

*Feasibility Study  
for the Improvement of Agricultural  
Marketing System  
in  
Santa Cruz*

**ANNEX 7**

**FIGURES, TABLES & ATTACHMENTS**

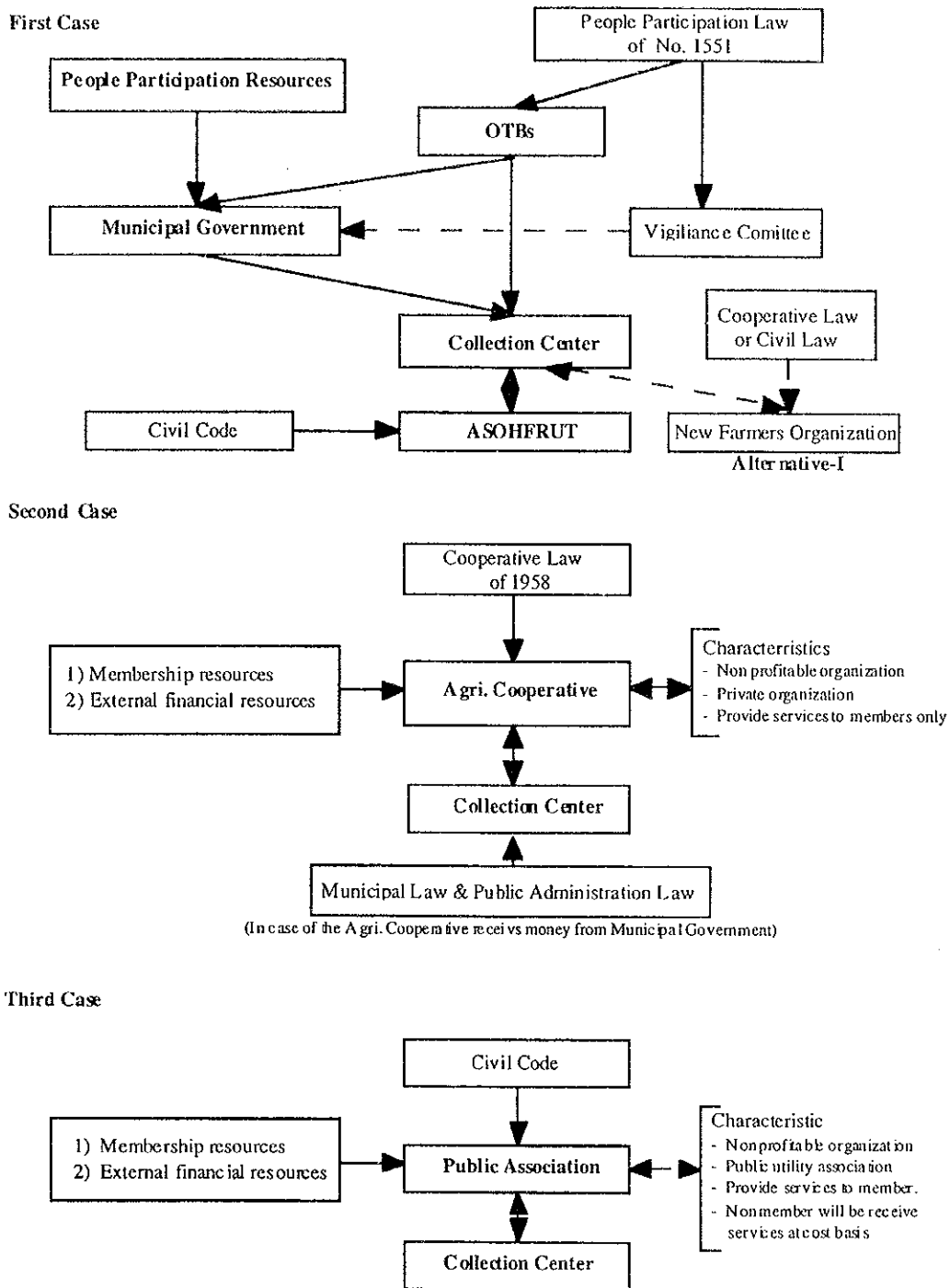


