were apparent. These patterns seem to be determined primarily by two factors: access to agricultural and labor markets; and environmental conditions (especially related to soil quality, access to water and climate). Variation among families within regions seems to vary primarily according to asset base, as well as micro-geographical differences in market access and environmental quality.

Thus the region with the best market access – the altiplano of La Paz – is also that characterized by the most commercialized livelihoods. Both Laja (where Qhana works) and Ayo Ayo (Cipca) have excellent road access to the city of La Paz-El Alto, and Laja has become a peri-urban area such that not infrequently people may go to the city more than once a day. Over the last decade, each region has witnessed a growth of the dairy economy, with producers selling milk to the industrial milk plant in La Paz (the PIL). This has without any doubt led to increased incomes, and many farmers (on the capitalized family farm trajectory) have been able to accumulate assets and invest in the expansion of their livestock operations. This growth has had some multiplier effects in the local economy. While many of these farms supply their own fodder (generally alfalfa), other farmers (often with less possibilities of becoming dairy producers) have emerged as specialized producers of alfalfa which they then sell to dairy farmers. A few families have also become cheese producers (again, for sale in La Paz), though much cheese production occurs within the same dairy families. A smaller scale intensification (but a result of the
same market access) has been the emergence of a horticultural economy in parts of Ayo Ayo. These products (especially lettuce) are produced in greenhouses and then sold in La Paz. Again there are a few multiplier effects, in this case jobs related to product marketing.

The general sense in each region is, then, of the emergence of a capitalized family farm sector, which has in turn stimulated other livelihood options related to rural industry and rural labor. However, pockets of stagnant subsistence agriculture continue – among older families, those with less assets, those further from the road, and those with less access to development institutions (in particular those related to the CFAs). Also, an increasing number of people make a living primarily as migrants, with many of them leaving the countryside almost permanently, others for extended periods, and others (in Laja) commuting to work in El Alto-La Paz each day. One effect of this is that an increasing number of families in Ayo Ayo maintain a home in El Alto as well as the countryside (this is less necessary in Laja, for its proximity to El Alto).

Patterns of market access and related livelihood change are more complex in Cusco, reflecting the greater altitudinal variation and more patchy road coverage. The general effect of this is that in this region there is far less evidence of the transition towards the capitalized family farm, and where there is evidence it is at those locations closest to roads and among those families with better access to water. Thus in parts of Canas – which lies directly on the Cusco-Puno road – a livestock transition that is similar to if less dynamic than that in La Paz is apparent, reflecting the effects of roads on marketing, and on institutional presence (Canas has enjoyed a longstanding institutional presence, once of state programs, now non-governmental ones). Likewise, the lower parts of Lamay, which flank the asphalted road to Cusco, have a more commercialized economy, with more off-farm income generation and far more circular urban migration (for reasons similar to those in Laja) than in 1990. In Quispicanchi and the higher parts of Lamay, on the other hand, market access is far more complicated and evidence of accumulation or diversification of the rural economy is far more limited. Here agriculture still dominates rural livelihoods, in terms of time allocation, income source and food source (though the time dedicated to agriculture has still declined somewhat over the decade). Likewise, agricultural productivity has increased over the decade, though its role in generating family income has declined (except in those families able to access irrigation water). In these more remote areas, then, while agriculture has ‘progressed’ technically, it has been relatively stagnant economically.

The general sense in the cases from Cusco, then, is that the number of transitions towards capitalized family farming, in which agriculture becomes a basis for sustained economic accumulation, is far less than in the altiplano. Agriculture still remains critically important in livelihoods, but primarily as a means of covering the food needs of family members resident both in the countryside and in the city. Meanwhile other activities constitute more important sources of income – in particular migrant work related to the coffee (in La Convención), construction (in Cusco city), tourism, and small and

179 It is estimated that in Cusco some 5000 young rural adults now work in tourism as porters, guides, cooks and restaurant help.
medium enterprise economy in the region. However, as these economies have not been buoyant during the decade (certainly nothing like those in La Paz-El Alto) there is less of a clear perceptible trend of people moving into livelihoods that primarily articulate with these markets. A further implication of these patterns is that agriculture continues to be the primary activity for the poorest members of the community but that at the same time these families have far less ability to incorporate any significant agricultural innovation because of the costs and risks involved – or, to put it another way, because of their limited and fragile asset base.

Although in Bolivia, the situation in Chuquisaca/Potosí is more similar to that in Cusco than to that in La Paz. Again this reflects the combined effects of poor market access and environmental constraints. This seemed particularly the case in Sopachuy, which was the most remote of all the study sites. At the end of the decade, Sopachuy remains one of Bolivia’s very poorest municipalities, though livelihoods have changed over that period. Two changes stand-out: the increased importance of migration, a migration that is increasingly permanent (c.f. Barrón and Goudsmit, 1998); and the increased production of early harvest potatoes taking advantage of new irrigation systems. These two strategies are often present in the same families. Other than this, Sopachuy remains, by comparison, an undiversified economy, and one with little evidence of accumulation. The situation in Ravelo is more varied, with some cases of transition towards capitalized family farms based on commercial potato production (c.f. Zoomers, 1999:25 also). Indeed, the potato economy in Ravelo was dynamic in the first half of the 1990s, reflecting the incorporation of new varieties (Waych’a), increased demand in the market of Sucre and the relative accessibility of this market (the communities for the field work were each located relatively close to the main, if not asphalted, road). However the other main change over the decade is that of increased (and, as in Sopachuy, increasingly permanent) migration to Sucre. This is a phenomenon particularly of the second half of the 1990s, reflecting in part the slump of the potato market after 1995, an effect of increased production in other parts of the department and Santa Cruz. This increased migration has had a further correlate, which is that families in Ravelo increasingly own lots in Sucre (by the year 2000, 8 of the 15 families interviewed possessed such lots). Such purchase, however, reflects an accumulation strategy, as the average value of these lots has increased from $4,162 to $11,150 over the decade.

Together, the cases in Sopachuy and Ravelo reflect a range of livelihood transitions – a finding quite similar to that of Zoomers’ (1999, 1998) research in the same general region. There are cases of increasingly capitalized family farms, above all in Ravelo; other families have invested increasingly in their capacity to generate income from alternative sources, as agricultural traders, storeowners and increasingly as migrants; yet others, though fewer, see a path as rural professionals, working in municipal government, paid positions in peasant organizations, and development projects. Cutting across these cases, there is also a clear strategy of urban investment, buying lots and houses so that children can gain access to urban education.

### 8.1.3 Recurring elements in livelihood transition

Without forcing generalizations too far, several interesting convergences come out from these livelihood transitions, that help nuance the more gen-
eral (and generally pessimistic) discussions of livelihood changes in the Andes and the role of agriculture in these changes.

First, it is clear from the cases that agriculture can be and has been a source of accumulation for families with more assets and in areas with good market access. More specifically, commodity specific intensifications linked to particular markets have been critical in the move to capitalized family farming. In our cases, these transitions have been in potato production, meat production, and dairying. This has only translated into accumulation, however, because of buoyant markets. The corollary of this, though, is that this is a fragile accumulation strategy because in each of our cases these markets have slumped. Still, for those who were able to accumulate cash during the period of market growth, it has been worth it as they have invested that in other assets.

Second, agriculture continues to play an important role in food security strategies, even when it is not the basis of an accumulation strategy. Agriculture may, then, not be viable, but for many it continues to be very important.

Third, as emphasized in chapter 6 but worth reiterating here, gaining access to education is a recurrent and critical theme in all the cases. Furthermore it is a preoccupation that cuts across all socio-economic and gender groups. The significance of education becomes that much more important when we understand the changes over the last decade not just as changes in livelihood but as part of life and inter-generational strategies. Each of the case studies for this work reiterates the sense that families seek ways to educate their children so that they (or at least all except the one or two of them who will inherit the farm) do not have to become farmers. This is at once a normative commitment to children – the belief that agriculture is too hard a life for them – but also clearly a strategy to reduce further subdivision of land.

Fourth, to a greater or lesser degree, all of the studies suggest shifts in gender relationships in household strategies. These shifts are complex, and our data is too limited to say too much about them. However, it is clear that gender relations of production are changing, with women assuming more roles in agriculture, in part as men migrate more and in part as women gain greater voice within the household. Second, and related to the issue of voice, women are going to school far more than in the past, even if there is still male bias in household approaches to educating their children (men go to secondary school far more than do women).

Fifth, and finally, relations of power are changing in the countryside. Whether we think of these relationships as inter-ethnic, town-country, state-campesino or inter-class relations, there is little doubt that ‘campesinos’ today have greater access to local government and state and other institutions than in the past. In some cases this increase in access has been formalized – under the auspices of Bolivia’s Law of Popular Participation, or of municipality specific CDDs in Peru. The more important sense of change, however, is the less formal. Across all the cases, informants from both within communities and outside them perceive an increased self-confidence, assertiveness and visibility

180 Perhaps academically more than practically, this is fascinating – it reflects an adaptive response to mounting pressure on the agroecosystem, and echoes the sorts of explicit community and family based demographic control strategy that Netting found in his study of the history of family farming in the Swiss Alps (Netting, 1981).
of campesinos. Of course, this is more for some campesinos than others, and again our data are not strong enough to say which sorts of campesinos in the case study areas are consistently viewed as more assertive. But still, the nature of rural power has changed.

In the first chapter we noted that the NGOs studied in this research engaged in a range of activities, some addressing productive and natural resource management activities, others addressing human development and organizational development etc. As we discuss the contributions of the aid chain to livelihood changes in the case study sites we can use this broad distinction among activities to discuss NGO impacts. Specifically we first discuss impacts on agricultural production and income generation, and then discuss impacts on human capabilities and empowerment (the domain in which we encounter most contribution). First, though, a brief comment on the geographies of these different impacts.

8.2 Geographies of impact
Chapter 4 made clear the ways in which aid chains have uneven geographical coverage, with concentrations in some areas, and absences in other areas. This is a relatively obvious statement of fact, but one that merits reiteration here, for there is a clear macro and micro-geography to the impacts that the aid chain can have, and has had. In Peru this geography is concentrated in Cusco and the intervention zones of the large NGO partners headquartered in Lima (and was once also focused in Puno); in Bolivia it is concentrated Chuquisaca/Chayanta, Cochabamba and La Paz. Furthermore, just as national coverage is highly uneven geographically, so is local coverage. Aid chain interventions have focused in certain municipalities within these regions (those where, for strategic and accidental reasons, CFA partners have established some territorial dominance), and within those municipalities certain communities and certain farms.

8.2.2 Impacts on production and income
The primary means by which the case study NGOs have aimed to address the income dimensions of rural poverty has been through interventions aiming to foster agricultural development and sustainable natural resource management. And as shown in the previous section, in each of the areas there have been important agricultural transitions, at least among some families. Furthermore, each of the studies throws up cases of families who have been able to accumulate and capitalize production partly as a result of the assistance and subsidies they have received from NGO projects. Likewise each of the studies throws up cases where interventions have helped increase productivity for families for whom agriculture is primarily a subsistence activity, and who derive money from other activities. These constitute important impacts of the aid chain.

The general sense, though, is that the most significant production impacts of the aid chain have been among the middle and upper strata of the communities, and here several of the case studies show quite significant processes of asset accumulation (perhaps most dramatically so among commercial dairy and potato producers in the areas of Cipca, Qhana, IPTK, notably the most market integrated areas we studied). The reasons for this concentration of income impact in these groups vary. In some cases the NGO has explicitly aimed to work with viable farmers – Cipca and Arariwa have the longest tra-
dition of this, though several of the other NGOs have increasingly moved in this direction (e.g. IPTK, IAA, Qhana), in part because of pressure from their funding agencies. In other cases, it has been more the case that this type of farmer is the better able to, and the most interested in capturing and incorporating the types of productive proposals being offered by the NGOs (again when these are higher cost ones: dairying, potato production).

It is of course far harder to find productive proposals that poorer farmers will be able to incorporate and derive productivity increases from. There are clearly cases of this in the studies – e.g. Aclo’s micro-irrigation support in Sopachuy benefited poorer farmers as did Arariwa’s food security work. But in these cases the NGO must assume all monetary costs, and the likelihood of replication is very remote. Likewise soil conservation measures have not prospered well with poor farmers. Indeed, they have only had success where farmers perceive a clear marginal benefit to the conservation, and among younger, dynamic farmers (this was clearly the case in Cusco).

Income impacts have thus been greater among larger farmers, and in general because the NGO investments per farmer have been significant, this has been among a limited number. Impacts on incomes deriving from other livelihood activities have been far fewer, in large measure because NGOs have had few explicit instruments for working with migrants, traders, or rural micro-entrepreneurs. IPTK, Ccaijo and Arariwa have aimed to support to rural professionalization through providing specialized training in agronomy, health, metal mechanics, business administration etc. Though we encountered little impact of this training in the communities we studied, the decision of NGOs to provide such training reflects a response to a non-agrarian livelihood, and we are convinced that it has had important impacts for many trainees. However, trainees tend to be from small towns rather than the countryside.

