

BOLIVIA

Poverty Reduction Strategy

Prepared by the Bolivian Authorities

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ANNEXES

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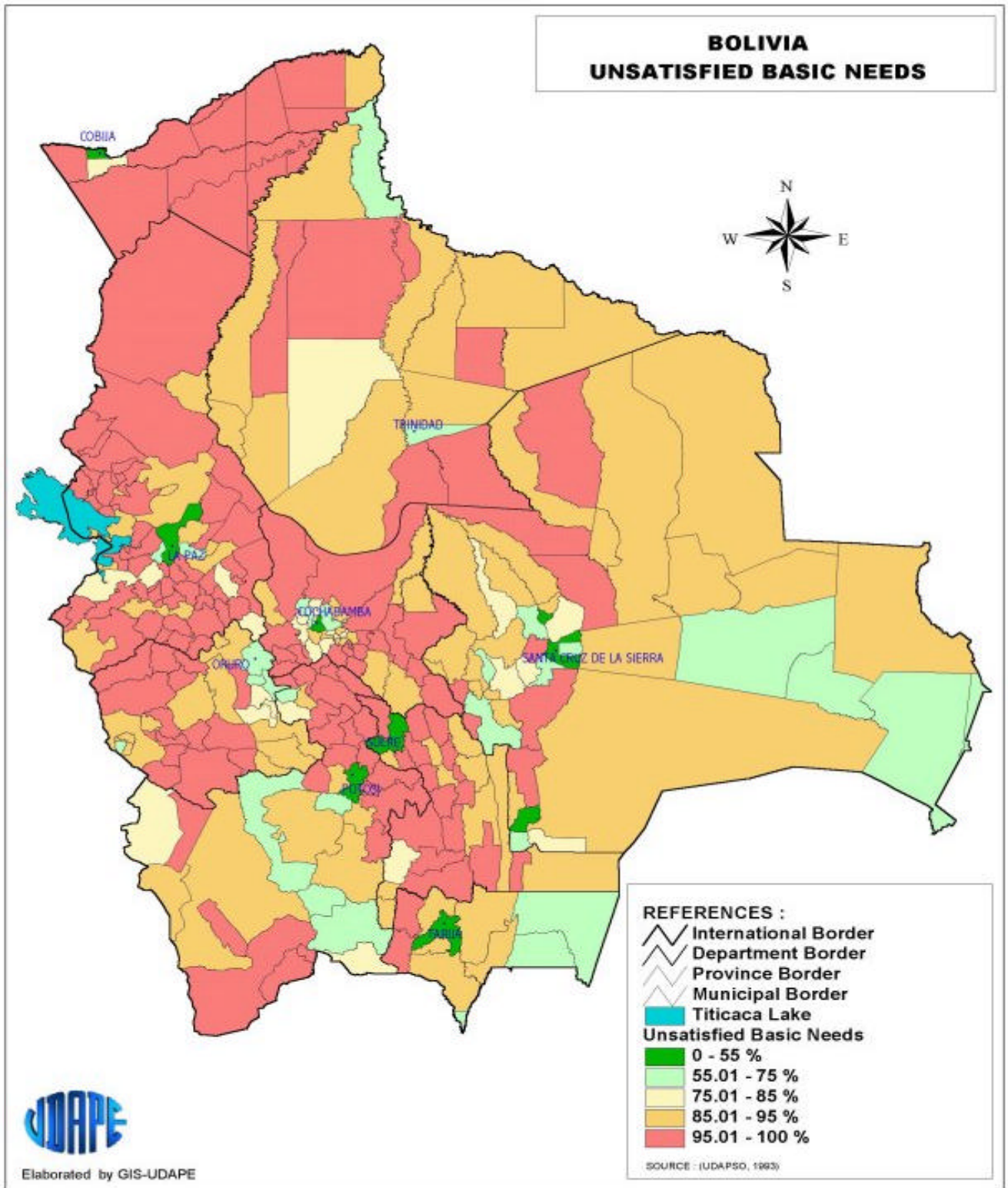
Bolivia: 15 Years of Structural Reform

Year	Policy	Objective	Achievements
1985	DS. 21060: Stabilization and structural reform of the economy	Macroeconomic stability and growth	Low inflation, moderate growth
1986	Standard import tariff: opening of the economy	Improve competitiveness	Acquisition of new fixed assets and new inputs for export
	Paris Club Agreements I: restructuring of bilateral external debt	External debt relief	More resources for social sector
	Tax Reform: increase tax revenues	Adequate functioning of government finances	Increase in tax revenues
1987	Financial Reform: regulation, supervision and support for the banking sector	Improved functioning of financial system	Increase in deposits by the public
	Liberalization of labor market	Better functioning of labor market	Reduction in open unemployment rates
1990	SAFCO Law: administration and control of government resources	Efficient use of public resources	Greater degree of oversight
	Investment Law: rules for domestic and external private investment	Increase investment	Increased investment rates
	Law on Hydrocarbons: legal framework for exploration and development of hydrocarbons fields	Better use of resources, expansion of country's energy base	More investment, expansion of hydrocarbon reserves, strengthening of a sector that is strategic for national development
1991	Updating of the Mining Code: legal framework for investment in the sector.	Increase investment	Investment in exploration. Some of the largest silver deposits in the world found. San Cristóbal Mine
	Law on the Tax Code:	Improve efficiency of taxation, increase tax revenues.	Increased tax ratio
	Free Zone Regime: promotion of manufacturing activities.	Development of manufacturing industry	Increase in rate of growth of industrial sector
1992	Privatization Law: sale of public enterprises.	Improve and redistribute fiscal resources	Greater resources for the social sector
1993	Law on Exports: opening of the economy.	Increase exports	Increase in and diversification of exports
	General Banking Law: regulation of the financial system.	Strengthen financial system	More reliable financial system
1994	Law on Capitalization: sale of shares in public enterprises.	Better distribution of fiscal resources, generate higher domestic savings.	Greater foreign direct investment
	Law on Popular Participation: redistribution of income	Greater social participation in the definition of public policies.	Better allocation of resources
	Law on Education Reform: improve quality and coverage of education.	Better coverage and quality of education	Better coverage Higher retention rate
1995	Law on the Decentralization of Government: assign new functions to levels of	Improved administration of the public sector	Increased investment at municipal level

Bolivia: 15 Years of Structural Reform

Year	Policy	Objective	Achievements
	government.		
1996	Law on Pensions: savings and individual capitalization of contributions	Strengthen social insurance system	Increase savings system for long-term social insurance
	INRA Law: regularization of agricultural land tenure (*).	Improve living conditions of rural population. Guarantee property rights in rural areas. Include population in eastern part of country and participation of women in land ownership.	Progress in the regularization of first peoples land
1997	Reforms in health sector, implementation of SNMN	Improve mother/child services	Better coverage of services
	Judicial Reform: Public Defender's Office, Judicial Council, Constitutional Court, and Supreme Court.	Improve access to justice system. Active participation in civil society.	Greater equity in access to justice system
1998	Initiation of health reform, implementation of SBS and Epidemiological Shield.	Free new services for general population. Continued improvement in mother/child services. Control of main endemic diseases (Chagas disease, malaria, tuberculosis)	Increased mother/child services. Increased prevention, diagnosis and treatment activities for main endemic diseases
	Law on Securities Market: support for securities market	Strengthen financial system	Greater participation of large enterprises in securities exchange
	Law on Property and Popular Credit: increase microcredit.	Improve conditions for microbusinesses. Democratization of credit.	Increased participation of [word missing] in microcredit portfolio
2000	Customs Law: customs reform.	Improve collections by and institutional structure of National Customs. Civil Service Personnel Law: improve institutional structure of public sector. Anticipated impact: improved performance of public sector.	Reduction of smuggling
	Law on Institutional Structure of National Domestic Tax Service	Improve transparency, efficiency and management of tax system under consolidated cash management system.	Hope to increase domestic income [tax] collections

(*) Currently, in revision and consensus being sought between authorities and beneficiaries following social unrest of September 2000.



Summary of Topics for National Dialogue 2000 Round Table and their Reflection
in the Poverty Reduction Strategy

	Topics for National Dialogue 2000	Bolivian Poverty Reduction Strategy	Responsible Institution
HEALTH	Policy of institutionalization, decentralization, and redistribution of human resources	Increase in human resources	MSPS and MinFin.
		Development of system of incentives for human resources.	MSPS, SEDES, and Health Districts.
	Sectoral logic for health administration on basis of municipal territories. Transfer of human resources to municipal governments along with economic resources.	Transfer of personnel management to municipalities.	MSPS and GM responsible for implementation.
	Expansion and improvement of Basic Health Insurance (SBS) and Old Age Insurance.	Expansion of health insurance system. Expansion of SBS .	Ministry of Health and Social Welfare and Municipal Governments.
	Signing of agreements between municipal governments and health funds.		
	Health services network, prioritization of primary and secondary health centers and posts on consolidated basis	Development of services network, guaranteeing comprehensive primary and secondary care	Ministry of Health and Social Welfare and Vice Ministry of Popular Participation.
Agreements between CIDOB and National Government.	Development and implementation of Health with Identity program.	MSPS, SEDES, and GM	
SUPPORT FOR PRODUCTION	Financial policy to promote lending and microlending to small urban and rural producers	Development of technical assistance programs for regulated financial entities. Expansion of coverage of financial services by reviewing the regulations governing the sector. Channeling of international cooperation resources to the rural financial system. Modernization of regulatory framework to expand opportunities for borrowers and investors for small urban and rural producers. Development of applied research programs and technical assistance specializing in the introduction of new financial technologies.	National Congress, Ministry of Finance, Judicial Authority, Ministry of Foreign Trade, FONDESIF, and Municipal Governments.
	Technical assistance	Consolidation of rural technological innovation and research system (SIBTA). Coordination of SIBTA with the Foundations for the Development of Agricultural Technology (FDTAs). Development of science and technology programs in urban areas. Development of programs for human resources training by private entities offering technological assistance services in remote areas. Promotion of agreements between universities and the private sector. Programs of support for the development of knowledge. Dissemination of agricultural information. Development of multisector and multitheme training and technical assistance programs. Financing and implementation of technical training and development programs based on the missions of municipalities. Development of training and technical assistance programs	Ministry of Labor and Microbusiness, Ministry of Finance, Technical Assistance Service, Ministry of Economic Development, and IBNORCA.
	Productive training	Support development of capacity of public and private organizations to support microbusinesses with financial and nonfinancial services. Creation of Micro and Small Business Development Fund. Simplify and adjust existing legal systems to characteristics of micro and small businesses.	DUF, Municipalities, Technical Assistance Service, Ministry of Education, Culture and Sports, and Ministry of Agriculture, Livestock and Rural Development.
	Systems for marketing of agricultural, mining, tourism and artisanal products	Expand road infrastructure to facilitate marketing and develop greater productive opportunities.	Ministry of Foreign Trade, Ministry of Agriculture, Livestock and Rural Development, Ministry of Economic Development, Prefectures, and others.
	Policies for development and promotion of micro and small enterprises in the agricultural sector, mining cooperatives, and rural and indigenous economic organizations.	Create a competitive environment for the development of micro and small businesses by revising and adjusting the regulatory framework governing them and expanding the productive, commercial and services infrastructure. Emphasis on need to simplify the standards and regulations currently governing micro and small businesses.	Ministry of Labor, National Congress, Municipalities, Ministry of Finance, Dialogue 2000 Economic Agenda, and Ministry of Agriculture, Livestock and Rural Development.
BASIC SANITATION & HOUSING	Constructions of drinking water systems, storm and sanitation sewers (treatment plants)	Construction of drinking water systems and sewerage systems in periurban and rural areas. Institutionalization of MVSB and human resources training programs.	DUF, Ministry of the Presidency, Ministry of Housing and Basic Services, and Municipal Governments.
	Provision of latrines	Part of basic sanitation programs.	DUF, Ministry of the Presidency, Ministry of Housing and Basic Services, and Municipal Governments.
	Solid waste management	Construction of wastewater and solid waste treatment plants. Approval of Solid Waste Law and Storm Sewer Regulations.	DUF, Ministry of the Presidency, Ministry of Housing and Basic Services, and Municipal Governments.
	Allocation of lots, renovation and construction of housing	Construction and improvement of public housing in rural municipalities. Institutionalization of MVSB, modernization of system of Property Rights and Urban Property Registers, Human Resources Training Program. Updating and organization of legal and institutional framework.	Ministry of Finance, Ministry of the Presidency, Ministry of Housing and Basic Services, Prefectures, Municipal Governments, INRA and DUF.

Summary of Topics for National Dialogue 2000 Round Table and their Reflection
in the Poverty Reduction Strategy

	Topics for National Dialogue 2000	Bolivian Poverty Reduction Strategy	Responsible Institution
LAND AND TERRITORY	Regularization of land tenure, title and registration.	Step up completion of regularization of land tenure in the east and promote regularization of land tenure in the west with a view to completing all rural areas by 2006.	National Institute for Agrarian Reform, National and Departmental Agrarian Commissions, Ministry of Indigenous and First Peoples Affairs, Min. Agriculture, Prefectures, Municipal Governments, and National Grass Roots Organizations.
	Support for regularization of land tenure of first peoples communities.		
	Support for regularization of land tenure and title for rural communities.		
	Strengthening of INRA	Institutionalization of National Property Registry System. Merging of physical and legal property registries and regulation of the Rural Property Registry via INRA. Create technical and legal INRA units at the departmental and	National Institute for Agrarian Reform, National and Departmental Agrarian Commissions.
	Recognition of need to improve application of the law	Explicit recognition of process of revision of INRA law and regulations, currently under way.	National Agrarian Commission, Ministry of Indigenous and First Peoples Affairs, Vice Ministry of Natural Resources, the Environment, and Forestry Development, Advisory Council on Indigenous Peoples.
	Support for development and management of lands of indigenous peoples		
	Definition and application of policies on the use and management of natural resources and environmental conservation.	a. Launching of dialogue with civil society on standard for access to and use of water resources. b. Completion of design of National Water Resources, River Basins, and Flood Control Plan.	Municipalities, Prefectures, Mayoral Offices, National Authorities, Min. Sustainable Development, Vice Ministry of Natural Resources, the Environment, and Forestry Development, National Fund for the Environment, National Institute for Agrarian Reform, National Protected Areas Service.
	Conservation, sustainable use and recovery of soils	Design and implementation of National Desertification Plan.	
	Programs for use and management of natural resources (soil, river basins, forest resources, water, biodiversity)	a. Ethno-ecotourism programs b. Forest species management program c. Introduction of biological corridors and buffer zones	
	Inclusion of environmental management in municipal development planning	Strengthen planning, management and control of environmental quality at municipal level with emphasis on application of environmental control and prevention instruments. Institutionalization of environmental management in prefectures and municipalities.	Ministry of Sustainable Development and Planning, Vice Ministry for Natural Resources.
PRODUCTIVE INFRASTRUCTURE	Construction of main arteries	Implement Master Land Transportation Plan, provide incentives for private sector participation in road construction, increase investment in Basic Road Network and institutionalize the SNC.	Vice Ministry of Transport, Prefectures, Vice Ministry of Public Investment and External Financing, Ministry of Economic Development, Congress, Ministry of Finance, SENAC, Departmental Councils, and Municipal Governments.
	Maintenance and improvement of main arteries	Introduction of Master Land Transportation Plan. Implementation of Third Maintenance and Repair Program for main arteries Application of the Law on Cargo	Min. Eco. Devt., VIPFE, SENAC, Min. Labor, and GM.
	Construction, maintenance and improvement of departmental roads.	Prioritization among Departmental Development Plans.	SENAC, Vice Ministry of Public Investment and External Financing, and Municipal Governments.
	Construction, maintenance and improvement of local roads.	Investment in construction, routine and periodic maintenance, and repair of local network. Connection of local roads (municipal network) with departmental network.	DUF, GM, Prefectures, Congress and MinFin.
	Construction, maintenance and improvement of irrigation systems.	Repair of existing irrigation systems, investment in new irrigation and micro-irrigation infrastructure and training for maintenance of irrigation systems. Development of national irrigation plan and departmental irrigation plans. Extension of PRONAR	DGRS, MAGDR, DUF, Prefectures and GM
	Construction, maintenance and improvement of micro-irrigation systems.		
	Provision and expansion of electrical and alternative energy networks and maintenance of energy grids	Strengthen PRONER and extend it until 2010.	Vicemin. Energy, VIPFE, Min Eco. Devt., Prefectures, GM, and Communities.
EDUCATION	Technical and Alternative Education: creation and strengthening of boarding schools and home schooling, especially in rural areas, and provision of equipment	Implementation of Adult Technical Education Projects. Amendment of Rural Regulations on Technical Training Institutes. More CETAs will be created in the nine departments and the administrative organization of the CIMs will be promoted to ensure their sustainability.	National Government, Ministry of Education, Ministry of Finance, National Congress, DUF, Technical Commission, Prefectures, Municipal Governments, and Civil Society.
	Technical and Alternative Education: training and development of teachers	Implement new systems for administering and training teaching staff at all levels.	Ministry of Education, Culture and Sports, and Municipal Governments
	Technical and Alternative Education: massive literacy programs	Strengthening of educational programs at preschool level	
	Formal Education: construction and maintenance of infrastructure and provision of equipment	Facilitate construction, maintenance and improvement of infrastructure and equipment of educational units and establish and equip the Pedagogical Resource Centers.	Ministry of Education, Culture and Sports, Congress and National Government, Municipal Governments, Civil Society, Ministry of Finance, DUF, Auditor General's Office, Ministry of Sustainable Development and Planning, and Prefectures.
	Formal Education: creation and strengthening of boarding schools and home schooling, especially in rural areas		Ministry of Education, Culture and Sports, and Municipal Governments.
	Formal Education: increase temporary staff	Based on introduction of new systems for administering and training teaching staff	Ministry of Education, Culture and Sports, SEDUCA, and Municipal Governments.
	Improve salary levels for teaching staff	Monetary and nonmonetary incentives to promote the continuing training of existing teaching staff, by means of the introduction of new systems for administering and training teaching staff.	Min. Education, Municipal Govts., and Civil Society
	Higher Education: university, post-graduate	Creation of Quality Improvement Fund and National Council for Accreditation in Higher Education (start of Higher Education Reform)	Ministry of Education, Universities

Report on the Seminar-Workshop: “The Government Listens”

In order to publicize and debate Bolivia’s Poverty Reduction Strategy (BPRS), on March 9, 2001 the government of Bolivia organized a seminar-workshop entitled “The Government Listens” in which the strategy presented to civil society on February 19, 2001, the draft Law on Dialogue, and the National Compensatory Policy [*Política de Compensación*] were discussed.

Various authorities from the Executive Branch of the government had been tasked to explain the scope of the different components of the Strategy to leading members of civil society. These members’ specific proposals were listened to and assembled, and were taken into account in the final version of the Strategy.

Three round tables were set up. The first discussed income and employment opportunities (rural development, microenterprise, microfinance, technological assistance and highways infrastructure), security and protection of the poor and the environment. The second round table focused on capacities (health, education, and basic sanitation), citizen participation and the gender issue. The third round table discussed the draft Law on Dialogue and the compensatory policy.

The principal comments and suggestions from civil society are as follows:

Round Table 1: Opportunities, Security, and the Environment

! ***Rural Development:*** Participants mentioned the need to certify domestic agricultural products. The support infrastructure is considered a priority in expanding the agricultural industry and improving sectoral conditions. A request was made to involve the rural community and indigenous peoples in local tourism development.

! ***Microenterprise:*** Participants mentioned the importance of promoting culturally-focused microenterprise. Support was requested for the small mining enterprise sector.

! ***Microfinance:*** A proposal was made to consider joint and several guarantees to improve access to microfinancial services.

! ***Technological assistance:*** It was suggested that traditional know-how be incorporated into the process and that the SAT be depoliticised and its bureaucracy streamlined.

! ***Highways infrastructure:*** Reference was made to the need to include the topic of highways infrastructure in rural areas, provide more details on the interconnection of primary and secondary roads, and simplify the regulations governing highways projects. Social control instruments should be considered.

! **Land:** It was stated that the land problem is not simply a matter of certainty as to the law, it also raises the issue of land redistribution.

! **Environment:** It was suggested that mechanisms be introduced to permit joint management in the administration and operation of community areas, and utilization of cut-down wood [*madera de chaqueo*].

Round Table 2: Capacities, Participation, and Gender

! **Education:** Greater emphasis should be placed on alternative and technical education. A proposal was made to stress the importance of scientific and technological development and to highlight increased professional training for teachers and principals.

! **Health:** It was recommended that greater priority be given to preventive health care for children in rural areas. The use of alternative medicine and the need to improve the quality of care in hospitals and health centers should be highlighted.

! **Basic sanitation:** Training in the maintenance and management of potable water and sewage systems should be emphasized and basic sanitation and housing services should be improved.

! **Participation:** There was a high level of consensus on social control and on monitoring the results of public policies. A proposal was made to boost grassroots participation by increasing the number of civil society authorities in vigilance committees. There needs to be a more vigorous role for women's, children's, and consumer protection agencies.

! **Gender:** Although the VAGGF (Office of the Vice-Minister of Gender, Generational, and Family Affairs) disagreed, it was suggested that the concept of equity be changed to one of equality. The importance of developing an information system with emphasis on the gender aspects was mentioned. Concern was expressed about generational topics being included under the "protection" component, since they should belong to the gender category.

Round Table 3: Law of the National Dialogue

! **Transfer of health and education:** There was concern that because of the backlog of municipal tasks and the institutional constraints facing municipal governments, the transfer of health and education would have to be significantly strengthened. The importance of creating appropriate conditions for the transfer, and allocating sufficient resources for the purpose, was pointed out.

! **Departmental prefectures:** The need to distinguish clearly between financial control, monitoring, and social control was emphasized, and it was suggested that the legal feasibility of changing the composition of Departmental Councils be explored in depth.

! ***Distribution of debt relief resources:*** It was recommended that the list of possible uses of debt relief resources be expanded and that no municipal authorities be excluded. Use of these resources should not be confused with other resources used normally for government investment. It was proposed to use part of these resources to improve the information systems in coordination with the National Statistical Institute (INE).

! ***Social control:*** Government agency participation in boards of directors should be limited to the beneficiaries and should not be confused with social control. The concept of the *sindicatura social* was introduced as an alternative mechanism for implementing appropriate social control. There was a specific need to ensure noninterference by social organizations in the responsibilities of government agencies, and noninterference by the State in the operations of social organizations.

! ***Compensatory policy:*** It was deemed important for the BPRS to specify the resource distribution formula. Participants indicated that in its current form, this aspect of the BPRS suggests that the way to go is to centralize decisions and decentralize operations. It was suggested that social control participation in the Single Funding Directorate (DUF) can be effected via the *sindicatura social*. Lastly, the need to pursue the discussion and coordination of these topics and of the final content of the law was stressed.

Seminar: Bolivian Strategy for Poverty Reduction and the Law on the National Dialogue: Results and response in the BPRS

Law of the National Dialogue 2000*

Topic	Proposal	Agreements Resulting from the National Dialogue	Workshop: "The Government is Listening"
Transfer of Health and Education to the Municipalities	Broaden municipal authority to encompass administration of education personnel and health personnel from first- and second-level health services.	Decentralization of RRHH (human resources) from the health and education service to the municipalities.	The risks involved in making the municipalities responsible for education and health, including financial and human resources were referred to. It was suggested that appropriate transfer criteria be considered: improve municipal management prior to transfer, extend the discussion period, and guarantee an <u>gradual process</u> .
	Transfer resources according to formulas proposed by Ministries, with automatic annual adjustments.	Reallocation of RRHH based on identified needs (considering population, HDI (Human Development Indicators), epidemiological risk, etc.).	Municipal government capacity must be strengthened to cope with the new functions, and real incentives established to make the transfer of health and education attractive. The mechanisms need not necessarily be coercive. Municipalities must be given the opportunity to make decisions. The health and education sectors must establish the criteria for allocating sufficient human resources to provide these services.
	Central government to be responsible for wage policy with the option of allowing municipalities to authorize incentives and new temporary personnel.		It was stated that there is a need to allocate minimum floors for municipal investment in the health and education sectors.
	Gradual, assisted, and voluntary implementation during a three-year period.	Gradual process of making municipalities responsible for education and health municipal in proportion to their management capacity.	
Departmental Prefectures	Change in the composition of Departmental Councils. Election of members from among the municipal town councillors of the department.	Direct election of Departmental Prefects and advisers (constitutional limitations).	government) and, in particular, prefectures, which should be responsible for dispensing third-level health care.
	The Council's functions are to be switched to monitoring, and they shall have the power to censure ranking prefects and officials.		
Gradual distribution of External Debt relief resources (HIPC II).	Establishment of an escrow account for debt relief resources.		
	Administration of resources for which the 314 Municipal Governments are responsible.	Municipal governments responsible for execution.	
	Resource distribution in accordance with the conclusion of the National Dialogue: 70 percent by population and poverty and 30 percent in equal parts by department and within each department by population and poverty. Population recalculation according to <u>Unsatisfied Basic Needs</u> .	70 percent by population and poverty and 30 percent in equal parts between the 9 departments, by population and poverty within each one. Unsatisfied Basic Needs is the poverty indicator to be used.	
	Conditions for access to resources: Municipalities with fewer than 5,000 inhabitants must join together in the form of a <i>mancomunidad</i> . Municipalities with more than 100,000 inhabitants must present a system for gradual resource distribution.		
	35 percent of resources held until the transfer of education and health services has been duly implemented.		
Gradual distribution of External Debt relief resources (HIPC II)	Automatic disbursement of resources through the banking system once the conditions have been met.	Direct transfer through the banking system.	Article 24 of the Law on Dialogue referring to eligible expenditure restricts the EBRP.
	Resources may be used for: . Infrastructure to support production . Cofinancing secondary and trunk roads . Cofinancing land tenure regularization programs . Research and technical assistance . Schools, first-aid posts, and basic sanitation . Wage incentives and new temporary personnel for health and education . Training teachers and health personnel		It was felt that Article 16(IV) of the Law on Dialogue should make clear that funds for epidemics and national health programs are not compensatory resources.
	. Cofinancing health insurance and epidemiological programs . Environmental protection . Mmanagement of natural disasters		

* The draft Law on the National Dialogue is being discussed with Civil Society.