Figure A7.4-1 Constructor and Operator of C/D Center

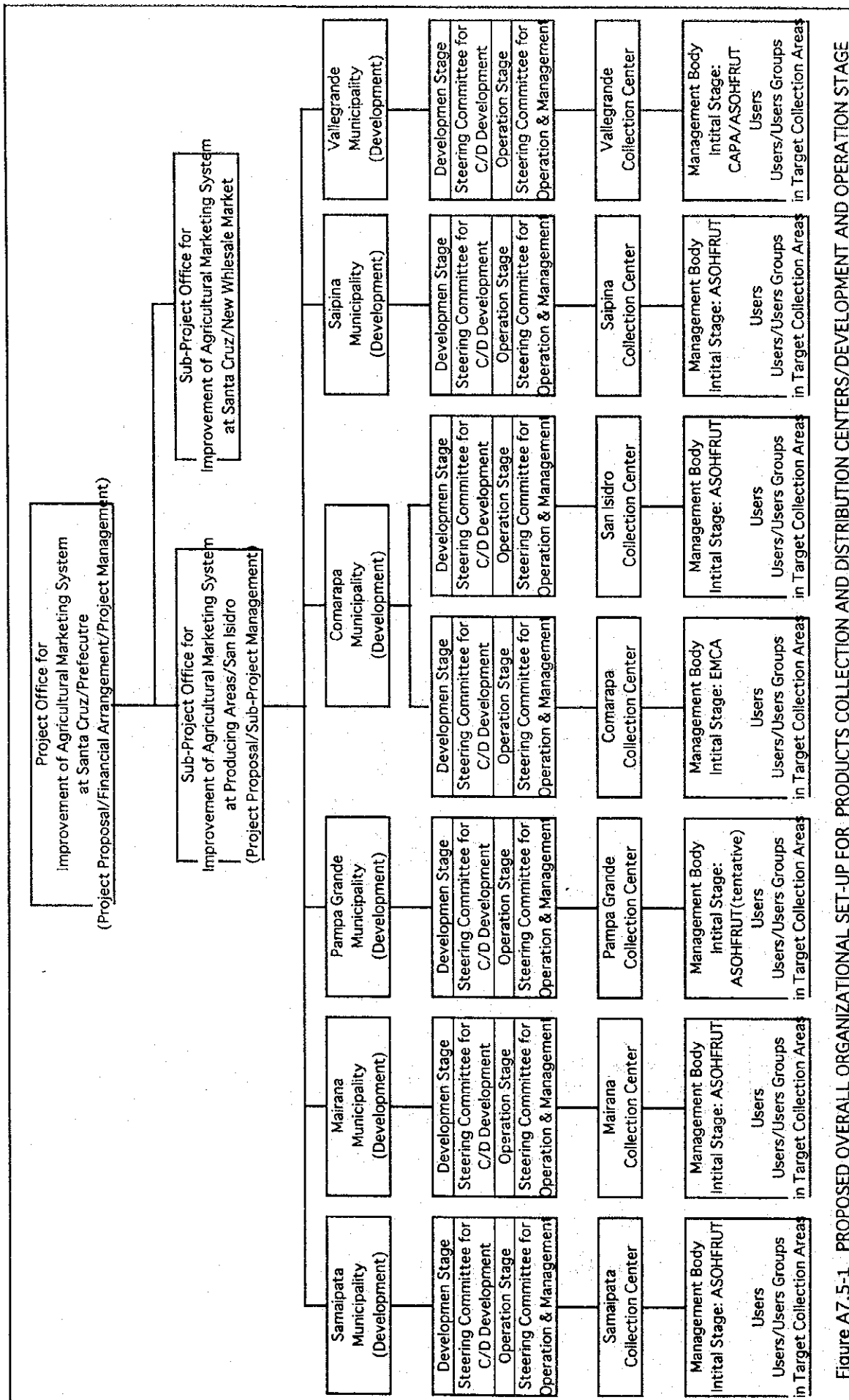


Figure A7.5-1. PROPOSED OVERALL ORGANIZATIONAL SET-UP FOR PRODUCTS COLLECTION AND DISTRIBUTION CENTERS/DEVELOPMENT AND OPERATION STAGE