There have, though, been some indirect impacts on non-agricultural livelihood possibilities, though this has been largely accidental and unintended. Some families have used resources provided by NGOs, or opportunities opened up by them: e.g. by using leadership training to become professional leaders, by using soil conservation subsidies to pay for electricity which then facilitates education and micro-enterprise, by using farm profits to fund home building in urban areas, and so on. These are interesting impacts, though whether this was the most efficient way for interventions to support such investments is unlikely. In other cases the transition to capitalized family farming has also had some multiplier effects, for instance in CIPCA’s support to dairying which (as we noted) helped create some jobs, and options for alfalfa producers. CIPCA’s support to horticultural development has also created some jobs in PADA (the company marketing the crops) and among traders.

Interventions have then clearly had some impact on the incomes of some people: but these impacts have been modest and, furthermore, have benefited only a limited number of families. Interventions have not had the impact they might have had because they have not started from a disaggregated sense of rural livelihoods and aspirations, or from a multi-dimensional sense of

181 Though in Arariwa, this is so only in its interventions in the valley bottom communities closer to the highway and with better market access.
rural possibilities. Rather these NGOs have aimed to promote the via campe-sina or (in more recent times) a ‘farmer’ path to rural development. The lesson seems to be that this farmer path is indeed an option in areas with good market access, but (by definition) it is only for a limited number of wealthier families. The challenge is to find other vias for other families.

This finding is consistent with many recent assessments of production projects in the Andes, which also refer to impacts as small, disappointing, and generally concentrated in medium and larger farmers. These views are, furthermore, shared by some CFA program officers: one referred to van Niekerk’s (1994) conclusion that rates of return on NGO productive investments were negative as ‘basically correct.’

8.2.3 Human and social capital: the enduring impacts
If the production impacts of the Dutch aid chain have been relatively limited, can we find impacts elsewhere? One of the reasons for using the livelihoods framework was that it required us to ask about other types of impact (though it was clear that we had to keep a primary focus on production and income). And indeed, most of the case studies have suggested that there are non-production impacts that are at least as important as the production ones. However, while the research team had hypothesized that these non-production impacts were going to be mainly related to social capital formation and empowerment, in practice they have been primarily human capital impacts. This can, however, have important corollary social capital and empowerment effects.

Human capital and human capabilities at the grassroots
Like many other studies of livelihoods in the Andes and elsewhere, the case studies attest not only to constraints and harshness, but to people’s ingenuity and skillfulness in composing livelihoods. People attempt to manage variability and risk, and seek to accumulate, by diversifying their skills, their assets and their networks. They also devise medium term and inter-generational plans for ‘capital switching’ (see chapter 1) – that is to say, for slowly substituting natural capital with human and social capital as the main basis of their livelihood.

Among these strategies, there is some indication that while wealthier families address variability and accumulation primarily through investing in their tangible and agricultural assets, poorer families (except the destitute) do so through investing in other assets. If we couple this observation with the observation that investment in human capital and social networks is far less vulnerable to shocks than is investment in seed stocks or monetary assets, then it may be that the most sustainable and effective investments in poor households’ assets are in those forms of human capital and social networks that increase their access to, and income earning potential within, diverse markets.

182 Here we refer back to a quotation in chapter 2 that essentially argues the same: ‘.... In vast rural regions, betting solely and predominantly on agricultural development means condemning them to conditions of endemic poverty, marginalization, and stagnation.’ (Reardon, Berdegué and Escobar, 2001: 406).
183 The exception would be ACLO, because it has done very little on questions of education and social organization.
Some of the NGOs studied have invested in people’s non-agricultural technical abilities (e.g. Ccaijo’s and Arariwa’s vocational training centers).\textsuperscript{184} IPTK has also invested in developing leaders and rural professionals (eg. IPTK’s CENPRUR).\textsuperscript{185} Most of the NGOs have worked on more basic elements of human capital: literacy, confidence, health etc. Many interviewees and focus groups suggested that these impacts have been especially valued at a grassroots level. They have also, arguably, contributed to change in the ways that people value education – which then affects the ways they support their children’s education. Indeed, we see cases of parents taking on more agricultural tasks so their kids can go to school, families buying lots in towns or cities so their kids can go to secondary school, and families fostering social networks so their children can sleep nearer their schools.

If these human capital effects: give generic skills that may increase people’s ability to perform in diverse labor markets and social interactions; are more sustainable; and also derive from programs with far broader coverage than production programs – then there may be an important lesson here for actors in the aid chain. The irony of course is that many NGOs and CFAs moved into production because earlier popular education programs seemed to have little effect. Perhaps the combined lesson of these two periods (of popular education and agricultural production) is the need to identify those forms of human capital that are most valuable to people given their existing and hoped for livelihoods: that is, education has to be linked to livelihood, but livelihood is not necessarily linked to agriculture, and especially not for the poorer and the younger.

*Human capital, natural capital, livelihoods and sustainability*

A ‘human capital for livelihoods’ focus is potentially significant for another reason. The case studies – almost to a tee – identify increasing pressure on natural resources in each of their study sites. This degradation comes largely from the cumulated effect of land-use and demographic pressure in the post-war period, as well as perceived climatic changes.\textsuperscript{186} Efforts to promote economically viable agricultural strategies only seem to be increasing this pressure on natural resources (on pasture, soil and water in particular), and efforts to promote conservation techniques have been generally unsuccessful (and in some cases the NGOs have had to use financial incentives to get people to install conservation infrastructure).

This tension between promoting agricultural viability and conserving natural resources raises the question of whether fostering agricultural development for whole communities could ever be a sustainable option. In practice, many families have already decided that it is not, and so members of households have moved out of agriculture. In this sense, an approach emphasizing human capital development (and likely provision of other assets, especially productive and housing finance) for other livelihood strategies is also one that would foster a form of development that is both more sustainable and more inclusive. Ironically, shifting resources from direct natural resource conservation

\textsuperscript{184} Though many of the students of these centers have been from urban rather than rural areas.

\textsuperscript{185} This has helped then obtain jobs in projects and NGOs, though some have encountered employer resistance because of their presumed affiliation to the political party associated with IPTK.

\textsuperscript{186} It merits note that a number of other studies also suggest both real and perceived climate change occurring in the Andes (VMPPFM-BM, 1998; Williams, pers.com.; Seimon, pers.com.).
measures to ‘human capital for livelihood’ programs might enhance sustainability both of rural livelihoods and of agriculture more specifically.

A precise and careful estimation of the costs and benefits of the different programs included here goes well beyond the scope of our research and would require a separate study itself. It was also difficult to obtain detailed information on the breakdown of costs of interventions. Furthermore, in Bolivia it proved extremely complicated to work out exactly how much had been spent in given municipalities as often work in the municipality was funded by a range of sources – this was, for instance, so in the case of IPTK where work in Ravelo received funding from Novib’s support to IPTK, its support to APE-Rural and CFA support to Procade. Still in what follows, we offer a combination of simple observations on cost, along with certain reflections from the research team.

The closest the studies came to a general reflection on cost was in Cusco where in rough terms, the research estimated that the interventions of Arariwa and Ccaijo cost around $300 p.a.. In the same areas, a rough estimate of peasant income comes to $700 p.a. While clearly this does not include any of the value of impacts on human and social capital, such figures are reminiscent of van Niekerk’s (1994) conclusion that the projects of Arariwa, Ccaijo and Cipca had negative cost benefit ratios, if only income benefits were included in the calculation. They are also reminiscent of studies of Chile’s government program for agricultural technology transfer which concluded that the cost-benefit ratio of the program (again including only income/productivity impacts) was so low, and the likely effects of technology on income so limited, that it would be better for the Chilean government to invest the money in vouchers for families to purchase secondary education, which was shown to have a far greater impact on income (Lopez, 1995). Clearly our data are insufficient to draw such a conclusion: nor can we easily extrapolate to the other cases in the study, although it is notable that the decadal expenditures of IAA in Canas and Cipca in Ayo Ayo are similar to Ccaijo’s in Anilmayo (the NGOs spent $1.4 million, $1.3 million and $1.65 million respectively over the 1990s in their respective micro-regions). Still, these rough calculations, coupled with families’ evident concern to gain access to secondary education for their children, suggest that Lopez’s reflection from Chile may have some relevance for these case studies.

At a very personal level, the different members of the team left the research with the feeling that after so many years working in the same communities, and so much money invested, we would have hoped to encounter more results. Of course, these are purely personal and intuitive conclusions. Nor are they based on a comparison with other aid channels. Indeed, in some of the areas of intervention (e.g. those of Ccaijo and Arariwa) campesinos had favorable assessments of the NGOs, especially when compared with other organizations working in the community. Still, the team’s reflections are perhaps important because in the final instance perception counts for a lot in this realm of cost and benefit. Indeed, in some of the case study areas, and on a more general level, campesinos and their organizations are increasingly critical of NGOs because they perceive little benefit after so much expense. The same applies to the public, press and less-than-friendly bureaucrats in government. Indeed, perhaps of more importance than a precise analysis of costs and benefits, is an analysis of perceptions of NGO effectiveness – for if they
are hostile, then the working environment for NGOs and CFAs is going to become increasingly difficult.

Arguably, these negative perceptions are a consequence of the tendency among NGOs and projects to offer too much: to overstate the number of beneficiaries in project documents, to overstate the value of what they will do when discussing project ideas in communities, and to overstate their criticisms of other actors. In the same spirit, the presentation of projects as poverty reduction initiatives when in the end all they can really be is experiments, leads to exaggerated expectations. Whether these interventions are seen as experiments or projects also has implications for how they ought to be assessed (including in cost-benefit terms), and also how they ought to be designed. If they were viewed as experiments, much more would be invested in getting the intervention right, and in developing the most appropriate channels through which it might be scaled up; much less would be invested in token mass-coverage events that are costly, and probably leave little behind. As it is, the channels for scaling up innovations have not been well developed in most of these interventions, projects do too many things, and so ultimately the number of beneficiaries planned is always far greater than the number of actual beneficiaries. This seems to be a repeat, on a smaller scale, of the errors of integrated rural development projects.

Having said this, it is important to reiterate something noted in Chapter 1: that we cannot automatically generalize our findings either from one research site to others within an area of intervention, from one area of intervention to another, or from these NGOs to others also supported by the CFAs. While we do believe these cases are illustrative, we also recognize that some of these NGOs appear to have had greater impact in other areas. Cipca, for instance, appears to have had far more success in sites such as Charagua and the colonization zone of Santa Cruz than it has had in the altiplano (e.g. Aleman et al., 1999; Sandoval, 1998); Aclo may have had more success in Tarija, Ariwa in Chincheros, and so on.

Thus, whether these projects and these partnership relationships provided good value for money is hard to say: we also cannot say whether they were better or worse value for money than projects implemented through bilateral programs. What is far easier to say is that they could have been far better value for money than they were – and for that reason alone these NGOs have laid themselves open to harsh, and perhaps justifiable, criticism. It is arguably also the case that CFAs have not helped in this regard – project negotiations all too frequently includes (implicit or spoken) pressures to increase estimated impacts and coverage, but rarely do funders offer the resources that would really be necessary to transform a municipality or a province, or even a community. In many instances, there are only sufficient funds to transform the livelihoods of a few households.

8.4 Explaining the contributions of the aid chain to livelihood change

We noted in chapters 1, 2, and 3 that recent assessments of the impacts of non-governmental and state led rural development interventions on rural poverty have come to largely pessimistic conclusions. In looking to explain these limited impacts, these assessments have pointed to poor conception and design, limited human resources, frequent change in orientation and so on. Typically they also emphasize other causal factors rooted in deeper sources of poverty in the Andes – causes that are structured by geographical, political
economic and social exclusion, stagnant markets, neo-liberalism and chronic climatic and economic instability: problems of access, problems of vulnerability, and problems of power (e.g. van Niekerk, 1994; IOB, 1998: 138; Figueroa, 1999; VMPPFM-BM, 1998). In addition to these, NGOs also identify factors to do with the aid chain: increasingly technocratic, impositional and unpredictable donors, and an overall decline in the quality of partnership with the North (e.g. Ayuda en Acción/Actionaid/ALOP 1999). As we look for explanations of the contributions that CFA aid chains have made, we come to some similar – and also some different – conclusions. In the following subsections we identify explanatory factors that have to do with: national context; sub-national institutional and market conditions; project orientation; dominant NGO conceptions of the rural economy; and NGO presence.