Seminar: Bolivian Strategy for Poverty Reduction and the Law on the National Dialogue: Results and response in the BPRS
 Law of the National Dialogue 2000*

Topic	Proposal	Agreements Resulting from the National Dialogue	Workshop: "The Government is Listening"
Social control	. Management of natural disasters	Strengthening Vigilance Committees and required consultation of Consultative Councils on HIPC-related topics.	Distinguish between social control and monitoring. It was recommended that social control functions (exclusive to civil society) not be allocated to government agencies performing monitoring and control functions that are exclusively the government's prerogative. Administration and Control systems (Article 31): The provisions, basic standards and regulations governing the National Planning and Public Investment Systems have requirements that do not must be taken into account, as must the fact that Bolivia is a country of considerable diversity.
	. Cofinancing health insurance and epidemiological programs.	The social control authority at the departmental and national levels should be a National Committee convened by the Catholic Church.	civil society, the executive branch, and the legislative branch.
	. Environmental protection		
	. Management of natural disasters		
	Civil service responsibility to representatives appointed to government agencies.		
	Powers subject to presence of by-laws and members of the social control system.		
Institutionalization of the National Dialogue	National Dialogue to be held every three years and at least every six years at the municipal level.	The National Dialogue must be held (periodically) every three years.	There is a need to generate municipal-level indicators. It was suggested that systems.
	Executive Power, Congress, and the social control system responsible for organization.		
	Scope and results linked to BPRS follow-up.		
Connection with the EBRP			implementing the transfer process.
			Harmonize the BPRS with the Law on Dialogue, as there are inconsistencies and differences between both documents. Social control or monitoring instruments must be identified. Review the composition of Departmental Councils. Ensure citizen presence in the composition of Departmental Councils.
			The text of the Strategy should specify the resource allocation formula more the provisions established in Dialogue 2000 or in the BPRS, the formula penalizes poor people from non-poor areas. In the BPRS, separate the PGDES (General Plan for Social and Economic Development) from the BPRS, even though they are complementary. Prevent the transfer of funds intended for poverty reduction to tasks incumbent upon the PGDES (i.e., export corridors).

BPRS: Matrix of Actions and Policies

5.1 Promoting Rural Development

Strategic Action	Action Plan	Regulatory Instrument	Responsible Institution
Expand and improve productive infrastructure	Construction and maintenance of rural roads.	-----	Municipal governments DNRS, MAGDR
	Rehabilitation of rural roads through local MSEs.	-----	
	Construction and maintenance of irrigation and micro-irrigation systems.	-----	DUF
	Formulation of subsectoral policy and consolidation of projects through the National Irrigation Plan. PRONER will be extended to 2015.	-----	
	Construction of basic agricultural infrastructure.	-----	MAGDR VMEH
	Provision and maintenance of electrical power networks: The operations of PRONER will be extended.	-----	
Provision of rural telecommunications services (PRONTER Universal)	-----	VTAC	
Expand and strengthen access to land as a resource	Conclude the regularization of rural land ownership.	Revision of the INRA Law and Regulations.	INRA, MAGDR, IGM
Increase competitiveness	Identification and selection of agro-food and agro-export sequences through the Agricultural and Rural Development Plans.	-----	MAGDR
Diversify opportunities for nonagricultural employment and increase income from paid employment	Design and implementation of programs to promote rural tourism.	-----	MAGDR
	Opening of foreign market opportunities.		

(1) ----- Actions that do not require regulatory instruments or already have regulations.

BPRS: Matrix of Actions and Policies
5.2 Development of Micro- and Small Enterprises

Strategic Action	Action Plan	Regulatory Instrument	Responsible Institution
Create a competitive environment for performance of MSEs	Revision and adaptation of regulatory framework and to the characteristics of MSEs. Expansion of productive, commercial and services infrastructure.	Preliminary draft Law on Developing MSEs	MTM MDE MH Prefectures
Promote the development of a nonfinancial services market meeting the needs of the sector	Provision of technical assistance services, training in business management, information, and marketing.	-----	Municipalities, MTM, SAT, PROSAT.
	Coordinate incentives for artisanal production through programs for craftsmen and small industry.	-----	
	Develop markets for entrepreneurial and microfinance services.	-----	
	Consolidate the information services network. Program of training vouchers in business techniques.	-----	
Develop public and private sector capacity to provide support to MSEs	Promote coordination between the government, MSEs, and international cooperation agencies.	-----	PROSAT, PREFECTURAS, MUNICIPIOS.
	Promote the institutional strengthening of the financial institutions serving urban and rural MSEs.	-----	

----- Actions that do not require regulatory instruments or already have regulations.

BPRS: Matrix of Actions and Policies
5.3 Developing Microfinance

Strategic Action	Action Plan	Regulatory Instrument	Responsible Institution
Diversify and expand microfinance coverage	<p>Support expansion of the coverage of financial services for MSEs, with special emphasis on rural areas.</p> <p>Channel international cooperation resources to the microfinance system.</p> <p>Incentives for the development of financial services marked aimed at promoting financial competitiveness.</p>	<p>-----</p> <p>-----</p> <p>-----</p>	<p>FONDESIF.</p> <p>SBEF, FONDESIF.</p>
Strengthen the regulatory and institutional framework	<p>Promote regulations enabling unregulated institutions to make information transparent.</p> <p>Agree on and manage a regulatory framework and standards which ensure the development of microfinance.</p> <p>Promote coordination between the public sector, private sector, and international cooperation agencies at the departmental and local levels.</p> <p>Modernization of the regulatory framework broaden the borrower and investor status of small-scale urban and rural producers.</p>	<p>(i) Law on Real Property Guarantees; (ii) Regulatory degree on the operation of unregulated financial entities administering government resources; (iii) Strengthening the Coordinating Committee in the Area of Microfinance and Micro-Enterprises; and (iv) Law Strengthening the Financial Intermediation System</p>	<p>VAF, NAFIBO, FONDESIF.</p>
Improve the quality of the microfinance supply	<p>Support the development of financial technologies, products, and services adapted to the requirements of MSEs. Promote and support the development of financial services for rural MSEs. Promote the institutional strengthening of financial entities serving urban and rural MSEs. Improve the information within the microfinance system.</p> <p>Develop programs for applied research and specialized technical assistance in the introduction of new financial technologies.</p>	<p>-----</p> <p>Institutional framework for rural finance</p>	<p>FONDESIF.</p> <p>SBEF, FONDESIF.</p>

----- Actions that do not require regulatory instruments or already have regulations.

BPRS: Matrix of Actions and Policies
5.4 Supporting Technological Assistance

Strategic Action	Action Plan	Regulatory Instrument	Responsible Institution
Support the implementation of research systems and technological innovation.	Consolidation of research system and rural technological innovation (SIBTA). Linkage between SIBTA and Foundations for Development of Agricultural Technology (FDTAs). Development of science and technology programs in urban areas	Consolidate the institutional framework of the National Research and Innovation System. Revise the Technological Innovation Law. Promulgate the Intellectual Property Law.	SIBTA, FDTAs, SENASAG, CONACYT.
Establish an information system to link demand and technological supply.	Establishment of agreements between universities, private entities, and agricultural producers to link productive sector needs with academic supply. Programs to support the development of knowledge. Dissemination of agricultural information. Implementation of business development services in micro- and small enterprises. Develop internet access.	-----	SIBTA, MACPIO, Universities, Public Research Centers. MECyD.

----- Actions that do not require regulatory instruments or already have regulations.

BPRS: Matrix of Actions and Policies
5.5 Building the Road Infrastructure: Fundamental Network

Strategic Action	Action Plan	Regulatory Instrument	Responsible Institution
Improve the road infrastructure (more and better quality roads)	Private participation. Cargo checks. Efficient allocation of resources. Complete the regulatory framework. Timely availability of resources.	Grant ----- Enforce Cargo Transport Master Plan and Institutionalization Transport Law. Creation of Road Infrastructure Fund.	VTACAC VTACAC, SNC MDE, VTACAC, SNC. MDE. MH.

BPRS: Matrix of Actions and Policies
5.6. Improving Educational Quality and Access

Strategic Action	Action Plan	Regulatory Instrument	Responsible Institution
Transform the curriculum	Broad application of the preschool, primary, and secondary curriculum in all UEs.	-----	MECyD
	Equipping of UEs and installation and equipping of Pedagogical Resource Centers.	-----	MECyD
Transform the training and administrative system for teaching staff	Strengthening of the INS and training for teachers and directors.	-----	MECyD
	Continued training of academic advisors.	-----	MECyD
	Implementation of the new administrative system for teaching staff, incorporating a teacher incentive program.	-----	MECyD
Promote planning and decentralized educational management at the municipal level with community participation	Training for officials of Departmental and District Services (SEDUCA) and Municipal Governments in planning, evaluation, information, administration, and control systems.	-----	MECyD
	Equipping of offices in the District and Departmental Services (SEDUCA).	-----	MECyD
	Transfer to the Municipal Governments of responsibility for administering, supervising, and controlling human resources in the schools, as well as the corresponding funds.	Ratification of National Dialogue Law.	Office of the Vice President - MECyD, and municipal governments
Strengthen the regulatory and supervisory capacity of the governing authority	Strengthening of the Educational Information System.	-----	MECyD
	Development of the Educational Quality Measurement System (Promoting creation of an autonomous educational accreditation body).	-----	MECyD
Other strategic actions	Strengthening, diversification, and linkage of technical institutes to productive activities.	-----	MECyD
	Improving the quality of higher education with the participation of CONAES.	-----	MECyD

----- Actions that do not require regulatory instruments or already have regulations.

BPRS: Matrix of Actions and Policies
5.7 Improving Health Conditions and Access

Strategic Action	Action Plan	Regulatory Instrument	Responsible Institution
Guarantee efficient management of human resources	Increase human resources. Transfer of personnel administration to the municipalities. Development of the human resources incentive system.	----- Dialogue Law that will expand the jurisdiction of the municipalities in human resources D.S. creating the Health Career.	MSPS and MH. MSPS and Municipal governments in charge of implementation MSPS, SEDES and Health Districts
Expand the health insurance system	Expansion and consolidation of Basic Health Insurance (SBS). Gradual implementation of Universal Health Insurance.	SBS Ministerial Resolution II. Proposed Health Law with single enrollment system.	MSPS and Municipal governments MSPS, MH and National Congress in charge of ratification
Improve control of communicable diseases and strengthen the epidemiological surveillance system	Implementation of Epidemiological Shield programs.	-----	MSPS, SEDES and Health Districts
Improve the population's nutritional status	Development of an information, education, and communication system for nutrition.	-----	MSPS
Implement the intercultural approach in health	Development and implementation of the Health with Identity program and incorporation of traditional medicine.	Vademecum of traditional medications and regulations to implement intercultural health services.	MSPS, SEDES and Municipal governments.
Other strategic actions	Development of Health Services Network. Integration of the SNIS into the Vigilance System and Analysis of the Health Situation. Institutional strengthening of the health sector by implementing Training and Technical Assistance Programs in the municipalities.	----- ----- -----	MSPS MSPS MSPS

----- Actions that do not require regulatory instruments or already have regulations.

BPRS: Matrix of Actions and Policies
5.8 Improving Habitability: Basic Sanitation and Housing

Strategic Action	Action Plan	Regulatory Instrument	Responsible Institution
Dotar and mejorar la infraestructura and fortalecer la institucionalidad del sector de saneamiento básico.	Construction of drinking water and sanitary sewer systems in peripheral urban and rural areas.	Approval of Regulations for Law No. 2066 Reforming Drinking Water and Sanitary Sewer System Serviced.	MVSB (management), Municipalities (implementation), National Congress (regulations)
	Construction of wastewater and solid waste treatment plants.	Development of Approval of the Solid Waste Law and Regulations on Rainwater Drainage.	MVSB (management), Municipalities (implementation), National Congress (regulations)
	Development of technical assistance programs on preinvestment and investment feasibility studies for small municipalities.	-----	MVSB (management-coordination), DUF (financing and supervision)
	Development of an institutional strengthening program for the MVSB. Human resources training programs.	-----	MVSB, PRI, Office of the Vice President
Other strategic actions	Lidership of women in the implementation and appraisal of sanitary education projects.	-----	Municipal governments, Prefectures, MVSB.
	Coordinated development of basic health plans and projects between municipalities and prefectures	-----	Municipal governments, Prefectures.
Increase and improve housing infrastructure and strengthen the institutional capacity of the housing sector	Construction and improvement of low-cost dwellings in rural municipalities.	Operating regulations of the Direct Housing Subsidy and Housing Improvement in Endemic Zones programs.	MVSB, Municipal governments, Prefectures.
	Institutionalization of the MVSB, modernization of the system for the Urban and Rural Registry of Property Rights and Cadaster. Human resources traing.	Operating Approval of the Housing Law, Urbanism Law, and Law on Use of Urban Land.	National Congress responsible for regulations and institutionalization
	Design of new regulations on real property rights, cadaster, rentals, expropriations, Law on Preferential Purchase Rights for Municipalities.	Updating of regulations on real property rights and registration	MVSB, National Congress / INRA
Other strategic actions	Self-construction programs for low-cost housing.	-----	Municipal governments, Prefectures
	Incentives for the incorporation of Private Social Development Institutions for the financing of housing in rural areas	-----	MH, MVSB

----- Actions that do not require regulatory instruments or already have regulations.

BPRS: Matrix of Actions and Policies
5.9 Increasing Security and Protection

Strategic Action	Action Plan	Regulatory Instrument	Responsible Institution
Expand Social Protection Programs	Effect the transfer of funds to people older than 65 years of age. Expand health programs for the elderly. Improve and expand programs caring for children and adolescents. Implementation of the National Plan for Seniors and establishment of the Institutional Network for Seniors Organizations. Implementation of the National Plan on Child Abuse, and the Comprehensive Adolescent Health Program. Regulation of the IPDSs and NGOs en the execution of food security programs.	----- ----- ----- ----- ----- ----- Approval of the Law on Nongovernmental	SPVS, MH. MDSP. MDSP, Municipios. MDSP. MDSP. National Congress
Improve comprehensive child care	Expand and consolidate Child Care Program (education, health, and nutrition).	-----	Ministry of the Presidency, Municipalities
Desarrollar Programas de Prevención, Atención de Desastres and de Situaciones de Emergencia.	Implementation and supploementing of Law on Risk Reduction and Disaster Response (Law 2140). Development of Emergency Employment Programs. Programs to protect workers with professional risks, dangerous occupations, or rare skills.	----- -----	Ministry of Defense, Ministry of Sustainable Development and Planning, Ministry of Finance, Ministry of Labor, Prefectures, and Municipalities. MTM
Guarantee legal security of access, holding, or use of assets	Consensus and implementation of the amendments to the INRA Law. Strengthened institutional framework. Revised INRA Law.	Anendments to the INRA Law and regulations.	Executive branch
	Modernization of urban cadaster.	-----	MDSP, urban municipalities
	Concerted preparation with civil society of a regulation establishing the principles of access rights to and use of water resources and the institutional framework for its management and control.	-----	MDSP
	Refinement of human resource programs in coordination with municipalities.	Anendments to the INRA Law and regulations.	INRA, MAGDR
	Districting and delimitation of Native Community Lands (TCOs).	Anendments to the INRA Law and regulations.	INRA, MAGDR.
	Strengthening of the Agrarian Superintendency.	-----	PRI, Office of the Vice President
	Participation of the Military Geographic Institute in regularizing land tenure.	Anendments to the INRA Law and regulations.	INRA, MAGDR.
Creation of the National Water Authority and the Water Superintendency. Simplification and modernization of administrative and judicial procedures and of records of real estate transactions.	----- -----	PRI, Office of the Vice President Municipal governments.	

----- Actions that do not require regulatory instruments or already have regulations.

BPRS: Matrix of Actions and Policies

5.10 Increasing Participation and Social Integration

(i) Supporting and Training in Citizen Organization and Participation

Strategic Action	Action Plan	Regulatory Instrument	Responsible Institution
Accelerate municipal strengthening	Implementation and improvement of strengthening and technical assistance programs for municipal governments.	-----	VPPFM – MH
Promote popular participation	Conducting dissemination campaigns on the scope and results of Popular Participation and Administrative Decentralization.	-----	VPPFM
Improve community control mechanisms	Formation of Consultative Committees in each municipality.	Approval of the Dialogue Law.	Office of the Vice President, Municipal governments.
	Promotion and creation of incentives for setting up <i>mancomunidades</i> .	-----	VPPFM
	Incorporation of functional organizations in coordination and community control mechanisms.	-----	VPPFM
	Development of programs to support the operational work of Vigilance Committees and Basic Territorial Organizations.	-----	VPPFM, Municipal governments
Establish the national framework for strengthening	Streamlining and ordering of supply and demand in technical assistance and training for municipalities.	-----	VPPFM
Train the citizenry	Development of support and training programs for participation - Trainign System for Popular Participation.	-----	VPPFM

----- Actions that do not require regulatory instruments or already have regulations.

BPRS: Matrix of Actions and Policies

5.10 Increasing Participation and Social Integration

ii) Reducing Inequities and Barriers Based on Ethnic Discrimination

Strategic Action	Action Plan	Regulatory Instrument	Responsible Institution
Promoting human rights compliance	Strengthening of Ombudsman's Office	-----	Min. of Justice
	Strengthening of Human Rights Defense and Consumer Protection Offices (Ombudsman).	-----	Min. of Justice
Promoting ethnic equity	Development and implementation of training programs for indigenous organizations in the use of natural resources and the environment.	-----	VPPFM
	Increased access to the educational system for indigenous peoples and their continued attendance at school (bilingual education and cross-cultural approach).	-----	MECyD
	Periodic dissemination of information with indicators disaggregated by ethnicity.	-----	INE, VPPFM

----- Actions that do not require regulatory instruments or already have regulations.

BPRS: Matrix of Actions and Policies
Tranversal Subjects

Promoting Gender Equity

Strategic Action	Action Plan	Regulatory Instrument	Responsible Institution
Promote policies and actions designed to improve opportunities for women.	Development of programs that promote women's access to productive resources, credit, ownership and clear title to land.	-----	VAGGF, INRA
	Development of events that promote consideration of the division of domestic and family tasks.	-----	VAGGF
	Revision of labor legislation and the Civil Service Statute.	-----	VAGGF, Min. of Labor
	Support for productive skills of MSEs, with emphasis on those led by women.	-----	VAGGF, Min. of Labor
	Development of technological, market, and chain of production information systems, facilitating access for women.	-----	VAGGF, INE
Create skills and guarantee the exercise of citizenship by women	Development of programs promoting renewal of the traditional skills of women.	-----	VAGGF, Min. of Labor
	Improvement of identification card process and civil registry, with emphasis on registering women.	-----	CNE, VAGGF
	Incorporate the gender and cross-cultural approaches at all levels of the educational system.	-----	VAGGF, MECYD
	Dissemination of information promoting women's access to quality health services (Sexual and Reproductive Health Program).	-----	VAGGF, MSPS
	Promotion of programs for women's access to education and continued attendance, literacy, basic technical training, and support for academic access and retention programs.	-----	VAGGF, MECYD
Promote women's rights	Implementation of campaigns to prevent and eradicate gender-based violence.	-----	VAGGF, Min. of Justice
	Development of municipal programs to strengthen the Ombudsman's Offices for children and women.	-----	VAGGF, Min. of Justice

----- Actions that do not require regulatory instruments or already have regulations.

BPRS: Matrix of Actions and Policies
Tranversal Subjects

Development with Identity of Indigenous and Native Peoples

Strategic Action	Action Plan	Regulatory Instrument	Responsible Institution
Expand opportunities for the economic development of native peoples	Promotion of plans and programs oriented toward facilitating the entrepreneurial and self-management organization of indigenous and native peoples. Development and implementation of initiatives which consolidate culturally based indigenous and native micro-enterprises. Management of Native Community Lands and Small Farmer Communities.	Law on Small Farmer, Indigenous, and Native Development	MACPIO MDSP-VPEPP, MAGDR, SERNAP
Facilitate access to social services with equitable comanagement	Link programs and projects to the special traits of small farmer communities and indigenous and native peoples.	-----	MACPIO, MECD, MSPSMVSB, Ministry of Finance – VIPFE
Strengthen political development with legal and institutional support.	Recognition and exercise of economic, social, cultural, and political rights of small farmer communities, and indigenous and native peoples. Strengthening of management capacities of indigenous and native organizations, oriented toward achieving more effective participation in national, departmental, and municipal bodies. Develop mechanisms to consolidate the functionality of Indigenous Municipal Districts.	Supreme Decree for the institutionalization of the Legal Assistance Service for Indigenous and Native Peoples.	MACPIO, VPEPP, DUF

----- Actions that do not require regulatory instruments or already have regulations.

BPRS: Matrix of Actions and Policies
Tranversal Subjects

Sustainable Utilization of the Environment

Strategic Action	Action Plan	Regulatory Instrument	Responsible Institution
Optimize the use of water and land resources	Design of National Water Resources, Basins, and Flood Control Plan.	-----	DGCTC, MDSP.
Strengthen the planning, management, and control of environmental quality	Development of incentives programs to promote environmentally beneficial technological change in mining and industry.	-----	DGCSA, MDSP.
	Development of environmental regulations for industry.	-----	DGCSA, MDSP VICI
	Institutionalization of environmental management in prefectures and municipalities	-----	DGCSA, MDSP, Municipal
	Design and implementation of programs for the participation of civil society in managing environmental quality	-----	DGCSA, MDSP.
Develop mechanisms and instruments for the appropriate management of biodiversity	Development of programs for the sustainable use of wild animal species.	-----	DGB, MDSP
	Fees charged in protected areas to benefit local communities.	-----	SERNAP, MDSP
	Consolidation of the National Protected Areas System (SNAP).	-----	SERNAP, MDSP
	Approval and implementation of the Biodiversity Strategy.	-----	DGB, MDSP
Promote the sustainable and equitable utilization of forest resources	Establishment of biological corridors and buffer zones.	-----	SERNAP, MDSP
	Development of programs for integration of forests, industries, and markets.	-----	DGDF, MDSP
	Promotion of sustainable forest management.	-----	DGDF, INRA, MDSP
	Approval and implementation of Forest Management Plans,	-----	DGDF, MDSP, Forestry

----- Actions that do not require regulatory instruments or already have regulations.

Structural Actions

INSTITUTIONALITY

STRATEGIC ACTION	2001	2002	2003 onward	Responsible Entity
(i) Law on Dialogue 2000	*Approve Law on Dialogue			
<i>Transfer of education and health services to municipal governments</i>	*Develop regulations to ensure transfer of education and health services. *Gradually transfer the administration of educational services and the related resources to municipal governments.	*Continue transfer (voluntary and by request) of educational services and begin transfer of health services.	*Finalize voluntary transfer and transfer by request. *Starting in 2004, begin mandatory transfer of education and health services.	Min. Fin. - Min. Education - Min. Health
<i>Relief resources</i>	*Open special Dialogue 2000 account and municipal accounts	*Publish report on flows twice yearly.		Min. Fin.
<i>Compensation Policy</i>	*Complete appointment of members of DUF and hiring of staff for the Funds on the basis of merit.	*DUF and Funds will be fully applying the Compensation Policy.		Single Board for Funds (DUF)
	*Establish indicative allocations by municipality.			DUF
	*Regulate procedure for recording transfers received by municipal governments separately from those channeled via the Social and Productive Investment Fund (FPS).			DUF
(ii) Institutional Strengthening	*Appoint Superintendent of the Civil Service and promulgate the Civil Service Personnel Law.	*Fully apply the Civil Service Personnel Law.		Min. Presidency
	*Institutionalize the National Roads Services (SNC).	*Make the National Roads Service (SNC) fully operational.		Min. Eco. Devt.
	*Appoint members of the board of the Tax Service (SNII) *Sign institutional reform agreement and replace staff in accordance with the Civil Service Personnel Law.	*Complete the institutional reform of the SNII and implement it.	*Apply the institutional reform to the tax collection process.	Min. Fin.

Structural Actions

STRATEGIC ACTION	2001	2002	2003 onward	Responsible Entity
<i>Social Control</i>	*Implement social control mechanisms (departmental and national) and provide access to public governance information.	*Implement control mechanisms, developing tasks in a framework of data transparency.	*Carry out evaluation tasks.	Vice-Presidency
(iii) Anti-corruption measures	*Prepare and sign agreement on institutional reform with the Judicial Branch.	*Begin implementation of the judicial career track.		Vice-Presidency
	*Implement New Regulation on the Administration of Goods and Services.			Min. Fin.
	*Approve Law on Administrative Procedure and Civil Procedures Code in Congress. *Present Law on Judicial Organization to Congress.	*Approve Law on Judicial Organization.		Min. Justice
	*Introduce Consolidated Management and Administrative Modernization System (SIGMA) in the central government and begin its implementation in prefectures.	*Begin implementing SIGMA in municipalities.	*Consolidate SIGMA throughout country.	Min. Fin.
	*Approve regulations for System of Sworn Asset Statements and take sworn statements from President, Vice President, Deputies, Senators, Ministers, Prefects and Mayors.	*Broaden coverage of sworn statements.	*Take statements from civil servants once a year in accordance with the regulation.	Auditor's Office - Min. Presidency

SUSTAINABILITY

STRATEGIC ACTION	2001	2002	2003 onward	Responsible Entity
(i) Improve collection systems and develop more equitable tax system	*Approve Tax Code.	*Apply the Tax Code and make it fully enforceable.		Min. Fin.
	*Prepare tax reform proposal aimed at creating a more equitable system.	*Present C31tax reform proposal to Congress.		Min. Fin.
(ii) Municipal Strengthening	*Implement Financial Adjustment Program in 5 municipalities.	*Continue Financial Adjustment Program.		Min. Fin.
(ii) Guarantee sustainability of poverty reduction investment	*Design mechanisms for financing recurrent expenditure with help of international cooperation and national funds.	*Create fund for recurrent expenditure and counterpart funds.		

Structural Actions

NEW RELATIONSHIP FRAMEWORK

STRATEGIC ACTION	2001	2002	2003 onward	Responsible Entity
(i) Targeted allocation of resources	*Review programs and projects in coordination with international cooperation and develop matrices for the reallocation of resources on the basis of the BPRS priorities.	*Approve new allocation of resources established in matrices and reflect this in the General Budget of the Nation (PGN).		Min. Fin.
(ii) Facilities for use of international cooperation resources	*Standardize procedures for procurement of goods and services, financial management, and auditing, together with multilateral and bilateral agencies.	*Full enforceability of new standards.		Min. Fin.