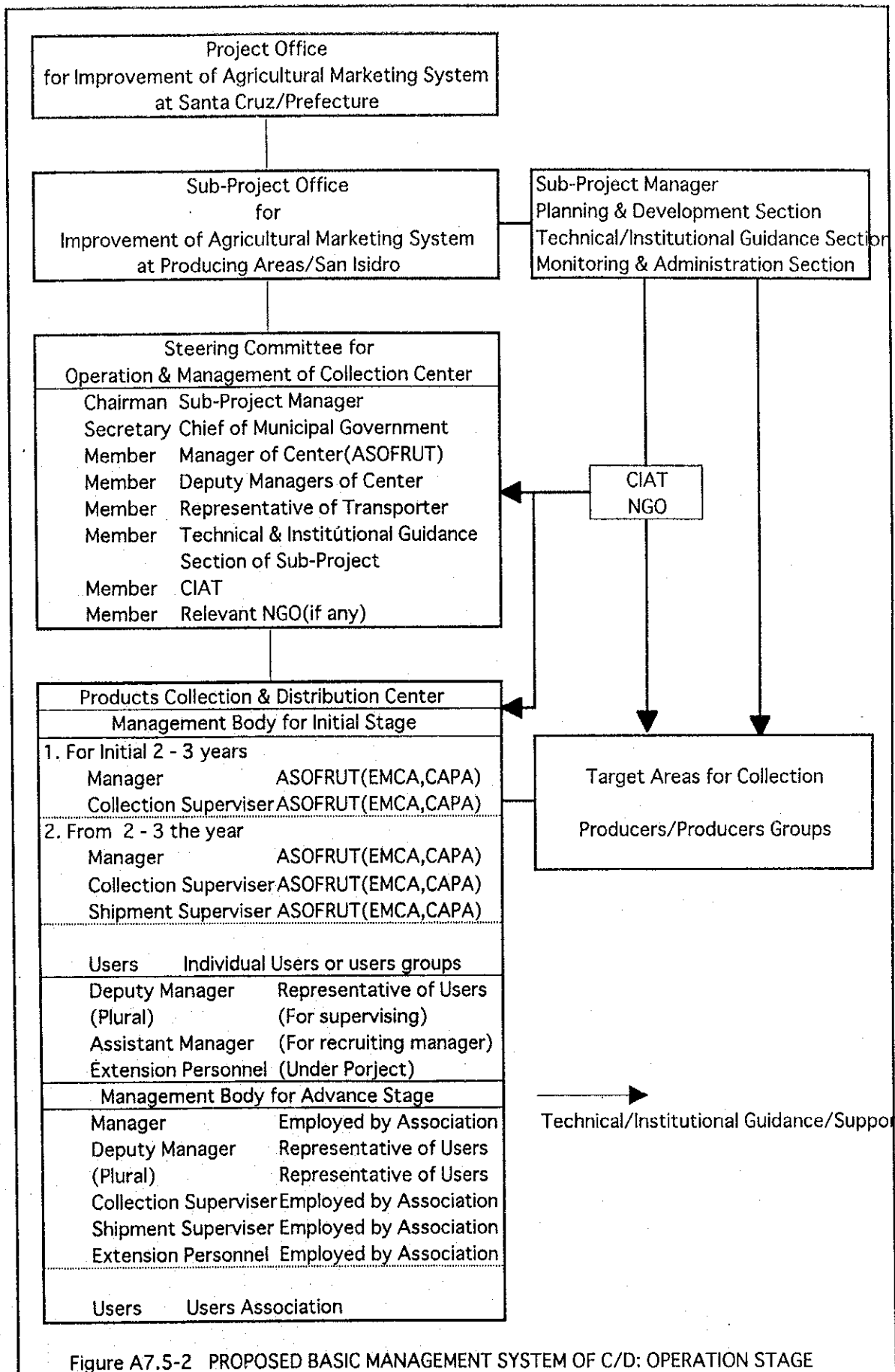




Table A7.2-1 Irrigation Scheme and Groups in Study Area

Province	Canton	Name of Project	Name of River	Water Sources	No. of Beneficiaries	Command Area (ha)	Founders
Florida	Pampa Grande	Santa Rosa/ Palmasola	Rio Mataral	Surface	67	100	Farmers
	Pampa Grande	Valle Hermosa	Rio Mataral	Surface	33	50	Farmers
	Pampa Grande	Algodonal	Rio Mataral	Surface	40	60	Farmers
	Pampa Grande	Chirimoyer/ El Vado	Rio Mataral	Surface	27	40	Farmers
	Pampa Grande	Los Negros and others	Rio Mataral	Surface	533	800	Farmers;CORDE*
	Mairana	Mendiola	Rio Mataral	Surface	7	10	Farmers
Sub-total	6 Projects				707	1060	
M. Cballero	Comarapa	Pulquina Arriba	Rio Mizque	Surface	199	298	Farmers
		Moco Moco	Rio Mizque	Surface	27	40	Farmers
		El Tunal	Rio Mizque	Surface	33	50	Farmers
		San Ishidro	Rio Mizque	Surface	500	589	Farmers
		Comarapa	Rio Mizque	Surface	91	136	Farmers
	Saipina	La Canada	Rio Mizque	Surface	98	147	Farmers
		Saipina/ San Rafael	Rio Mizque	Surface	227	341	Farmers; CORDE*
		San Juan del Potrero	Rio Mataral	Surface	60	150	Farmers
Sub-total	8 Projects				1235	1751	
Vallegrande	Vallegrande	Guadalupe	Rio Piraipani	Surface	33	50	Farmers
	Vallegrande	Casas Viejas	Rio Cienega	Surface	46	10	Farmers
	Vallegrande	Mankallapa	Rio Cienega	Surface	23	35	Farmers
	Vallegrande	Murillo	Rio Cienega	Surface	30	48	Farmers
	Vallegrande	Vallegrande	Rio Cienega	Surface	20	30	Farmers
	Vallegrande	Canada del Sauce	Rio Cienega	Surface	13	20	Farmers
	Vallegrande	Estancia Huayco	Rio Cienega	Surface	47	70	Farmers
	Vallegrande	Huasa Canada	Rio Cienega	Surface	20	30	Farmers
	Vallegrande	Cuevs	Rio Cienega	Surface	27	40	Farmers
	Vallegrande	Temporal	Rio Cienega	Surface	27	40	Farmers
	Vallegrande	Huantas	Rio Cienega	Surface	80	120	Farmers
	Vallegrande	Naranjos	Rio Cienega	Surface	13	20	Farmers
	Vallegrande	San Lorenzo	Rio Cienega	Surface	23	35	Farmers
	Vallegrande	Palmitas	Rio Tembladera	Surface	27	40	Farmers
	Vallegrande	San Blas	Rio Tembladera	Surface	53	80	Farmers
	Vallegrande	Santa Ana	Rio Santa Rosa	Surface	60	30	Farmers; CORDE*
	Vallegrande	Santa Rosa	Rio Santa Rosa	Surface	40	60	Farmers
	Vallegrande	Pampilla	Rio Santa Elena	Surface	100	150	Farmers
	Vallegrande	Piraimiri Minas	Rio Piraimiri	Surface	107	160	Farmers
	Vallegrande	Piraimiri Abajo	Rio Piraimiri	Surface	33	50	Farmers
	Vallegrande	Masicuri	Rio Masicuri	Surface	40	60	Farmers
Sub Total	21 Projects				862	1178	
TOTAL	35 Projects				2,804	3,989	
Average of 35 Projects					80	114	
Average of 32 Projects except 3 former CORDECRUZ assistance Projects					62	88	

Remark: Farmers; CORDE\* means that the Scheme received the assistance from the former CORDECRUZ.

While the each scheme may be divided into small command areas with WUG, such data are not available.