8.4.1 National context
As noted in Chapter 1, by working in two countries the study hoped to throw some light on how national context influences aid chains and livelihoods. Without entering into an exhaustive list of such influences (which would also run the risk of being excessively descriptive and banal), we can note a few here that have to do with the geographies of intervention, and the geographies of livelihoods and their possibilities. Chapter 4 made clear the ways in which aid chains have uneven geographical coverage, and that the structure of this coverage has much to do with the particular social relationships built up between Andean activists and CFAs, and between these activists, communities and rural social movements in Peru and Bolivia. These networks have, in turn, much to do with the specific political history to the relationship between the Netherlands, Peru and Bolivia: the links between Holland and the Velasco experiment; the relationship between Dutch academics and the Catholic University in Lima; and the links between between Bolivian political refugees in Europe and the Netherlands during periods of dictatorship in Bolivia etc. Country specific political history thus brings some specific structure to aid chain relationships.

Other factors, of course, also affect this geography. One has been the nature and etiology of crisis in each country. Here, one of the most significant differences between the two countries has been the period of violence in Peru from 1980 to 1993. This had various effects: it only further weakened an already weak NGO sector in Puno; it made work in most of Ayacucho, Huancavelica and Apurímac impossible; and it reduced the intensity of NGO presence in many other areas too. This has meant that since 1990 in many areas Peruvian NGOs have been ‘picking up the pieces’ in a way that was not the case in Bolivia. If crisis pushed Peruvian NGOs out of the countryside, in Bolivia it pulled them in: the drought of 1983 pulled popular education NGOs into the countryside, forced them to become more production oriented, and led to the creation of coordinated NGO programs (Procade, Procom) that then proceeded to absorb and structure much CFA support to Bolivian rural development.

Basic questions of economic geography have also structured options in different ways. One of the most significant for this research is the way it influences options for the altiplano of Peru and Bolivia in the area surrounding Lake Titicaca. In parts of La Paz, the proximity to a large and dynamic urban

market (La Paz-El Alto) has opened possibilities for rural livelihoods in the
altiplano in ways that are not the case in Puno, where options are constrained
by a far smaller regional market. Altiplano options – and those that have been
tested by the aid chain – thus vary considerably on each side of the frontier.
They have also meant that the possibility of having any impact has been far
greater in La Paz than in Puno, even though agroecological conditions are
similar.

These differences are, however, an effect of different political and economic
histories (and geographies), not due to different policies. This is not to say
that policy does not matter. Clearly it has put limits on livelihood and devel-
opment options in each country. However, it has done so in quite similar ways,
for as we noted above, the broad macroeconomic and sectoral policy positions
in Peru and Bolivia have not been very different. In each case Agrarian Banks
have been closed throughout the decade, agricultural investment programs
cut back, research and extension programs curtailed, and agricultural trade
liberalized. Similarly, national policy has favored the agricultural commercial
cores in each country: the colonization zone of Santa Cruz (in the case of
Bolivia) and the irrigated coastal valleys (in the case of Peru).

So, while national policy and political economic context is critical in explain-
ing livelihood possibilities, because policy has been similar between Peru and
Bolivia it explains few differences in patterns of change among the different
field sites. One exception to this general observation is the effect of the Law
of Popular Participation in Bolivia. While – as evaluations of the Law itself
have suggested – the new municipal investment patterns it has instigated
have had little effect on rural productivity and economy, the political process-
es it has unleashed have facilitated campesino access to positions of authori-
ty in municipal government. Also, the Law attracted great attention from
NGOs (especially CFA partners), who began to dedicate more resources to
supporting municipal governments. While the field research did not show
any household level production and income effects of this shift in strategy,
there were effects on the nature of rural power relationships as NGOs, their
ideas and leaders they had formerly trained, gained more presence within the
municipal governments with whom they worked. This sort of local level polit-
ical change has thus been more widespread in Bolivia than Peru.

8.4.2 Sub-national context: synergies with existing institutions and
structures

Although national context seems relatively unimportant in explaining differ-
ences in patterns of impact, sub-national context is far more important.
Indeed, it is helpful to recognize that within countries, market structures,
public policies, public investment and other institutions that affect campesino
access to assets, and the productivity of these assets, each have a geography.
This geography is uneven, and so the potential for positive synergies between
the aid chain and other institutions and policies is also uneven. The results
suggest that impact has been much greater where there is such synergy. In-
deed, as one flies over the immensity of the Andes it is patently clear that proj-
ects are not going to resolve the problems of rural poverty. Basic problems of
access to services, markets and other institutions are far more important

188 David Tuchschneider, pers. com., various dates. Tuchschneider is the World Bank task
manager for the investment programme linked to the LPP, and former NGO activist in Bolivia.
(VMPPFM-BM, 1998). This, indeed, is born out by the case studies. Several of the case studies (e.g. Ccaijo) suggested the critical importance of roads for livelihood possibilities; others (IPTK, Arariwa) suggest the importance of electricity. And each, in its own way, emphasize that for production technologies to be attractive and affect income, rural people need access to (and agile knowledge of) markets. The relative successes of Cipca’s and Qhana’s dairying programs in the altiplano, at least among certain families, has been a direct consequence of the existence of a market for dairy products. Conversely, Aclo’s support to irrigation led to oversupply in markets that were either fixed or subject to cross-border imports of the same products once prices rose.

Without the resolution of these institutional and structural constraints on access and asset productivity, it is very unlikely that campesinos will be able accumulate resources in situ. This raises evident dilemmas, for those areas with least access to basic services are generally among the poorest, and so attract NGOs. Yet without more profound changes, small-scale projects will leave little imprint. There are perhaps three possible responses to this observation. One is to reduce the ambition of project interventions to a minimum and say that their purpose is primarily to address food security and basic human capital issues, though this can only ever be a short term response; another is to foster people’s movement out of such areas (as called for in IDB, 1996); and a third is to address structural and institutional constraints directly by lobbying, facilitating or otherwise resolving them. The three are not mutually exclusive, but in the end without the third, possibilities for locally based livelihood improvement will always be severely limited and ultimately people will – to use a colloquialism – vote with their feet.

In areas where such institutional and structural constraints are at least partly resolved, then impact is most likely where there is a synergy between the existing nature of markets and public services and project intervention. This is the lesson of Cipca and Qhana’s experience (synergy with a market), and also to some extent of Ccaijo’s, Arariwa’s and IPTK’s impacts on human capital (where there has been some synergy with public health and teacher officials). If market and public policy synergies are critical to impact, then it is important that CFAs and NGOs are able to analyze and identify where these potential synergies lie. Yet NGOs’ knowledge of the markets in which the rural poor operate is quite limited, and therefore the potential for identifying synergies is likewise limited. It is here that careful ex ante livelihoods analysis (rather than diagnósticos) would help improve the identification and design of appropriate interventions.

Access is social as well as physical, particularly in the case of access to markets. In general, NGOs have been unable to create these social dimensions of market access themselves. They have poor understanding of markets, and if

189 In one interview, the senior management of Cipca claimed that the broader emergence of dairy production systems in the altiplano could be claimed as an indirect effect of their work in Ayo Ayo and the Machacas. This seems a dubious claim, but even if it were the case, the spread of the technology would not be due to Cipca but rather to the existence of the market for milk. 190 Because without addressing deeper constraints, demographic increase will cancel out many effects of such projects. 191 Interestingly, one CFA partner that was almost, but ultimately not, included in the study – Cidiag in Sihuas, Peru – has emphasized basic access to water (by building a long irrigation canal). It has also lobbied hard for road connections, and views roads as a sine qua non of Sihuas’s development.
they have attempted collective marketing endeavors they have failed to get the incentive structure right.\textsuperscript{192} There are very few marketing successes in the case studies reviewed (which, taken together, count for over 100 project-years). Yet improved market access continues to be a critical \textit{sine qua non} for poverty reduction (Figueroa, 2001) – so should CFAs keep trying to expand this access themselves? At the very least, perhaps, other ways of addressing market questions have to be found. One such way may be for NGOs to provide direct support to local entrepreneurs, food processors and the like in order to expand local demand and increase buyer competition in rural markets – indeed, as we noted in chapter 6, the historical lesson from the La Paz altiplano that many post-land reform agricultural and rural markets emerged as a result of direct collaboration between sindicatos and traders, might still have implications for how to democratize contemporary market access (Clark, 1968; c.f. Bebbington and Bebbington, 2001). It may also be that other more specialized partners need to be found – both on the funding side, and on the implementation side. In this sense the proposed coordination with SNV and CIOEC in Bolivia is of interest – SNV clearly has valuable experience in supporting \textit{campesino} economic organizations, and CIOEC brings together the strongest of those organizations.

So, although how to expand access to markets is an open question, it merits much reflection among NGOs and CFAs given the very disappointing experiences with marketing programs to date.

Synergies with markets and existing patterns of public investment are critical not only to increase the impact of interventions on direct beneficiaries. More importantly, they determine any likelihood of aid chain interventions having spillover effects on any significant scale. One recurrent theme in the research has been that the case study NGOs work directly with few people, particularly so in their production and natural resource management work. They work in few communities, and with [frequently small] sub-groups within these communities. This is almost unavoidable. On the one hand, the significant costs involved (by introducing new cattle, stalls, irrigation systems etc.) means that coverage can only ever be limited. On the other hand, over the decade, the increasing pressure from CFAs (and others) for evidence of income and productivity impacts has led several of the NGOs in this study (e.g. IAA, IPTK, CIPCA) to focus their coverage on even fewer families, in order to achieve this impact.

This situation should only remind us that the aid chain interventions studied here are really only \textit{experiments} – and at least in their economic dimension have been primarily experiments in the possibility of capitalizing family farms. NGOs should not be criticized for this. However, it raises a dilemma, for unlike companies that do research and development and then scale up their innovations through their marketing operations, NGOs have no in-house mechanism to do this scaling up. Other mechanisms have therefore to be found. The market may be one such mechanism, though is only ever likely to work for innovations in private assets (eg. cattle) rather than group ones (e.g. infrastructure based irrigation systems). Larger peasant and social move-

\textsuperscript{192} For many reasons: poor design of tangible facilities (abatoirs, cheese plants etc.); weak organizations that mix political and economic objectives; poor product quality; narrow profit margins; etc.
ments may be another – this is IAA-Canas’s hope, though again evidence that this has happened is patchy. And public policy is another mechanism for scaling up experiments – indeed, to the extent that the scaling up of the experiment requires significant subsidies to households (be these subsidies to investment strategies, or subsidies to survival strategies), then the only likely mechanism for going to scale is public policy.

Yet there are relatively few such synergies between aid chain interventions and public policies, and those we encountered are at the level of local and regional government policy. Thus IPTK’s health work went to scale with the support of the regional health service, but this was only because, to all intents and purposes, IPTK ran and financed the health sector in Chayanta. Likewise, in Quispicanchis, farmers have been able to leverage some resources from the municipality to fund further purchases of the sprinkler based irrigation systems that Ccaijo introduced. The hope, of course, is that such leveraging of municipal resources for scaling up investments might become more possible under the Law of Popular Participation in Bolivia and the much hoped for decentralization of government in Peru.193

These are each hopeful cases of synergy between local public policy and successful, small scale NGO experiments. However, the cases are few, and synergies with national policy even fewer. Meanwhile, without evidence of such scaled up impact, there remains a remarkable mismatch between many of the grand claims that NGO project and strategic documents make about their objectives, and the limited coverage of their practice.

8.4.3 Strategic foci for aid chain interventions: building assets or transforming institutions and social structures?

The discussion of synergy brings us to a related point. While synergies with existing markets and public policies are important in determining impact, it is also the case that many existing markets, policies, institutions and structures undermine poor people’s livelihoods: they restrict their access to resources, reduce resource productivity, and generate risk and insecurity for the rural poor. The aid chain has worked on some of these structures at a local level (e.g. via work with CDDs, participative planning in Bolivia and marketing projects, even if the latter have been generally unsuccessful). However, they have done little to address them at regional or national levels, yet a cursory read of macro-economic and sectoral policy leads to the conclusion that as long as wider political processes that lead to policies that foster food imports, favor agro-export market control by a handful of individuals (as in Bolivia), and privilege investment prioritization for viable (generally non-Andean) areas and medium and large scale producers, then the rules of the game will always be clearly pitched against isolated projects working with small, less advantaged producers. If these adverse contexts are ever to change it will not be as a result of investment in seed stocks, terraces or tree nurseries.