FOLLOW-UP AND ASSESSMENT

STRATEGIC ACTION	2001	2002	2003 onward	Responsible Entity
(i) Generation of data	*Carry out 2001 census and approve population data.	*Disseminate census results.		INE
		*Develop Municipal Data System.		INE
	*Begin preparation of Poverty Map.	*Approve poverty data.		UDAPE-INE
(ii) Follow-up and Assessment	*Define Follow-up and Assessment methodologies	*Carry out BPRS assessment and disseminate results.	*Disseminate BPRS assessment on ongoing basis.	UDAPE - INE
(iii) Institutional Strengthening		*Institutionalize the INE.		INE

Sectoral Actions

OPPORTUNITIES

Strategic Action	2001	2002	2003 Onward	Responsible Entity
(i) Promote Rural Development				
Expand and improve productive infrastructure	*Develop National Irrigation Plan.	*Begin implementation of Plan.		Min. Agric., Livestock & Rural Devt.
		*Manage resources for continuation of PRONER.		Min. Eco. Devt.
	*Implement PRONTER in rural communities by providing resources to rural telephone operators.			Min. Eco. Devt.
Strengthen access to and legal security of land ownership	*Obtain financing for land tenure regularization.	*Strengthen INRA.		Min. Sustainable Devt. - INRA
Diversify nonagricultural employment opportunities and increase income from remunerated employment	*Develop tourism centers in Tiwanaku, Inkallajta, Trinidad, Samaipata and Llica.	*Generate rural tourism options in coordination with municipalities and prefectures.		Min. Foreign Trade & Investment
	*Develop programs for artisanal and small industry in framework of policies in support of micro and small industry.	*Implement rural artisanal and small industry programs.	*Broaden program coverage.	Min. Labor
(ii) Develop micro and small enterprises				
Create competitive environment for development of micro and small enterprises	*Prepare draft Law on the Development of Micro and Small Enterprises.	*Approve draft law.		Min. Labor; Min. Eco. Devt.; Min. Fin.
Develop nonfinancial services market	*Promote operation of SAT as a "tier-two entity" through bidding of nonfinancial services to the private sector.			Min. Labor
Develop capacity of public and private organizations to support this sector	*Promote departmental coordinators of micro and small enterprises. *Generate alliances between government and organizations.			Min. Labor; Prefectures and Municipalities

Sectoral Actions

Strategic Action	2001	2002	2003 Onward	Responsible Entity
(iii) Develop microfinance companies				
Diversify and expand coverage of microfinance companies	*Channel flow of loan resources.	*Support measures to obtain financing resources for "tier-two entities."	Operational support will be given to financial institutions operating in rural municipalities.	FONDESIF Min Fin.; Min. Sustainable Devt.
Strengthen institutional and regulatory framework	*Manage approval of regulations for "Strengthening of Financial Intermediation System."	*FONDESIF will coordinate its work with mutual and cooperative institutions.		Min. Fin.; NAFIBO FONDESIF
Improve quality of products and services offered by microfinance companies	*Develop technologies for introduction of new financial services. *Support training and technical assistance programs.	*Begin process of dissemination of information on new financial services. *Develop and implement integrated IT systems for micro and small enterprises.	Pilot projects will be conducted with a view to developing financial products.	Min. Fin.; FONDESIF
(iv) Support technological assistance				
<i>Support implementation of technological research and innovation systems in urban and rural areas</i>	*Institutionally strengthen the Bolivian System for Innovation in Agricultural Technology (SIBTA).			Min. Agric. Livestock
	*Review proposed Technological Innovation Law.	*Present Technological Innovation Law to Congress.		Min. Agric. Livestock; Min. Educ.; Min. Eco. Devt.
(v) Construction of road infrastructure:				
Basic Network				
<i>Improve road infrastructure (more, better-quality roads)</i>	*Implement Law on Concessions.			Min. Eco. Devt.
	*Approve Land Transport Master Plan (PMTS) and implement PMTS Unit.	*Approve General Transport Law to regulate operation of road, rail, air and water transport.C39		Min. Eco. Devt.
	*Create Roads Fund to finance construction, maintenance and rehabilitation of Basic Road Network.			Min. Eco. Devt.

Sectoral Actions

CAPACITIES

Strategic Action	2001	2002	2003 Onward	Responsible Entity
(i) Improve quality of and access to health services				
<i>Guarantee efficient management of human resources</i>	*Prepare and approve DS for health career track. *Institutionalize and recategorize positions in three departments.	*Institutionalize and recategorize positions in six remaining departments.	*Redistribution of human resources.	Min. Health
<i>Expand Health Insurance System</i>	*Achieve consensus on Universal Insurance Law.	*Present Universal Insurance Law to Congress.	*Gradually implement Universal Insurance.	Min. Health
<i>Improve control of communicable diseases and strengthen epidemiological vigilance system</i>	*Implement epidemiological vigilance units at national, departmental and municipal levels.	*Organize, equip and put into operation the network of laboratories throughout the country.		Min. Health
<i>Improve nutritional health of population</i>	*Develop National Food and Nutrition Plan. *Review Fortified Foods Law.	*Implement National Food and Nutrition Plan. *Present Fortified Foods Law to Congress.	*Evaluation of Food Supplementation and nutrient monitoring system.	Min. Health
(ii) Improve quality of and access to education services				
<i>Transformation of curriculum</i>	*Develop curriculum proposal for reform of secondary education.	*Implement new secondary school curriculum in pilot project.	*Begin implementation of new secondary school curriculum.	Min. Education
<i>Transform system for training and management of teaching staff</i>		*Begin training teachers in new secondary school curriculum.		Min. Education
	*Implement program of incentives for primary school teachers.			Min. Education
<i>Promote decentralized education management and planning at municipal level with participation of society</i>	*Strengthen educational management of departmental and district SEDUCAs.	*Provide departmental and district SEDUCAS with training in educational management.		Min. Education
<i>Strengthen regulatory and supervisory capacity of oversight agency</i>	*Register private educational units so that MECyD can perform its oversight function with respect to private education.			Min. Education
(iii) Improve living conditions: basic sanitation and housing				
BASIC SANITATION				
<i>Institutional strengthening and regulations:</i>	*Develop and approve regulations for Law 2066 Changing Safe Drinking Water and Sewerage Services.	*Develop draft Solid Waste Law.	*Approve Solid Waste Law.	Min. Housing
HOUSING				
<i>Institutional strengthening and regulations:</i>	*Complete preparation of draft Law on Housing and Urban Development.	*Present Law on Housing and Urban Development to Congress.	*Approve Law on Housing and Urban Development.	Min. Housing
	*Institutionalize Register of Property Rights and Urban Property Registry.			Min. Housing - National Property Registry Service

Sectoral Actions

PROTECTION

Strategic Action	2001	2002	2003 Onward	Responsible Entity
(i) Increase security and protection				
<i>Improve comprehensive attention to childhood</i>	*Begin sustainability program and transition from PAN.			Min. Presidency
<i>Develop emergency programs</i>	*Prepare regulations for Law on Disasters. *Generate risk maps for each municipality.	*Implement regulations for Law on Disasters.		Min. Defense

PARTICIPATION

Strategic Action	2001	2002	2003 Onward	Responsible Entity
(i) Support and provide training for citizen participation and organization				
<i>Step up municipal strengthening</i>	*Establish Advisory Councils in 114 municipalities.	*Establish Advisory Councils in 200 municipalities.		Min. Sustainable Devt.

GENDER

(i) Promote gender equity				
<i>Promotion of policies and actions intended to improve opportunities for women</i>	Approve Three-Year Gender Equity Plan.			Min. Sustainable Devt.
<i>Generation of capacities and exercise of citizenship by women</i>	*Develop program to promote the recovery of traditional abilities of women.	*Implement program.		Min Sustainable Devt.; Min. Labor
	*Promote programs for women's access to and retention in education, literacy, and basic technical training and support for school access and retention programs.	*Implement programs.	*Assess programs to make adjustments.	Min Sustainable Devt; Min. Education
<i>Promotion of rights of women</i>	*Approve Gender Violence Prevention and Eradication Plan.	*Implement Gender Violence Prevention and Eradication Plan.	*Assess Plan to make adjustments.	Min Sustainable Devt; Min. Labor
	*Develop instruments to implement School Violence Prevention Program.	*Implement School Violence Prevention Program.		Min Sustainable Devt; Min. Education

Sectoral Actions

ENVIRONMENT

Strategic Action	2001	2002	2003 Onward	Responsible Entity
<i>Optimize use of water and land resources</i>	*Design National Water Resources Plan. *Develop Anti-Desertification Plan.	*Implement National Water Resources Plan. *Implement Anti-Desertification Plan.		Min Sustainable Devt.
<i>Improve environmental planning, management and control</i>	*Present first version of Environmental Action Plan and Regulations for Manufacturing and Industrial Sector Activities (RASIM).	*Complete development of Environmental Action Plan and Regulations for Manufacturing and Industrial Sector Activities. *Implement Institutional Network.	*Begin development of environmental regulations for the agricultural sector.	Min Sustainable Devt. VICI
<i>Develop mechanisms and instruments for adequate management of biodiversity</i>	*Present Biodiversity Law to Congress.	*Have Biodiversity Law approved in Congress.		Min Sustainable Devt.
		*Promote ethno-eco tourism programs in and outside Protected Areas.		Min Sustainable Devt. SERNAP Vice-Min. Tourism
	*Consolidation of National Protected Areas System (SERNAP). *Begin development of SERNAP Master Plan. *Prepare draft Law on Protected Areas.	*Present draft Law on Protected Areas to Congress. *Prepare draft regulations for SERNAP to grant concessions, licenses and authorizations for tourism activities in Protected Areas.	*Approve Law on Protected Areas. *Establish basis for Environmental Monitoring System in Protected Areas.	Min Sustainable Devt; SIRENARE; SERNAP
<i>Promote sustainable and equitable development of forest resources</i>	*Consolidate classification of Forestry Production Areas.	*Complete forestry use maps at the departmental level.		Min Sustainable Devt.

DEVELOPMENT WITH IDENTITY FOR INDIGENOUS AND FIRST PEOPLES

Strategic Action	2001	2002	2003 Onward	Responsible Entity
<i>Expand opportunities for economic participation</i>	*Establish 25 enterprises with cultural focus. *Develop comprehensive management plans for 6 TCOs. *Develop Law on Rural, Indigenous and First Peoples Development.	*Consolidate operation of 25 microenterprises with cultural focus and establish 95 new microenterprises. *Continue development of Comprehensive Management Plans for new TCOs. *Approve Law on Rural, Indigenous and First Peoples Development.	*Establish 120 microenterprises with cultural focus. *Continue development of Comprehensive Management Plans for new TCOs as INRA makes the land tenure and title regularization program easier to implement.	Min. Rural Affairs; Min. Labor; Min. Agriculture
<i>Facilitate access to social services</i>	*Establish database to identify access to and use of social services by indigenous and first peoples.	*Propose to appropriate ministries the use of differentiated intervention and prioritization of access to social services in rural communities and among indigenous and first peoples.	*Continue with prioritization of access to social services in rural communities and among indigenous and first peoples.	Min. Rural Affairs; Min. Education; Min. Health; Min. Housing
<i>Strengthen indigenous and first peoples groups</i>	*Continue development of Local Indigenous Management Project directed at strengthening management capacity in 3 pilot municipalities.	*Approve Supreme Decree institutionalizing the Legal Aid Service to Indigenous and First Peoples. *Establish 7 regional legal aid offices (Chuquisaca).	*Institutionalize the establishment of legal aid offices throughout the national territory.	Min. Rural Affairs

**Technical Report:
Financing of the Bolivian Poverty Reduction Strategy**

Estimation of Financing: Methodological Factors

Determination of the resources required to implement Bolivia's poverty reduction strategy for the period 2001–2006 is based on the public investment programs and projects now in implementation, associated with the strategic components and macroeconomic scenarios prepared by the Central Bank of Bolivia (BCB) and the Fiscal Programming Unit (UPF), as well as the objectives indicated in the strategy.

The programs and projects incorporated into the 2001 Public Investment Program (PIP) were considered, with information on the programmed amounts of domestic and external financing (grants and loans) classified and coded by strategic component and subcomponent. This breakdown, which constitutes the projection base, is useful in monitoring financial execution of projects included in Bolivia's poverty reduction strategy.

It was decided that this instrument should be used on the basis of the PIP, reflecting the information restrictions in calculating the unit cost¹ of the activities incorporated into the strategy. In this connection, while some additional requirements were included to reflect the objectives for certain sectors (road infrastructure, rural electrification, maintenance of local roads, and land tenure), and exercises were conducted on unit costs in other sectors such as health, education, drinking water, and basic sanitation using preliminary information,² there are plans to conduct a revision of all public investment programs and projects when Bolivia's poverty reduction strategy has been approved.

This exercise will be conducted jointly with the sectors involved (including DUF) and the international cooperation authorities, reflecting the criteria of efficiency and enhanced focus. This approach will give a dynamic feature to public investment allocation with annual adjustments to reflect the results of the performance assessment in light of the objectives proposed in the strategy.

New programs and projects will be adapted to the priorities defined in the strategy and should include a technical sheet indicating the contribution to poverty reduction.

The methodology described below uses information on public investment projections, external disbursements, grants, and debt relief, and makes it possible to allocate resources according to the strategic components and priorities defined with regard to opportunities,

¹ Even when available, this information only applies to selected national programs, as a substantial and increasing proportion of public investment will be carried out at the decentralized level. At this level, the municipalities and prefectures (probably with advisory services from DUF) should assess each project individually.

² Not included in Bolivia's poverty reduction strategy pending availability of sufficient information.

capacities, protection and security, social participation and integration, as well as topics with reference to institution building and transverse issues.

Further, the proposals for intersectoral reallocation of existing and additional resources are designed to shift the focus of domestic fiscal efforts and external resources to poverty reduction.

To estimate the proportion of domestic financing for public investment associated with the strategy, projected external disbursements (grants and loans) are deducted from total projected investment.

Investment figures are obtained from projected macroeconomic scenarios. As capital expenditure figures from the fiscal program, prepared by the Fiscal Programming Unit (UPF) are used, an adjustment is applied to reflect estimated investment registered under the PIP. When the historic trends are revised, a discrepancy of 3 percent between UPF and PIP data is estimated—in other words, a ceiling representing 97 percent of capital expenditure is used for fiscal flows.

As the investment data for 2001 correspond to the approved budget, they are considered to be final, while, in the distribution of external disbursements earmarked for public investment as from the 2002 fiscal year, the percentage structure by subcomponent is considered, and the absolute values from 2001 are maintained for the nonpriority subcomponents with increased shares for priority areas (representing approximately 79 percent of public investment resources for the period 2001–2006). This information is an approximation in connection with a focus exercise, and will be more accurate in light of the forthcoming detailed project and program review.

As information is taken from the Fiscal Programming Unit, an adjustment based on historical information is applied to estimate external grants and loans under the PIP using a proportion of 0.7 for loans and 0.5 for grants.

In addition, all strategic components of Bolivia's poverty reduction strategy (including institution building and transverse issues) account for an estimated 97 percent of the PIP, as they incorporate projects corresponding to substantially all sectors, with the exception of hydrocarbons, mining, and other.

The recurrent expenditure generated by the investments is estimated to obtain a more accurate estimate of the resources required to implement programs and projects incorporated into the strategy, reflecting resource sustainability. To that end, recurrent expenditure coefficients associated with the various sectors³ are applied to the remaining estimated total investment for the period, which yields a long-term cumulative amount.

³Based on the procedure proposed in the Public Expenditure Review for Bolivia, World Bank, 1999, Report N°19232-BO. This report uses coefficients to estimate current expenditure requirements by sector according to projections prepared on the basis of the public investment program.

Table 1
 Recurrent Expenditure Coefficients by Strategic Component and Subcomponent

Component/ Subcomponent	Recurrent Expenditure Coefficient
Component 1 Opportunities	
Subcomponent 1.1 rural development	0.15
1.1.1 Infrastructure	0.15
1.1.2 Production support	0.15
Subcomponent 1.2 microenterprise and microfinance	0.02
Subcomponent 1.3 technology assistance	0.02
Subcomponent 1.4 road infrastructure (SNC basic system)	0.03
Subcomponent 1.5 road infrastructure (departmental prefect. system)	0.03
Subcomponent 3.4 property rights	0.02
Component 2 capacities	
Subcomponent 2.1 education	0.22
2.1.1 Scholastic education (initial, primary, and secondary)	0.22
2.1.2 Alternative education	0.22
2.1.3 Technical education	0.22
2.1.4 Higher education	0.22
Subcomponent 2.2 health	0.25
2.2.1 Infrastructure	0.25
2.2.2 Epidemiological prevention and protection	0.25
Subcomponent 2.3 basic sanitation	0.25
2.3.1 Basic rural and fringe area sanitation	0.25
2.3.2 Basic urban sanitation	0.25
Subcomponent 2.4 housing	0.03
Component 3 protection and security	
Subcomponent 3.1 protection programs	0.03
Subcomponent 3.2 child care programs	0.22
Subcomponent 3.3 emergency care programs	0.03
Component 4 social participation	
Subcomponent 4.1 municipal enhancement and participation	0.15
5. transverse issues	
5.1 Gender and ethnic programs	0.02
5.2 Natural resource and environmental programs	0.02
6. Institution building	
6.1 Programs to support decentralization and institution building	0.02

Source: Based on information from Bolivia: Public Expenditure Review (PER), World Bank, 1999. Coefficients assume a linear depreciation pattern and 25-year useful life for projects.

This estimation of recurrent expenditure can be used to formulate an ideal matrix of requirements for adequate sustainability of investments, as only the proportion corresponding to historical growth in the current expenditure derived from investments is included in the cash flow of the nonfinancial public sector (SPNF). This exercise is

conducted to underscore the importance of incorporating sustainability analysis into investments that focus on poverty reduction.

It is assumed that the estimated recurrent resources could cover adequate operation and maintenance of investments reflecting sustainability criteria for sectoral programs and projects. Table 1 provides the recurrent expenditure coefficients considered for each strategic sector and component. It should be borne in mind that it is feasible to reduce recurrent expenditure components with modification of project depreciation. Recurrent expenditure tends to decrease when the depreciation rate is increased.⁴ Further, this involves referential coefficients that should be analyzed in greater detail in light of the features of the programs and projects incorporated into the PIP.

In addition, recurrent resources for a given amount of investment depend on all projects under way in each sector. There is evidence (Heller, 1979) that countries that emphasize investment in the sectors of health, education, and agricultural support required higher levels of expenditure than those that give priority only to physical infrastructure investment.

Although coefficients from the Public Expenditure Review (World Bank, 1999) were used for the component identified with (1), in the case of road infrastructure, an adjustment of 0.03 was used since maintenance and replacement are quantified as investment; while those indicated with (2) include projects having features similar to others having a coefficient (this is true for tourism, which is associated with infrastructure; nutrition, which is associated with health; and alternative development, rural development, and social participation programs, which are associated with multisector programs). Components identified with (3) incorporate programs and projects that inherently do not require high levels of recurrent expenditure, for which a conservative coefficient of 0.02 was used.

It is also assumed that approximately 50 percent of HIPC II relief resources will be earmarked for investment expenditure and the remaining 50 percent for municipal current expenditure, according to the priorities defined in the strategy. Further, to maintain coherence with the methodology used to estimate financing for strategy implementation, it is considered that investments generated with resources from debt relief will require recurrent expenditure for operation, maintenance, and replacements. This variable is believed to reflect the same expenditure coefficients as those used for available domestic and external resources.

The methodology makes it possible reach a number of objectives simultaneously, which include, *inter alia*:

1. Focusing resources on the priorities of Bolivia's poverty reduction strategy.
2. Estimating recurrent expenditure generated by the investments.

⁴ See PER, WB, 1999.

The estimates and projections that can be obtained by applying the methodology used inherently meet two fundamental criteria: (i) alignment of recurrent expenditure with the macroeconomic program, and particularly with cash flows of the nonfinancial public sector, such as external disbursements, capital expenditure and grants; and (ii) compatibility with the strategic priorities defined in Bolivia's poverty reduction strategy.

The second criterion is the reason for which the methodology developed is sufficiently flexible to allow the allocation of resources to be reconfigured and additional funds to be incorporated, for new or current projects. An essential feature is the allocation of new resources from external sources (loans, grants, and external debt relief) and from domestic sources to programs and projects with greater impacts on the four components of poverty reduction.

As further debt relief resources (HIPC II) will be available as from 2001, allocations must be made by strategy component, to supplement the mechanism for allocating resources among Bolivia's municipalities.

As discussed above, the funds earmarked for investment expenditure will generate further recurrent expenditure requirements, and this factor should be reflected in future management of nonfinancial public sector flows.⁵

Referential Unit Costs Associated with the Priorities Established in Bolivia's Poverty Reduction Strategy

To ensure that the goals and objectives indicated in the strategy are met, even more external and domestic resources than estimated in the macroeconomic scenarios will be required, and it will be essential to focus resources with greater precision on the priorities defined in the strategy, particularly to ensure a sustainable final impact.

In the present context, a substantial share of public investment is already decentralized and will be further decentralized with the resource distribution policy to be applied by the DUF and with the decision to distribute HIPC II resources to the municipalities. Current expenditure will also be implemented on a more decentralized basis with the decision (proposed in the Preliminary Draft Law of the National Dialogue 2000) to transfer resources to municipal governments, so that the latter may contract and manage—in the context of their jurisdictions and competence—teaching and administrative staff of the public education system; and medical, paramedical, and administrative staff for primary and secondary care centers in the public health system.

Accordingly, attainment of the objectives will be closely associated, in particular, with the decision of the departmental and local levels to earmark further resources to the defined

⁵ Bolivia's poverty reduction strategy proposes that this task should be carried out at the central, departmental, and municipal levels. In other words, when programs and projects have been revised, the recurrent expenditure that they require for sustainability of the investments should also be reflected in the budget.

priorities. The central level will be required to strengthen national programs included in the priorities of Bolivia's Poverty Reduction Strategy, and to develop incentives to promote allocation of regional and municipal resources aimed at poverty reduction.

Unit costs may only be used in national programs, as the exercise at the municipal level can be expected to entail substantial variability. Further, in the area of capacities, costs must be analyzed more precisely as the available information shows substantial discrepancies between sources.

In light of this restriction, in addition to estimated financing for implementation of Bolivia's poverty reduction strategy, unit cost estimates were made for preliminary calculation of the resources required to meet specific goals.

These results are referential as they reflect available information, which is insufficient to determine the precise costs of the priority actions under the strategy. More reliable and detailed data are required to reflect differences between municipalities. However, this exercise is useful as a base so that, first, unit cost calculations can be completed and refined; and second, so that they can be revised annually with a view to estimating the minimum resources required for the strategy to meet its established goals. As indicated in the report, this effort does not necessarily involve higher levels of public investment, as some of these investments can be covered by private enterprise.

Opportunities

This component reflects the following areas: road infrastructure, local roads, rural electrification, and land access and tenure.

Road infrastructure

Information from the Office of the Vice Minister of Transportation, Communication, and Civil Engineering (VTCAC) and the World Bank was used to incorporate further requirements to expand the basic system with paved roads. In accordance with sector planning, therefore, an estimated 3,371 kilometers of road in the basic system will be paved during the period 2001–2006, at a unit cost of US\$517,000 per kilometer. As a concession plan is in place with the private sector and in light of available resources for road construction, an estimated US\$691 million will be required for 2001–2006, representing an annual average of US\$115 million.

Local roads

A fundamental factor in rural productive development is to maintain and improve the local system, which is the responsibility of the municipal authorities. The poor quality of access roads, many of which are impassible in inclement weather, bids up costs and prevents agricultural products from reaching the market. Maintenance of access roads is a priority, in light of the challenge for Bolivia's economy to become integrated into a market economy.

Each municipality has an average of approximately 125 kilometers of local roads, for which annual routine maintenance costs approximately US\$1,000 per kilometer (US\$894 on the plateau and US\$1,209 on the plains). Accordingly, annual expenditure of US\$40 million is required for routine maintenance (IDB, 2000).

Major annual maintenance costs per kilometer of local road system are situated in the range of US\$14,200–24,300 on the plateau; US\$18,000–24,300 in the valleys; and US\$13,800–19,100 on the plains.

A substantial share of local roads requires major maintenance (which should normally be carried out every 5–10 years), although these needs may be kept to a minimum with regular routine maintenance. Priority for this major maintenance work will depend on the existence of productive projects (IDB, 2000).

Bolivia's poverty reduction strategy proposes the design and application of incentives for municipal governments to allocate more investment resources to local roads. Similarly, adherence to a regular routine maintenance schedule should be promoted to reduce periodic maintenance costs. Historically, during the period 1997–1999, the municipalities executed approximately US\$9.5 million in projects to maintain and improve local roads. If this proportion is maintained, a balance of US\$30 million will remain to be financed, of which an estimated 50 percent could be executed with private funds (fundamentally through rural microenterprises). Investment requirements for the period 2001–2005 are estimated at US\$110 million.

Rural electrification

Insufficient electricity service coverage in rural areas is a restriction to the development of high-return agricultural activities involving perishable goods that require cold storage and some post-harvest processing. This is true for dairy production in the valleys, fish production in the plateau lakes, and fruit and vegetable production in the valleys and plains. Electricity service is also an important factor in promoting non-agricultural activities in rural areas (both productive activities and service).

The present investment plans (National Rural Electrification Program, PRONER 1998-2002) end in 2002, and their coverage can only be expected to reach one third of rural households. According to PRONER estimates, the unit cost to connect a rural household to electricity service is US\$963, and this cost reflects various technical options (conversion of existing thermal plants, expansion of the existing system, construction of new hydroelectric plants, nonconventional energy sources, and other alternatives), which may be used in light of the features of each region (IDB, 2000). The strategy proposes to achieve a minimum of 40 percent coverage by 2006, which requires greater financing efforts as from 2003.

If we consider that a one percentage point increase in electricity coverage amounts to US\$4.5 million, and in light of the objectives proposed in Bolivia's poverty reduction strategy, during the period 2003–2006, approximately US\$53 million will be required to achieve the expected coverage levels. Assuming that, for the period 2001–2002, PRONER

resources (approximately US\$14 million) are available, it will be possible to reach the objectives established for that period.

PRONER projects require community contributions (labor and construction materials) of up to 10 percent of the total amount. Further, service rates depend on user payment capacity, although they must at least cover operation and replacement costs. This approach should enable program beneficiaries to cover some of the additional requirements.

Land tenure (land tenure reform)

According to information provided by the National Agrarian Reform Institute (INRA), the average cost per hectare of land subject to land tenure reform is approximately US\$1.2. Bolivia's poverty reduction strategy provides land tenure reform for 7.02 million hectares per year during the period 2001–2006. For the 2001 and 2002 fiscal years, financing is available to meet the proposed objectives. From 2003, however, additional financing of US\$8.4 million per year will be required to achieve the 54 million hectares to be subject to land tenure reform in accordance with the law.

These additional amounts may be obtained partially from collecting a land tenure reform tax from users of the service, subject to a feasibility and cost study.

Key results

With the application of the foregoing criteria, a funding requirement of US\$889 million is estimated for the period 2001–2006. Additional investments may be executed under a financing scheme consistent with the macroeconomic equilibria provided in the base scenario.

To that end, it is proposed to: (i) develop policies to enhance tax collection; (ii) generalize Bolivia's access to concessional credit;⁶ (iii) promote private sector participation in infrastructure construction and maintenance; and (iv) reorient programs and projects with lower impacts on poverty reduction toward the priorities defined in Bolivia's poverty reduction strategy.