Source: Plan General de Riego Departamento Santa Cruz, 1992; Lahmeyer International

**Table A7.2-2 Cooperatives in the Study Area**

Location Province	Section	Function	Capital (Bs)	No. of Members
<i>Agriculture &amp; Livestock Cooperative</i>				
M. Caballero	Saipina	Agri. Production	5,700	38
M. Caballero	Comarapa	Livestock production	30,000	50
M. Caballero	Comarapa (San Isidro)	Livestock production	5,100	34
Florida	Mairana	Livestock production	5,755	36
<i>Consumers Cooperative</i>				
Florida	Mairana	Daily necessary purchasing	4,395	298
<i>Public Services Cooperative</i>				
M. Caballero	Comarapa (San Isidro)	Public Services	77,350	136
M. Caballero	Saipina	Public Services	10,335	125
M. Caballero	Comarapa	Public Services	42,300	423
Florida	Samaipata	Public Services	48,650	139
Florida	Mairana	Public Services	804	42
Florida	Mairana	Public Services	15,160	379
Florida	Mairana	Public Services	10,100	222
Florida	Mairana	Public Services	38,800	38
<i>Saving &amp; Credit Cooperative</i>				
M. Caballero	Comarapa	Saving and credit	3,470	38
Florida	Samaipata	Saving and credit	1,865	95

Source: Institute National de Cooperativas, 1998

**Table A7.2-3 Farmers' Syndicates**

No.	Province	Municipal	Name of Syndicate	Number of Members			
				Male	Female	Total	
1	Caballero	Comarapa	Primer Torrecillas	40	56	96	
2			Segundo Torrecillas	56	60	116	
3			Coppagira	22	22	44	
4			Catalinas	27	35	62	
5			El Tunal	26	27	53	
6			Aguada	32	35	67	
7			El Quinal	38	40	78	
8			Veldecillos	36	38	74	
9			Rio Arriba	30	36	66	
10			Papachacra	26	27	53	
11			Pulquina Arriba	36	40	76	
		Saipina	Data not available				
1	Florida	Samaipata	Piedran Blancas	85	60	145	
2			Belmejo	90	50	140	
3			Palermo	48	32	80	
4			Achiran	70	60	150	
5			Aqua Rica	60	35	95	
6			Tacos	73	52	135	
7			Valle Bajo	120	80	200	
8			Bella Victoria	140	90	230	
9			Mairana	Civingal	120	50	170
10				Mendiola	130	80	210
11		Mairana		50	35	85	
12		Todos Santos		45	33	78	
13		Valle Hermoso		65	45	110	
14		Pampa Grande	La Tuna	100	70	170	
15			Yerba Buena	130	70	200	
16			Aqua Dara	61	35	96	
17			Santa Rosa	70	50	120	
18			Palmasola	80	55	135	
19			Los Negros	65	50	115	
20			Algodonal	74	55	129	

Source: Federation Sindical Junica de Trabajadores Campesinos. August, 1998



Table A7.2-4 OTB's in the Study Area

	1995	1996	1997	Total	No. of Legal Entities
<b>FLORIDA PROVINCE</b>					
MAIRANA	17	-	3	20	13
Vicinal units	2	-	-	2	2
Farmer communities	15	-	3	18	11
PAMPA GRANDE	21	6	5	32	32
Vicinal units	5	3	-	8	8
Farmer communities	16	3	5	24	24
SAMAIPATA	31	4	-	35	35
Vicinal units	5	-	-	5	5
Farmer communities	26	4	-	30	30
<b>VALLEGRANDE PROVINCE</b>					
VALLEGRANDE	68	11	2	81	81
Vicinal units	10	2	1	13	13
Farmer communities	58	9	1	68	68
<b>CABALLERO PROVINCE</b>					
COMARAPA	39	-	-	39	39
Vicinal units	7	-	-	7	7
Farmer communities	32	-	-	32	32
SAIPINA	11	-	3	14	13
Vicinal units	3	-	1	4	4
Farmer communities	8	-	2	10	9
<b>TOTAL</b>					
Vicinal units	32	5	2	39	39
Farmer Communities	155	16	11	174	182
Total	187	21	13	214	221

Source: PDM (Municipal Development Plan) of each municipality-CEDICA-PDCR,1998

Table A7.3-1 The Extent of Farmers' Satisfaction in Present Marketing System and Intention on Future Marketing System