Yet the aid chain interventions studied here have focused primarily on providing direct support to building up families’ and communities’ assets and

193 The LPP itself may constitute another case of scaling up NGO innovations – however, this remains a hypothesis only. It would be very useful to do a history of the relationship between NGOs and the LPP in order to understand the origins of the LPP, and the extent to which it was based on NGO innovation and lobbying. If it proved to be the case that the LPP did constitute a scaling up of NGO innovations, this would justify the co-financing program in one fell swoop.
far less on addressing the institutions and structures governing access to and transformation of these assets into livelihoods. This was inherent to the design of the study – we deliberately avoided cases of research NGOs, or networks, on the grounds that it would be far harder to identify livelihood level impacts in those cases – indeed such a study would require a quite different research design. However, the implication of the preceding paragraphs is that the director of one policy partner who commented to us ‘if you don’t try to reformulate macroeconomic policy you’re lost’ is quite right.\(^\text{194}\)

Yet, as many interviewees noted during the course of this research, the trend in the CFA aid chain (and others) continues to be towards supporting area-based projects that might have direct and easily traceable poverty impacts. This is perhaps particularly the case for Cordaid, whose generic policy embodies such a project focus, and has led to complete or dramatic reduction of support for policy research in NGOs such as Desco and CBC in Peru. Indeed, as Cebemo became Bilance became Cordaid, the move away from concerns for social transformation and towards area based poverty reduction interventions has been palpable. To return to questions of social transformation might therefore seem like going backward, because it would mean returning to concerns of the 1970s and early 1980s. It is not however that interviewees wished to go back to the way things were. Instead, the emphasis was on how to recover a politico-ethical edge to the work of the aid chain, and how to re-formulate a notion of transformation,\(^\text{195}\) that is well-grounded in an empirical assessment of the sorts of changes [and synergies] that are practicable in the current context. Part of this would also involve trying to re-link national discussions of poverty (and rural poverty in particular) to questions of distribution, equity and political economy.\(^\text{196}\)

To suggest the value of going beyond projects to questions of policy and advocacy is not limited only to themes of social transformation. There are also policies that determine, say, public investment in infrastructure, the governance and structure of the dairy market, and marketing possibilities in rural areas. Yet few CFA partners (and arguably none of those studied here) have done research and lobbying on these issues. Yet their ‘field’s eye view’\(^\text{197}\) on the dairy sector, the impacts of public investment on altiplano livelihoods, and so on could have been a great basis upon which to discuss policy options. The effects of not doing so are seen, partially, in recent changes in the milk market in Bolivia. To begin to worry about dairy sector policy now is, colloquially, ‘to shut the door after the horse has bolted.’

As we noted, CFA’s have provided some support to policy research through NGOs such as Cepes, Cedla and Desco. The impact of this research has however been disappointing (as CFAs themselves acknowledge). Indeed, a valuable theme of discussion among the CFAs and their partners would be to reflect on why this has been so, and to try and find potentially more productive ways

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194 ‘Si tu no tratas de reformular algunas politicas macroeconomicas estas frito.’
195 Interestingly, as they spoke of such ideas some commented that it was necessary to return to a discussion of development (which would, for them, allow a discussion of distribution and equity), and to leave behind the discussion of poverty (which for them focuses too much on increasing assets rather than on transforming the social and political relationships that govern asset distribution).
197 A term from John Clark (1990).
of conducting policy research that might influence policy and social structures.\textsuperscript{198} Indeed, we would conclude that there remains (perhaps more than ever) an important role for research and policy analysis in this context.

Having said this, it is important to note one set of social structures and institutions that the aid chain has transformed: those that increase capacity to act among pro-poor professionals in civil society. Over the last twenty five years or so, Dutch CFAs have channeled significant resources to NGOs in the two countries, and are indeed among their most visible and powerful private funders. These resources have played an important role in facilitating the institutionalization of certain NGOs, and via these NGOs have provided the opportunity for two generations of rural development professionals to form themselves, and to engage with rural populations in ways that would otherwise have been impossible.\textsuperscript{199}

The idea that one of the main effects of the aid chain has been to create what is often dismissively called an NGO bureaucracy is often a focus of much criticism. Indeed, as many note (and as our case studies also suggest) this type of institutional strengthening can generate incentives that work against the poverty impacts of these NGOs. The larger NGOs have become (because of, inter alia, CFA support), the more they have to seek resources in order to sustain themselves, and the more they become self referential and self-serving organizations. This has become more and more the case in recent years as resources have become harder to secure. Such an orientation can be for the best of reasons – e.g. the desire to keep their staff in work, and pay them reasonably. But the effect can be to divert attention from rethinking strategies of poverty reduction and rural development. It can also have the effect that it locks both NGOs and CFAs into relationships that cease to be the most appropriate (see below).

While this criticism may be pertinent, it is only part of the story. For by forming and sustaining such a professional class, such NGOs have also been incubators of potential future public policy makers and implementers. Indeed, the list of professionals who have worked within CFA partners and then moved into important government positions is a long one, and includes: many of the senior staff in the team that implemented the Law of Popular Participation in Bolivia (from Procade, various NGOs working with Novib and others); the core team of the newly created agency for international cooperation in Peru (from Cepes, an Icco partner); the former Director of Sub-Secretary for Ethnic Affairs in Bolivia (from Cenda, an Icco partner); the former Director of Sub-Secretary for Ethnic Affairs in Bolivia (from Cenda, an Icco partner); the national director of elections in Peru, who oversaw the recent democratic transition (from Desco, a Cordaid partner); the local World Bank official who aimed to reform Pronamachs in Peru (from Cepes); senior officials in the ombudsman’s office in Peru (from Desco); etc. This is important – policy and institutions may change because of good policy research, but also because individuals carry innovative ideas with them which they then aim to scale up within gov-

\textsuperscript{198} Again, it is important to stress that this is not only or even mainly a lacuna in CFA knowledge. The International Food Policy Research Institute (IFPRI), supposedly mandated for the last two decades to do policy research, is only now beginning a research program on the politics and processes of food and nutrition policymaking (Haddad, pers. com., Nov. 14, 2001).

\textsuperscript{199} It is worth noting that this study would not have been possible without this: all except one of the researchers spent formative parts of their young professional lives in CFA funded NGOs before moving (with the skills learnt there) into research and consulting.
ernment. There has been much of this, and the Dutch aid chain has supported and helped form a large number of important government reformers over the last decade. Again tracing the livelihood impacts of such processes is complex – but these impacts (if there are any) are an important heritage of the aid chain.

8.4.4 Perceptions of the rural economy

We would also suggest that one reason for the limited impacts of NGOs on rural incomes has been the way in which the rural problem has been conceptualized within the aid chain. The case studies for this research each conclude that NGOs lack (perhaps for scarcity of resources) a clear understanding of the complexities of rural livelihoods, the aspirations of many rural people, the dynamics of rural poverty and the ways in which these each affect organizational dynamics in the countryside. There is limited understanding of the markets in which the people with whom they work are engaged, and of how these people manage their assets. Above all there is limited understanding of, or reflection on, processes of social differentiation and livelihood diversification within communities. As a result, the continuing tendency is to view rural people as essentially agriculturalists. Furthermore, if this is the case at the level of the institution’s strategic and project documents, it is even more so at the level of the agronomist and zoo-technical field staff who do the nitty-gritty of implementing projects. Notwithstanding any broader institutional discourse on power, identity and social change, the practice of these staff ultimately ends up focusing on agricultural technology and production. In this sense they end up looking similar to government agricultural technology development programs: indeed, when communities would speak of the NGOs they would mostly do so in terms of the technologies they were promoting – as one of case study researchers concluded, campesinos in Laja and Ayo Ayo saw Qhana and Cipca as ‘mini-IBTA’s’, albeit better ones.\(^\text{200}\)

Furthermore, just as national research and extension services have generally provided technology that favors the upper middle and upper strata of the peasantry, the same appears to be the case for the case study NGOs. In some cases this has been deliberate: some (e.g. Cipca, IAA, IPTK) have consciously delivered technology that requires adopters to be able to assume risk, and invest time and money. In other cases (e.g. Ccaijo, Qhana, Arariwa), the NGO has said its goal is to assist poorer segments, but in delivering technologies that imply risk, or whose payoff is proportional to the adopters’ broader asset endowments, they have not responded to the livelihood needs and realities of the poorest. More generally, it appears that part of the NGOs’ emphasis on viable producers is an effect of the pressure of CFAs and other donors to show impacts.

To focus an agricultural development program in such upper strata is not necessarily a bad thing for surely agricultural growth must be critical to the future of the Andes. The problem is that when this focus is not made explicit, this can cloud the development of models of the links between agricultural development and poverty reduction. The tendency has been to assume that agricultural development leads to reduced poverty, but our and others’ evidence on rural livelihoods suggests that it will only reduce certain types of

\(^{200}\) IBTA is the Bolivian Institute for Agricultural Technology, the public research and extension program. The quotation is from Diego Muñoz.
poverty, probably for the less poor in communities. The field evidence shows that the role of agriculture in people’s livelihoods varies according to poverty level and asset base. In general, those who are making agriculture their primary accumulation strategy tend to be those who already possess most assets, in particular natural and financial capital. Those with less land and financial assets pursue other strategies in which agriculture is linked to one or more of the following strategies: migration, off-farm work, weekend work in local urban centers, rural services and commerce, or even politics.201 In these strategies agriculture provides food and the other activities provide income. Yet little has been done by the case study NGOs to support these other strategies, except ironically and unintentionally the strategy of becoming career community politicians, a phenomenon that does not foster the emergence of strong local organizations. One of the few CFA supported instruments that could lend itself to supporting complex livelihoods (namely rural financial services) has not been used for this purpose. Rather it has, in very many cases, and until recently, been tied to the agricultural programs of their counterparts.202 While it is often the case that farmers need technical assistance as well as financial services, there is probably more that could be done to provide financial services in a way that is also more adapted to the non-farming components of people’s livelihoods. Still, the implication is that the CFA-NGO aid chain needs ‘políticas diferenciadas’ (differentiated policies) to respond to the livelihood dynamics of different sectors of the population.203

More nuance in disaggregating livelihoods and the role of agriculture within them would also be helpful for reflecting on the relative roles of different organizations in the livelihoods of different families, and therefore on appropriate strategies for organizational development. The sense from the case studies (most explicitly so in those from Cusco) is that campesinos judge and participate in organizations depending on how functional they are to their principal livelihood strategy. Thus the increasing complexity of livelihoods has meant that the comunidad campesina and the sindicato have become weaker organizations – not surprisingly it is in Sopachuy that these community organizations still seem strongest, for it is in Sopachuy that livelihoods seem to be the least complex. In their place, specialized organizations have taken on more significance, but again in ways that vary for different families. For some families with particularly vulnerable livelihoods, the most relevant organizations are mothers’ clubs (e.g. in Lamay) or similar groups through which food security support is made available. Commodity specific economic organizations such as the dairy associations in La Paz seem to have most relevance for wealthier farmers.

The irony is that in conversation there is no lack of intellectual awareness (among CFAs or their partners) that rural livelihoods are complex, that they depend ever less on agriculture, and that for very many families agriculture is unlikely to be the basis of household accumulation. Likewise the possibility that significant numbers of agricultural livelihoods may not be viable in

201 A strategy made evident in the IPTK study.
202 For instance, Novib support for Aned has, until recently, been more precisely for agricultural credit in areas of intervention of its partners (e.g. IPTK); likewise for Icco (e.g. in areas of Qhana). Of course it is not clear that all families who take the credit use it for this purpose.
204 The NGO that has gone furthest in this is probably Arariwa, which has entrepreneurial development programs for the more ‘viable’ and food security programs for the poorer sectors of the rural population.
anything other than a subsistence sense, has been recognized at least since
the mid-1990s (González et al., 1995; Icco, 1995). However, making the
implications of this explicit, and finding ways to act on them, has clearly
proven difficult. It is risky – some NGOs clearly fear losing funding if they
open up this line of reflection. It also opens up the possibility that the NGO
ought to prioritize work with medium and larger scales producers, and other
entrepreneurs (another idea that is hard to swallow, though arguably quite
valid). And above all it is polemical, because it may mean that some rural
programs ought explicitly help people leave rural areas. One of the CFA coun-
terparts (Ccaijo) has considered this possibility (by helping group coloniza-
tion of the humid lowlands of Cusco and Madre de Dios), but in general it is
a contentious discussion, though more so among NGOs and ACFs than among
rural people themselves. Indeed, one striking finding in the research was just
how many families are already allocating their assets so that their children
can get better education and ultimately move out of agriculture.

It is important to insist, however, that these are reflections to which few have
answers – they are not only issues among CFAs and their partners. Thus
an adequate response will require innovation and risk taking. Yet, and as we
discuss below, the current climate in the aid chain – both in CFA-DGIS rela-
tions, and CFA-NGO relations – does not encourage such innovation.

8.4.5 NGOs as modernizers

Finally, one important reason why the aid chain has had some of the impacts
it has had on human and social capital is simply because NGOs ‘are there.’
Again this may seem like a banal observation, but comparisons between proj-
ect communities and ‘control’ communities (especially in the cases of Cusco
and Sopachuy) made clear the sense in which campesinos and (importantly)
campesinas were more assertive in project communities. This was most evi-
dently so in the very research process: people were more reflective and opin-
onated in focus groups, and this was particularly so for women. In short,
NGOs do not only link communities with transnational flows of money, they
also link them with ideas, and in particular ideas about rights, about gender,
about the values of modernity, and about participation. Their very presence
has had a modernizing effect. They have encouraged discussion of the value
of keeping children in school, of schooling girls, of becoming literate, of
reducing domestic violence – of the basic life practices of most NGO staff.