⁶ This issue is discussed in detail in the main poverty reduction strategy paper for Bolivia (Chapter X, Macroeconomic Context).

Bolivia's Poverty Reduction Strategy
Public Expenditure Execution by Component-2000
(In thousands of current US\$)

Component/ Subcomponent	General Total	Total Dom. SRC	Total Ext. SRC
COMPONENT 1: OPPORTUNITIES	251,378.0	123,849.0	127,541.0
SUBCOMPONENT 1.1 RURAL DEVELOPMENT	94,451.0	62,590.0	31,874.0
1.1.1 INFRASTRUCTURE	63,696.0	47,082.0	16,628.0
1.1.2 PRODUCTION SUPPORT	30,755.0	15,508.0	15,246.0
SUBCOMPONENT 1.2 MICROENTERPRISE AND MICROFINANCE	3,240.0	863.0	2,377.0
SUBCOMPONENT 1.3 TECHNOLOGY ASSISTANCE	1,149.0	1,022.0	127.0
SUBCOMPONENT 1.4 ROAD INFRASTRUCTURE (BASIC SNC SYSTEM)	123,548.0	37,602.0	85,943.0
SUBCOMPONENT 1.5 ROAD INFRASTRUCTURE (DEPARTMENTAL PREFECT. SY	22,083.0	19,829.0	2,254.0
SUBCOMPONENT 1.6 LAND ACCESS AND TENURE	6,907.0	1,943.0	4,966.0
COMPONENT 2 CAPACITIES	248,170.0	140,744.0	107,402.0
SUBCOMPONENT 2.1 EDUCATION	68,627.0	32,175.0	
2.1.1 SCHOLASTIC EDUCATION (INITIAL, PRIMARY, AND SECONDARY)	66,026.0	31,745.0	34,277.0
2.1.2 ALTERNATIVE EDUCATION	2,162.0	331.0	1,832.0
2.1.3 TECHNICAL EDUCATION	288.0	60.0	228.0
2.1.4 HIGHER EDUCATION	151.0	39.0	112.0
SUBCOMPONENT 2.2 HEALTH	52,582.0	35,777.0	16,802.0
2.2.1 INFRASTRUCTURE	34,822.0	30,137.0	4,682.0
2.2.2 EPIDEMIOLOGICAL PREVENTION AND PROTECTION	17,760.0	5,640.0	12,120.0
SUBCOMPONENT 2.3 BASIC SANITATION	91,815.0	38,604.0	53,200.0
2.3.1 BASIC RURAL AND FRINGE AREA SANITATION	54,735.0	30,748.0	23,975.0
2.3.2 BASIC URBAN SANITATION	37,080.0	7,856.0	29,225.0
SUBCOMPONENT 2.4 HOUSING	35,146.0	34,188.0	951.0
COMPONENT 3: PROTECTION AND SECURITY	29,614.0	10,162.0	19,452.0
SUBCOMPONENT 3.1 PROTECTION PROGRAMS	7,098.0	2,195.0	4,905.0
SUBCOMPONENT 3.2 CHILD CARE PROGRAMS	13,225.0	4,792.0	8,435.0
SUBCOMPONENT 3.3 EMERGENCY CARE PROGRAMS	9,291.0	3,175.0	6,112.0
COMPONENT 4: SOCIAL PARTICIPATION	2,132.0	1,315.0	817.0
SUBCOMPONENT 4.1: MUNICIPAL ENHANCEMENT AND PARTICIPATION	2,132.0	1,315.0	817.0
5. TRANSVERSE ISSUES	17,062.0	7,984.0	9,076.0
5.1 GENDER AND ETHNIC PROGRAMS	2,636.0	1,449.0	1,187.0
5.2 NATURAL RESOURCE AND ENVIRONMENT PROGRAMS	14,426.0	6,535.0	7,889.0
6. INSTITUTION BUILDING	3,089.0	817.0	2,272.0
6.1 PROGRAMS TO SUPPORT DECENTRALIZATION AND INSTITUTION BUILDING	3,089.0	817.0	2,272.0
TOTAL, BOLIVIA'S POVERTY REDUCTION STRATEGY	551,445.0	284,871.0	266,560.0

Source: VIPFE information.

MEMORANDUM:

MULTISECTORAL	32,444.0	13,659.0	18,785.0
TOTAL PUBLIC INVESTMENT, NOT INCLUDING MUNICIPALITIES	489,504.0	214,429.0	275,075.0
MUNICIPALITIES	93,991.0	93,991.0	0.0
TOTAL PUBLIC INVESTMENT	583,495.0	308,420.0	275,075.0

BOLIVIA'S POVERTY REDUCTION STRATEGY INVESTMENT/GDP (PERCENT)	6.52
PUBLIC INVESTMENT/GDP (PERCENT)	6.90

Bolivia's Poverty Reduction Strategy
Public Investment Program and Estimated Recurrent Expenditure by Component, 2001
(In thousands of current US\$)

Component/ Subcomponent	General Total	Total Dom. SRC	Total Ext. SRC	R Exp. Coeff.	Total Rec. Exp.	Total Inv. & Rec.
COMPONENT 1: OPPORTUNITIES	286,555.0	146,502.0	140,053.0		18,762.5	305,317.5
SUBCOMPONENT 1.1 RURAL DEVELOPMENT	99,186.0	54,719.0	44,375.0	0.15	14,167.7	113,353.7
1.1.1 INFRASTRUCTURE	67,068.0	41,451.0	25,531.0	0.15	9,554.4	76,622.4
1.1.2 PRODUCTION SUPPORT	32,118.0	13,268.0	18,844.0	0.15	4,613.3	36,731.3
SUBCOMPONENT 1.2 MICROENTERPRISE AND MICROFINANCE	4,833.0	1,472.0	3,361.0	0.02	64.8	4,897.8
SUBCOMPONENT 1.3 TECHNOLOGY ASSISTANCE	7,281.0	4,028.0	3,251.0	0.02	23.0	7,304.0
SUBCOMPONENT 1.4 ROAD INFRASTRUCTURE (BASIC SNC SYSTEM)	120,717.0	42,593.0	78,124.0	0.03	3,706.4	124,423.4
SUBCOMPONENT 1.5 ROAD INFRASTRUCTURE (DEPT PREFECT. SYSTEM)	47,119.0	41,666.0	5,453.0	0.03	662.5	47,781.5
SUBCOMPONENT 1.6 LAND ACCESS AND TENURE	7,513.0	2,024.0	5,489.0	0.02	138.1	7,651.1
COMPONENT 2: CAPACITIES	258,759.0	138,753.0	120,006.0		52,251.6	311,010.6
SUBCOMPONENT 2.1 EDUCATION	86,769.0	30,733.0		0.22	15,097.9	101,866.9
2.1.1 SCHOLASTIC EDUCATION (INITIAL, PRIMARY, AND SECONDARY)	80,489.0	29,231.0	51,379.0	0.22	14,525.7	95,014.7
2.1.2 ALTERNATIVE EDUCATION	2,171.0	401.0	1,770.0	0.22	475.6	2,646.6
2.1.3 TECHNICAL EDUCATION	3,029.0	218.0	2,811.0	0.22	63.4	3,092.4
2.1.4 HIGHER EDUCATION	1,080.0	883.0	197.0	0.22	33.2	1,113.2
SUBCOMPONENT 2.2 HEALTH	55,992.0	32,941.0	23,054.0	0.25	13,145.5	69,137.5
2.2.1 INFRASTRUCTURE	37,140.0	27,650.0	9,495.0	0.25	8,705.5	45,845.5
2.2.2 EPIDEMIOLOGICAL PREVENTION AND PROTECTION	18,852.0	5,291.0	13,559.0	0.25	4,440.0	23,292.0
SUBCOMPONENT 2.3 BASIC SANITATION	66,712.0	34,637.0	32,071.0	0.25	22,953.8	89,665.8
2.3.1 BASIC RURAL AND FRINGE AREA SANITATION	27,033.0	18,476.0	8,555.0	0.25	13,683.8	40,716.8
2.3.2 BASIC URBAN SANITATION	39,679.0	16,161.0	23,516.0	0.25	9,270.0	48,949.0
SUBCOMPONENT 2.4: HOUSING	49,167.0	40,442.0	8,724.0	0.03	1,054.4	50,221.4
COMPONENT 3: PROTECTION AND SECURITY	30,761.0	12,362.0	18,399.0		3,401.2	34,162.2
SUBCOMPONENT 3.1 PROTECTION PROGRAMS	8,029.0	2,653.0	5,376.0	0.03	212.9	8,241.9
SUBCOMPONENT 3.2 CHILD CARE PROGRAMS	15,625.0	4,636.0	10,988.0	0.22	2,909.5	18,534.5
SUBCOMPONENT 3.3 EMERGENCY CARE PROGRAMS	7,108.0	5,073.0	2,035.0	0.03	278.7	7,386.7
COMPONENT 4 SOCIAL PARTICIPATION	1,699.0	1,109.0	590.0		319.8	2,018.8
SUBCOMPONENT 4.1 MUNICIPAL ENHANCEMENT AND PARTICIPATION	1,699.0	1,109.0	590.0	0.15	319.8	2,018.8
5. TRANSVERSE ISSUES	23,124.0	8,398.0	14,726.0		341.2	23,465.2
5.1 GENDER AND ETHNIC PROGRAMS	3,008.0	913.0	2,093.0	0.02	52.7	3,060.7
5.2 NATURAL RESOURCE AND ENVIRONMENT PROGRAMS	20,114.0	7,485.0	12,633.0	0.02	288.5	20,402.5
6. INSTITUTION BUILDING	10,759.0	1,532.0	9,226.9		61.8	10,820.7
6.1 PROGRAMS TO SUPPORT DECENTR. AND INST. BUILDING	10,759.0	1,532.0	9,226.9	0.02	61.8	10,820.7
TOTAL, BPRS (NOT INCLUDING HIPC II)	611,657.0	308,656.0	303,000.9		75,138.1	686,795.0

MEMORANDUM: (1) The 2001 PGN reflects HIPC II resources such as income (current grants) and transfers to municipalities.

MULTISECTORAL	48,896.0	15,015.0	33,881.0			
TOTAL PUBLIC INVESTMENT NOT INCLUDING MUNICIPALITIES	543,072.0	231,022.0	312,050.0			
MUNICIPALITIES	90,200.0	90,200.0	0.0			
TOTAL PUBLIC INVESTMENT (NOT INCLUDING HIPC II) (1)	633,272.0	321,222.0	312,050.0			
Source: Based on information from VIPFE, UPF, BCB, and WB.						
REC, HIPC II 2001 (thousands of US\$)	36,581.0					
MUNICIPAL GOV INVESTMENT (50 PERCENT) (thousands of US\$)	18,290.5					
CURRENT EXPENDITURE (50 PERCENT) (thousands of US\$)	18,290.5					
AVERAGE RECURRENT EXPENDITURE COEFFICIENT	0.14					
CURR EXP GEN BY HIPC II REC INV (thousands of US\$) (Including HIPC II)	0.0					
TOTAL CURRENT EXPENDITURE, HIPC II (thousands of US\$)	18,290.5					
TOTAL EXT FIN CURRENT EXPENDITURE, INSTITUTIONAL SOURCES	30,412.3					
TOTAL INVESTMENT, BPRS (thousands of US\$) (Including HIPC II)	629,947.5					
TOTAL PUBLIC INVESTMENT (thousands of US\$) (Including HIPC II)	651,562.5					
TOTAL, BPRS & INS SUP, EXT SRC (thousands of US\$) (Incl HIPC II)	TOTAL					
BPRS INVESTMENT/GDP (percent)	7.27					
PUBLIC INVESTMENT/GDP (percent)	7.52					

Bolivia's Poverty Reduction Strategy
Estimated Public Investment and Recurrent Expenditure by Component, 2002
(In thousands of current US\$)

Component/ Subcomponent	General Total	Total Dom. SRC	Total Ext. SRC	R Exp. Coeff.	Total Rec. Exp.	Total Inv. & Rec.
COMPONENT 1: OPPORTUNITIES	288,549.4	146,556.0	141,820.3		39,068.9	327,618.3
SUBCOMPONENT 1.1 RURAL DEVELOPMENT	99,860.6	54,739.8	44,948.3	0.15	29,046.2	128,906.8
1.1.1 INFRASTRUCTURE	67,524.2	41,466.7	25,860.8	0.15	19,615.0	87,139.2
1.1.2 PRODUCTION SUPPORT	32,336.5	13,273.0	19,087.4	0.15	9,431.2	41,767.6
SUBCOMPONENT 1.2 MICROENTERPRISE AND MICROFINANCE	4,865.9	1,472.6	3,404.4	0.02	161.5	5,027.3
SUBCOMPONENT 1.3 TECHNOLOGY ASSISTANCE	7,281.3	4,028.0	3,251.0	0.02	168.6	7,449.9
SUBCOMPONENT 1.4 ROAD INFRASTRUCTURE (BASIC SNC SYSTEM)	121,538.1	42,609.2	79,133.3	0.03	7,328.1	128,866.2
SUBCOMPONENT 1.5 ROAD INFRASTRUCTURE (DEPT PREFECT. SYSTEM)	47,439.5	41,681.8	5,523.4	0.03	2,076.1	49,515.6
SUBCOMPONENT 1.6 LAND ACCESS AND TENURE	7,564.1	2,024.8	5,559.9	0.02	288.4	7,852.5
COMPONENT 2: CAPACITIES	259,791.3	138,783.8	121,137.3		103,493.9	363,285.3
SUBCOMPONENT 2.1 EDUCATION	87,351.9	30,744.3	56,879.9	0.22	34,187.9	121,539.8
2.1.1 SCHOLASTIC EDUCATION (INITIAL, PRIMARY, AND SECONDARY)	81,036.5	29,242.1	52,042.8	0.22	32,234.1	113,270.5
2.1.2 ALTERNATIVE EDUCATION	2,185.8	401.2	1,792.9	0.22	953.3	3,139.0
2.1.3 TECHNICAL EDUCATION	3,049.6	218.1	2,847.3	0.22	729.8	3,779.4
2.1.4 HIGHER EDUCATION	1,080.0	883.0	197.0	0.22	270.8	1,350.9
SUBCOMPONENT 2.2 HEALTH	56,372.8	32,953.5	23,351.8	0.25	27,144.1	83,516.9
2.2.1 INFRASTRUCTURE	37,392.6	27,660.5	9,617.7	0.25	17,990.9	55,383.5
2.2.2 EPIDEMIOLOGICAL PREVENTION AND PROTECTION	18,980.2	5,293.0	13,734.2	0.25	9,153.2	28,133.4
SUBCOMPONENT 2.3 BASIC SANITATION	66,897.6	34,644.0	32,181.5	0.25	39,632.5	106,530.0
2.3.1 BASIC RURAL AND FRINGE AREA SANITATION	27,216.9	18,483.0	8,665.5	0.25	20,442.3	47,659.2
2.3.2 BASIC URBAN SANITATION	39,680.7	16,161.0	23,516.0	0.25	19,190.2	58,870.9
SUBCOMPONENT 2.4 HOUSING	49,169.1	40,442.0	8,724.0	0.03	2,529.5	51,698.5
COMPONENT 3 PROTECTION AND SECURITY	30,868.9	12,363.8	18,541.0		7,292.9	38,161.9
SUBCOMPONENT 3.1 PROTECTION PROGRAMS	8,029.3	2,653.0	5,376.0	0.03	453.8	8,483.2
SUBCOMPONENT 3.2 CHILD CARE PROGRAMS	15,731.3	4,637.8	11,130.0	0.22	6,347.1	22,078.4
SUBCOMPONENT 3.3 EMERGENCY CARE PROGRAMS	7,108.3	5,073.0	2,035.0	0.03	492.0	7,600.3
COMPONENT 4 SOCIAL PARTICIPATION	1,699.1	1,109.0	590.0		574.7	2,273.7
SUBCOMPONENT 4.1 MUNICIPAL ENHANCEMENT AND PARTICIPATION	1,699.1	1,109.0	590.0	0.15	574.7	2,273.7
5. TRANSVERSE ISSUES	23,143.3	8,398.3	14,753.0		803.7	23,947.0
5.1 GENDER AND ETHNIC PROGRAMS	3,028.5	913.3	2,120.0	0.02	112.9	3,141.3
5.2 NATURAL RESOURCE AND ENVIRONMENT PROGRAMS	20,114.9	7,485.0	12,633.0	0.02	690.8	20,805.7
6. INSTITUTION BUILDING	10,759.4	1,532.0	9,226.9		277.0	11,036.4
6.1 PROGRAMS TO SUPPORT DECENT AND INST BUILDING	10,759.4	1,532.0	9,226.9	0.02	277.0	11,036.4
TOTAL BPRS (NOT INCLUDING HIPC II)	614,811.5	308,743.0	306,068.5		141,488.4	756,299.9

Source: Based on information from VIPFE, UPF, BCB, and WB.

TOTAL PUBLIC INVESTMENT (NOT INCLUDING HIPC II)	621,021.7
REC, HIPC II 2002 (thousands of US\$)	79,580.0
MUN GOV INV (50 percent) (thousands of US\$)	39,790.0
CURRENT EXPENDITURE (50 percent) (thousands of US\$)	39,790.0
AVERAGE RECURRENT EXPENDITURE COEFFICIENT	0.14
CURR EXP GENERATED BY REC INV, HIPC II (thousands of US\$)	2,499.7
TOTAL CURRENT EXPENDITURE, HIPC II (thousands of US\$)	42,289.7
TOTAL CURRENT EXPENDITURE, EXT FIN, INSTITUTIONAL SOURCES	30,412.3
TOTAL INVESTMENT, BPRS (thousands of US\$) (Including HIPC II)	654,601.5
TOTAL PUBLIC INVESTMENT (thousands of US\$) (Including HIPC II)	660,811.7
TOTAL BPRS & EXT FIN, INST SUP (thousands of US\$) (Incl. HIPC II)	868,791.9
BPRS INVESTMENT/GDP (percent)	7.27
PUBLIC INVESTMENT/GDP (percent)	7.34

Bolivia's Poverty Reduction Strategy
Estimated Public Investment and Recurrent Expenditure by Component, 2003
(In thousands of current US\$)

Component/ Subcomponent	General Total	Total Dom. SRC	Total Ext. SRC	R Exp. Coeff.	Total Rec. Exp.	Total Inv. & Rec.
COMPONENT 1 OPPORTUNITIES	291,126.3	147,845.9	143,104.6		59,511.5	350,637.9
SUBCOMPONENT 1.1 RURAL DEVELOPMENT	100,775.5	55,235.1	45,364.9	0.15	44,025.3	144,800.8
1.1.1 INFRASTRUCTURE	68,142.8	41,842.0	26,100.5	0.15	29,743.7	97,886.5
1.1.2 PRODUCTION SUPPORT	32,632.7	13,393.1	19,264.3	0.15	14,281.6	46,914.3
SUBCOMPONENT 1.2 MICROENTERPRISE AND MICROFINANCE	4,910.5	1,485.9	3,436.0	0.02	258.8	5,169.2
SUBCOMPONENT 1.3 TECHNOLOGY ASSISTANCE	7,281.3	4,028.0	3,251.0	0.02	314.2	7,595.5
SUBCOMPONENT 1.4 ROAD INFRASTRUCTURE (BASIC SNC SYSTEM)	122,651.6	42,994.8	79,866.7	0.03	10,974.2	133,625.8
SUBCOMPONENT 1.5 ROAD INFRASTRUCTURE (DEPT PREFECT SYSTEM)	47,874.1	42,059.0	5,574.6	0.03	3,499.3	51,373.4
SUBCOMPONENT 1.6 LAND TENURE AND ACCESS	7,633.4	2,043.1	5,611.4	0.02	439.7	8,073.1
COMPONENT 2 CAPACITIES	261,347.6	139,519.5	121,959.4		155,004.0	416,351.6
SUBCOMPONENT 2.1 EDUCATION	88,142.3	31,014.6	57,405.3	0.22	53,405.3	141,547.6
2.1.1 SCHOLASTIC EDUCATION (INITIAL, PRIMARY, AND SECONDARY)	81,778.9	29,506.7	52,525.1	0.22	50,062.1	131,841.0
2.1.2 ALTERNATIVE EDUCATION	2,205.8	404.8	1,809.5	0.22	1,434.1	3,639.9
2.1.3 TECHNICAL EDUCATION	3,077.5	220.1	2,873.7	0.22	1,400.7	4,478.2
2.1.4 HIGHER EDUCATION	1,080.0	883.0	197.0	0.22	508.4	1,588.5
SUBCOMPONENT 2.2 HEALTH	56,889.3	33,251.7	23,568.3	0.25	41,237.3	98,126.6
2.2.1 INFRASTRUCTURE	37,735.2	27,910.8	9,706.8	0.25	27,339.0	65,074.2
2.2.2 EPIDEMIOLOGICAL PREVENTION AND PROTECTION	19,154.1	5,340.9	13,861.5	0.25	13,898.3	33,052.4
SUBCOMPONENT 2.3 BASIC SANITATION	67,146.9	34,811.3	32,261.8	0.25	56,356.8	123,503.8
2.3.1 BASIC RURAL AND FRINGE AREA SANITATION	27,466.2	18,650.3	8,745.8	0.25	27,246.5	54,712.7
2.3.2 BASIC URBAN SANITATION	39,680.7	16,161.0	23,516.0	0.25	29,110.3	68,791.0
SUBCOMPONENT 2.4 HOUSING	49,169.1	40,442.0	8,724.0	0.03	4,004.5	53,173.6
COMPONENT 3 PROTECTION AND SECURITY	31,013.0	12,405.7	18,644.1		11,208.0	42,221.0
SUBCOMPONENT 3.1 PROTECTION PROGRAMS	8,029.3	2,653.0	5,376.0	0.03	694.7	8,724.0
SUBCOMPONENT 3.2 CHILD CARE PROGRAMS	15,875.4	4,679.7	11,233.1	0.22	9,808.0	25,683.4
SUBCOMPONENT 3.3 EMERGENCY CARE PROGRAMS	7,108.3	5,073.0	2,035.0	0.03	705.2	7,813.5
COMPONENT 4 SOCIAL PARTICIPATION	1,699.1	1,109.0	590.0		829.5	2,528.6
SUBCOMPONENT 4.1 MUNICIPAL ENHANCEMENT AND PARTICIPATION	1,699.1	1,109.0	590.0	0.15	829.5	2,528.6
5. TRANSVERSE ISSUES	23,171.1	8,406.6	14,772.7		1,266.6	24,437.6
5.1 GENDER AND ETHNIC PROGRAMS	3,056.2	921.6	2,139.7	0.02	173.5	3,229.7
5.2 NATURAL RESOURCE AND ENVIRONMENT PROGRAMS	20,114.9	7,485.0	12,633.0	0.02	1,093.1	21,208.0
6. INSTITUTION BUILDING	10,759.4	1,532.0	9,226.9		492.2	11,251.6
6.1 PROGRAMS TO SUPPORT DECENT AND INST BUILDING	10,759.4	1,532.0	9,226.9	0.02	492.2	11,251.6
TOTAL BPRS (NOT INCLUDING HIPC II)	619,116.5	310,818.8	308,297.7		228,311.7	847,428.2

Source: Based on information from VIPFE, UPF, BCB, and WB.

TOTAL PUBLIC INVESTMENT (NOT INCLUDING HIPC II)	640,907.4
REC, HIPC II 2003 (thousands of US\$)	78,120.0
MUN GOV INV (50 percent) (thousands of US\$)	39,060.0
CURRENT EXPENDITURE (50 percent) (thousands of US\$)	39,060.0
AVERAGE RECURRENT EXPENDITURE COEFFICIENT	0.14
RECURR EXP GEN BY HIPC II REC INV (thousands of US\$)	7,937.7
TOTAL CURRENT EXPENDITURE, HIPC II (thousands of US\$)	46,997.7
TOTAL CURRENT EXPENDITURE, EXT FIN, INST SOURCES	30,412.3
TOTAL BPRS INVESTMENT (thousands of US\$) (Including HIPC II)	658,176.5
TOTAL PUBLIC INVESTMENT (thousands of US\$) (Including HIPC II)	679,967.4
TOTAL BPRS, EXT FIN, INST SUP (thousands of US\$) (Incl.HIPC II)	963,898.2
BPRS INVESTMENT/GDP (percent)	6.91
PUBLIC INVESTMENT/GDP (percent)	7.14

Bolivia's Poverty Reduction Strategy
Estimated Public Investment and Recurrent Expenditure by Component, 2004
(In thousands of current US\$)

Component/ Subcomponent	General Total	Total Dom. SRC	Total Ext. SRC	R Exp. Coeff.	Total Rec. Exp.	Total Inv. & Rec.
COMPONENT 1 OPPORTUNITIES	333,587.4	180,599.6	153,603.7		80,140.1	413,727.5
SUBCOMPONENT 1.1 RURAL DEVELOPMENT	115,850.7	67,814.6	48,770.5	0.15	59,141.6	174,992.3
1.1.1 INFRASTRUCTURE	78,336.4	51,371.3	28,059.9	0.15	39,965.1	118,301.5
1.1.2 PRODUCTION SUPPORT	37,514.3	16,443.4	20,710.6	0.15	19,176.5	56,690.8
SUBCOMPONENT 1.2 MICROENTERPRISE AND MICROFINANCE	5,645.0	1,824.3	3,693.9	0.02	357.0	6,002.0
SUBCOMPONENT 1.3 TECHNOLOGY ASSISTANCE	7,281.3	4,028.0	3,251.0	0.02	459.9	7,741.2
SUBCOMPONENT 1.4 ROAD INFRASTRUCTURE (BASIC SNC SYSTEM)	140,999.3	52,786.6	85,862.5	0.03	14,653.8	155,653.1
SUBCOMPONENT 1.5 ROAD INFRASTRUCTURE (DEPT PREFECT SYSTEM)	55,035.7	51,637.7	5,993.1	0.03	4,935.5	59,971.2
SUBCOMPONENT 1.6 LAND ACCESS AND TENURE	8,775.3	2,508.4	6,032.7	0.02	592.4	9,367.7
COMPONENT 2 CAPACITIES	286,990.3	158,202.2	128,680.0		206,879.4	493,869.8
SUBCOMPONENT 2.1 EDUCATION	101,166.1	37,876.9	61,700.0	0.22	72,796.6	173,962.7
2.1.1 SCHOLASTIC EDUCATION (INITIAL, PRIMARY, AND SECONDARY)	94,012.4	36,226.7	56,468.3	0.22	68,053.4	162,065.8
2.1.2 ALTERNATIVE EDUCATION	2,535.8	497.0	1,945.3	0.22	1,919.4	4,455.2
2.1.3 TECHNICAL EDUCATION	3,537.9	270.2	3,089.4	0.22	2,077.7	5,615.7
2.1.4 HIGHER EDUCATION	1,080.0	883.0	197.0	0.22	746.1	1,826.1
SUBCOMPONENT 2.2 HEALTH	65,399.5	40,824.6	25,337.6	0.25	55,459.6	120,859.1
2.2.1 INFRASTRUCTURE	43,380.1	34,267.3	10,435.5	0.25	36,772.8	80,152.9
2.2.2 EPIDEMIOLOGICAL PREVENTION AND PROTECTION	22,019.4	6,557.3	14,902.1	0.25	18,686.8	40,706.2
SUBCOMPONENT 2.3 BASIC SANITATION	71,255.6	39,058.8	32,918.4	0.25	73,143.6	144,399.2
2.3.1 BASIC RURAL AND FRINGE AREA SANITATION	31,575.0	22,897.8	9,402.4	0.25	34,113.1	65,688.0
2.3.2 BASIC URBAN SANITATION	39,680.7	16,161.0	23,516.0	0.25	39,030.5	78,711.2
SUBCOMPONENT 2.4 HOUSING	49,169.1	40,442.0	8,724.0	0.03	5,479.6	54,648.7
COMPONENT 3 PROTECTION AND SECURITY	33,387.9	13,471.5	19,487.4		15,154.7	48,542.6
SUBCOMPONENT 3.1 PROTECTION PROGRAMS	8,029.3	2,653.0	5,376.0	0.03	935.6	8,964.9
SUBCOMPONENT 3.2 CHILD CARE PROGRAMS	18,250.2	5,745.5	12,076.4	0.22	13,300.6	31,550.9
SUBCOMPONENT 3.3 EMERGENCY CARE PROGRAMS	7,108.3	5,073.0	2,035.0	0.03	918.5	8,026.8
COMPONENT 4 SOCIAL PARTICIPATION	1,699.1	1,109.0	590.0		1,084.4	2,783.5
SUBCOMPONENT 4.1 MUNICIPAL ENHANCEMENT AND PARTICIPATION	1,699.1	1,109.0	590.0	0.15	1,084.4	2,783.5
5. TRANSVERSE ISSUES	23,628.2	8,616.5	14,933.3		1,730.0	25,358.2
5.1 GENDER AND ETHNIC PROGRAMS	3,513.4	1,131.5	2,300.3	0.02	234.6	3,748.0
5.2 NATURAL RESOURCE AND ENVIRONMENT PROGRAMS	20,114.9	7,485.0	12,633.0	0.02	1,495.4	21,610.3
6. INSTITUTION BUILDING	10,759.4	1,532.0	9,226.9		707.3	11,466.8
6.1 PROGRAMS TO SUPPORT DECENT AND INSTITUTION BUILDING	10,759.4	1,532.0	9,226.9	0.02	707.3	11,466.8
TOTAL BPRS (NOT INCLUDING HIPC II)	690,052.3	363,530.9	326,521.4	0.00	305,696.0	995,748.2

Source: Based on information from VIPFE, UPF, BCB, and WB.