	Why do you adopt the present marketing method of your products?							QM-3		QM-4		QM-5								
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	Yes	No	Yes	No	(1)	(2)	(3)	(4)	(5)				
	(4)-a	(4)-b	(4)-c	(4)-d	(4)-e	(4)-c	(4)-e													
No.1					1			1		1		1								
No.2				1				1		1					1					
No.3	1			1				1		1				1						
No.4	1							1		1				1		1				
No.5							1	1		1				1						
No.6						1		1		1						1				
No.7	1							1		1						1				
No.8	1							1		1						1				
No.9	1							1		1				1						
No.10	1			1				1		1				1	1					
No.11		1		1				1		1				1						
No.12	1							1		1		1								
No.13	1							1		1		1					1			
No.14	1			1				1		1					1					
No.15			1					1		1				1	1					
No.16	1		1					1		1		1		1	1					
No.17	1						1	1		1		1								
No.18	1						1	1		1		1								
No.19	1							1		1				1						
No.20	1							1		1		1								
No.21								1		1			1	1						
No.22		1						1		1		1								
No.23	1					1		1		1						1				
No.24	1							1		1		1								
No.25						1		1		1				1						
No.26		1						1		1				1						
No.27	1							1		1						1				
No.28			1	1		1		1		1										
No.29	1							1		1		1				1				
No.30	1							1		1				1						
No.31	1							1		1		1								
No.32	1							1		1		1								
No.33	1					1		1		1		1				1				
No.34						1		1		1				1	1					
No.35	1							1		1				1	1					
No.36			1					1		1		1								
No.37			1					1		1						1				
No.38	1							1		1						1				
No.39	1							1		1						1				
No.40							1	1		1						1				
No.41							1	1		1						1				
No.42							1	1		1						1				
No.43	1							1		1				1						
No.44	1							1		1				1						
No.45	1							1		1						1				
No.46							1	1		1						1				
No.47	1							1		1						1				
No.48						1		1		1						1				
No.49	1							1		1		1								
No.50	1							1		1						1				
No.51	1							1		1						1				
No.52						1		1		1				1						
No.53							1	1		1				1						
No.54					1			1		1						1				
No.55					1			1		1						1				
No.56						1		1		1						1				
No.57	1							1		1						1				
No.58							1	1		1						1				
No.59						1		1		1						1				
No.60					1	1		1		1						1				
No.61					1			1		1						1				
No.62					1			1		1						1				
No.63						1		1		1						1				
No.64						1	1	1		1						1				
No.65						1		1		1				1	1	1				
No.66								1		1		1								
No.67						1		1		1						1				
No.68							1	1		1						1				
No.69						1		1		1						1	1			
No.70					1			1		1						1				
Total	33	3	5	7	2	16	15	23	46	4	65	2	12	3	14	10	4	27	8	1

Note:  
 1. Why do you adopt the present marketing method?  
 (1) : Selling prices are high.  
 (2) : Borrowing farming fund from transporter.  
 (3) : Borrowing farming fund from wholesaler.  
 (4) : No transportation measures to other destination.  
 (5) : Instruction of land owner.  
 (6) : No other channels available.  
 (7) : Others  
 2. QM-3: Are you satisfied with present marketing methods?  
 3. QM-4 Do you know anything about group marketing system?  
 4. QM-5: What are your opinion on the marketing system in future?  
 (1) : Present system.  
 (2) : Selling to wholesaler at field.  
 (3) : Consignment sale to wholesaler market.  
 (4) : Direct sale to wholesale market.  
 (4)-a : Group shipment in cooperation.  
 (4)-b : Group grading & shipment in cooperation.  
 (4)-c : Group grading/shipment/ selling in cooperation.  
 (4)-d : By individual  
 (4)-e : Others  
 (5) : Others

Table A7.3-2 Farmers' Intention for Using Collection Center

	How do you make decision on cropped areas of vegetables every season?								QM-9			QM-10		If "yes" QM-11	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(1)	(2)	(3)	Yes	No	Yes	No
No.1	1	1							1			1		1	
No.2	1		1							1		1		1	
No.3	1			1						1		1		1	
No.4				1					1			1		1	
No.5				1			1		1			1		1	
No.6				1			1		1			1		1	
No.7						1			1			1		1	
No.8			1							1		1		1	
No.9							1		1			1		1	
No.10	1			1					1			1		1	
No.11	1			1					1	1		1		1	
No.12							1		1			1		1	
No.13			1				1		1			1		1	
No.14		1	1						1			1		1	
No.15			1						1			1		1	
No.16			1				1		1			1		1	
No.17				1		1	1		1			1		1	
No.18			1				1		1			1		1	
No.19			1						1	1		1		1	
No.20	1		1							1		1		1	
No.21	1					1			1	1		1		1	
No.22	1									1		1		1	
No.23							1		1			1		1	
No.24			1				1				1	1		1	
No.25			1	1					1			1		1	
No.26				1						1		1		1	
No.27			1						1			1		1	
No.28	1		1	1		1	1		1	1		1		1	1
No.29			1	1		1	1		1			1		1	
No.30			1				1				1	1		1	
No.31	1					1				1		1		1	
No.32	1			1						1		1		1	
No.33				1	1					1		1		1	
No.34			1	1					1			1		1	
No.35						1			1			1		1	
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No.42				1							1	1		1	
No.43	1			1						1		1		1	
No.44	1			1					1			1		1	
No.45			1			1			1			1		1	
No.46							1		1			1		1	
No.47								1			1	1		1	
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No.49			1							1			1	1	
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No.55						1			1			1		1	1
No.56						1			1			1		1	
No.57	1			1					1			1		1	
No.58						1					1	1		1	
No.59			1								1	1		1	
No.60								1		1		1		1	
No.61						1			1			1		1	1
No.62						1			1			1		1	
No.63							1		1			1		1	
No.64			1					1	1			1		1	
No.65							1		1	1		1		1	
No.66						1			1			1		1	
No.67								1	1			1		1	
No.68								1			1	1		1	
No.69						1	1		1			1		1	
No.70											1	1		1	
Total	14	2	26	2	18	16	8	19	44	21	9	66	4	63	3

Note:

1. QM-6; How do you make decision on cropped areas of vegetables every season?  
 (1) : Need for family consumption.  
 (2) : Instruction by land owner.  
 (3) : Information on market prices of crops.  
 (4) : Suggestion by extension workers.  
 (5) : Prices of commodities in last season.  
 (6) : Easiness of cultivation.  
 (7) : Costs of farm inputs, seed and farm operation.  
 (8) : Others
2. QM-9; What function do you expect on a collection & distribution center for vegetable & fruit marketing?  
 (1) : Collection & shipment for group marketing.  
 (2) : Producers markets where you can sell products to dealers.  
 (3) : Others
3. QM-10; Do you have intension to use a collection & distribution center, if such center is established in your municipality.
4. QM-11; When you join a group marketing system through a collection & distribution center, you have to pay a certain fee for the management and operation of collection and distribution center. In experience in Japan, the fee is around 5-8% of market prices of crops. Do you still have intension to participate in cooperative marketing operation by paying such fee imposed on a member of such group marketing (in cooperation) system?