8.4.6 CFA policies and approaches

As discussed in Chapter 4, the CFAs have differing approaches to rural devel-
opment and partner selection in the Andes. While the differences are not pro-
found, they are noticeable. Novib has the most open-ended position on rural
development, though is restricted in its range of potential partners because
of its policy of supporting large NGOs. As a result, the proposals it supports
are more likely to be based on the Andean NGOs’ ideas about rural develop-
ment than on a predefined set of ideas that Novib can use in order to screen
proposals. Indeed, this probably explains Novib’s reticence to make strong
statements on what it will and won’t support. Conversely, it also explains why
among the three CFAs, Novib gets far more involved in policy discussions

204 Indeed, literally on the day this section was being drafted, RIMISP announced a competi-
tion for essays on innovative ways of supporting non-farm rural employment.

205 We are very grateful to most helpful and suggestive comments from the Stuurgroep on
this theme.
with its partners – precisely because it doesn’t have defined positions, and so is keen to debate them and work them out on a case by case basis.

Cordaid, on the other hand, while not having very specific ideas on rural development has a very clear set of policy principles on development projects more generally – the principles captured in the Generic Policy. This is the policy it uses to screen proposals, and so in this case the approaches to rural development that Cordaid supports are far more likely to be driven by Cordaid than by its partners. This is so much so that it will give partners a year of bridge funding to redesign proposals so that they better fit the Generic Policy (as it recently did with Ccaijo). One of the roles of Cordaid’s ICS is to convey these policy principles and help NGOs fit their projects to them, and this may explain in part why Cordaid makes most use of an ICS of the three CFAs – the ICS’s help NGOs understand Cordaid far more than the other way around, and Cordaid needs them to understand it so they can deliver acceptable projects. Of course, Cordaid does not do all the defining here: in some sense it cannot easily afford to lose partners like Aclo and Ccaijo, and these NGOs know this and so can use it to gain certain leverage in defining projects – but the room for maneuver is not infinite either.

Icco, finally, falls somewhere in between Novib and Cordaid. It has more defined ideas on agriculture and rural development than do either Novib or Cordaid, and these ideas certainly influence its partner selection. Also, given that it is not committed to supporting large NGOs it has more flexibility to choose among partners than does Novib. On the other hand, it also has much respect for partner autonomy, and is also far more willing to take risks than either of the other two CFAs. Hence the programs it supports are as likely to be influenced by NGO ideas on rural development as they are by Icco’s. This perhaps explains Icco’s interest in supporting fora such as Chorlavi and the Secretariado Rural – they are spaces in which Icco and its partners can come together to debate their different positions and learn from each other.

This said, what difference does this make to patterns of impact, if any? Novib’s institutional support to large NGOs, on their own terms, seems most likely to have the chance of influencing larger scale processes and debates on rural development. Indeed, its support to Cipca and Procade has doubtless influenced ideas on rural development in Bolivia, and Cipca has influenced structural change in some of its programs (e.g. among the Guarani: SandováI, 1998), if perhaps not in the altiplano. This is not however a necessary effect, and Novib has also had some spectacular failures: Ineder in Cochabamba for instance, and arguably there is relatively little to show for all the money invested in IPTK (though its health and professionalization programs are more interesting than its production programs). Novib’s approach thus offers potential for structural change, but the quality of the partner NGO will determine whether this will happen or not.

At the other extreme Icco’s approach is likely to have a higher failure rate because it is the most willing to take risks – the failure in Puno is indicative here: a lot of money invested with very little to show for it. On the other

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206 Procade was a GoM and then a Novib/Icco partner, but Novib become its most loyal ally among the CFAs.

207 Though it ought also be noted that Puno has a more general infamy as a project graveyard.
hand, Icco’s support has helped spawn nuclei of innovators who have influenced debate and policy, not because of their institutional weight (as in the case of Cipca) but because they are simply very clever and creative (as in the case, for instance, of Cepes and its staff). The Icco projects studied here turned out not to have had that much of an impact – but its broader portfolio of partners includes institutions that have generated innovations that have been quite important in Bolivia and Peru (Sartarwi, Cepes, Asur, Aned, Cimca etc.)

Two of Cordaid’s partners’ projects studied in this research turned out to be among the best of our sample – in terms of coherence, and apparent impact. It is not clear, however, whether this is an effect of Cordaid’s approach or rather a result of the capacities of its partners (and one is tempted to say, of Cebemo’s approach in yesteryear). The general sense from this study is that the Generic Policy has had the positive effect of forcing far more rigorous and careful reflection on the coherence of models of intervention, and the hypotheses about causal processes on which they are based – but it has been implemented in such a way as to increase transaction costs out of all proportion and dramatically reduce levels of CFA-partner trust in the process. Cordaid makes you think, but it also makes you angry and pestered.

In aggregate, then, the relationship between the particular aid chain dynamic and patterns of impact is not determined only by the CFA’s approach and models, but by the interaction effect between these and the inherent capacities of the partner NGO. This should not be very surprising but it does put a premium on the quality of the CFA’s knowledge of its partners, and on the quality and openness of the communication between them. A theme to which we now turn in closing.

Each of these conclusions suggest the need for change in the aid chain linking the Netherlands and the Andes. This is not to say that the aid chain has not performed well in the past – in many ways it has. But there comes a moment when, in the face of mounting evidence that no longer sustains a particular view of the world, it is time for paradigms to shift. We suggest that this may now be the case for the ways in which CFAs and NGOs have addressed the theme of rural development and poverty, and that the time is ripe for shifts, in how the rural economy is perceived, in how the links between poverty and social change, and between livelihoods and rural politics are viewed and acted on, and in how the aid chain functions. Such change should, and could, grow out of a frank (and doubtless difficult) discussion over the real potential that NGO-CFA networks have to influence rural livelihoods and poverty, and a quite profound rethinking of all the relationships involved here. While prior ways of working have had valuable effects, it is unclear that they continue to be the most appropriate ways of addressing rural problems, or even the very concept of ‘rural.’

We would also acknowledge that these are not just our reflections, but are rather ones we heard many times from CFA and NGO staff in the course of doing this research. They also came from expert commentators and rural residents. Yet we sense that these reflections are rarely carried through into practice. In this final section we discuss why this might be so. It would be all too easy for us as evaluators and researchers to point fingers and blame CFAs and NGOs for not responding to modern trends in the Andean countryside. Yet while change and innovation are necessary, there are many barriers – one
of which is an uncertainty as to how to respond adequately but also sensi-
tively to the viability argument. Indeed, one of the larger implications of this
analysis is that the CFA aid chain needs to rediscover the ability, and will, to
innovate. All the actors within it have a role to play in this.

8.5.1 Incentives in the aid chain and obstacles to innovation

The irony of the aid chain (and perhaps of all aid chains) is that the incentives
linked to resource access and project approval discourage an open and hon-
est reflection on critical and worrying issues that most actors involved in the
aid perceive as important. This is so whether we think of the relationship be-
tween CFAs and Ministry, between NGOs and CFAs, among staff at different
levels within CFAs and within NGOs, and between rural people and NGOs.

Thus from demand side, all the incentives are to overstate a project’s (and an
NGO’s) likely impacts, to understate the extent to which political economy
and geography constrain livelihood and impact possibilities, and so (perhaps)
to misconceive the design and role of projects. And from the supply side, the
incentives are to impose more controls and insist on monitoring and evalua-
tion to generate reliable information and hold the person or organizations
responsible for managing funds to account.

By the same token, political incentives also frustrate the possibility of more
careful reflection on the possibilities of rural poverty reduction through NGO
interventions. Incentives appear to lead people to assume entrenched posi-
tions on issues of viability, and the future of the Andean countryside. Within
certain CFAs we have also encountered entrenched positions on policy is-

sues. Not only does such entrenchment frustrate debate, it likely frustrates
innovation. At a time when the poverty case for aid to Latin America becomes
harder and harder to make, this constraint on innovation is fateful – for any
case for cooperation in the future will have to be made as much on the grounds
that Latin America (and the Andes) can generate globally useful innovations
in thinking about rural development as it can be made on the grounds that
campesinos are poor.

The simple point, then, is that: (i) innovation – ‘thinking outside of the box’
– is critical for any future potential of NGOs and CFAs to affect rural pover-
ty; and (ii) incentives in the aid chain are pitched against innovation. In some
sense this is a call for behavioral change in the spirit of Robert Chambers
(1994) – but in addition to behavioral change in the relations between profes-
sionals and farmers, the call is also (and perhaps more importantly) for be-
havioral change among professionals in the aid chain. It is also a call for
research, and perhaps especially research done through mechanisms that
both make research results of practical relevance, without linking it to incen-
tives that encourage softening its findings.208,209

208 In his regard, experiments such as PIEB in Bolivia (funded by Dutch bilateral aid) are of
particular relevance for they point in these directions.
209 What is interesting here is that these conclusions re-iterate some of those of the GoM’s
study of NGOs and NGO networks in Bolivia (Wils, 1995), and to some extent those of the ear-
er Andean case studies in the Dutch supported research on BINGOs. One proposal emanat-
ing from the 1995 study was to create a sort of NGO university, that would link training specif-
ically for NGO staff, to research and reflection.
8.5.2 From changed policies to changed partners

In chapter four we discussed the ways in which policy translates into partner choice: and the obstacles to translating policy change into changes in partnership and practice. For indeed, while in their policy documents the CFAs have recognized for some time the complexity and progressive urbanization of rural livelihoods, in practice they have continued to emphasize agricultural based responses to rural poverty and underdevelopment. More specifically they have emphasized sustainable agriculture and rural development, agricultural credit, inter-institutional coordination and participation as strategic themes.

Why this slippage (between recognizing livelihood complexity but finding it difficult to carry the recognition through to action) occurs is open to debate, but one factor may be that to respond to a more complex conception of livelihoods would probably require a change of counterparts. In the words of one interviewee, in order to have impact, it is necessary to support more specialized, innovative NGOs, not the remodeled old ones. Some policy papers speak of the need for such change (for instance Novib 1994; Wehrkamp, 1990), and while some external reviews suggest that policy has informed partner selection (González et al., 1995:2), the limited turnover of partners in the 1990s (and particularly of those partners who absorb the bulk of CFA resources) suggests otherwise. Changing such partners is acutely difficult: program officers who aim to do so are generally greeted with some animosity and by efforts on the part of the NGO to go over their head to more senior levels of the CFA (at times staffed by old friends of the Director of the NGO threatened with funding loss). Those who have stuck to their guns are thus to be applauded – but in general, the CFA aid chain is very sticky and thus makes the translation of new policy analysis into new partner portfolios and practices difficult. Of course, this becomes even more the case as overall funds are reduced because, put crudely, to support one new partner you have to cut funding to two existing ones.

So, CFAs have tended to carry on working with NGOs whose forte is agriculture and rural development, and community based approaches to change. There are clearly exceptions – the increased move into work with financial service partners stands out – but there is also much continuity in the partners with whom CFAs work. This notwithstanding, the claim that enhanced impact requires work with more specialized counterparts was made often during the research. While this may be seen as flying in the face of integrated approaches to development, few of the projects have really been integrated in any strategic sense (see e.g. Milligan, 1996) – they have instead between multifunctional. This only repeats one of the negative lessons of integrated rural development programs (Grindle, 1986).

Given this, it may be more effective to work with organizations with specialist skills to respond to those priority service and asset building needs made apparent by analysis of existing rural livelihoods. This does not imply a wholesale change of partners, but does suggest the value of introducing mechanisms that might facilitate change and innovation. An obvious one is to make calls for project proposals (‘licitaciones’) to address the increasing complexity of the rural economy, the challenge of working with families with urban

210 M. Valderrama – impact won’t come through ‘las [ONG] historicas reconvertidas.’
and rural bases etc. and to see what comes in. There are antecedents here. In Bolivia, Nogub (the Swiss bilateral NGO funding program) did this – leading to renewal of some partnerships, and initiation of new ones with different types of organizations. Also in Bolivia the Dutch funded PIEB (Bolivian Program for Strategic Research) uses licitaciones for research proposals on defined themes. In Colombia, the national program for technology transfer (PRONAT-TA) has been successful in doing the same. And among the CFAs there are some antecedents. Novib had a closed licitación for the implementation of a project in Cochabamba; and Icco has supported the Fondo Chorlavi which uses similar mechanisms to identify small scale learning initiatives. Each of these experiences suggest that there are interesting and different partners with different ideas out there. They also come with the warning that such licitación processes can be costly and time consuming. Still, these agencies continue with them, and there is something to be said for further experimenting with such approaches within the main portfolios of the CFAs.