TOTAL PUBLIC INVESTMENT (NOT INCLUDING HIPC II)	714,339.8
REC, HIPC II 2004 (thousands of US\$)	78,820.0
MUN GOV INV (50 percent) (thousands of US\$)	39,410.0
CURRENT EXPENDITURE (50 percent) (thousands of US\$)	39,410.0
AVERAGE RECURRENT EXPENDITURE COEFFICIENT	0.14
CURR EXP GEN BY REC INV, HIPC II (thousands of US\$)	13,275.9
TOTAL CURRENT EXPENDITURE, HIPC II (thousands of US\$)	52,685.9
TOTAL CURRENT EXPENDITURE, EXT FIN, INST SOURCES	30,412.3
TOTAL BRPS INVESTMENT (thousands of US\$) (Including HIPC II)	729,462.3
TOTAL PUBLIC INVESTMENT (thousands of US\$) (Including HIPC II)	753,749.8
TOTAL BPRS & EXT SRC, INST SUP (thousands of US\$) (Incl.HIPC II)	1,118,256.4
BPRS INVESTMENT/GDP (percent)	7.23
PUBLIC INVESTMENT/GDP (percent)	7.47

Bolivia's Poverty Reduction Strategy
Estimated Public Investment and Recurrent Expenditure by Component, 2005
(In thousands of current US\$)

COMPONENT/ SUBCOMPONENT	TOTAL GENERAL	DOM FIN TOTAL	EXT SRC TOTAL	R E COEFF	TOTAL REC EXP	TOTAL INV. Y REC.
COMPONENT 1 OPPORTUNITIES	380,694.0	235,947.4	147,625.3		103,832.8	484,526.9
SUBCOMPONENT 1.1 RURAL DEVELOPMENT	132,575.4	89,071.7	46,831.3	0.15	76,519.2	209,094.6
1.1.1 INFRASTRUCTURE	89,645.4	67,474.0	26,944.2	0.15	51,715.5	141,360.9
1.1.2 PRODUCTION SUPPORT	42,930.0	21,597.7	19,887.1	0.15	24,803.7	67,733.7
SUBCOMPONENT 1.2 MICROENTERPRISE AND MICROFINANCE	6,460.0	2,396.1	3,547.0	0.02	469.9	6,929.8
SUBCOMPONENT 1.3 TECHNOLOGY ASSISTANCE	7,281.3	4,028.0	3,251.0	0.02	605.5	7,886.8
SUBCOMPONENT 1.4 ROAD INFRASTRUCTURE (BASIC SNC SYSTEM)	161,354.4	69,332.9	82,448.4	0.03	18,883.8	180,238.2
SUBCOMPONENT 1.5 ROAD INFRASTRUCTURE (DEPT PREFECT SYSTEM)	62,980.8	67,824.0	5,754.8	0.03	6,586.6	69,567.4
SUBCOMPONENT 1.6 LAND ACCESS AND TENURE	10,042.1	3,294.7	5,792.8	0.02	767.9	10,810.0
COMPONENT 2 CAPACITIES	315,438.7	189,772.5	124,853.2		264,774.8	580,213.5
SUBCOMPONENT 2.1 EDUCATION	115,614.9	49,472.9	59,254.5	0.22	95,053.2	210,668.0
2.1.1 SCHOLASTIC EDUCATION (INITIAL, PRIMARY, AND SECONDARY)	107,584.3	47,582.3	54,223.0	0.22	88,736.1	196,320.5
2.1.2 ALTERNATIVE EDUCATION	2,901.8	652.7	1,868.0	0.22	2,477.3	5,379.1
2.1.3 TECHNICAL EDUCATION	4,048.7	354.9	2,966.6	0.22	2,856.1	6,904.7
2.1.4 HIGHER EDUCATION	1,080.0	883.0	197.0	0.22	983.7	2,063.7
SUBCOMPONENT 2.2 HEALTH	74,840.8	53,621.4	24,330.1	0.25	71,809.5	146,650.3
2.2.1 INFRASTRUCTURE	49,642.6	45,008.7	10,020.6	0.25	47,617.9	97,260.4
2.2.2 EPIDEMIOLOGICAL PREVENTION AND PROTECTION	25,198.2	8,612.7	14,309.5	0.25	24,191.6	49,389.9
SUBCOMPONENT 2.3 BASIC SANITATION	75,813.9	46,236.3	32,544.5	0.25	90,957.5	166,771.4
2.3.1 BASIC RURAL AND FRINGE AREA SANITATION	36,133.2	30,075.3	9,028.5	0.25	42,006.8	78,140.0
2.3.2 BASIC URBAN SANITATION	39,680.7	16,161.0	23,516.0	0.25	48,950.7	88,631.4
SUBCOMPONENT 2.4 HOUSING	49,169.1	40,442.0	8,724.0	0.03	6,954.7	56,123.8
COMPONENT 3 PROTECTION AND SECURITY	36,022.5	15,272.5	19,007.2		19,623.9	55,646.4
SUBCOMPONENT 3.1 PROTECTION PROGRAMS	8,029.3	2,653.0	5,376.0	0.03	1,176.5	9,205.8
SUBCOMPONENT 3.2 CHILD CARE PROGRAMS	20,884.9	7,546.5	11,596.2	0.22	17,315.7	38,200.6
SUBCOMPONENT 3.3 EMERGENCY CARE PROGRAMS	7,108.3	5,073.0	2,035.0	0.03	1,131.7	8,240.0
COMPONENT 4 SOCIAL PARTICIPATION	1,699.0	1,109.0	590.0		1,339.2	3,038.2
SUBCOMPONENT 4.1 MUNICIPAL ENHANCEMENT AND PARTICIPATION	1,699.0	1,109.0	590.0	0.15	1,339.2	3,038.2
5. TRANSVERSE ISSUES	24,135.4	8,971.2	14,841.9		2,202.6	26,338.0
5.1 GENDER AND ETHNIC PROGRAMS	4,020.6	1,486.2	2,208.9	0.02	304.8	4,325.4
5.2 NATURAL RESOURCE AND ENVIRONMENT PROGRAMS	20,114.9	7,485.0	12,633.0	0.02	1,897.7	22,012.6
6. INSTITUTION BUILDING	10,759.4	1,532.0	9,226.9		922.5	11,681.9
6.1 PROGRAMS TO SUPPORT DECENT AND INSTITUTION BUILDING	10,759.4	1,532.0	9,226.9	0.02	922.5	11,681.9
TOTAL BPRS (NOT INCLUDING HIPC II)	768,749.1	452,604.6	316,144.5	0.00	392,695.8	1,161,444.9

Source: Based on information from VIPFE, UPF, BCB and WB.

TOTAL PUBLIC INVESTMENT (NOT INCLUDING HIPC II)	795,806.5
HIPC II 2005 REC (thousands of US\$)	76,500.0
MUN GOV INV (50 percent) (thousands of US\$)	38,250.0
CURRENT EXPENDITURE (50 percent) (thousands of US\$)	38,250.0
AVERAGE RECURRENT EXPENDITURE COEFFICIENT	0.14
CURR EXP GENERATED BY REC INV, HIPC II (thousands of US\$)	18,661.9
TOTAL CURRENT EXPENDITURE, HIPC II (thousands of US\$)	56,911.9
TOTAL CURRENT EXPENDITURE, EXT FIN, INST SRC	30,412.3
TOTAL INVESTMENT, BPRS (thousands of US\$) (Including HIPC II)	806,999.1
TOTAL PUBLIC INVESTMENT (thousands of US\$) (Including HIPC II)	834,056.5
TOTAL BPRS & EXT FIN, INST SUPPORT (thousands of US\$) (Incl.HIPC II)	1,287,019.1
BPRS INVESTMENT/GDP (percent)	7.49
PUBLIC INVESTMENT/GDP (percent)	7.74

Bolivia's Poverty Reduction Strategy
 Estimated Public Investment and Recurrent Expenditure by Component, 2006
 (In thousands of current dollars)

COMPONENT/ SUBCOMPONENT	GENERAL TOTAL	TOTAL DOM SRC	TOTAL EXT SRC	R E COEFF	TOTAL REC EXP	TOTAL INV. & REC.
COMPONENT 1 OPPORTUNITIES	426,216.7	286,778.6	144,310.1		130,924.9	557,141.6
SUBCOMPONENT 1.1 RURAL DEVELOPMENT	148,737.6	108,594.1	45,755.9	0.15	96,405.5	245,143.1
1.1.1 INFRASTRUCTURE	100,574.0	82,262.7	26,325.5	0.15	65,162.3	165,736.4
1.1.2 PRODUCTION SUPPORT	48,163.6	26,331.4	19,430.4	0.15	31,243.2	79,406.8
SUBCOMPONENT 1.2 MICROENTERPRISE AND MICROFINANCE	7,247.5	2,921.3	3,465.6	0.02	599.1	7,846.6
SUBCOMPONENT 1.3 TECHNOLOGY ASSISTANCE	7,281.3	4,028.0	3,251.0	0.02	751.1	8,032.4
SUBCOMPONENT 1.4 ROAD INFRASTRUCTURE (BASIC SNC SYSTEM)	181,025.1	84,529.1	80,555.1	0.03	23,724.4	204,749.5
SUBCOMPONENT 1.5 ROAD INFRASTRUCTURE (DEPT PREFECT SYSTEM)	70,658.8	82,689.4	5,622.7	0.03	8,476.0	79,134.9
SUBCOMPONENT 1.6 LAND ACCESS AND TENURE	11,266.4	4,016.8	5,659.8	0.02	968.7	12,235.1
COMPONENT 2 CAPACITIES	342,930.4	218,766.6	122,731.0		329,348.9	672,279.3
SUBCOMPONENT 2.1 EDUCATION	129,577.8	60,122.6	57,898.4	0.22	120,488.4	250,066.2
2.1.1 SCHOLASTIC EDUCATION (INITIAL, PRIMARY, AND SECONDARY)	120,699.9	58,011.2	52,977.8	0.22	112,404.7	233,104.6
2.1.2 ALTERNATIVE EDUCATION	3,255.6	795.8	1,825.1	0.22	3,115.7	6,371.3
2.1.3 TECHNICAL EDUCATION	4,542.2	432.6	2,898.5	0.22	3,746.8	8,289.0
2.1.4 HIGHER EDUCATION	1,080.0	883.0	197.0	0.22	1,221.3	2,301.3
SUBCOMPONENT 2.2 HEALTH	83,964.6	65,374.0	23,771.4	0.25	90,519.7	174,484.3
2.2.1 INFRASTRUCTURE	55,694.5	54,873.6	9,790.5	0.25	60,028.5	115,723.0
2.2.2 EPIDEMIOLOGICAL PREVENTION AND PROTECTION	28,270.1	10,500.4	13,980.9	0.25	30,491.2	58,761.3
SUBCOMPONENT 2.3 BASIC SANITATION	80,218.9	52,828.0	32,337.2	0.25	109,911.0	190,129.9
2.3.1 BASIC RURAL AND FRINGE AREA SANITATION	40,538.2	36,667.0	8,821.2	0.25	51,040.1	91,578.3
2.3.2 BASIC URBAN SANITATION	39,680.7	16,161.0	23,516.0	0.25	58,870.9	98,551.5
SUBCOMPONENT 2.4 HOUSING	49,169.1	40,442.0	8,724.0	0.03	8,429.7	57,598.8
COMPONENT 3 PROTECTION AND SECURITY	38,568.6	16,926.5	18,740.9		24,672.7	63,241.3
SUBCOMPONENT 3.1 PROTECTION PROGRAMS	8,029.3	2,653.0	5,376.0	0.03	1,417.3	9,446.7
SUBCOMPONENT 3.2 CHILD CARE PROGRAMS	23,431.0	9,200.5	11,329.9	0.22	21,910.3	45,341.3
SUBCOMPONENT 3.3 EMERGENCY CARE PROGRAMS	7,108.3	5,073.0	2,035.0	0.03	1,345.0	8,453.3
COMPONENT 4 SOCIAL PARTICIPATION	1,699.0	1,109.0	590.0		1,594.1	3,293.1
SUBCOMPONENT 4.1 MUNICIPAL ENHANCEMENT AND PARTICIPATION	1,699.0	1,109.0	590.0	0.15	1,594.1	3,293.1
5. TRANSVERSE ISSUES	24,625.6	9,296.9	14,791.1		2,685.3	27,310.9
5.1 GENDER AND ETHNIC PROGRAMS	4,510.7	1,811.9	2,158.1	0.02	385.3	4,896.0
5.2 NATURAL RESOURCE AND ENVIRONMENT PROGRAMS	20,114.9	7,485.0	12,633.0	0.02	2,300.0	22,414.9
6. INSTITUTION BUILDING	10,759.4	1,532.0	9,226.9		1,137.7	11,897.1
6.1 PROGRAMS TO SUPPORT DECENTR. AND INSTITUTION BUILDING	10,759.4	1,532.0	9,226.9	0.02	1,137.7	11,897.1
TOTAL BPRS (NOT INCLUDING HIPC II)	844,799.8	534,409.7	310,390.1		490,363.4	1,335,163.2

Source Based on information from VIPFE, UPF, BCB, and WB.

TOTAL PUBLIC INVESTMENT (NOT INCLUDING HIPC II)	874,533.9
REC, HIPC II 2006 (thousands of US\$)	78,520.0
MUN GOV INV (50 percent) (thousands of US\$)	39,260.0
CURRENT EXPENDITURE (50 percent) (thousands of US\$)	39,260.0
AVERAGE RECURRENT EXPENDITURE COEFFICIENT	0.14
CURR EXP GENERATED BY HIPC II REC INV (thousands of US\$)	23,889.4
TOTAL RECURRENT EXPENDITURE, HIPC II (thousands of US\$)	63,149.4
TOTAL RECURRENT EXPENDITURE, EXT FIN, INST SOURCES	30,412.3
TOTAL EBRP INVESTMENT (thousands of US\$) (Including HIPC II)	884,059.8
TOTAL PUBLIC INVESTMENT (thousands of US\$) (Including HIPC II)	913,793.9
TOTAL BPRS & EXT F, INST SUP (thousands of US\$) (Incl.HIPC II)	1,467,984.9
BPRS INVESTMENT/GDP (percent)	7.65
PUBLIC INVESTMENT/GDP (percent)	7.91

Bolivia's Poverty Reduction Strategy
Estimated Public Expenditure and Recurrent Expenditure by Component, 2001-2006
(In thousands of current US\$)

COMPONENT/ SUBCOMPONENT	GENERAL TOTAL	TOTAL DOM SRC	TOTAL EXT SRC	R E COEFF	TOTAL REC EXP	TOTAL INV. & REC.
COMPONENT 1 OPPORTUNITIES	2,006,728.9	1,144,229.5	870,517.1		432,240.7	2,438,969.6
SUBCOMPONENT 1.1 RURAL DEVELOPMENT	696,990.1	430,174.3	276,045.8	0.15	319,305.4	1,016,295.5
1.1.1 INFRASTRUCTURE	471,293.6	325,867.7	158,822.0	0.15	215,756.0	687,049.7
1.1.2 PRODUCTION SUPPORT	225,696.4	104,306.6	117,223.8	0.15	103,549.4	329,245.8
SUBCOMPONENT 1.2 MICROENTERPRISE AND MICROFINANCE	33,962.0	11,572.2	20,907.9	0.02	1,911.0	35,873.0
SUBCOMPONENT 1.3 TECHNOLOGY ASSISTANCE	43,687.9	24,168.0	19,506.0	0.02	2,322.3	46,010.1
SUBCOMPONENT 1.4 ROAD INFRASTRUCTURE (BASIC SNC SYSTEM)	848,290.6	334,845.5	485,989.9	0.03	79,270.8	927,561.3
SUBCOMPONENT 1.5 ROAD INFRASTRUCTURE (DEPT PREFECT SYSTEM)	331,110.0	327,557.9	33,921.8	0.03	26,236.1	357,346.1
SUBCOMPONENT 1.6 LAND ACCESS AND TENURE	52,794.6	15,911.7	34,145.7	0.02	3,195.2	55,989.8
COMPONENT 2 CAPACITIES	1,725,257.3	983,797.8	739,366.9		1,111,752.7	2,837,010.0
SUBCOMPONENT 2.1 EDUCATION	608,625.6	239,964.2	349,295.2	0.22	391,029.5	999,655.0
2.1.1 SCHOLASTIC EDUCATION (INITIAL, PRIMARY, AND SECONDARY)	565,604.4	229,800.0	319,615.9	0.22	366,016.1	931,620.5
2.1.2 ALTERNATIVE EDUCATION	15,255.8	3,152.5	11,010.7	0.22	10,375.5	25,631.3
2.1.3 TECHNICAL EDUCATION	21,285.1	1,713.8	17,486.5	0.22	10,874.4	32,159.5
2.1.4 HIGHER EDUCATION	6,480.3	5,298.0	1,182.0	0.22	3,763.5	10,243.7
SUBCOMPONENT 2.2 HEALTH	393,461.5	258,966.2	143,413.2	0.25	299,315.7	692,777.2
2.2.1 INFRASTRUCTURE	260,986.5	217,370.9	59,066.0	0.25	198,454.7	459,441.2
2.2.2 EPIDEMIOLOGICAL PREVENTION AND PROTECTION	132,474.9	41,595.3	84,347.2	0.25	100,861.1	233,336.0
SUBCOMPONENT 2.3 BASIC SANITATION	428,047.7	242,215.4	194,314.5	0.25	392,955.1	821,002.8
2.3.1 BASIC RURAL AND FRINGE AREA SANITATION	189,963.6	145,249.4	53,218.5	0.25	188,532.5	378,496.1
2.3.2 BASIC URBAN SANITATION	238,084.1	96,966.0	141,096.0	0.25	204,422.6	442,506.7
SUBCOMPONENT 2.4 HOUSING	295,014.5	242,652.0	52,344.0	0.03	28,452.4	323,466.9
COMPONENT 3 PROTECTION AND SECURITY	200,624.3	82,802.0	112,819.6		81,353.3	281,977.6
SUBCOMPONENT 3.1 PROTECTION PROGRAMS	48,176.0	15,918.0	32,256.0	0.03	4,890.8	53,066.9
SUBCOMPONENT 3.2 CHILD CARE PROGRAMS	109,798.5	36,446.0	68,353.6	0.22	71,591.3	181,389.8
SUBCOMPONENT 3.3 EMERGENCY CARE PROGRAMS	42,649.8	30,438.0	12,210.0	0.03	4,871.1	47,520.9
COMPONENT 4 SOCIAL PARTICIPATION	10,194.2	6,654.0	3,540.0		5,741.7	15,935.9
SUBCOMPONENT 4.1 MUNICIPAL ENHANCEMENT AND PARTICIPATION	10,194.3	6,654.0	3,540.0	0.15	5,741.7	15,936.0
5. TRANSVERSE ISSUES	141,826.7	52,087.6	88,818.0		9,029.3	150,856.0
5.1 GENDER AND ETHNIC PROGRAMS	21,137.5	7,177.6	13,020.0	0.02	1,263.7	22,401.2
5.2 NATURAL RESOURCE AND ENVIRONMENT PROGRAMS	120,689.1	44,910.0	75,798.0	0.02	7,765.6	128,454.7
6. INSTITUTION BUILDING	64,556.5	9,192.3	55,361.5		3,598.5	68,155.0
6.1 PROGRAMS TO SUPPORT DECENTR. AND INST. BUILDING	64,556.5	9,192.3	55,361.5	0.02	3,598.5	68,155.0
TOTAL BPRS (NOT INCLUDING HIPC II)	4,149,186.1	2,278,763.1	1,870,423.0		1,643,716.2	5,792,902.3

Source: Based on information from VIPFE, UPF, BCB, and BM.

TOTAL PUBLIC INVESTMENT (NOT INCLUDING HIPC II)	4,279,881.4
REC, HIPC II 2001 - 2006 (thousands of US\$)	428,121.0
MUN GOV INV (50 percent) (thousands of US\$)	214,060.5
CURRENT EXPENDITURE (50 percent) (thousands of US\$)	214,060.5
AVERAGE RECURRENT EXPENDITURE COEFFICIENT	0.14
CURR EXP GEN BY REC INV, HIPC II (thousands of US\$)	66,264.5
TOTAL CURRENT EXPENDITURE, HIPC II (thousands of US\$)	280,325.0
TOTAL CURRENT EXPENDITURE, EXT FINAN, INST SRC	182,473.8
TOTAL INVESTMENT, BPRS (thousands of US\$) (Including HIPC II)	4,363,210.9
TOTAL PUBLIC INVESTMENT (thousands of US\$) (Including HIPC II)	4,493,941.9
TOTAL BPRS & EXT SUP, INST SRC (thousands of US\$) (Incl.HIPC II)	6,469,725.8

Bolivia's Poverty Reduction Strategy: Estimated Annual Disbursements
of External Financing Related to Technical Cooperation and Institution
Building (not Associated with Public Investment (1))
(In thousands of current US\$)

Item	Ext. Fin.
Performance-based public management	16,769.2
Decentralized public management	2,743.3
Access to justice	1,920.6
Modernization of criminal justice	474.9
Modernization of the Pub. Ministry and Nat. Police Force	343.9
Modernization of administration of justice	149.0
Other	8,011.3
Total	30,412.3

Source: Based on VIPFE information

(1) Expected annual expenditure disbursements for the period 2001 - 2006. Includes balance pending disbursement of external financing and other resources that may be negotiated during subsequent years.

Bolivia's Poverty Reduction Strategy
 Financing of Public Investment Associated with Strategic Components
 (In thousands of current US\$)

ITEM	2001	2002	2003	2004	2005	2006	2001 - 2006
Public investment, BPRS	629,947.5	654,601.5	658,176.5	729,462.3	806,999.1	884,059.8	4,363,246.6
Domestic financing	308,656.0	308,743.0	310,818.8	363,530.9	452,604.6	534,409.7	2,278,763.1
External financing	321,291.4	345,858.5	347,357.7	365,931.4	354,394.5	349,650.1	2,084,483.5
of which:							
Disbursements and grants (1)	303,000.9	306,068.5	308,297.7	326,521.4	316,144.5	310,390.1	1,870,423.0
HIPC II debt relief	18,290.5	39,790.0	39,060.0	39,410.0	38,250.0	39,260.0	214,060.5

(1) Includes HIPC I relief.

Source: Based on information from VIPFE, UPF, and BCB.

Bolivia's Poverty Reduction Strategy
 Financing of Public Investment Associated with Strategic Components
 (As a percentage of GDP)

ITEM	2001	2002	2003	2004	2005	2006
Public investment, BPRS	7.27	7.27	6.91	7.23	7.49	7.65
Domestic financing	3.56	3.43	3.26	3.60	4.20	4.62
External financing	3.71	3.84	3.65	3.63	3.29	3.03
of which:						
Disbursements and grants (1)	3.50	3.40	3.24	3.24	2.93	2.69
HIPC II relief	0.21	0.44	0.41	0.39	0.35	0.34

(1) Includes HIPC I relief.

Source: based on information from VIPFE, UPF, and BCB.

Bolivia's Poverty Reduction Strategy
 Estimated Additional Requirements for Selected Priority Areas
 2001-2006
 (In thousands of current US\$)

Component/Sector	2001		
	Total Add. Req.	Investment	Recurrent Expenditure
Opportunities			
Road infrastructure	109,900.0	106,700.0	3,200.0
Local roads	18,400.0	18,400.0	0.0
Rural electrification	0.0	0.0	0.0
Land tenure reform	0.0	0.0	0.0
Total BPRS Priorities	128,300.0	125,100.0	3,200.0

Source: Based on sectoral, PER, WB, and IDB 2000 information.

Add. Req./GDP (percent) 1.48

Component/Sector	2002		
	Total Add. Req.	Investment	Recurrent Expenditure
Opportunities			
Road infrastructure	109,900.0	106,700.0	3,200.0
Local roads	18,400.0	18,400.0	0.0
Rural electrification	0.0	0.0	0.0
Land tenure reform	0.0	0.0	0.0
TOTAL BPRS PRIORITIES	128,300.0	125,100.0	3,200.0

Source: Based on sectoral, PER, WB, and IDB 2000 information.