## Attachment-I Cooperative Law

The outline of the Cooperative Law will be summarized as follows:

- (1) Range of application (Art. 2);
  - People who regularly participate in the performance of a cooperative activity;
  - Cooperative; and
  - Institutions providing assistance to cooperatives.
- (2) Legal status (Art.4);
  - For the performance of cooperatives activities, cooperatives shall require a legal status.
- (3) Denomination (Art.5);
  - The cooperative authorized and registered under the terms of this law shall be the only ones authorized to use the denominations "Cooperative".
  - The violation of this prohibition shall be punished.
- (4) Liability (Art 8);
  - Cooperative may adopt the limited liability regime or supplemented liability of its members.
- (5) By-law (Art.15 &16);
  - The By-laws are those regulations established by the members of a cooperative with the purpose of adjusting to its particular type of organization and which have been legally approved.
- (6) Types of cooperatives (Art.20);
  - Agriculture, cattle-raising and colonization
  - Industrial and mining
  - Services
  - Credit
  - Consumption
  - Education
- (7) Agricultural cooperative (Art. 21)  
Agricultural cooperative or cattle-raising cooperatives are those which develop all or any of the following activities;
  - In common sale and production of agriculture products;
  - Buying and selling in agricultural inputs and equipment;
  - Production, processing and marketing of agriculture products;
  - Exploitation of the product of community lands and forests.
- (8) Services cooperative (Art. 23)
  - Those which exploit permits or concessions granted by the National Government, Prefectures, Municipal Governments with the purpose of satisfying a public need;
  - Those which grant or distribute private services of material, cultural or moral type to its members or to the community as a whole(housing, communications, health, irrigation, electric services, transportation, etc.)
- (9) Credit cooperatives (Art. 24)  
Credit cooperative are those which organize with the purpose of providing their members economic resources at an interest rate lower than that legally

stipulated in banks with some or all of the operation mentioned in Article 25 of this law.

(10) Privileges and exemption (Art.39)

Cooperatives established in accordance with this law shall have the following privileges and exemptions;

- The land of agriculture cooperative shall be unaffected and their extension unlimited regardless of the Agrarian Reform in Bolivia;
- Bonds and obligations of cooperative for funding operation programs which have had a special recommendation from the National Council of Cooperatives, shall guaranteed by the State;
- Cooperative shall be exempted from paying taxes and rates for operations performed to develop their economic activities and to guarantee the fulfillment of their social purposes for a period of two years beginning on the date this law is in force;
- Cooperative shall be exempted from paying municipal taxes, during a term of five years as from the date of legal formation of the association; and
- Cooperative shall also have the advantages stipulated under Sub-section 6, Article 39.

(11) General Assembly (Art.56)

- Cooperative shall be constituted by means of a General Assembly celebrated by the interested parties.

(12) Members (Art 65&66)

- The number of members of cooperative shall be variable and shall have equal rights and obligations.
- To be member of a cooperative the following are required;
  - a) Be older than 18, if it's a natural person, and have non-profit purposes if it's an legal person;
  - b) If the natural persons are married, be older than 14;
  - c) Subscribe at least one contribution certificate;
  - d) No member may be a member of more than one cooperative of the same kind;
  - e) New members shall fully share the responsibility of all former obligations.

(13) Operation of cooperative (Art. 88-95)

The direction, administration and supervision of cooperative shall be in the hands of:

- a) the General Assembly;
- b) the Administration council;
- c) the Manager;
- d) Supervision Council;
- e) the Committee established by the General Assembly or By-law.

## Attachment-II                      People Participation Law

The People Participation Law is consisted of a total of 7 chapters with 39 articles under the four (4) titles; Title-I of People participation, Title-II of Municipal Government, Title-III of People participation resources, and Title-IV of Public Administration and People Participation. The outline of the People Participation Law will be summarized as follows:

### (1)                      Objectives of the Law

The main objectives of the People Participation Law are to recognize, promote and consolidate the process of people participation, by joining the Native communities, Native Towns, Farmers Communities and Vicinity Joints (Units) respectively, toward the juridical, politic and economic country's life; to try to improve the life condition of Bolivian people, especially women life condition, through an equal distribution of resources and a better administration of them; and to strengthen the political and economic or legal necessary instruments to improve the representing democracy, to incorporate the people participation into a participate democracy process, and to guarantee the equal opportunities for women and men in the representation levels (Rf; Article 1).

Under the both of People Participation Law of No 1551 and the Administrative Decentralization Law of No. 1654 enforced on July 28, 1995, the competence of both Central and Prefecture Governments has been transmitted to Municipal Government with the decentralization of resources for social and economic investments. This transfer makes possible the participation of people to take decisions, control and supervise the activities of the public institutions.