8.5.3 Obstacles to learning: planning, monitoring and evaluation

Another theme around which there has clearly been a barrier to innovation – and frankly, something of a word game – has been the whole topic of planning, monitoring and evaluation. Evaluations, monitoring reports and correspondence continually refer to this issue, and yet – with some exceptions (one of which is clearly CIPCA) – remarkably little progress is ever made. This observation/conclusion merits reflection: why is there such limited progress?

A simple answer would seem to be that at best no actor in the aid chain really wants PME for its own sake, and that in many respects the discussion over PME has de-railed and distorted a wider discussion on learning. Among NGOs, PME is often seen as an imposition by the CFAs (and others), and if there is an incentive to develop PME systems, it is generally to respond to the desires of funders and so defend or secure access to resources. In the one case study where most progress has been made in establishing a complex but interesting PME system (Cipca), the incentive to Cipca of securing institutional funding from Novib was significant. It remains to be seen whether this system will be used for learning. From the CFAs’ point of view, the primary motivation appears to be the need to generate data on which to defend (and allocate) budgets: whether this is a program officer defending a position to a project review committee (or the board of the CFA), or the CFA defending it to DGIS. CFA staff too, like their NGO counterparts, see PME as something of an imposition.

PME thus becomes a mechanism of accountability linked to resource access and control, rather than a mechanism for learning. It has become this because of the incentive structure surrounding the way in which discussion of PME has been introduced.

A second reason appears to be that PME – and learning – are generally under-resourced. Most actors in the aid chain want to learn, and see the need

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211 In much the same way as gender and (less so) environment are. Indeed it is notable that just as NGO documents pay homage to PME, they also often include sections on the importance of gender, human rights and environment, the three cross-cutting themes of the co-financing program. A veritable chain of imposition that induces nominal institutional responses.
for learning, but they do not resource learning activities. At the margin, it always seems more appropriate to allocate resources to project investments. Even though the payoff to these seems quite low, at the very least they make the NGO more visible vis-à-vis both communities and funders. Even though learning – and reflection – are going to be critical for any increase in impact, the current way of approaching learning is clearly not working. A frank discussion on why this is so, and on all the strange and perverse incentives surrounding PME, will be very important if the aid chain is going to innovate in the future.
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This Annex contains two sets of Tables. Tables A4.1 to A4.3 summarize total funding approved for rural development projects by the 3 CFAs. The data is broken down by year, and the department within Peru and Bolivia in which the supported activity was based. The second set of tables (A4.4 to A4.9) summarizes the partners that each of the CFAs have supported in Peru and Bolivia during the 1990s.

### Tables on CFA funding to rural development

**Table A4.1** Funding amounts approved by Novib, Icco and Cordaid to rural development projects in Bolivia, by department by year, 1990-1999 (in 1000s of Dutch Florins)

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<td>442</td>
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<td>2,010</td>
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<td>2,389</td>
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<td>7,536</td>
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</table>

**Notes:**

1. 'Supraregional' refers to grants to projects that work in more than one region, such as those implemented through networks.
2. The very large amount approved in 1997 at a supra-regional level is because, somewhat by chance, that year saw approvals of 8,750,000 Fl to Cipca, 1,700,000 Fl. To Fondeco and 1,400,000 to Procade.
3. Totals may not round up exactly because of rounding up effects.

**Source:** de Morrée and Nijenhuis, 2000, based on CFA reports.
Table A4.2  Funding amounts approved by Novib, Icco and Cordaid to rural development projects in Peru, by department by year, 1990-1999 (in 1000s of Dutch Florins)

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Total p.a.  5,005  4,889  4,660  7,899  4,952  10,849  5,515  4,702  10,401  58,871

Notes:
1. ‘Supraregional’ refers to grants to projects that work in more than one region, such as those implemented through networks
2. Totals may not round up exactly because of rounding up effects

Source: de Morrée and Nijenhuis, 2000, based on CFA reports.

Table A4.3  Funding amounts approved by Novib, Icco and Cordaid to bi-national rural development projects in Peru, by department by year, 1990-1999 (in 1000s of Dutch Florins)

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Total p.a.  99  469  714  112  245  1,010  2,649

Notes:
1. Totals may not round up exactly because of rounding up effects

Source: de Morrée and Nijenhuis, 2000, based on CFA reports.

Tables of CFA rural development partners
The following 6 tables identify the partners of each of the CFAs in each of Peru and Bolivia. The Tables identify the name of the partner, whether it is an NGO or a membership organization, its size, the period over which it has been a partner and whether it still exists.

The sources for these tables are de Morrée and Nijenhuis (2000) and interviews with CFA staff. CFA staff also provided very generous help in completing and checking the tables. In certain cases, where there is uncertainty, this is shown by question marks.
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<th>Size of NGO</th>
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<th>Partner still exists?</th>
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Note: Icades supports the 5 micro projects (Cocas, Cipda/Edas, Ciad, Apomallku and Equipo Mallku).
Information is unclear on Esa, Ingema nor Union Progreso.
**Table A4.6 Table of Icco partners, Peru**

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Note:
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Annex 2 Institutional characteristics and intervention strategies of the CFA partners

Chapter 5 presented a comparative and for that reason more general discussion of the strategies and institutional characteristics of the seven NGOs whose interventions we studied. In this Annex we provide somewhat more detailed information on each of these NGOs. They are grouped according to the three broad regions in which research was conducted: the Bolivian altiplano of La Paz; the Bolivian valleys of Chuquisaca and Potosí; and the Cusco.

Cipca

Cipca was founded in 1971, its initial work being concentrated in the altiplano (in Machaca, Achacachi and Ayo Ayo).¹ It was one of the earliest, and today is one of the largest rural development NGOs in Bolivia, working in just under 10 per cent of the countries’ municipalities. It is one of Bolivia’s most prestigious NGOs, with work in regions as varied as the Chaco, Santa Cruz, Moxos, Cochabamba, Riberalta and the altiplano. After two decades of work in these different regions of Bolivia, Cipca attempt to synthesize its lessons and its broader thinking into a proposal ‘For a Different Bolivia’ (Cipca, 1991). In some measure this document marks the NGO’s view of development at the beginning of the decade, and serves as a useful point of comparison for the changes that have since occurred in its thinking.

In 1991, then, Cipca’s broader concern was to foster a ‘democratic and socialist’ society whose economy would be based primarily on ‘self-managing, popular productive units’ (Cipca, 1991). This was a collectivist view of development that, in the countryside, translated into a view of a peasant economy in which:

• Input provision and marketing would be ‘in the hands of the intermediary or higher levels of self-managed producers’ organizations’
• Agriculture would be the central pillar of the economy
• Food security would be prioritized
• Rural development interventions would seek to reduce out-migration from the countryside and would stimulate associative and communal production practices.

In the altiplano and elsewhere this broad model translated into support to so-called Comunidades de Trabajo (CDTs, or work communities), as well as to the Aymara movement more generally. The CDT would involve the whole com-

¹ The work in Ayo Ayo began slightly later, in the mid-1970s. This was because Cipca left Achacachi as a result of government repression, and moved to Ayo Ayo.
munity, be based on collective ownership of the means of production, be self managing and food secure, and would also generate surplus production.

Interestingly, even as the organization was publishing its manifesto in 1991, many of these ideas were being questioned inside the NGO, in particular the emphasis on collective production, and particularly in the altiplano. Yet it took half a decade for these questionings to be recognized institutionally. Still, by the time of the Strategic Plan for 1997-2001, the CDT is not mentioned, and indeed Cipca’s overall proposal for development had changed significantly. Today the emphasis is on:

- A strategy that prioritizes work with individual families
- Livestock development as the axis of Cipca’s view of local economic development
- Production for the market
- Working with more economically viable and better resourced households – indeed, it is now deemed highly unlikely that projects will reduce out-migration
- Campesino participation in existing processes of decision making.

Overall, if in 1990 the larger goal was social transformation, today it is to increase the participation of (some strata) of the rural population in existing economic and political processes. In Cipca’s own words:

‘the new political climate, much more pragmatic than in the past, has led to less ambitious dreams and utopias in almost all institutions, both public and private. Cipca is no exception’ (Cipca, 1999).

If these are general trends in thinking within Cipca, how were they translated into interventions in the altiplano? The point of reference here is the altiplano drought that occurred in 1982/3. After early (largely disappointing) efforts to regenerate potato production, Cipca decided that the necessary response was to foster market oriented production, primarily of dairy and horticultural products, based on modern technology and (in the case of horticulture) greenhouses. These production systems were viewed as means of dealing with the environmental limits that the altiplano placed on production. Greenhouses, for instance, offered the potential of harvesting the sun of the altiplano, while protecting crops from frost and hail. Dairy cattle were also viewed as a ‘frost resistant’ production alternative. The organizational basis of these technical proposals was to be the CDT, in which comuneros would work collectively in greenhouse and dairy production systems. The period 1988-1990 saw early efforts to introduce these new models.

While the next three year period (each of these were supported by Novib) saw some adaptation in the technical proposals, the main focus was maintained, and Cipca also supported the creation of a horticultural marketing body (PADA) and a livestock concentrate plant in Ayo Ayo. The coverage of the technical component of this proposal was limited, and all the more so for livestock production which in all of La Paz only supported 45 units from 1990 to

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2 Large quantities of seed were lost. These efforts received significant support from the Netherlands.
Educational events (for technological training etc.) had wider coverage, though here too numbers declined over time, and often coverage was not very intensive. Either way, Cipca itself noted that this massive training was not very effective in the early 1990s because ‘No regional office developed an efficient approach to training that was adapted to Cipca’s proposals for economic development’ (Cipca, 1999: 67). The problem, however, was not only educational: indeed, more generally its areas of intervention in the altiplano Cipca noted that ‘... the social, organizational and economic situation of the peasantry shows no signs of improvement’ (Cipca, 1995). Indeed this same document suggested that even in 1995, Cipca’s livestock work was still at the demonstration stage.

In the second half of the 1990s, Cipca sustained its support to livestock intensification, improving breeds, introducing stall-feeding and promoting pasture cultivation (mostly of alfalfa until recently). It also supported the creation, in 1994, of the Dairy Producers Association of Ayo Ayo, essentially modeled on the general form taken by other dairy associations that work with the PIL. Throughout the remainder of the decade, however, coverage remained low. By the year 2000, Cipca was working (via Procade) with 61 producers of alfalfa (30 hectares), had built 61 cattle stalls, and worked with 61 families in improving native pastures. Meanwhile 307 families had received training in livestock production. This limited coverage was compensated, however, by an attempt to support the whole municipality via local government. Thus, following the Law of Popular Participation in 1994, it also began a program of support to the municipal government of Ayo Ayo: assisting in the elaboration of the municipal development plan, and providing training and advisory support.

In the same vein, Cipca has consistently combined its area-based intervention with support to regional and national indigenous and campesino movements. The emphasis of this work has been to enhance these movements’ involvement in politics and policy formation. Indeed, Cipca has also played an important and visible role in certain policy debates that have direct implications for the altiplano (e.g. debates on education and land).

However, despite these efforts, Cipca concluded in 1999 that ‘in the altiplano, it is difficult to show a positive economic impact..... After 20 years of institutional effort the apparent result is that there has been no substantial or massive change in the economic situation of campesinos in the altiplano’ (Cipca, 1999). And furthermore, it is only in 1999 that the institution acknowledges that ‘something we learnt from these experiences is that in many cases the peasant economy has an important complement in activities outside the rural area’ (Cipca, 1999). It is striking that this conclusion is only made explicit after such a long period of time – twenty-five years of work. It is also of note that they state this conclusion despite the fact that the organization published a book in the 1970s on rural-urban relationships in the altiplano. Between the publication of that book and this conclusion in 1999, Cipca has invested a

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3 More specifically, these are 45 unit years – in 1990 3, 1991, 6, 1993, 7 and so on. It is quite likely then that the total number of units supported is considerably lower, some being supported for more than one year.

4 One presumes that these 61 families are the same ones. The sources for this data are annual reports, summarized in Rojas, 2001b.
great deal of money in developing agro-pastoral systems in the altiplano. Indeed, just from 1991 to 2000 the overall cost of Cipca’s work in La Paz came to $6.4 million, and in Ayo Ayo to $1.65 million. In this expenditure, Novib was one of the most important funders via its institutional support to Cipca and its support to Procade (which then passed resources to Cipca). Indeed, overall Novib is one of Cipca’s most important funders, and has supported it with a series of 3 year institutional grants, and most recently a 4 year grant.