Add. Req./GDP (percent) 1.43

Component/Sector	2003		
	Total Add. Req.	Investment	Recurrent Expenditure
Opportunities			
Road infrastructure	113,100.0	106,700.0	6,400.0
Local roads	18,400.0	18,400.0	0.0
Rural electrification	6,500.0	6,500.0	0.0
Land tenure reform	8,400.0	8,400.0	0.0
TOTAL BPRS PRIORITIES	146,400.0	140,000.0	6,400.0

Source: Based on sectoral, PER, WB, and IDB 2000 information.

Add. Req./GDP (percent) 1.54

Component/Sector	2004		
	Total Add. Req.	Investment	Recurrent Expenditure
Opportunities			
Road infrastructure	116,300.0	106,700.0	9,600.0
Local roads	18,400.0	18,400.0	0.0
Rural electrification	9,600.0	8,600.0	1,000.0
Land tenure reform	8,400.0	8,400.0	0.0
TOTAL BPRS PRIORITIES	152,700.0	142,100.0	10,600.0

Source: Based on sectoral, PER, WB, and IDB 2000 information.

Add. Req. /GDP (percent) 1.51

Bolivia's Poverty Reduction Strategy
 Estimated Additional Requirements for Selected Priority Areas
 2001 - 2006
 (In thousands of current US\$)

Component/Sector	2005		
	Total Add. Req.	Investment	Recurrent Expenditure
Opportunities			
Road infrastructure	119,500.0	106,700.0	12,800.0
Local roads	18,400.0	18,400.0	0.0
Rural electrification	19,600.0	17,300.0	2,300.0
Land tenure reform	8,400.0	8,400.0	0.0
TOTAL BPRS PRIORITIES	165,900.0	150,800.0	15,100.0

Source: Based on Sectoral, PER, WB, and IDB 2000 information.

Add. req./GDP (percent) 1.54

Component/Sector	2006		
	Total Add. Req.	Investment	Recurrent Expenditure
Opportunities			
Road infrastructure	122,700.0	106,700.0	16,000.0
Local roads	18,400.0	18,400.0	0.0
Rural electrification	17,900.0	13,000.0	4,900.0
Land tenure reform	8,400.0	8,400.0	0.0
TOTAL BPRS PRIORITIES	167,400.0	146,500.0	20,900.0

Source: Based on Sectoral, PER, WB, and IDB 2000 information.

Add. Req./GDP (percent) 1.45

Component/Sector	2007		
	Total Add. Req.	Investment	Recurrent Expenditure
Opportunities			
Road infrastructure	691,400.0	640,200.0	51,200.0
Local roads	110,400.0	110,400.0	0.0
Rural electrification	53,600.0	45,400.0	8,200.0
Land tenure reform	33,600.0	33,600.0	0.0
TOTAL BPRS PRIORITIES	889,000.0	829,600.0	59,400.0

Source: Based on sectoral, PER, WB, and IDB 2000 information.

Determining Factors with Respect to Intermediate Targets

In the paragraphs that follow, the determining factors with respect to intermediate targets, including plans, programs, projects, and external factors that may have a bearing on the attainment of those targets, are described for each component of the strategy. The same is then done in regard to gender and the environment.

A. Objective 1: Expanding Employment and Income Opportunities

Rural development

Growth rate of the index of the volume of output of nonindustrial agricultural products

This indicator is represented by a growth index for the volume of nonindustrial agricultural output, measured in monetary terms. According to projections, a growth rate of 5.22 will be achieved by 2006. The wide fluctuations of this indicator reflect the highly variable climate that characterizes Bolivia's Andean region. The nonindustrial output of 25 agricultural products is taken into account in producing the estimate.

In estimating the volume of agricultural production, two factors are taken into account: (i) the increase in the land area cultivated, and (ii) the yields of the agricultural products being considered. Thus, the index encompasses the effects on the scale of production that result from the expansion of the land area used for productive purposes, and the effect of greater productivity in the utilization of the factors of production (land, labor, and technology).

Projections in regard to the land area under cultivation for the period from 2001 to 2006 take three factors into account: (i) the extent of farmland used for production; (ii) the trend observed over the past 10 years towards more intensive use of farmland; and (iii) the introduction of appropriate soil use and management techniques.

Projections in regard to agricultural production yields for the period from 2001 to 2006 are based on four factors: (i) historical trends in the increase of yields; (ii) cyclical climate fluctuations; (iii) the expected effects of introducing the technology package of the Ministry of Agriculture and Rural Development (MAGDR); and (iv) the fact that, under Bolivia's poverty reduction strategy, priority has been assigned to investment in rural development.

In making the estimates required to produce these projections, account was also taken of the positive effects of the implementation and operation of the new system for technological innovation (SIBTA), the increased productivity of the land as a result of the PRONAR's

microirrigation programs, and in general the increased investment in rural development to be made by the MAGDR and the priority assigned under Bolivia's poverty reduction strategy.

Area of cultivated farmland under irrigation

The growth in the area of cultivated farmland under irrigation will reflect improved use of water resources for irrigation through the improvement and construction of irrigation systems. It is expected that by 2006 there will be 304,327 hectares of irrigated farmland.

The targets set in regard to this indicator are based on PRONAR's plans for the construction and maintenance of irrigation infrastructure. In making the estimates used to determine these targets, four factors were taken into account: (i) historical trends in the increase in cultivated land area under irrigation during the past 15 years; (ii) cyclical trends in climate fluctuations, and their effect on the expansion of the cultivated land area under irrigation; (iii) the investment planned by PRONAR over the next 10 years; and (iv) the strategic priority assigned to investment in microirrigation under Bolivia's poverty reduction strategy.

Implementation of a technological innovation system

The new information and technological innovation system (SIBTA) is to be implemented this year.

Supply of rural credit

It is essential that conditions be established to broaden access to financing in rural areas. The indicator considered here is the percentage of financial resources in microfinancing institutions' portfolios destined for rural areas.

Targets are established in regard to this indicator on the basis of the increase in production activities in rural areas, which will increase the demand for credit. It is estimated that, on average, demand for rural credit will increase by 16.5 percent per year above the trend, so that by 2006 rural credit will account for 45 percent of the institutions' overall portfolio.

Fulfillment of this target will depend not only on the supply of credit but also on the progress made with respect to development strategies in production infrastructure, technology transfer, and the provision of basic services that will generate profitable economic activity.

Rural electrification coverage

The rural electrification coverage indicator measures the proportion of households that have electricity as a percentage of the total number of rural households. The rural electrification targets that have been set are related directly to the volume of investment available for this

purpose. PRONER is an umbrella program that encompasses a large number of rural electrification projects. For the period from 1998 to 2001, a total of 214 projects have been considered nationwide, representing a volume of investment of approximately US\$57 million. The additional investment for one more year, to 2002, will be approximately US\$8 million, covering an additional 20,000 households.

The extent to which the rural electrification targets can be met is directly dependent on the volume of investment allocated to this program. Considering that public investment is essential for bringing rural electrification programs to fruition, maintaining PRONER's priority for receiving funding is critical.

Highway infrastructure

Proportion of the basic highway system for which concessions have been granted

This indicator is calculated as the number of kilometers of the basic highway system that are administered by the private sector as a percentage of the total number of kilometers making up the system. With this indicator, the concessions granted to the private sector for administering particular highways, for which certain construction and maintenance requirements must be met, can be measured.

Thus far, the highways that will be the subject of a call for tenders leading to the granting of a concession pursuant to the General Act respecting Concessions for Public Transportation Works [*Ley General de Concesiones de Obras Públicas de Transporte*] (Law 1874 of June 22, 1998) have been identified. The targets that have been set represent the percentage of highways that will be subject to the granting of concessions according to the plan, as to both the total number of kilometers and the concession timetable.

There are three factors that could have an effect on the fulfillment of the targets that have been set: (i) delays in organizing the calls for tenders for the sections of highway for which concessions are to be granted; (ii) changes in the selection of highways to be covered by the calls for tenders; and (iii) situations in which a call for tenders has no successful bidder.

Number of weigh stations

This indicator consists of a tally of the number of weigh stations along the country's basic highway system, and is used to give an idea of the control being exercised in keeping the country's main highways from deteriorating faster than they should.

The number of weigh stations to be established depends primarily on the equipment to be used (i.e., the weigh scales). The targets have been established on the assumption that external disbursements will permit the necessary equipment to be purchased, and on the basis

of the concessions to be granted. Hence, it is expected that the number of weigh stations will be increased from 15 at present to 25 in 2006.

Proportion of the basic highway system that is paved

This indicator measures the number of kilometers of highways having a paved surface as a percentage of the total number of kilometers making up the basic highway system. This gives an idea of the proportion of the country's highways whose traffic is sufficient to warrant a high level of investment. It is also to be expected that an "expensive" highway will be well maintained. The proportion of the country's basic highway system having a paved surface is expected to increase from 36 percent at present to 73 percent by 2006.

The targets in regard to this indicator have been established taking into account the progress in this regard made in recent years, the granting of concessions, and the objectives for integration corridors. Failure to meet the targets set could result from a reduction in the volume of lending to the country to finance highway construction or failure to award the planned number of concessions.

Budget performance of the National Highways Service

The budget performance of the National Highways Service [*Servicio Nacional de Caminos*] (SNC) is an indicator that measures the degree to which the resources allocated to the SNC in Bolivia's national budget are utilized. The SNC channels the resources assigned to it for highway construction and maintenance through private-sector firms that carry out the work; and so this indicator makes it possible to determine the extent to which the resources allocated by the National Treasury to the construction and maintenance of the basic highway system are in fact used. It is expected that the budget performance ratio will rise from 70 percent in 2000 to at least 86 percent in 2006.

The targets were set on the basis of the SNC's average budget performance over 10 years, and assume that budget performance will improve thanks to the institutional strengthening of the SNC, which will make it possible for the SNC to make more efficient use of the funds allocated to it.

Although it is expected that the SNC will become more efficient as a result of the institutional strengthening process that it is to undergo, it is not possible to determine what repercussions that process will have on the SNC's ability to execute its budget with a reasonable level of certainty, and so the targets that have been set represent the essential minimum improvement expected in this regard.

Highway Fund

Whether or not this indicator should be included is currently being evaluated. The Highway Fund will be used to finance maintenance work (both routine and periodic), and the rehabilitation of the highways making up the basic highway system; but how the Highway Fund is to be constituted and the extent of its funding will depend on National Treasury commitments.

Microfinance

Municipal districts having access to financial services

Progress in regard to credit will be measured by the percentage of municipal districts with a population of more than 5,000 having access to credit. A municipal district is considered to have access to financial services if it has a bank, bank branch, mutual savings institution, cooperative, or financial NGO physically present within its boundaries.

The targets that have been set are based on the expansion that FONDESIF is planning to promote, and the resources available. By 2006, it is planned that some 183 municipal districts will be covered (i.e., 85 percent of the 215 municipal districts in categories B, C, and D). Meeting the target will depend on the availability of the necessary resources to promote the expansion of these financial services and the economic activity brought about as a result.

B. Objective 2: Developing Production Capacities

Education

Number of education centers in rural areas

This indicator reflects the extent to which the Bolivian school system is capable of making primary education available. Plans call for the percentage of education centers¹ offering complete primary education to be increased in rural areas from 80.8 percent in 2000 to 95 percent in 2006.

¹ An education center is a group of education units that together constitute a network of complementary education services, the objective being to make optimum use of the human, material, and financial resources of the public education sector and to improve internally each of the units of which the center is composed.

To make these advances as planned assumes that there will be more teachers available for the additional classes to be offered, that more pedagogical advisers will be hired to guide the process of change in the schools, and that there will be major progress in building and equipping new schools and classrooms. Achieving these goals will require additional economic resources to be allocated to the education sector.

School spending as a proportion of total education spending

One of the priorities of Bolivia's poverty reduction strategy is primary education. Accordingly, the importance ascribed within the education sector to schools will also be measured using the indicator of school spending reckoned as a proportion of total education spending.

The objective of this spending indicator is to ensure that there is a better distribution within the education sector and that greater internal efficiency is achieved, and accordingly that priority is given to directing education resources to the schools. It is expected that school spending as a proportion of total education spending will increase from 72 percent in 2000 to 77 percent in 2006.

Among the main factors that may be cited as possibly influencing this indicator, and perhaps hampering the fulfillment of the targets in this respect are a lack of economic resources or liquidity on the part of the National Treasury, or a limited allocation of resources to the education sector by the Ministry of Finance, or an inappropriate setting of priorities within the education sector.

Health

Low birth-weight

This indicator considers the proportion of newborn infants with a low birth-weight, as a proportion of the total number of infants observed. An infant with a low birth-weight is defined as one weighing less than 2,500 grams at birth, a level that has been established as an international standard. The total number of infants observed consists of those that received institutional care at birth and were weighed by medical or paramedical personnel.

It is estimated that the percentage of children having a low birth-weight will fall from 6 percent in 2000 to 3 percent in 2006. This target has been established on the basis of nutrition programs for expectant mothers, such as ferrous sulfate diet supplements and education and information campaigns to promote proper diet, principally amongst women who are of childbearing age or are pregnant.

This indicator is dependent on institutional birth coverage, since only those children whose birth involves institutional care (by trained personnel either at a clinic or in the home) are weighed at birth. As institutional birth coverage is widened, the number of babies having a low birth-weight may increase.

Pneumonia coverage

This indicator is reckoned as the percentage of children less than one year of age receiving institutional care for pneumonia as a percentage of the total population less than one year of age. Pneumonia was selected because it is the most serious of the acute respiratory infections and is so lethal.

The aim is to expand the coverage of pneumonia cases from 17 percent in 2000 to 23 percent in 2006. Basic health insurance covers care for pneumonia in children less than five years of age; so this takes in children less than one year of age, which is the age group most vulnerable to this infection.

This indicator is characterized by its seasonal nature, as it reaches its highest levels during the winter months. Depending on the intensity and duration of the cold during the winter, cases of pneumonia may occur in large numbers.

Adequate prenatal care

This indicator considers the number of pregnant women having at least four prenatal checkups as a proportion of the total number of pregnancies expected. Four prenatal checkups are considered an adequate number according to established practice. The total number of pregnancies expected is estimated by the SNIS.

It is expected that the proportion of expectant mothers having at least four prenatal checkups will increase from 34 percent in 2000 to 53 percent in 2006. This service forms part of the basic health insurance package, and this indicator is one of the commitments undertaken between the Ministry of Health and Welfare [*Ministerio de Salud y Previsión Social*] (MSPS) and the World Bank pursuant to the loan agreement to finance health reform.

One of the obstacles that makes it difficult to increase this percentage is the fact that pregnant women in rural areas, and particularly indigenous women, do not call upon the health services. Carrying out activities to promote institutional care in scattered areas will facilitate the achievement of these targets.

Institutional birth coverage

This indicator is reckoned as the number of births receiving institutional care as a percentage of the total number of births expected. Births receiving institutional care are those that have trained personnel (a physician, nurse, or nursing auxiliary) in attendance, whether they take place at a clinic or in the home.

It is estimated that institutional birth coverage will be increased from 49 percent in 2000 to 68 percent in 2006. This indicator also forms part of the group of commitments made under the health reform program, and is one of the main services provided as part of the basic health insurance package aimed at reducing maternal mortality.

This indicator faces the same obstacles as the indicator relating to the provision of four prenatal checkups in regard to cultural barriers.

Dwellings with a second cycle of spraying against Chagas' disease

This indicator is calculated as the number of dwellings at which a second cycle of spraying against *triatoma infestans* is carried out, as a proportion of the total number of dwellings at risk. The second spraying is important, because it guarantees the eradication of the Chagas' disease vector from a home.

The aim is to achieve 100 percent coverage of the dwellings at risk (700,000 dwellings) with a second cycle of spraying by 2006. Actions to fumigate dwellings form part of the Chagas' disease eradication program. Controlling this disease has high priority under the epidemiological defense program.

Fulfillment of the targets depends on the availability of financing, given the scale of the interventions and the support of SEDES in carrying out operations in areas at risk.

C. Objective 3: Increasing Security and Protection

Under this objective, qualitative indicators relating to the progress of programs vis-à-vis specific deadlines are considered. Care for older people (2001) and the sustainability of programs to care for children (2001) will contribute to the protection of vulnerable groups. Implementation of the Law on Risk Reduction and Disaster Management (2002) and an emergency jobs program (2001) will help reduce the main risks to which the poorest segments of the population are exposed.

The legal security of holding property will be promoted by increasing the number of hectares for which tenure has been regularized. "Regularized land" is understood to be land which has been the subject of a public declaration (or public consultation) or the subject of notification

of the beneficiaries. The target for 2006 is to complete the regularization of land tenure for all rural land in Bolivia. It is estimated that the total area in the country requiring regularization amounts to approximately 54 million hectares, of which only 11.85 million hectares have been regularized (without title being given). This means that, in order to achieve the target of 54 million hectares by 2006, an area of 7.025 million hectares has to be regularized each year from 2001 to 2006. Fulfillment of the targets set for this indicator will depend on the financing provided to INRA for financial periods subsequent to 2001-2002. Based on INRA's calculations, the average cost for the regularization of one hectare is US\$1.

D. Objective 4: Increasing Social Participation and Integration

Under this objective, two qualitative indicators are considered, relating to promoting participation and reducing disparities between ethnic groups. To underscore the importance that the State ascribes to participation, it is proposed that a National Dialogue be held every three years.

Insofar as Bolivia's poverty reduction strategy is concerned, it is understood that, in taking on the agreements of the National Dialogue, this forum for discussion and agreement must be institutionalized in order for there to be accountability with regard to the progress made on activities to combat poverty; and it is understood as well that participatory public institutionality must be enhanced in order for the progress made with the poverty reduction strategy to be monitored. Just as society's capacity to participate needs to be strengthened, it is essential that the participatory public institutionality be strengthened and not dismantled, so as to facilitate the monitoring of the work carried out in behalf of the fight against poverty.

The second indicator in this area pertains to the exercise of the rights of citizenship, and specifically the proportion of the population that have registered themselves and obtained identity papers. Although there is at present no official baseline figure for 2000, determining this percentage is a high-priority task under Bolivia's poverty reduction strategy, and targets will be established for full coverage in coordination with the National Electoral Commission [*Corte Nacional Electoral*], which is the body responsible for certification in this area.

Cross-sectoral areas

- **Achieving development with identity**

Implementation of the Indigenous Development Plan

The Indigenous Development Plan will include development projects and programs covering the economic, social, cultural, legal, and institutional areas. The Plan will respond to the specific characteristics of rural, indigenous and native communities, seeking to integrate the various national programs, financing and services across sectors. Implementation of the Plan

will be coordinated among the various government entities (ministries and vice ministries) so that commitments are shared.

The Indigenous Development Plan will be come into effect with the implementation of the Law for Small Farmer, Indigenous, and Native Development, which will promote the respect, protection, and promotion of the development of rural, indigenous and native communities, as a duty of society in general and the government in particular.

Number of culturally based microenterprises in operation

This indicator reflects progress in the establishment of Culturally Based Microenterprises (MEBC). A total of 90 MEBC are expected to be in operation in 2003. Starting in 2004, the operations and experience of the MEBC will be transferred to the Vice Ministry of Microenterprises so that this project can be taken over and included in the Microenterprise Development Plan.

Percentage of indigenous population covered by health, education and other basic services

This indicator measures the degree to which indigenous and native populations access health, education and other social services as a result of the introduction of differentiated policies.

▪ **Gender**

Micro- and small enterprises headed by women, with technical assistance

This indicator reflects the progress made in regard to the support received by women who head micro- or small enterprises, with the objective of empowering women economically, through policies to enhance their role as producers and promote the sale of their products.

It is expected that the proportion of micro- and small enterprises headed by women, with technical assistance, will be increased from 34 percent in 2000 to 53 percent in 2006. This target still has to be discussed with the Office of the Vice Minister for Microenterprise, however.

Literacy program

It is expected that the degree of progress on the program to open rural women's access to literacy, continuing education, and technical training will be increased from 49 percent in 2000 to 68 percent in 2006. However, this target still has to be discussed with the Ministry of Education, and in particular with the Office of the Vice Minister for Alternative Education.

Women with access to basic health insurance

This indicator will be considered with the objective of improving women's living conditions and capabilities by promoting and conducting campaigns to improve women's access to these services.

It is expected that the proportion of women having access to basic health insurance will be increased from 14 percent in 2000 to 95 percent in 2006. This target still has to be discussed with the Ministry of Health, however.

Proportion of women having an identity card

This indicator reflects the progress made towards gender equity on the basis of the greater opportunities being guaranteed to women. The targets associated with this indicator remain to be established in coordination with the National Electoral Commission.

▪ **The environment**

Completion of the design of the National Water Resources Plan

The National Water Resources Plan is to be completed by 2002, encompassing the Master Watershed Plans and the National Flood Control Plan. According to the Watersheds Directorate of the MDSP, financing has already been assured (IDB project 929), and the deadlines for contracting services (specialized consultants) pursuant to the basic provisions have been taken into account. Fulfillment of the targets could be delayed only if problems arise in the administration of IDB project 929, which could delay the signing of contracts. It is expected that the design of these plans will be completed by 2002.

Participation of local communities in the fees collected in protected areas

This indicator takes into account the increasing of fees that are charged in protected areas and allocated to community support, vis-à-vis the amounts charged the previous year. Under current regulations, the National Protected Areas Service [*Servicio Nacional de Áreas Protegidas*] (SERNAP), is responsible for collecting fees for productive activities authorized to be carried on in protected areas (such as admission to national parks); and a proportion of the fees collected is directed to benefit the communities that live in protected areas. Accordingly, this indicator shows the increase in revenues generated by activities carried on by outside parties in protected areas, and which the SERNAP turns over to the municipal districts.

The targets established for this indicator start with high growth rates at first (30 percent), which then fall off (5 percent), since there is an active plan to maximize the collection of fees from the outset and keep a close rein on activities carried on in protected areas, in order to capture all the fees owing. Consequently, the amount of fees collected at present is very low,

but once the objectives set by the Biodiversity Directorate and SERNAP are achieved, the increase in collections will be significant and this will mean a sudden very high growth rate.

SERNAP is the body responsible for achieving the targets associated with this indicator. Any institutional restriction (as in the case of park wardens, for instance) that keeps SERNAP from going about its work efficiently will have an adverse effect on the meeting of its targets.

Biodiversity and ethno-ecotourism revenues

This indicator measures the increase in the revenues received by local communities from sustainable wildlife management, vis-à-vis the amounts received in the previous year.

The targets established in connection with this indicator reflect the increased revenues received by the members of local communities from the sustainable management of wildlife (the well-run, rational exploitation of alligators, for example). The sale of wildlife products is governed by the Biodiversity Directorate, which carries out studies before granting exploitation permits.

The targets in this area show the same behavior as the targets associated with the collection of fees in protected areas (with an increase in revenues of 50 percent expected in 2000, falling to 10 percent in 2006). The targets reflect the initial impact that implementing three wildlife management programs (alligators, alpaca wool, peccaries) will have on the incomes of the people living in local communities, which at present are very low.

Matrix 1
Matrix of Impact Indicators

Description	Institutional Measures	Frequency	Lag	Source	Responsible Entity	Disaggregation	Targets																			
							Base Year		2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015		
							Year	Date																		
1. Per capita GDP growth rate	INE population projections to 2015	Annual	4 months	National Accounts	INE	Only aggregated data at national level	1999	-1.8	0.1	1.8	2.3	2.8	2.8	2.8	3.2	3.4	3.5	3.5	3.5	3.6	3.6	3.6	3.6	3.6		
2. Incidence of poverty	Formalize methodology	Annual	4 months	MECOVI	INE UDAPE	Poverty	National	1999	62.7	62.4	61.4	60.1	58.6	57.2	55.8	54.2	52.6	51.0	49.4	47.9	46.3	44.8	43.4	42.0	40.6	
							Urban	1999	51.5	50.4	49.4	48.4	47.4	46.4	45.5	44.6	43.7	42.8	41.9	41.0	40.2	39.4	38.6	37.8	37.0	
							Rural	1999	81.6	79.3	77.1	75.0	72.9	70.9	68.9	67.0	65.1	63.3	61.6	59.9	58.2	56.6	55.0	53.5	52.0	
							Nat. Pov. extreme (1)	1999	36.5	36.2	35.1	33.8	32.4	31.0	29.7	28.2	26.8	25.4	24.1	22.8	21.6	20.4	19.3	18.3	17.3	
3. Life expectancy	Commit the INE to calculating this indicator via the DHSs	Five years	6 months	ENDSA	INE	National	1998	61.9	62.7	63.17	63.65	64.13	64.61	65.1	65.5	65.89	66.29	66.7	67.1	67.46	67.81	68.17	68.54	68.9		
4. Percentage of population with 8 or more years of schooling (2)	Commit the INE to calculating this indicator	Ten years	12 months	CNPV	INE	National	1999	50.7	51.6	52.5	53.4	54.4	55.3	56.3	57.3	58.3	59.3	60.3	61.4	62.5	63.6	64.7	65.8	67.0		
						Urban	1999	67.5	68.3	69.0	69.8	70.6	71.3	72.3	73.4	74.4	75.5	76.5	76.7	76.9	77.2	77.4	77.6	77.8		
						Rural	1999	17.4	18.2	19.0	19.8	20.7	21.6	22.6	23.6	24.7	25.8	26.9	28.1	29.4	30.7	32.1	33.5	35.0		
5. Unmet basic needs (UBN) (3)		Ten years	12 months	Census	INE UDAPE	National	1999	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
						Urban	1999	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
						Rural	1999	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

(1) In accordance with the international target, national extreme poverty will be reduced by half by 2015.

(2) Disaggregation by gender is possible, although there are no fixed targets.

(3) The poverty reduction targets measured by UBN will be established on the basis of the results of the 2001 census, with urban/rural disaggregation.