Furthermore, the decentralization of competence has been achieved in the following forth parts:

- |                      |  |
|----------------------|--|
| Political part;      | Every municipality has now a power of implementation and take own decisions.                       |
| Economic part;       | Equal distribution and transference of resources for all municipalities.                           |
| Social part;         | Participation of communities into implementation of physical infrastructure projects               |
| Administrative part; | Each municipality is responsible for the administration of the social services and infrastructure. |

### (3)                      Basic Territorial Organizations (OTBs)

OTB is defined as a subject of the People Participation. It is a basic unit of community or vicinal unit located in a specific territory. The OTBs are categorized into Native Communities, Native Towns, Farmers Communities and Vicinal joints (Units) organized based on their purpose, customs and statutory dispositions (Rf; Article 2):

- 1)                      Native Community, Native Town  
This is a group of people who are descendant from people lived there before the colonization or Spanish conquest and are still within the border of the state. All the people belong to the same group through identifying with their own history, organization, languages/dialects and other cultural characteristics

- 2) **Farmers' Community**  
This is a basic unit or social organization of rural ambit to develop economic, social and cultural productive activities and are composed entirely of farmer's families living in a same area either concentrated or dispersed areas. The Farmers' Communities can associate with farmer labour union or others with the same functions.
- 3) **Vicinal Joint (Unit)**  
Vicinal Joint (Unit) is a association of people who live in the same neighborhood or vicinal unit in towns/cities with the objectives to maintain, demand and provide public services, and to develop its economic, social and cultural productive activities within its territory.

OTBs are recognized as juridical personality with the only registration's requirement according to the procedures established at the present Law. OTBs will represent all the urban and rural population in a determined territory, corresponding to urban areas of neighborhoods determined by the Municipal Government, and in the rural areas of the existent communities.(Rf; Article 4)

In each territorial unit will only be existed one OTB. Each OTB will be recognized only one representation within its territory.(Rf; Article 6)

(3) **OTB's Rights**

OTB's rights stipulated in the law are as follows: (Rf; Article 7)

- To propose, request, control and supervise the works performance and the public services provision according to the community needs, such as education, health, sports, basic sanitation, micro-irrigation, vicinal roads, and urban and rural development;
- To participate and promote actions related to environmental preservation, ecological balance, and sustainable development;
- To represent and obtain the modifications, decisions, works and services given by the public organs, when they are against the community interest;
- To propose the ratification or change of educative and health authorities of the respective municipal jurisdiction, to participate and supervise the services handling in the frame of the Law; and
- To have direct access to information about the resources destined to the People Participation.

(4) **OTB's Duties**

OTB's duties stipulated in the law are as follows: (Rf; Article 8)

- To identify, priority, participate and cooperate in the execution and management of works for the benefit of the community, especially in formal and informal education attending, housing improvement, care and protection of health, sports improvement and improvement of the production system;
- To participate and cooperate with the solidarity jobs in the works execution and in the public services administration.
- Aid to the maintenance and protection of the public, municipal and community's properties;
- To help and provide explanation to the community about the actions that will be developed on its representation;
- To defend the rights recognized by this law, like appeal to executive administrative, etc.; and

- To promote the equal woman and man access to representation levels.

(5) OTB's registration

In order to get the juridical personality, OTBs have to be registered. This registration will be done in accordance with a Prefecture or Sub-prefecture's regulation conform to the People Participation Law. An organization who want to register must indicate clearly the territory occupied within the municipality. This territory can be formed by communities, neighborhood and different vicinal units, defined by Government. (Rf; Article 5)

Documents to be submitted

According to People Participation Law No 1551 and its By-law, any organization who want to be OTB must submit to Municipal Council the following documents for registration as a legal entity:

- Application form
- Minute books,
- Incorporation papers; organizational setting
- By-laws, rules and regulations

The documents to be submitted must indicate; the territory of the organization, how many communities are integrated within, number of representatives and their list, and the number of families

Registration proceeding

After receiving the applicant form and documents, the Municipal Government will make the form and documents available for public inspection for 15 days. Then the Municipal Council will check them and submit a resolution of either affirmative or negative.

In case of affirmative resolution, the Municipal Council will submit the resolution to the Prefecture or Sub-prefecture within the next 10 days. The Prefecture and Sub-prefecture will send one copy of a correspondent resolution to Prefecture of Department, Register office and the applicant organization, respectively.

According to People Participation Law No 1551, when organizations have the legal entity certificate issued as the resolution from Prefecture or Sub-prefecture, they are qualified as OTBs with their own rights and duties.

In general, the administrative and competent authority won't be able to deny the registration of organizations as OTBs except the applicant/application couldn't satisfy what are established in the present Law, in particular:

- When two or more organizations apply the representation in the same territory/place;
- When two or more persons apply the representation of the same organization;
- When the documents attached to applicant form are not satisfy the requirements laid down the Law and its By-law.

(6) Community Association

The Community's Associations constituted by OTB's shall be established based on their purpose, costumes and regulations.(Rf; Article 9)



(7)

### Vigilance's Committee

With the objet of watching the OTBs in the exercise of the rights and obligations established in the present Law, a Vigilance Committee shall be established in each Municipal Government. The Vigilance Committee shall be constituted by one representative of each jurisdiction Canton or District elected by the OTBs. The major objects of the Committee are as follows:

- To watch over that the Municipal's People Participation Resources are executed equally between urban and rural population;
- To control that the People Participation resources won't exceed 15% in the current Government expenses; and
- To pronounce itself about the People Participation Resources budget, and to make justification of expenses and execution done by Municipal Government.