It must be noted that Cipca’s experience in other regions (e.g. Charagua) has been more positive and their work seems to have left more of an impact (Aleman et al., 1999; Sandovál, 1998). Still, it is striking that it is in the altiplano — where Cipca began its work 25 years ago — that its impacts have been so disappointing. However, as we will note in chapter 6, there has perhaps been slightly more impact than these quotations from Cipca’s own documents suggest.

**Qhana**

Though a smaller institution, Qhana’s evolution in the province of Los Andes is not dissimilar to that of Cipca’s and so much of the above — at the level of strategy — need not be repeated here. At the start of the 1990s, Qhana’s strategic goal in this work was ‘to contribute to the economic and organizational strengthening of the campesino movement and to sindical unity in order to transform our formal democracy into a real democracy’ (Qhana, 1990). The economic correlate of this was, as in Cipca, to promote group based production practices.

The commitment to the campesino movement continued to be the goal through the decade, but by its end the language had become one of ‘achieving local power’ within the rules of the broader representative democracy of Bolivia. Meanwhile, the economic correlate was now one of strengthening the links between household production units and broader product and labor markets. An important component here has been to create and strengthen Coracas (Campesino Agricultural Corporations), as the ‘economic arms’ of the peasant movement.5

Over the decade, Qhana has aimed to implement these broad ideas through three stages. The first stage, from 1990-1993 involved a very intensive intervention concentrated in just three communities (this increased to 5 communities in 1993: Rojas 2001c). This in turn meant that although the program was referred to as the Los Andes program, it only worked with 1 per cent of the families in the province of Los Andes. This work aimed to validate a production alternative based on the introduction of improved Holstein cattle and systems of forage production (oats, barley and alfalfa).

From 1994 to 1996, the scale of the program broadened into a proposal for micro-regional development, and after 1995 – in response to the LPP – also included support to the municipal governments of Laja and Batallas. This same period saw the creation of a provincial level Coraca in 1996. Still, notwithstanding this scaling up of the model, an evaluation in 1996 drew some-

5 In deciding to create and promote Coracas, Qhana was in large measure drawing on its relatively successful experiences with Coraca in the Yungas (see Muñoz et al., 2000).
what skeptical conclusions about its very viability. It concluded that there had been limited or no impact on income, noting also that in many cases the improved cattle were dying because of the environmental stresses of the altiplano. The model of collectively managed dairy enterprises was also failing, and in one case the farm was passed to a single beneficiary (implying a concentration of benefits). As the group-based model was faltering, individual families became more important in Qhana’s strategy.

This evaluation led Qhana to adapt its work program for the closing years of the decade – however, in practice this program was only partially implemented as Qhana encountered increasing difficulties in securing the necessary financial resources – the early stages of what was to become later a far broader institutional crisis in Qhana. While coverage did increase, for both livestock and agricultural support activities (Rojas 2001c), the number of families supported only ever reached 28% of that initially proposed – and note, only a quarter of those reached were supported intensively. In some measure, this shortfall was offset by Qhana’s work with organizations representing the entire campesino population – indeed, according to Qhana, the provincial Coraca became far stronger in this period, and 4 municipal and 35 communal Coraca’s were functioning. If this were so, then the existence of these Coracas ought have improved the marketing options and income possibilities of comuneros in Los Andes. Our field results, however, are rather less optimistic about the livelihood effects of this support (see chapter 6).

Icco was, throughout the decade, one of Qhana’s two main sources of financial support for this work in the altiplano. Rather than financing particular projects, however, Icco gave much of its support as institutional support. These resources therefore covered Qhana’s work in Yungas as well as Los Andes, along with central office costs. In the light of the more disappointing effects of the Los Andes program, it is important to note that Qhana’s intervention in Yungas has been considerably more successful in affecting production systems, coffee marketing, campesino livelihoods and municipal power relationships (see Muñoz et al., 2001; Bebbington, 1998).

IPTK

IPTK was founded in 1976 as part of a joint initiative of Cipca, the Movement of the Revolutionary Left (the MIR – one of the main political parties that contested the dictatorship in Bolivia in the 1970s), the Company of Jesus and, indeed, Novib. Throughout its history it has been closely identified with parties of the left, and in particular (following splits within the MIR), with the Movement for a Free Bolivia (MBL). Until recent years, IPTK has been more convinced of the need for a link between development interventions and party politics than any other of the NGOs in this study – it has also been the most explicit about this. Although this party link has declined in the 1990s, we still cannot really talk of IPTK’s development work (or how it is perceived) without recognizing this association.

Reflecting these commitments, strengthening sindicato organizations has been central to IPTK’s work since its origins – at community and also supra-communal levels. Also central has been a strong commitment to investing in human capacities, through two main programs: a rural health care program that has been widely recognized as important and admirable; and CEN-
PRUR, a program based in Ocuri that trains rural people in agronomy and health care and that explicitly aims to foster rural professionalization. Accompanying these social and human capital building interventions, IPTK has also pursued a range of other activities: some providing direct support to production (especially of potato), others promoting resource conservation, and others (since the LPP) providing direct support to municipal government in developing municipal development plans, and strengthening municipalities’ institutional capacity to implement them. Taken together, these activities aim to further IPTK’s overall goals of fostering political participation and rural development. The geographic focus of this work has been the province of Chayanta, and the city of Sucre.

IPTK’s earliest work was in Ocuri and surrounding areas. Its operations in Ravelo began in 1983. By the 1990s the work in Ravelo was implemented via four departments coordinated territorially via the Integrated Multiactivity Sector of Ravelo. These departments are: education, women and organization; agriculture; health; and appropriate technology and micro-industry. The work of the agricultural department has been particularly complex: it has managed 19 projects funded through 5 different programs. Among them these programs supported irrigation, productive infrastructure, technology validation in agriculture, livestock and forestry, production of tree seedlings, animal improvement, training, seed production, credit and more. In the earlier part of the decade they were also explicit in aiming to promote collective agricultural enterprises, and through this to offset migration. By the end of the decade, and in the light of failed efforts to foster such collective economic activity, emphasis had shifted to individual production units and the promotion of economically viable production projects. Also, at least according to some within IPTK, the goal of offsetting migration is now viewed as impossible.

Different programs in IPTK have had different degrees of coverage within Ravelo – these have, furthermore, changed over time. That part of IPTK’s work funded through Procom/Aipe Rural, for instance, worked in 30 communities in 1995, though this had declined to 16 in 2000. However, within each community it was by the end of the decade working only with those families who were more likely to constitute economically viable production units. The health program, on the other hand, had a far broader coverage – with 1 hospital, 4 medical centers and 34 health posts, and a child feeding program that reached 2000 children under 6 years of age.

As we noted, Novib supported the very foundation of IPTK, and has been its main funder ever since – indeed today, IPTK is (along with Cipca) Novib’s main partner in Bolivia. Reflecting this importance, Novib has funded IPTK through different and arguably overlapping mechanisms. The basic mechanism has been to fund IPTK’s three year plans (and now 4 year plans under an arrangement which allows Novib to give IPTK more open ended institutional support – see chapter 7). These plans include IPTK’s Chayanta operations, work in Sucre, central office costs, training center costs, and its own enterprises. In addition Novib has supported IPTK via its support to Procom

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6 The National Center for Rural Professionalization.
7 In Chayanta, IPTK has 5 of these CIMA’s (Centros Integrados Multiactivos).
8 See further discussion in chapter 6.
and Aipe Rural, and via the GoM’s support to Procade. Thus in some cases, three different lines of funding from Novib might support work in the same community. This complexity in IPTK’s financial arrangements made it difficult to isolate its expenditure in Ravelo, so the figures here are provincial. In all of Chayanta, IPTK spent $8.2 million from 1990-1999. Of this amount, approximately 55% came from the Netherlands, mostly from Novib.

ACLO
ACLO was founded in 1966 as an NGO tied to the Company of Jesus – indeed it is one of Bolivia’s oldest rural development NGOs. Its focus has consistently been rural, with emphasis on agriculture, human capacities and – at some moments more than others – political empowerment of campesinos. By 1990, ACLO’s approach to development was, like IPTK’s, based on political participation and rural development. This was to be achieved through a microregional approach in which special emphasis would be given to associative enterprises. Indeed, though Aclo speaks of an integrated approach, its interventions have tended to be concentrated on production questions, with only limited work on education (some literacy training) and health. Over the course of the decade the emphasis of Aclo’s organizational work moved progressively away sindicatos and towards economic organizations.

Following an evaluation in 1993 (Rojas and Qayum, 1993), Aclo reduced the scope of its actions in order to be more effective in developing successful rural development experiments that might then be scaled up (Rojas 2001d). Even prior to then, however, coverage was limited. Specifically in Sopachuy, Aclo’s agricultural packet (emphasizing potato, wheat and maize) was directed at just 4 communities and 73 families between 1990 and 1993. Its work on irrigation, which began in this same period, was focused in 2 communities with 91 families. As with the other NGOs, its more massive coverage came from training programs (reaching 200 families p.a.). After 1993, Aclo’s work was governed by a new program denominated ‘Transformation of the Peasant Economy.’ This program broadened the number of activities supported by Aclo, but maintained a relatively concentrated geographic focus. The fruit production program worked with 126 families, but planted only 4 hectares of trees, and the soil conservation program worked with 50 families. Other programs had a somewhat broader coverage. For instance, Aclo increased its investments in irrigation, working now with 248 families. Indeed, irrigated production assumed a central position in Aclo’s approach to agricultural development, with 1995/6 being the period in which Aclo installed most irrigation infrastructure. The forestry program in 1997/8, for instance, also reached out further, planting some 20,000 seedlings – however, over 15,000 of these died.

These productive interventions were accompanied by efforts to support producers’ associations, especially in Milanes and Horca. Aclo also provided price information to assist them with marketing, above all of potato. Also, following the LPP, Aclo began to work ever more closely with the municipality,

9 The ‘Transformation’ program had various sub-components: economic development, women and development, natural resources, communication, social development, organizational strengthening.
offering institutional strengthening, and assistance with community level planning. Aclo has also helped peasant leaders who ran for local office.

A final evaluation of this program suggested that it had led to a series of changes in the local food system that have increased food security (Gonzalez and Padilla, 1999). The evaluation identifies: increased use of improved seed and irrigation in potato production systems; changes in marketing processes; increased crop yields and soil conservation, with positive effects on subsistence production; strengthened economic organizations; and increased vegetative cover, because of forestry. However, there is little data in the report to substantiate these claims, or to assume that they apply to many families or have had a significant impact on poverty (in any of its dimensions). Indeed, the same evaluation notes that some results are difficult to verify because Aclo had not kept good records.

Cebemo/Bilance/Cordaid have supported this program of work since 1985. Indeed, the CFA has been Aclo’s main donor – covering some 40% of its budget in Chuquisaca. Given that a further source of Aclo’s budget comes from Procade, which was supported by the GOM, the CFAs likely cover over 50% of Aclo’s budget. In Sopachuy, the figure is greater still, with Cordaid covering some 62 per cent of a total ten-year budget of $1.6 million (the remainder has come from Misereor and Swiss bilateral support). The relationship has not, however, always been easy, and there have been times when each side has considered ending it – Cordaid frustrated that Aclo didn’t change, and Aclo frustrated that Cordaid was intervening too much. Still, in the end Aclo is Cordaid’s main partner in Bolivia (and moreover a prominently Catholic one), making it difficult to terminate the relationship.

Ccaijo

Just as Cipca was until recently, Ccaijo is an NGO linked to the Company of Jesus. Founded in 1971, Ccaijo’s work has been concentrated in the province of Quispicanchi, centered on the town of Andahuaylillas. Its earliest work up to 1977 emphasized vocational education, after which it began working more intensively in the countryside. Throughout the 1970s and 1980s, its view of development was more political, with an emphasis on training and organizational strengthening, as well as agro-pastoral production. In the 1990s, both its view of development and its strategies for intervening changed. While education remained the axis of its work, its approach became more integral, with increasing emphasis on productive (agricultural) development, conservation of natural resources and promotion of inter-institutional committees at both a watershed and district level. In the process, the focus also shifted from a micro-regional one (in which Ccaijo ostensibly intervened in all of the province of Quispicanchi) to a watershed focus in which its work became concentrated in just 5 watersheds in the province. These watersheds were selected largely because of the existing relations that Ccaijo (and the parish church) already had with them. For instance, in the case of Añilmayo (the watershed studied for this research) the links were via peasant agricultural promoters who had participated in Ccaijo courses. As in IAA’s case, the notion was that a more geographically focused intervention was likely to have more success in validating production alternatives, and was also likely to have more impact than an intervention spread across the whole province.
By the end of the decade, Ccaijo’s focus shifted once again. Rather than speaking of area-based development, its programmatic statement now emphasizes the ‘struggle against poverty’ within an overall framework of sustainable development (Ccaijo, 2000). While the expansion of human capacities remains a central component of Ccaijo’s conception of poverty reduction, the shift is more than semantic as it focuses attention on questions of individuals’ livelihoods and asset bases as a core concern of the institution. Indeed, a significant component of Ccaijo’s work now focuses on individuals. Initially, these beneficiaries were selected by the community assembly; and in return they had the responsibility to pass the knowledge they received onto other comuneros. As in the case of IAA, this did not guarantee much demonstration effect and so since 1997-8 farmers have been self-selected, and now have no formal obligation to train others (though do tend to be more innovative). Given that these farmers receive training, materials and cheap loans to purchase technology, a good proportion of Ccaijo’s benefits are therefore concentrated in a limited number of people. While other Ccaijo activities – in particular community training courses and community infrastructure – are available to most comuneros, this is a far less intense intervention and is not linked to the provision of material inputs. Still, the hope is that this training, plus the demonstration effect of the work with ‘lead’ farmers, will lead to dissemination of technologies and ideas to others. In practice there has been little such spread.