Matrix 2
Matrix of Performance Indicators

Description	Institutional Measures	Frequency	Lag	Source	Responsible Entity	Disaggregation	Targets																	
							Base Year		2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
							Year	Date																
2.1 Per capita household income		Annual	4 months	MECOVI	INE/UDAPE	Urban	1999	750.0	750.0	759.4	768.8	778.4	788.2	798.0	825.3	853.5	882.6	912.8	944.0	978.1	1013.3	1049.9	1087.8	1127.0
2.2. Per capita household expenditure (in dollars)	Rural					1999	310.0	323.3	337.2	351.7	366.8	382.5	398.9	416.1	433.9	452.6	472.0	492.3	513.4	535.5	558.5	582.4	607.5	
3.1. Infant mortality rate (per thousand live births)	Commit the INE to calculating this indicator via the DHSs	5 years	6 months	ENDSA	INE	Urban/rural	1998	67.0	57.4	55.948	54.534	53.154	51.81	50.5	49.216	47.965	46.746	45.558	44.4	43.374	42.371	41.392	40.435	39.5
3.2. Maternal mortality rate (per 100,000 live births)	Idem	5 years	6 months	ENDSA	INE	Urban/rural	1994	390	374	359	344	330	317	304	291	279	268	257	246	236	227	217	209	200
3.3. Homes infested with triatomines (vector of Chagas disease) (as percentage) (2)	Commit SNIS to reporting data on Chagas disease	Annual	2 months	Environment al health unit	MSPS	Areas of incidence (1)	1999	60.0	51.4	44.0	37.7	32.2	27.6	23.6	20.2	17.3	14.8	12.7	10.9	9.3	8.0	6.8	5.8	5.0
4.1. Educational lag	Commit the INE to calculating this indicator	Annual	4 months	MECOVI	INE	Urban/rural Men/women	1999	44.0	42.8	41.5	40.4	39.2	38.1	37.7	37.3	36.881	36.476	36.076	35.667	35.264	34.865	34.47	34.08	30.8
4.2. Retention rate	Commit the sector to calculating this indicator	Annual	6 months	Analysis and information unit	MECyD	National	1999	64.6	69.9	73.4	77.1	78.1	79.0	80.0	80.9	81.9	82.9	83.9	84.9	86.0	87.0	88.1	89.1	90.2
						Urban	1999	67.4	73.3	75.9	81.0	81.8	82.6	83.4	84.2	85.0	85.8	86.7	87.5	88.4	89.3	90.1	91.0	91.9
						Rural	1999	61.8	66.7	71.2	73.7	74.7	75.8	76.9	77.9	79.0	80.2	81.3	82.5	83.6	84.8	86.0	87.2	88.5
4.3. Percentage of students whose performance is at risk (3)	Idem	3 years	6 months	SIMECAL	MECyD	Mathematics	2000	27.6	27.6	n/a	n/a	23.6	n/a	19.6	n/a	n/a	15.6	n/a	n/a	n/a	n/a	n/a	n/a	n/a
						Language	2000	23.4	23.4	n/a	n/a	18.4	n/a	n/a	13.4	n/a	n/a	8.4	n/a	n/a	n/a	n/a	n/a	n/a	n/a

(1) Assess feasibility on basis of agreement between MAGDR and INE.

(2) In discussion with INE.

(3) SIMECAL calculates this indicator every three years

n/a = not available.

Matrix 3
Intermediate Targets and Indicators
 Component: Opportunities

Current Situation	National Objective	Specific Objectives	Intermediate Indicators	2000	2001	2002	2003	2004	2005	2006	
Rural per capita income approximated by expenditure is US\$20.62 per month, which would represent household expenditure of US\$123.74 for a family of six. This amount represents less than one-third of the expenditure of an urban household, which stands at US\$376.93. Income and expenditure in the agricultural sector vary considerably by region. In the <i>altiplano</i> , 54.2 percent of the population lives in poverty, while in the lowlands poverty stands at 44.1 percent and in the plains it stands at 16.8 percent.	Increase rural household incomes	Increase productivity of factors of production	Rate of growth of volume index for nonindustrial agricultural products (1)	5.32	1.12	5.58	5.07	3.68	4.51	5.22	
			Area of irrigated farmland (in hectares) (2)	250	253	259	266	277	290	304	
			Implementation of a technological innovation and information system	Broaden and extend PROSAT	SIBTA being implemented	---	---	---	---	---	---
			Percentage of the portfolio of microfinance institutions (MFIs) devoted to rural credit out of the total portfolio of MFIs (urban-rural)	32%	37%	39%	40%	42%	43%	45%	
			Percentage coverage of rural electrification (3)	23%	26%	28%	31%	33%	37%	40%	
Insufficient resources allocated to maintenance and construction of trunk roads. Bureaucratic obstructions to disbursement of resources.	Improve road infrastructure (more and better-quality roads)	Increase number of paved roads	Percentage of kilometers of Basic Network under concession	0%	11%	22%	28%	28%	28%	28%	
			Number of weigh stations	15	17	19	22	25	25	25	
			Percentage of Basic Network paved (4)	36%	44%	47%	51%	60%	67%	73%	
		Increase investment in maintenance	SNC budget execution (5)	70%	75%	78%	80%	82%	84%	86%	
			Roads Fund (in millions of dollars) (6)	---	---	---	---	---	---	---	
Improve employment conditions via microfinancing	Improve employment conditions via microfinancing	Increase development of microfinance companies	Percentage of municipalities with access to financial services (7)	56%	60%	65%	70%	75%	80%	85%	

(1) Consider climatic fluctuations and factors external to the BPRS.

(2) Minimum anticipated. Based on current availability of resources.

(3) Subject to availability of external resources.

(4) Subject to availability of external resources.

(5) Minimum anticipated. Targets subject to discussion with new authorities once institutionalization of the SNC is complete.

(6) Targets set once the Roads Fund is created.

(7) Type B, C and D municipalities.

Matrix 4
Matrix of Intermediate Targets and Indicators
 Component: Capacities ((Education))

Current Situation	National Objective	Specific Objectives	Intermediate Indicators	2000	2001	2002	2003	2004	2005	2006
50 percent of the population has completed 8 or more years of schooling. The quality of education is still low, which explains the high levels of educational lags (44%).	Raise schooling levels, especially in primary education.	Access and retention	No. of centers with full primary education/No. of existing centers - rural	(1) 80,8%	82.9%	85.0%	87.5%	90.0%	92.5%	95.0%
		Educational financing	Spending on school education/total SPNF spending (C/pensions) (2)	11%	13%	14%	15%	15%	15%	15%
			Spending on school education/total education spending	72%	72%	75%	77%	77%	77%	77%	77%

(1) Estimated preliminary figures using 1999 data.

(2) Considers: MECyD school spending targets and UPF spending projections. The calculation methodology for this indicator will be coordinated in 2001. between UPF, MECyD and UDAPE.

Matrix 5
Matrix of Intermediate Targets and Indicators
Component: Capacities (Health and Basic Sanitation)

Current Situation	National Objective*	Specific Objectives	Intermediate Indicators	2000	2001	2002	2003	2004	2005	2006
The life expectancy at birth of 62 years is the lowest in South America. The infant mortality rate is still high (67 per 1,000 live births) owing to limited increases in attention to acute respiratory infections, acute diarrhea, and prenatal conditions. Maternal mortality stands at 390 per 100,000 live births as there is insufficient prenatal care in rural areas and most births take place at home. Likewise, communicable diseases such as Chagas disease affect 60 percent of the territory. Strategic actions to improve housing and hygiene conditions, by providing safe drinking water, basic sanitation services, and solid waste collection will help to reduce infant and child mortality rates.	Increase life expectancy at birth to 69 years	Reduce infant mortality rate	Low birthweight	6%	6%	5%	4%	4%	3%	3%
			Pneumonia in children under 1 year	17%	18%	19%	20%	21%	22%	23%
			Percentage homes with running water (1)	...	...	...	...	...	...	...
			Percentage homes with access to basic sanitation services (1)	...	...	...	...	...	...	...
		Reduce maternal mortality rate	Adequate prenatal care	34%	37%	40%	43%	46%	49%	53%
			Coverage of institutional births	49%	53%	56%	59%	62%	65%	68%
		Reduce the infestation of homes with triatomines (vector of Chagas disease)	Households receiving a second round of spraying against triatomines in endemic areas.	14%	20%	28%	41%	57%	78%	100%

(1) The targets will be set on the basis of the MVS strategy. Includes urban-rural breakdown to be defined with sector in 2001 on the basis of the Compensation Policy.

* International target for 2015: reduce infant mortality rate from 67 per 1,000 live births in 1998 to 40 per 1,000 live births in 2015. Reduce maternal mortality rate from 390 per 100,000 live births in 1994 to 200 per 100,000 live births in 2015.

Matrix 6
Matrix of Intermediate Targets and Indicators
Component: Protection

Current Situation	National Objective	Specific Objectives	Intermediate Indicators	2000	2001	2002	2003	2004	2005	2006
The National Dialogue identified the lack of job security and lack of security in holding assets (land and water) as problems related to poverty. Vulnerable groups (children, the elderly, and communities in extreme poverty) are more exposed to risk factors.	Broaden social protection programs	Protection of the elderly	Program of transfer of resources to the elderly (1)	---	Under- way	---	---	---	---	---
		Integrated attention to childhood	Sustainable program (2)	---	Designed	---	---	---	---	---
	Increase the security of the poor	Prevent emergencies and loss of income owing to natural disasters and/or structural adjustment programs	Implement Law on the Reduction of Risks and Attention to Disasters	---	---	Imple- mented	---	---	---	---
			Establish an Emergency Employment Program	---	Imple- mented	---	---	---	---	---
	Promote legal security in the holding of assets	Protect and broaden land ownership rights	Number of hectares regularized (i.e., completion of the stage of the land tenure regularization process immediately preceding "presentation for public consultation")	11.85	18.8	26	33	40	47	54

(1) Currently "BOLIVIDA" is in effect.

(2) To be defined with Ministry of the Presidency and Ministry of Finance.

Matrix 7
Matrix of Intermediate Targets and Indicators
 Component: Participation

Current Situation	National Objective	Specific Objectives	Intermediate Indicators	2000	2001	2002	2003	2004	2005	2006
The National Dialogue revealed problems of exclusion, limitations on the exercise of the rights of citizenship, and little participation in collective decisions. There is a lack of knowledge of some basic rights, and undervaluation of the social links of solidarity. The opportunities for participation by the people are still limited.	Promotion of participation and social integration	Promotion of participation	Completion of the national dialogue (institutionalization of the dialogue)	.....	---	.....	Done	.....	.....	Done
		Reduction of exclusion	Percentage of population with Identity Card (1)	---	---	---	---	---	---	---

(1) Indicator to be defined in 2001 in coordination with responsible agency.

Matrix 8
Matrix of Intermediate Targets and Indicators
 Component: Development with Identity

Current Situation	National Objective	Specific Objectives	Intermediate Indicators	2000	2001	2002	2003	2004	2005	2006
It has been shown that poverty and extreme poverty are concentrated in rural areas, particularly among indigenous peoples.	Increase household incomes of indigenous and first peoples	Consider the indigenous dimension in all economic and social development policies	Implementation of indigenous development plan (PDI)		Start of PDI	Completion of PDI	PDI in implementation	-	-	-
		Increase employment opportunities through the use of indigenous knowledge, technology, usages and customs	Number of cultural microenterprises (MEBC) in operation (1)		20	70	90	Transfer to VMME	-	-
		Establish policies differentiating attention in the areas of health, education, and basic services	Percentage of indigenous population covered by health, education, and other basic services	-	-	-	-	-	-	-

(1) Vice-Ministry of Microbusiness (VMME).

Matrix 9
Matrix of Intermediate Targets and Indicators
 Component: Gender

Current Situation	National Objective	Specific Objectives	Intermediate Indicators	2000	2001	2002	2003	2004	2005	2006
Gender inequality and inequity persist, marginalizing and excluding women from participating in social, political and economic life.	Promote gender equality	Opportunities	Percentage of micro and small businesses headed by women with assistance from SAT and PROSAT (1)	34%	37%	40%	43%	46%	49%	53%
		Capacities	Progress of program of access of rural women to literacy, school retention, and technical training (2)	49%	53%	56.0%	59%	62%	65%	68%
			Percentage of women with access to basic health Insurance (3)	14%	20%	28.0%	41%	57%	78%	95%
		Participation	Percentage of women with identity card (4)	---	---	---	---	---	---	---

(1) Targets will be discussed with Vice-Ministry of Microbusiness.

(2) Targets will be discussed with Ministry of Education (Alternative Education).

(3) Targets will be discussed with Ministry of Health.

(4) Targets will be set in coordination with National Electoral Board.

Matrix 10
Matrix of Intermediate Targets and Indicators
 Component: Environment

Current Situation	National Objective	Specific Objectives	Intermediate Indicators	2000	2001	2002	2003	2004	2005	2006
There is a close link between poverty, economic activities, and the environment in Bolivia. The poor are most affected by and least protected against environmental problems. At the same time, they contribute to the deterioration of the environment along with large producers.	Productive and survival activities will be carried out taking into account the preservation of the environment and the rational use of sources of energy and natural resources.	Structure and organize the water sector at the national level	Complete designing the national water resources plan, the catchment area master pPlans, and the national flood control plan.	---	50%	100%	---	---	---	---
		Biodiversity activities to generate income in areas with a high poverty rate. Biodiversity contributes more to national GDP.	Participation of local communities in revenues from protected areas collected by SERNAP (increase allocations of such revenues to local communities).	30%	20%	5%	5%	5%	5%	5%
		Revenues for local communities for sustainable forest management programs (increase such revenue levels).	50%	20%	10%	10%	10%	10%	10%	

(1) Targets will be discussed with MVSb.

Matrix 11
Institutional Matrix of Intermediate Indicators for the BPRS
 Component: Opportunities

National Objective	Specific Objectives	Intermediate Indicators	Disaggregation	Frequency of Measurement	Source	Responsible Entity
Increase rural household incomes	Increase productivity of factors of production	Rate of growth of volume index for nonindustrial agricultural products	Rural	Annual	Statistics from MAGDR, INE	MAGDR
		Expansion of irrigated farmland	Rural	Annual	Statistics from MAGDR, INE	MAGDR
		Implementation of technological innovation and information system	Rural	Annual	SIBTA	SIBTA
		Percentage of portfolio of MFIs intended for rural credit out of total portfolio of MFIs (urban and rural)	Rural	Annual	FONDESIF, NAFIBO	FONDESIF NAFIBO
		Percentage of coverage of rural electrification	Rural	Annual	VEH	VEH
Improve road infrastructure (more and better-quality roads)	Increase number of paved roads	Percentage of km. of basic network under concession	National	Annual	VTCAC	VTCAC
		Number of weigh stations	National	Annual	VTCAC	VTCAC
		Percentage of Basic Network paved	National	Annual	SNC	VTCAC and SNC
	Increase investment in maintenance	SNC budget execution (%)	National	Annual	SNC	VTCAC
		Roads Fund (in millions of dollars)	National	Annual	MH (V. Presup)	MH (V. Presup)
Improve employment conditions via microfinancing	Increase development of microfinance companies	Percentage of municipalities with access to financial services	Rural	Annual	FONDESIF, NAFIBO	FONDESIF NAFIBO

Matrix 12
Institutional Matrix of Intermediate Indicators for the BPRS
 Component: Capacities (Education)

National Objective	Specific Objectives	Intermediate Indicators	Disaggregation	Frequency of Measurement	Source	Responsible Entity
Raise schooling levels, especially in primary education	Access and retention	No. of centers with full primary education/No. of existing centers - rural	Rural	Annual	Education Information System (SIE)	VEIPS -MECyD
		Spending on school education/total SPNF spending (c/pensions)	National	Annual	Directorate General of Administrative Affairs, reporting to the Budget and Treasury Unit (VEIPS-MECyD). Vice-Ministry of Budget and Accounting.	MECyD -Min. Finance
	Educational financing	School education spending/total education spending	National	Annual	Directorate General of Administrative Affairs, reporting to the Budget and Treasury Unit (VEIPS-MECyD). Vice-Ministry of Budget and Accounting.	MECyD -Min. Finance

Matrix 13
Institutional Matrix of Intermediate Indicators for the BPRS
 Component: CAPACITIES (Health and Basic Sanitation)

National Objective	Specific Objectives	Intermediate Indicators	Disaggregation	Frequency of Measurement	Source	Responsible Entity
Increase life expectancy at birth to 69 years	Reduce infant mortality rate	Low birthweight	Urban/rural	Annual	SNIS	MSPS
		Pneumonia at under one year	Urban/rural	Annual	SNIS	MSPS
		Percentage homes with running water	National	Annual	MECOVI	INE / MVSB
			Urban	Annual	MECOVI	INE / MVSB
			Rural	Annual	MECOVI	INE / MVSB
		Percentage homes with access to sanitation services	National	Annual	MECOVI	INE / MVSB
			Urban	Annual	MECOVI	INE / MVSB
			Rural	Annual	MECOVI	INE / MVSB
		Reduce maternal mortality rate	Adequate prenatal care	Urban/rural	Annual	SNIS	MSPS
	Coverage of institutional births		Urban/rural	Annual	SNIS	MSPS
	Reduce the infestation of homes with triatomines (vector of Chagas disease)	Households receiving a second round of spraying against triatomines in endemic areas.	National	Annual	Environmental Health Unit	MSPS

Matrix 14
Institutional Matrix of Intermediate Indicators for the BPRS
 Component: Protection

National Objective	Specific Objectives	Intermediate Indicators	Disaggregation	Frequency of Measurement	Source	Responsible Entity
Broaden social protection programs	Protection of the elderly	Protection programs for the elderly	National	---	Ministry of Finance	Ministry of Finance
	Integrated attention to childhood	Sustainable program	National	---	Ministry of the Presidency and MSPS	Ministry of the Presidency and MSPS
Increase the security of the poor	Prevent emergencies and loss of income owing to natural disasters and/or structural adjustment programs	Implement law on the reduction of risk and attention to disasters	National	---	SENADECI	SENADECI
		Establishment of an emergency employment program	National	---	Ministry of Labor and DUF	Ministry of Labor and DUF
Promote legal security in the holding of assets	Protect and broaden land ownership rights	Number of hectares regularized (i.e., completion of the stage of the land tenure regularization process immediately preceding "presentation for public consultation")	Rural	Annual	INRA records	INRA

--- Are qualitative indicators.

Matrix 15
Institutional Matrix of Intermediate Indicators for the BPRS
 Component: Participation

National Objective	Specific Objectives	Intermediate Indicators	Disaggregation	Frequency of Measurement	Source	Responsible Entity
Promotion of participation and social integration	Promotion of participation	Completion of the National Dialogue (institutionalization of the Dialogue)	...	3 years	National Secretariat of the Dialogue	Office of the Vice President
	Reduction of exclusion	Percentage of population with Identity card	National/urban/rural	Annual	Responsible entity	Responsible Entity

Matrix 16
 Institutional Matrix of Intermediate Indicators for the BPRS
 Component: Development with Identity

National Objective	Specific Objectives	Intermediate Indicators	Disaggregation	Frequency of Measurement	Source	Responsible Entity
Increase household incomes of indigenous and first peoples	Consider the indigenous dimension in all economic and social development policies	Implementation of indigenous development plan (PDI)	-	-	MACPIO	MACPIO
	Increase employment opportunities through the use of indigenous knowledge, technology, usages and customs	Number of cultural microenterprises (MEBC) in operation	Rural	Annual	MACPIO, MTME	MACPIO, MTME
	Establish policies differentiating attention in the areas of health, education, and basic services	Percentage of indigenous population covered by health, education, and other basic services	Urban/Rural	Annual	Sectoral information systems (SIE, SNIS, etc.) will be adjusted to this requirement	MACPIO, MECD, MSPS, MVSb, Ministry of Finance, VIPFE

-- Are qualitative indicators.

Matrix 17
 Institutional Matrix of Intermediate Indicators for the BPRS
 Component: Gender

Objetivo Nacional	Objetivos específicos	Indicadores intermedios	Desagregación	Frecuencia de medición	Fuente	Responsable
Promote gender equality	Opportunities	Percentage of micro and small businesses headed by women with assistance from SAT and PROSAT	national	annual	SAT	VAGGF-VMME
	Capacities	Progress of program of access of rural women to literacy, school retention, and technical training	national	annual	MECYD	VAGGF-MECyD
		Percentage of women with access to basic health insurance	national	annual	Will be coordinated with MSPS and INE	VAGGF-Min. Health
	Participation	Percentage of women with identity card	national	annual	National Electoral Board	VAGGF-CNE

Matrix 18
 Institutional Matrix of Intermediate Indicators for the BPRS
 Component: Environment

National Objective	Specific Objectives	Intermediate Indicators	Disaggregation	Frequency of Measurement	Source	Responsible Entity
Productive and survival activities will be carried out taking into account the preservation of the environment and the rational use of sources of energy and natural resources.	Structure and organize the water sector at the national level	Prepare national water resources plan	National			MDSP
	Biodiversity activities to generate income in areas with a high poverty rate. Biodiversity contributes more to national GDP.	Increase participation of local communities in revenues from protected areas collected by SERNAP	Rural	Annual	SERNAP	SERNAP
		Increase revenues for local communities to participate in sustainable forest management programs	Rural	Annual	SERNAP - MDSP Biodiversity Directorate - INE	SERNAP - MDSP

-- Are qualitative indicators

Projection of Indicators for Setting Objectives

(a) Projecting poverty measurements

Changes in poverty levels are generally related to economic growth, income distribution, and demographic changes occurring in the country.

An increase in income enables many households to surpass the poverty line—an effect that increases as income rises, and that is more prevalent in the population situated around the poverty line. This is known as the redistribution effect. The shift in the population from rural to urban areas tends to reduce national poverty levels, while lower levels of poverty are almost always observed in urban areas.

When economic growth is neutral, changes in poverty will originate only from changes in the average income of the population and/or demographic changes. If growth is skewed toward the nonpoor sector, the redistributive effect will reduce the impact of growth on poverty; while, on the contrary, more equitable growth will increase the impact of growth on changes in poverty.

Assessments of the sensitivity of poverty to growth and inequality are expressed through the estimation of the elasticities generated by the statistical ratios between the relevant variables. For example, in World Bank studies, an assessment of poverty (P_t) is causally dependent on the increase in income (W_t) and an inequality index (D_t), and the rates of change may be modeled with the following three equations:

$$\Delta \text{Log} P_t = \varpi + \gamma \Delta \text{Log} W_t + \delta \Delta \text{Log} D_t + v \quad (1)$$

$$\Delta \text{Log} D_t = \alpha + \beta \Delta \text{Log} W_t + \varepsilon \quad (2)$$

$$\Delta \text{Log} P_t = \varphi + \lambda \Delta \text{Log} W_t + \eta \quad (3)$$

Equation (1) generates estimates of gross elasticity parameters of poverty in respect of growth (γ) and in respect of inequality (δ). These parameters are affected by the ratio between inequality and growth (β) in education (2). Last, the net ratio between poverty and growth (λ) is shown in the third regression and is expressed as a function of the first two regressions: $\lambda = \gamma + \delta\beta$.

Estimates were prepared based on information from household surveys, which make it possible to generate data on the incidence of poverty and the poverty gap, average income during each period, and the Gini coefficient. For urban areas, data by department were available for the periods 1990, 1993, 1997, and 1999; while for rural areas, data were available from the 1996, 1997, and 1999 surveys. The results are provided below:

Elasticities of Poverty, Growth, and Inequality

	Poverty incidence		Poverty gap	
	Urban	Rural	Urban	Rural
Gross elasticity P-G (γ)	-0.75	-0.39	-1.34	-0.39
Elasticity P-I (δ)	0.79	0.28	1.54	0.28
Elasticity I-G (β)	0.18	-0.25	0.19	-3.28
Net elasticity $\lambda = \gamma + \delta\beta$	-0.61	-0.46	-1.05	-1.31
λ With reduction in inequality	-0.77	-0.52	-1.13	-1.32

(a) Capitals plus El Alto.

Source: World Bank, 2000.

Net elasticity of poverty and growth, unlike gross elasticity, reflects the ratio historically observed between growth and inequality, although, in the case of the estimates prepared with national data, they do not register statistically significant coefficients. Elasticities of -0.61 were estimated for urban areas and -0.46 for rural areas.

Under the strategy, it is advisable to promote more equitable growth, with a view to a greater impact on poverty reduction. The assumption that a reduction in inequality equivalent to approximately five Gini index points was used, which reflects a higher absolute value for the parameter λ , varying from -0.77 for urban areas to -0.52 for rural areas. The poverty gap showed greater sensitivity to growth. This assumption is consistent with the changes made to the microdata from the household survey and show that the sensitivity of changes in poverty moves with systematic reductions in inequality.

Elasticities estimated within each area remained constant throughout the analysis, and for reasons of simplicity, poverty indices were projected separately for urban and rural areas, although the same rate of change as per capita income was used, equivalent to GDP projections reflecting projected total population and urbanization level. As a result, the projected poverty indices for urban (u) and rural (r) areas (P_t^u y P_t^r) will be equal to:

$$P_t^u = P_{t-1}^u (1 + \lambda^u y^*_t) \quad (4)$$

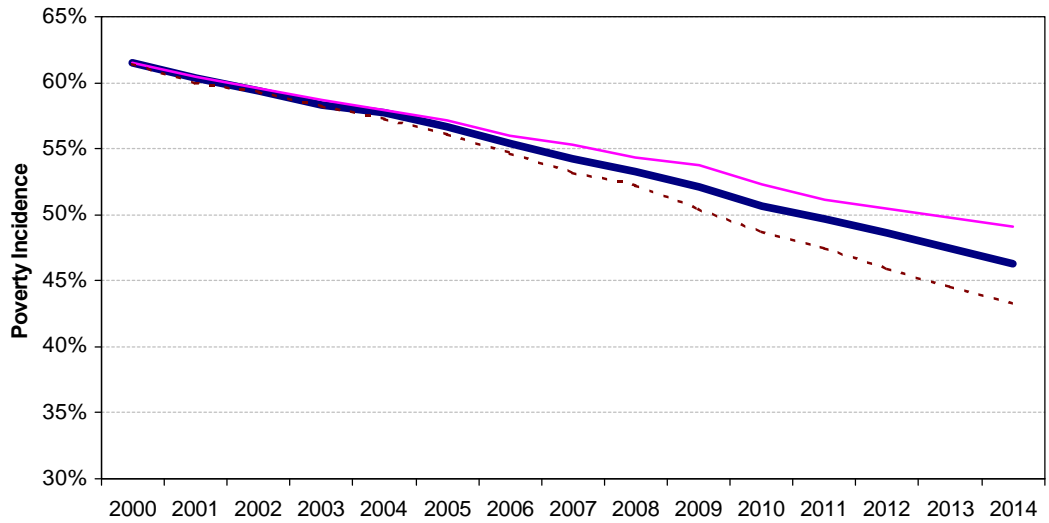
$$P_t^r = P_{t-1}^r (1 + \lambda^r y^*_t) \quad (5)$$

Where: y^*_t is the rate of growth in per-capita income for the current period and the parameters λ^r and λ^u are elasticities of poverty-growth in urban and rural areas. National poverty projections for each year will also depend on the level of urbanization (w), which changes each year.

$$P_t = w^u P_t^u + (1-w^u) P_t^r \quad (6)$$

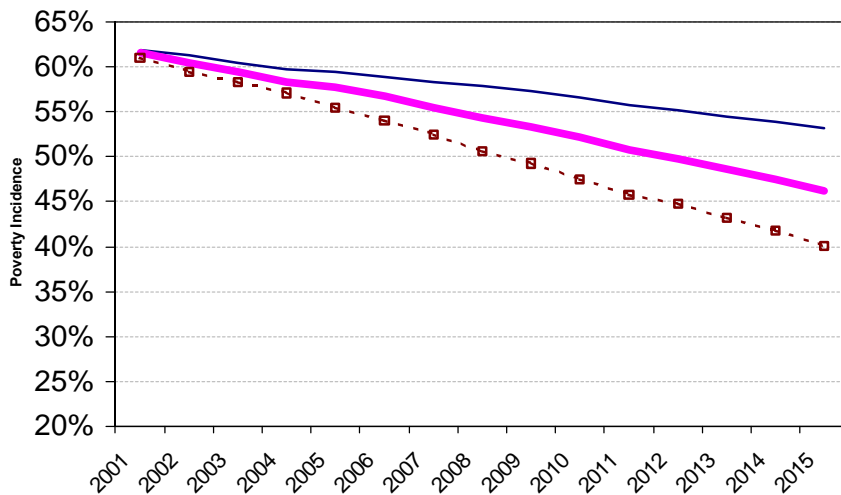
The projections considered different macroeconomic scenarios including a sensitivity analysis with gradual changes in income inequality.