In case the municipal jurisdiction of just one Canton or District, OTBs will choose three citizens to conform the Vigilance Committee, and where exist two Cantons or Districts, each one will choose two citizens. (Rf; Article 10)

## Attachment-III

## Memorandum of ASOFRUT

The Memorandum of ASOFRUT composed of 8 chapters and 47 articles. The Memorandum will be summarized as follows:

### (1) Objectives

The principal objective of ASOFRUT is to support member's association for the scientific improvement of the vegetables and fruits producers, through the planning of their cultivates directed to the markets, the credit negotiations for the program, the commercialized organization system for their products and other actions pointed to increase the income for the activity, and, intend to make better their life's quality.

### (2) Functions

- 1) To promote the scientific development for the vegetables and fruits;
- 2) To organize products commercialization systems and mechanisms;
- 3) To look and request for credits to have those canalized to their associates in order to cover their financial requirement for their production programs.
- 4) To implement and participate in control systems related to the vegetable/ fruit products exportation of their associates;
- 5) To organize and participate in good attitude in commercial private societies and without profit purposes, with affiliates producers or third parties, to channel the production of volumes hired by national and international clients;
- 6) To participate, organize and sponsor firms at national and international levels in order to improve the product's competence; and
- 7) To implement and strengthen a communication and information system.

### (3) Admission

The ones who can be affiliated to ASOFRUT are the vegetable, fruit and near headline producers of Santa Cruz Department, who maintain their activity in a commercial manner, and that will comply with all the established requirement of the present Statute.

### (4) Rights and Obligation of members

#### Rights

- 1) The participation with voice and vote rights in ordinary and extra-ordinary meetings;
- 2) To be informed about the ASOFRUT's administrative, finance and technical performance, as well as specific programs and projects;
- 3) To attend through their representation to the Board's meeting, or to the Ordinary and Extra-Ordinary Congresses; and
- 4) To postulate for the directive position in accordance with what is stipulated at the present Statute.

#### Obligations

- 1) To execute and guard their members of the norms established in the present Statute and its rules;
- 2) To contribute with the ASOFRUT's sustenance and economic development through the ordinary and extra-ordinary contribution payments from each one of their members;

- 3) To elevate yearly for the Head office's knowledge, giving all the information about the member's activity, necessary it for the sector's planning:
- 4) To renew its President's mandatory, Vice-president and Board' members, having as a maximum limit the period of 2 years: and
- 5) To organize inside their jurisdiction, the corresponding services in favor of their members, in coordination with the main office's programs.

(5) Administrative Organizational Structure

ASOHRUT's government is organized as follows:

- 1) The Ordinary and Extra-Ordinary Congress; The Producers congress is the ASOHRUT 's maximum authority. This will ordinarily meet every year on the month of April and extra-ordinary as many times as the Directory will convoke, by own decisions and from the request of more than half of members. The Ordinary Congress attributions are to establish the institutional politics, to approve the Directory's Activity Report, Financial Statement and Audit report, to approve the economic contribution for the ASOHRUT's economic sustenance, etc. At present, Ordinary Congress is hold under the participation of 3 members for each subsidiary.
- 2) The Directory is the maximum organ for the direction and execution of the ASOHRUT. The members with a period of 2 years are elected by the Ordinary congress, with exception of the Subsidiaries Presidents who are elected in their own subsidiaries. The Directory is conformed by;
  - a) One President.
  - b) One vice-president.
  - c) Three Titular Directors and two Substitute Directors.
  - d) The President of each Subsidiaries.

The Directory's major contributions are to execute the rules for the institution's politics, to participate in the politics and strategies formulations about the state and companies administration where ASOHRUT is participating having share, to analyze and define the more effective strategies to reach the Institution's objectives, and to cooperate in new subsidiaries and to support the planning, programming and administration of the functioning subsidiaries, etc.

The Directory will ordinarily be in session every fifteen days and extra-ordinarily as many as times the President will invoke.

- 3) The Presidency is the ASOHRUT's legal representative and has the major attributions of; a) to execute the politics and resolutions emanated from the Directory, b) to manage and control the execution of the economic, administrative, technical, and operative activities necessary for the fulfillment of the ASOHRUT's objectives, etc.
- 4) The Honor's Tribunal is the special and competent organism to recognize and resolve in only instance, the aspects under his knowledge as consequence of the statute or rules violations, or that will present material or moral damage to the Institution.

(6) Administration's Organs

The Administration's organs are as follows:

- 1) The Institution's General Management.
- 2) The different Operative Units.
- 3) Directory's advisers.
  - a) The General Management is the unit in charge of efficiently administers and to ration the ASOFRUT's economic and human resources, to success of the objectives and goals established. The General Manager is the maximum authority as ASOFRUT's administrative and operative level.

The General Manager's major specific function are:

- To supervise the execution of plans and technical-administrative program ;
  - To coordinate the work of the different units;
  - To guard for the correct administration of the Institution's resources;
  - To supervise the correct allocation of the approved general budget, etc.
- b) The different Operative Units are three departments at present; Accounting Department, Technical Department and Marketing Department.
  - c) The ASOFRUT's Directory could annually design, according to its requirement, Advisors Crops integrated by a maximum of 3 members who will join the same requisites demanded to be a Director.

(8) Resources Fund

The ASOFRUT Resources Fund are constituted in; producer's contribution originating from the commercialization of fruits & vegetables and others related to the sector, donations, discounts and others.

The producer's contribution will be the following:

- 1) Registration and affiliation fee (only one-time),
- 2) Extra-ordinary quotas, and
- 3) Contributions for provided services to members.