While the specific components of the ‘Ccaijo packet’ in Quispicanchi have evolved over the decade, the common themes have been: irrigation and other productive infrastructure; soil conservation; technical (and more recently literacy) training; and links to other actors in the municipality. While Ccaijo is acutely aware of the marketing constraints on local development, this has not been part of their strategy of intervention, largely because they have not identified an adequate way to address market questions. Also, and notwithstanding Ccaijo’s longstanding commitment to vocational education and its large training center in Andahuaylillas, it was only in 2000 that its rural program began to include support for non-farm employment.

That it has taken Ccaijo so long to include off-farm livelihood activities in its strategy for intervention is interesting for many reasons. One of them, though, is especially striking. For a number of Ccaijo’s management and technical staff are, at a personal level, acutely aware of the importance that people in Quispicanchi apportion to education and work opportunities outside the province. For instance, a member of senior management has, with personal resources, helped people from the province reside and work in Cusco in order that they can access secondary education. Likewise, one of Ccaijo’s technicians, originally from a campesino family in Quispicanchi, lives in Urubamba in order that his family can access educational opportunities. Thus, at an individual level, Ccaijo staff live the non-farm, migrant nature of livelihoods in Quispicanchi. Yet the NGOs’ interventions have not reflected this awareness. In the light of this, when asked whether it might not have been more appropriate to invest in supporting a boarding school in Cusco for Quispicanchi youth, a senior Ccaijo official said perhaps so, but was very doubtful that their funding agencies would have supported such a project. Moreover, Ccaijo itself seems to have opted for an agricultural vision of rural development – perhaps because the NGO’s existing human resources are best suited for this, and not for a strategy supporting other dimensions of rural livelihood.
While our research was focused in the lower parts of Quispicanchi, it should be noted that for a long period Ccaijo has also worked in the very highest parts of the province in the district of Ocongate. That work focused on improvement of alpaca production systems and the alpaca economy. Ccaijo paid particular attention to the genetic improvement and management of alpacas, and also to the formation of an organization of alpaca herders, APU. An earlier evaluation of this work suggested that its economic impacts had been limited (van Niekerk, 1994). The same study, though, suggested that Ccaijo’s organizational impacts had been more interesting – yet, by the mid 1990s, as the price for alpaca fiber collapsed, the organization unraveled and today scarcely exists.\(^\text{10}\) In this sense, macro-economic shifts have undermined much of the work in Ocongate. However, the work has left impacts elsewhere. Desco (another Cordaid partner) suggest that ‘half of what we know’ about alpaca production came from Ccaijo, and fed directly into Desco’s current work with alpaca development both in Arequipa and in Huancavelica.\(^\text{11}\)

Throughout this history, Cebemo, Bilance and Cordaid have been sources of support for Ccaijo’s program – indeed contacts began in 1972, though funding flows started later. While the absolute level of support has remained relatively constant, at $100-120,000 p.a., the significance of this support for Ccaijo has declined over time. Under Cebemo it accounted for approximately 50% of Ccaijo’s budget; under Bilance this fell to 25%; and most recently under Cordaid it has dropped to 10-12%. Up until 1999 this funding was institutional, but since then has been project based – to paraphrase Ccaijo, Cordaid now has ‘its own watershed’ in Quispicanchi.

**Arariwa**

Arariwa grew out of a *campesino* training program (the Granja Escuela Pumamar, or the Granja de Yucay) with close links to the then bishop of Cusco. When a new and far more conservative bishop entered this post in the early 1980s, core members of the team left to form Arariwa in 1984.\(^\text{12}\) Since then, Arariwa has worked in the Sacred Valley of Cusco, with foci in Lamay/Calca, Chincheros and Ollantaytambo.

Somewhat similarly to Ccaijo, Arariwa has moved from a more regional approach to development to one focused in the 1990s on watersheds as the unit of intervention. However, at the same time, Arariwa has emphasized support to building inter-institutional committees for the coordination of district level development (Azpur, 1999) and has also played an increasingly important role in articulating organizations at the level of Cusco, and indeed southern Peru. It has, for instance, taken a leading role in building up Conveagro in Cusco.\(^\text{13}\) More perhaps than any of the other NGOs studied here, Arariwa has committed itself (at least in the second half of the 1990s) to building the bases for deliberative democracy as the quintessential basis for development. It has also maintained an educational focus throughout, and in particular

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\(^{10}\) A very similar process occurred in the SAIS Marangani, further along the highway to Puno (Carroll and Bebbington, 2001).

\(^{11}\) Interviews with Eduardo Ballón.

\(^{12}\) It merits note that one person who assisted in this process was the then Peruvian director of Proderm.

\(^{13}\) Conveagro is an inter-institutional, state and society platform for discussing agricultural and rural development in Peru. An Icco partner, Cepes, has played an equally important role in Conveagro at a national level.
supports a training center to prepare regional and rural youth for rural enterprises and non-agricultural livelihoods. It also supports rural enterprise through a successful program of village banking. During a certain period, Arariwa also invested heavily in developing potato seed production systems, and in fostering market oriented horticulture and small scale agroindustry. These initiatives have since been closed.

At the level of the watersheds in which it works, Arariwa has worked at community and individual levels. In Lamay, projects for productive development have tended to work with ‘self-selected’ individuals – who tend in turn to be those with more resources. This productive development work (concentrated in the more ‘viable’ producers) has emphasized crop and livestock production for the market – the principal inputs to this being irrigation infrastructure (canals, and in one community, spray systems), training in irrigation management, the improvement of creole sheep (with 20 herders), and soil conservation. While Arariwa has done some limited training work to scale up its productive packet, there is little evidence of much adoption by other families.

While Arariwa’s productive interventions work with ‘more viable’ producers, its health and food security projects have deliberately selected ‘at risk’ families (though many of the activities were also communal). In this sense Arariwa’s proposal is interesting in that it distinguishes between social groups in the communities. In this regard it differs from the other NGOs in this study that have not made such distinctions.

As in Ccaijo, Arariwa’s productive proposals are linked with education and organizational development. Earlier in the decade, the organizational focus was on strengthening campesino organizations. Over time, however, the emphasis has shifted to strengthening two other levels of organization. The first is the community – Arariwa has (with Cordaid support) provided training, and help in legalizing tenure arrangements and developing community plans. The second level is supra-communal, where Arariwa has supported the creation of mechanisms for co-ordinating inter-institutional relationships at the watershed and district level, with particular emphasis on municipal/district governments. In parallel with this shift in emphasis, Arariwa’s links with Cusco’s peasant movement have declined over the decade.

Albeit not continuously, Dutch financing organizations have accompanied this process since its beginning. Indeed, Cebemo already had contacts with the ex-bishop and the Granja Escuela Pumamar. So when Arariwa was formed in 1984, Cebemo offered support almost immediately (in 1985). This initial support was for a project aimed at genetic improvement of Creole sheep. Since then the two have maintained contact, although this has not always involved a flow of financial resources – indeed at one point, Arariwa told Bilance it did not need its money (and for its part, Bilance was uncertain it wanted to continue supporting the sheep program because of its research focus and limited evidence of impact). Indeed during the 1990s Arariwa has not been especially dependent on the CFAs. Today the average annual support from Cordaid is approximately $150,000, which constitutes less than 10

14 This is supported with Spanish aid.
15 These projects have been supported by Memisa and Caritas, now both part of Cordaid.
16 Though, for instance, it is to be noted that Novib has encouraged Cipca to do this.
per cent of Arariwa’s overall budget. Indeed, the CFA’s support has been project based, rather than institutional – supporting, in particular, a project to develop production systems with Creole sheep, and then a project for local institutional (especially community) strengthening. However, from Arariwa’s perspective, these are components of their more integral vision of rural development and so their impacts cannot be easily separated from those of the institution’s overall proposal for intervention.

IAA-Canas

The Institute for Agrarian Support (IAA) was a national NGO, based in Lima, which had worked in Cusco from 1983, with long standing funding from Icco. IAA was committed to the strengthening of the Central de Campesinos de Perú, the CCP – the more radical, and the more campesino oriented of Peru’s two farmer movements. In Cusco, this meant a close relationship with its affiliate, the Cusco Departmental Federation of Campesinos (the FDCC). Indeed, central to IAA’s notion of development, then and now, is that such organizations need to have far more influence over policy and political processes – for without this, the structural constraints on peasant livelihood will never be removed.

While IAA’s emphasis on strengthening peasant organization remains to this day, it was expanded and complemented (as with Qhana and Cipca in the Bolivian altiplano) by the drought of the early 1980s. IAA’s response was to elaborate development proposals combining productive and political components. This search ultimately led them to begin a productive program in Canas (capital Yanaoca) – Canas being selected partly because FDCC leaders had links there. The emphasis of this work was to find a more stable productive option in the face of climatic hazard, and at the core of the proposal was to invest in irrigation and potato seed systems (and to continue in the organizational strengthening of the FDCC). This project (PIC-I) attempted to cover all the province of Canas, but an evaluation in 1992 suggested that this was to spread its resources too thinly. The same evaluation also suggested that although this was ostensibly an ‘integrated’ project, IAA was uncertain as to what integrated development in fact meant (Milligan, 1992).

In 1993, the work in Canas changed considerably. On the one hand, and with some encouragement from Icco, the IAA team in Cusco separated from the national IAA. There were many reasons for this, though one was clearly that Icco had more faith in the Cusco team because it had a more community oriented and production based agenda. A related reason was that Icco was seeking DGIS funds for the next round of work in Canas – if the more production-oriented organization in Canas was independent of the more ‘political’ national IAA then it would be easier for DGIS to support this work. Another change was that this second phase of the project (PIC-II) became far more focused, working in only one watershed with 11 communities and 4 annex-
Furthermore, work was concentrated in just several of these communities, and with only several families in each.

The underlying rationale of PIC-II was to identify a viable productive option for high altitude grassland systems that revolves around the upgrading of existing irrigation channels, and the promotion of irrigated forage production and livestock systems. Given that the field interventions are primarily an effort at technological validation, their coverage is limited to few families and some 270 hectares of land with access to irrigation. However, the other component of IAA’s work is to support a system of campesino schools that the FDCC manages. These have a more massive coverage and have trained some 34 women and 27 male departmental leaders, and 941 other campesinos. The courses at the schools are wide ranging, and include both production and organization with occasional field visits to the experiment in Canas. They aim to produce cadres of campesino innovators who will also be trainers of other campesinos. The notion was that, once validated, this technical packet would be scaled up through this FDCC managed program.

Indeed, the farmer-to-farmer model underlies IAA-Canas’s approach to development. Interestingly, while in Latin America this model is often associated with groups such as UNAG in Nicaragua, some of the farmer-to-farmer methods that IAA uses were drawn directly from the work of Proderm – which had worked in Canas during much of the 1980s. Indeed, in some respect IAA’s technical work can be viewed as a continuation of Proderm’s earlier intervention. The principal change, however, was that while Proderm worked with collective campesino enterprises (the products of Peru’s agrarian reform), IAA ultimately worked with families following community resistance to IAA’s initial proposal to work at a community level. Initially these families were selected by the community, but this gave little guarantee that innovators would be selected, and so by 1998-9, families were self selected and have tended to be more dynamic, but also less poor – though they do generate a more powerful demonstration effect.

Seen this way, there has now been almost two decades of Dutch financial support to Canas. Like Proderm, IAA is almost entirely dependent on Dutch funding. Icco has provided 66.5 percent of all IAA’s budget between 1991 and 2000, and DGIS a further 26.8 percent – that is, 93.3 percent of IAA’s funding has been from Icco, or negotiated by and via Icco.

19 The desire to have a watershed focus grew out of IAA’s involvement in the Secretariado Rural.
20 Compare this with the national program for watershed management (Pronamachcs) which has worked on soil and water conservation issues with some 70 per cent of families in Canas.
21 We were never able to clarify whether Proderm actually invited IAA to continue working in Canas after Proderm withdrew – we were told different versions of this that were difficult to reconcile.