Projected Poverty Reduction with Changes in the GINI Index and 2.5 Percent Growth in Per Capita Income



— 0 Change in Gini Coeff. — + 0.5 Change in Gini Coeff. - - - - 0.5 Change in Gini Coeff.

Projected Reduction in the Poverty Incidence with Different Rates of Growth in Per Capital Income, Inequality Unchange



— 1.50% — 2.50% - - - - 3.50%

Bolivia: Projected Poverty Incidence with Different Rates of Growth in Income and Inequality, 2001-2015

	Per Capita Income Growth Rate	2001	2002	2003	2004	2005	2006	2010	2015
No change In inequality	0	0.627	0.627	0.627	0.627	0.627	0.627	0.627	0.627
	0.5	0.624	0.622	0.619	0.617	0.615	0.613	0.603	0.594
	1	0.622	0.617	0.613	0.608	0.603	0.597	0.583	0.566
	1.5	0.619	0.613	0.604	0.598	0.594	0.588	0.566	0.532
	2	0.617	0.608	0.598	0.593	0.583	0.579	0.542	0.497
	2.5	0.615	0.604	0.594	0.583	0.577	0.567	0.521	0.462
	3	0.613	0.599	0.588	0.579	0.567	0.552	0.497	0.434
	3.5	0.610	0.595	0.583	0.571	0.554	0.540	0.475	0.401
	4	0.608	0.593	0.579	0.562	0.543	0.527	0.454	0.367
	4.5	0.605	0.590	0.574	0.552	0.533	0.510	0.436	0.342
	5	0.604	0.584	0.567	0.543	0.523	0.497	0.413	0.309
	5.5	0.600	0.582	0.557	0.535	0.508	0.486	0.390	0.283
	6	0.599	0.579	0.553	0.528	0.497	0.471	0.368	0.252
	6.5	0.596	0.577	0.547	0.519	0.490	0.458	0.349	0.228
	7	0.595	0.572	0.541	0.507	0.478	0.450	0.337	0.208
	7.5	0.594	0.568	0.534	0.500	0.465	0.439	0.312	0.189
8	0.593	0.563	0.529	0.493	0.455	0.426	0.297	0.166	
Increase in inequality of one half point per annum	0	0.628	0.628	0.629	0.630	0.630	0.630	0.631	0.635
	0.5	0.625	0.624	0.621	0.619	0.618	0.616	0.607	0.603
	1	0.623	0.619	0.614	0.609	0.606	0.603	0.589	0.578
	1.5	0.619	0.614	0.606	0.602	0.598	0.593	0.572	0.550
	2	0.618	0.609	0.602	0.594	0.587	0.582	0.554	0.514
	2.5	0.615	0.604	0.596	0.587	0.580	0.571	0.538	0.491
	3	0.613	0.601	0.592	0.580	0.571	0.557	0.508	0.463
	3.5	0.610	0.596	0.585	0.574	0.558	0.546	0.493	0.439
	4	0.609	0.594	0.580	0.567	0.550	0.537	0.471	0.407
	4.5	0.605	0.592	0.575	0.556	0.541	0.520	0.454	0.377
	5	0.604	0.585	0.569	0.550	0.530	0.506	0.438	0.356
	5.5	0.602	0.583	0.560	0.542	0.517	0.496	0.417	0.337
	6	0.599	0.580	0.555	0.534	0.505	0.487	0.396	0.309
	6.5	0.597	0.577	0.551	0.524	0.497	0.470	0.376	0.293
	7	0.596	0.574	0.544	0.512	0.489	0.459	0.358	0.273
	7.5	0.595	0.569	0.540	0.504	0.474	0.451	0.349	0.246
8	0.594	0.567	0.532	0.498	0.465	0.440	0.331	0.234	
Reduction in inequality of one half point per annum	0	0.627	0.626	0.626	0.625	0.625	0.624	0.621	0.618
	0.5	0.623	0.621	0.617	0.616	0.611	0.608	0.595	0.586
	1	0.622	0.616	0.610	0.606	0.597	0.594	0.579	0.543
	1.5	0.618	0.612	0.602	0.595	0.591	0.582	0.552	0.509
	2	0.616	0.607	0.595	0.590	0.582	0.575	0.528	0.469
	2.5	0.614	0.600	0.593	0.582	0.573	0.561	0.504	0.433
	3	0.612	0.596	0.585	0.577	0.562	0.546	0.478	0.395
	3.5	0.609	0.594	0.582	0.566	0.549	0.530	0.455	0.354
	4	0.607	0.592	0.577	0.555	0.536	0.518	0.436	0.320
	4.5	0.604	0.587	0.571	0.548	0.526	0.502	0.415	0.279
	5	0.603	0.583	0.564	0.538	0.514	0.486	0.382	0.247
	5.5	0.599	0.582	0.555	0.529	0.500	0.476	0.358	0.219
	6	0.597	0.578	0.551	0.523	0.490	0.459	0.341	0.189
	6.5	0.595	0.574	0.544	0.510	0.478	0.448	0.318	0.158
	7	0.594	0.571	0.535	0.500	0.467	0.439	0.295	0.139
	7.5	0.594	0.565	0.530	0.494	0.456	0.425	0.271	0.115
8	0.593	0.561	0.525	0.483	0.448	0.414	0.253	0.098	

Source: The World Bank

These exercises differ from the preparation of objectives as the latter reflect an average of growth in income throughout the period. In preparing the objectives, a higher elasticity level, consistent with the reduction in inequality, an increasing rate of growth in per-capita income used for macroeconomic projections, and reduced population growth were used.

(b) Projection of nonmonetary indicators

Nonmonetary indicators were projected on the basis of the corresponding indicators for different countries of the region, with a view to the comparison over time of the trends in these indicators associated with increases in income and changes in the level of urbanization.¹ A social indicator for country “i” during period “t” (Sit) is expressed as a function of per-capita income levels LY and different levels of urbanization (LU) generated as dicotomic variables:

$$S_{it} = \alpha + \beta_1LY_{1it} + \beta_2LY_{2it} + \beta_3LY_{3it} + \beta_4LY_{4it} + \beta_5LY_{5it} + \gamma_1LU_{1it} + \gamma_2LU_{2it} + \gamma_3LU_{3it} + \gamma_4LU_{4it} + \gamma_5LU_{5it} + \alpha_i + \epsilon_{it}$$

Parameters β and γ are elasticity coefficients of the indicator studied, and were estimated using a fixed-effects model that makes it possible to break down the error term, separating a completely random term in each observation from other error attributed to each country.

Elasticities of Monetary Indicators by Per-Capita Income and Urbanization Levels

	Infant Mortality Rate	Child Mortality	Life Expectancy	Access To Drinking Water	Adult Illiteracy	Primary School Enrollment	Secondary School Enrollment
Per-capita GDP							
Y<2500	-0.306	-0.274	0.055	0.388	-0.255	IS	0.282
2500 – 5000	-0.711	-0.789	0.044	IS	-0.362	-0.074	0.162
5000-10000	-0.930	-0.744	IS	IS	-0.384	IS	0.320
10000-15000	-1.575	-1.351	0.090	IS	-0.731	IS	0.276
>15000	IS	-2.368	IS	IS	IS	IS	IS
Urbanization rate							
U<0.20	-0.280	-0.277	0.130	0.881	-0.277	0.610	1.333
0.20 - 0.40	-0.840	-0.902	0.276	1.304	-0.535	0.826	2.171
0.40 - 0.60	-1.722	-1.861	0.306	1.220	-1.627	0.541	1.976
0.60 - 0.80	-2.095	-2.107	0.355	IS	-2.634	IS	2.371
>0.80	-3.118	-5.805	0.408	IS	-6.114	IS	4.015

IS = Insignificant

Source: World Bank, 2000

¹Methodology provided by the World Bank.

The statistics are generally higher with increasing levels of income and urbanization. This reflects the greater potential at higher levels of development to improve nonmonetary well-being.

Projections of these indicators constituted a base for establishing the objectives, although the sectoral ministries and other institutional authorities had the last word in defining the objectives to reflect available resources and defined action plans.

Bolivian Poverty Reduction Strategy Base Scenario
Macroeconomic Forecasts: Key Results

	2000	2001	2002	2003	2004	2005	2006	2007	Average 2008-2015
Output and prices									
Real GDP	2.5	4.0	4.5	5.0	5.0	5.0	5.2	5.4	5.5
Prices (end of period)	3.4	4.0	3.9	3.8	3.7	3.6	3.5	3.5	3.5
(Percentage of GDP unless otherwise indicated)									
National accounts									
Investment-saving									
Saving	18.8	19.4	19.5	20.0	20.9	21.4	21.8	22.5	23.1
Gross national saving	13.7	14.4	14.5	15.1	16.1	16.6	17.0	17.8	18.4
Private	10.9	11.3	10.7	11.0	11.3	11.2	11.1	11.4	11.4
Public	2.7	3.1	3.8	4.1	4.7	5.4	5.9	6.5	7.0
External saving	5.1	5.0	4.9	4.9	4.8	4.8	4.7	4.7	4.7
Gross domestic investment	18.8	19.4	19.5	20.0	20.9	21.4	21.8	22.5	23.1
Gross fixed capital formation	18.5	19.1	19.1	19.6	20.5	21.0	21.3	22.1	22.7
Private	11.5	12.0	11.8	12.3	12.8	13.0	13.2	13.8	14.4
Public	7.0	7.1	7.3	7.4	7.7	8.0	8.2	8.3	8.3
Nonfinancial public sector									
Revenue	33.3	29.3	28.4	28.7	29.4	29.3	29.3	30.7	29.3
Tax	13.4	13.9	14.2	14.4	14.8	15.4	16.1	16.5	16.7
Other	19.9	15.4	14.2	14.3	14.6	13.9	13.2	14.2	12.6
Expenditure	32.6	28.7	27.4	27.6	28.2	27.9	27.8	28.9	27.5
Current	25.6	21.6	20.1	20.2	20.5	19.9	19.7	20.6	19.1
Capital	7.0	7.1	7.3	7.4	7.7	8.0	8.2	8.3	8.3
Net balance	-3.7	-3.7	-3.5	-3.2	-3.0	-2.6	-2.2	-1.8	-1.3
Financing	3.7	3.7	3.5	3.2	3.0	2.6	2.2	1.8	1.3
External net	1.9	2.5	2.5	2.7	2.7	2.5	2.2	1.8	1.6
Domestic net	1.8	1.2	1.0	0.5	0.3	0.1	0.1	0.0	-0.3
Balance of payments									
Current account	-5.1	-5.0	-4.9	-4.9	-4.8	-4.8	-4.7	-4.7	-4.7
Trade balance	-6.2	-6.4	-6.0	-5.3	-5.0	-4.7	-4.4	-4.4	-4.3
Exports f.o.b.	14.5	15.0	16.2	17.5	18.1	18.5	19.1	18.9	18.6
Imports c.i.f.	-20.7	-21.4	-22.2	-22.7	-23.1	-23.2	-23.5	-23.4	-22.9
Capital and financial acct. (includes errors and omissions)	4.6	3.7	4.6	5.8	5.9	6.0	5.8	5.9	5.6
<i>Of which:</i> direct invest. capital of public M.I.P.S.	8.6	9.0	8.3	6.8	6.4	5.9	5.9	5.9	5.3
<i>Of which:</i> Exceptional NIR (Central Bank)	1.3	1.9	1.7	2.2	2.2	2.1	1.8	1.6	1.4
Financing	0.5	1.3	0.4	-0.9	-1.0	-1.2	-1.1	-1.1	-0.9
<i>Of which:</i> Exceptional NIR (Central Bank)	0.2	0.2	0.3	0.3	0.2	0.1	0.1	0.1	0.1
NIR (Central Bank)	0.3	1.2	0.1	-1.2	-1.2	-1.3	-1.1	-1.2	-0.9

Source: Prepared with data from the Central Bank of Bolivia.

Bolivian Poverty Reduction Strategy Shock Scenario
Macroeconomic Forecasts: Key Results

	2000	2001	2002	2003	2004	2005	2006	2007	Average 2008-2015
Output and prices									
Real GDP	2.5	4.0	1.6	2.6	5.6	6.0	6.9	5.4	5.5
Prices (end of period)	3.4	4.0	3.9	3.8	3.7	3.6	3.5	3.5	3.5
(Percentage of GDP unless otherwise indicated)									
National accounts									
Investment-saving									
Saving	18.8	19.4	19.3	19.2	21.2	21.5	22.0	22.7	23.2
Gross national saving	13.7	14.4	14.2	14.0	16.1	16.4	17.2	17.8	18.4
Private	10.9	11.3	10.4	10.1	11.5	11.1	11.2	11.4	11.4
Public	2.7	3.1	3.7	3.9	4.5	5.2	6.0	6.4	7.0
External saving	5.1	5.0	5.1	5.3	5.1	5.1	4.9	4.9	4.9
Gross domestic investment	18.8	19.4	19.3	19.2	21.2	21.5	22.0	22.7	23.2
Gross fixed capital formation	18.5	19.1	18.9	18.9	20.8	21.0	21.6	22.2	22.8
Private	11.5	12.0	11.4	11.1	12.8	12.8	13.3	13.8	14.3
Public	7.0	7.1	7.5	7.7	8.0	8.2	8.3	8.4	8.5
Nonfinancial public sector									
Revenue	33.3	29.3	29.0	29.8	30.4	30.1	29.8	31.2	29.7
Tax	13.4	13.9	14.3	14.6	15.0	15.6	16.2	16.6	16.8
Other	19.9	15.4	14.7	15.2	15.4	14.5	13.6	14.6	12.9
Expenditure	32.6	28.7	28.1	29.0	29.5	28.9	28.3	29.4	28.0
Current	25.6	21.6	20.6	21.2	21.4	20.7	20.0	21.0	19.5
Capital	7.0	7.1	7.5	7.7	8.0	8.2	8.3	8.4	8.5
Net balance	-3.7	-3.7	-3.8	-3.8	-3.5	-3.0	-2.3	-2.0	-1.5
Financing	3.7	3.7	3.8	3.8	3.5	3.0	2.3	2.0	1.5
External net	1.9	2.5	2.6	2.9	2.9	2.6	2.2	1.9	1.7
Domestic net	1.7	1.2	1.2	0.9	0.7	0.4	0.1	0.2	-0.2
Balance of payments									
Current account	-5.1	-5.0	-5.1	-5.3	-5.1	-5.1	-4.9	-4.9	-4.9
Trade balance	-6.2	-6.4	-6.2	-5.6	-5.3	-4.9	-4.5	-4.6	-4.4
Exports f.o.b.	14.5	15.0	16.2	17.3	18.0	18.5	19.1	18.9	18.5
Imports c.i.f.	-20.7	-21.4	-22.4	-22.9	-23.2	-23.4	-23.6	-23.5	-22.9
Capital and financial acct. (includes errors and omissions)	4.6	3.7	4.0	6.3	6.3	6.5	5.9	6.0	5.4
<i>Of which:</i> direct invest. capital of public M.I.P.S.	8.6	9.0	8.6	7.3	6.8	6.2	6.0	6.0	5.5
Financing	1.3	1.9	1.8	2.3	2.3	2.2	1.9	1.6	1.4
Financing	0.5	1.3	1.1	-1.0	-1.2	-1.4	-1.1	-1.1	-0.8
<i>Of which:</i> Exceptional NIR (Central Bank)	0.2	0.2	0.3	0.3	0.2	0.1	0.1	0.1	0.1
NIR (Central Bank)	0.3	1.2	0.8	-1.3	-1.4	-1.5	-1.2	-1.2	-0.9

Source: Prepared with data from the Central Bank of Bolivia.

Table I. Bolivia: Macroeconomic Indicators

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
(Percentage annual change)										
Output and prices										
Real GDP	4.6	5.3	1.6	4.3	4.7	4.7	4.4	5.0	5.5	0.6
Per capita real GDP	2.2	2.8	(0.9)	1.8	2.2	2.3	1.9	2.5	3.1	(1.7)
Real aggregate demand	5.7	6.7	3.3	3.2	3.6	5.5	5.1	6.8	8.4	(3.4)
GDP deflator	15.8	19.0	13.2	7.1	8.1	10.5	10.9	5.6	6.5	2.8
Inflation (end of period)	18.0	14.5	10.5	9.3	8.5	12.6	7.9	6.7	4.4	3.1
Inflation (annual average)	17.1	21.4	12.1	8.5	7.9	10.2	12.4	4.7	7.7	2.2
(As percentage of GDP)										
Investment and savings										
Investment	12.5	15.6	16.7	16.6	14.4	15.2	16.2	19.6	23.1	18.9
Public	8.3	8.7	10.0	9.2	9.0	8.2	7.3	7.2	6.3	6.7
Private	4.3	6.9	6.7	7.4	5.4	7.0	9.0	12.4	16.8	12.2
<i>Of which: foreign investment</i>	1.4	1.8	2.1	2.1	2.1	5.6	6.4	9.2	10.1	10.9
Saving	12.5	15.6	16.7	16.6	14.4	15.2	16.2	19.6	23.1	18.9
Gross national saving	14.6	11.5	9.4	9.4	13.2	10.8	11.1	13.1	15.1	12.2
Public	3.9	4.4	5.6	3.1	6.0	6.4	5.3	4.2	2.3	2.9
Private	10.7	7.1	3.9	6.3	7.2	4.4	5.9	9.0	12.9	9.3
External saving	-2.0	4.1	7.3	7.1	1.2	4.5	5.1	6.5	8.0	6.7
Nonfinancial public sector										
Total revenue	30.8	32.4	33.2	30.9	33.3	32.1	29.9	29.3	31.0	30.8
<i>Of which: tax revenue</i>	6.9	7.1	8.9	9.3	10.3	11.1	11.4	12.8	14.1	12.8
Total expenditure	35.1	36.6	37.5	37.0	36.3	33.8	31.8	30.1	31.0	30.7
<i>Of which:</i>										
Capital expenditure	8.3	8.7	10.0	9.1	8.9	8.1	8.0	7.2	6.3	7.3
Social expenditure 1/	7.0	7.3	8.8	9.7	10.1	12.3	13.6	15.3	15.6	16.5
Surplus (deficit) excluding pensions	(2.9)	(3.4)	(3.0)	(4.8)	(2.6)	(1.3)	(1.6)	(1.1)	0.6	0.3
Pension deficit	-	-	-	-	-	-	-	(2.5)	(4.0)	(4.0)
SPNF deficit	(2.9)	(3.4)	(3.0)	(4.8)	(2.6)	(1.3)	(1.6)	(3.6)	(3.4)	(3.6)
Financing	2.9	3.4	3.0	4.8	2.6	1.3	1.6	3.6	3.4	3.6
External	1.7	2.2	2.3	3.7	2.7	3.1	2.5	2.8	2.7	2.2
Domestic	1.2	1.2	0.7	1.1	(0.1)	(1.8)	(0.9)	0.8	0.7	1.4
(Percentage annual change unless otherwise indicated)										
Money, banking, and credit										
Reserve money	31.5	31.5	25.9	32.5	17.3	12.5	27.8	19.5	(24.7)	3.3
M3 growth	27.5	22.7	13.9	14.0	37.1	18.2	18.3	18.2	6.8	(3.2)
Domestic credit										
Public sector	53.3	6.0	182.9	29.1	3.9	(90.1)	(451.6)	(49.9)	(3.3)	(29.4)
Banks	15.5	7.6	(4.1)	(3.9)	69.4	15.6	2.2	(2.5)	6.7	9.2
Interest rates (%) 2/										
Lending	22.21	19.05	18.6	17.85	16.15	17.82	17.19	16.21	15.55	16.26
Deposit	14.4	11.4	11.65	10.2	9.6	11.3	9.0	8.3	8.3	8.8
(As percentage of GDP unless otherwise indicated)										
External sector										
Current account	2.0	(4.1)	(7.3)	(7.1)	(1.2)	(4.5)	(5.1)	(6.5)	(8.0)	(6.7)
<i>Of which: trade balance</i>	3.2	(3.6)	(8.0)	(7.4)	(2.7)	(5.1)	(5.6)	(8.0)	(10.3)	(8.4)
Capital account	3.0	3.2	7.3	7.1	6.6	8.0	9.1	10.7	11.8	8.8
<i>Of which: foreign direct investment (in millions of dollars)</i>	65.9	93.7	120.1	121.6	128.0	372.3	471.9	598.9	869.8	1,013.9
Balance of payments surplus (deficit)	(0.7)	(2.3)	(2.5)	(1.8)	(0.8)	(0.7)	4.0	1.2	1.2	(0.5)
International trade										
(Index 1990=100)										
Volume of exports	100.0	101.4	95.5	112.7	148.1	148.9	158.6	165.4	156.9	158.0
Volume of imports	100.0	135.2	149.4	153.6	152.4	178.7	204.3	238.3	309.6	273.3
Terms of trade	100.0	87.1	76.3	67.3	68.9	69.0	67.5	67.5	63.7	59.7
(In millions of dollars unless otherwise indicated)										
Foreign assets										
Net international reserves	132.4	200.3	233.5	370.9	502.4	650.2	950.8	1,066.0	1,063.4	1,113.6
(months of imports)	2.3	2.4	2.5	3.8	5.0	5.4	6.9	6.7	5.2	7.2
External public debt	3,779.0	3,628.0	3,784.5	3,782.8	4,215.5	4,523.0	4,366.3	4,233.9	4,654.6	4,573.8
External debt service	228.3	184.9	206.4	249.6	282.0	297.0	301.9	322.3	351.2	253.8
External debt (as percentage of exports) 3/										
NPV before HIPC I Initiative	-	-	-	-	-	-	-	-	273.7	281.2
NPV after HIPC I Initiative and debt relief from Japan	-	-	-	-	-	-	-	-	212.7	220.9
NPV after HIPC II Initiative	-	-	-	-	-	-	-	-	150.0	154.4
Exchange rate (end of period)										
Boliviano/U.S. dollar	3.4	3.7	4.1	4.5	4.7	4.9	5.2	5.4	5.6	6.0
Real exchange rate index (1995=100)	79.0	88.1	90.4	91.7	98.2	100.0	90.2	88.6	89.8	89.4

Source: Banco Central de Bolivia.

1/ Data for 1985-1989, 1990-1994 and 1995-1999 are not comparable as the coverage and concepts differ. Official, more reliable data correspond to the period 1995-1999.

2/ Interest rates are effective rates paid by the banking system.

3/ As percentage of a three-year moving average of exports of goods and services.

Table 2. Bolivia: Economic and Financial Indicators

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
	(Percentage annual change)									
Consumer prices										
End of period	18.0	14.5	10.5	9.3	8.5	12.6	7.9	6.7	4.4	3.1
Food and drink	18.4	12.0	10.5	8.8	10.6	16.0	6.8	3.3	3.5	(1.1)
Clothing	18.1	15.0	10.9	7.5	5.3	7.1	5.5	5.3	6.0	4.8
Housing	18.6	20.5	8.9	10.2	7.8	10.2	8.4	8.7	2.8	9.2
Health	10.8	9.0	13.4	7.0	9.3	16.5	9.7	10.9	9.2	6.0
Education	14.2	11.5	9.3	11.5	11.1	12.0	9.8	13.1	6.8	7.0
Annual average	17.1	21.4	12.1	8.5	7.9	10.2	12.4	4.7	7.7	2.2
	(In millions of dollars unless otherwise indicated)									
Money, banking, A60 and credit										
Net international reserves	132.4	200.3	233.5	370.9	502.4	650.2	950.8	1,066.0	1,063.4	1,113.6
(months of imports)	2.3	2.4	2.5	3.8	5.0	5.4	6.9	6.7	5.2	7.2
Domestic credit										
Public sector	191.5	184.0	474.1	561.7	552.5	52.5	(175.4)	(84.8)	(77.9)	(51.8)
Banks	444.2	432.9	378.0	333.2	534.0	590.9	573.7	539.4	546.9	562.6
Reserve money	318.3	379.3	434.8	528.3	586.7	631.6	766.6	882.9	631.6	614.1
M1	246.3	279.2	302.7	318.2	401.7	475.3	498.5	570.1	579.8	525.5
M1	293.3	388.9	471.0	561.4	686.9	796.6	921.2	1,068.5	1,122.4	982.2
M2	280.9	304.9	321.2	336.7	424.5	493.8	539.2	624.8	635.2	580.0
M2	402.9	525.9	647.8	795.9	963.7	1,111.3	1,551.0	1,903.0	2,041.2	1,868.6
M3	289.7	322.0	334.0	349.2	453.1	512.6	576.2	656.6	666.6	607.6
Total Liquidity (M ³)	990.7	1,390.1	1,736.4	2,173.0	2,501.1	2,619.9	3,560.5	4,104.1	4,445.7	4,296.2
Near money	697.4	1,001.1	1,265.3	1,611.7	1,871.3	1,915.6	2,739.5	3,104.4	3,400.0	3,378.2
Velocity (GDP/M1)	5.4	5.4	5.6	5.8	6.8	7.2	6.9	7.4	7.0	6.5
	(Percentage annual change unless otherwise indicated)									
Net international reserves	611.8	51.3	16.6	58.8	35.5	29.4	46.2	12.1	(0.2)	4.7
(months of imports)	2.3	2.4	2.5	3.8	5.0	5.4	6.9	6.7	5.2	7.2
Domestic credit										
Public sector	53.3	6.0	182.9	29.1	3.9	(90.1)	(451.6)	(49.9)	(3.3)	(29.4)
Banks	15.5	7.6	(4.1)	(3.9)	69.4	15.6	2.2	(2.5)	6.7	9.2
Reserve money	31.5	31.5	25.9	32.5	17.3	12.5	27.8	19.5	(24.7)	3.3
M1	28.3	25.1	19.0	14.6	33.4	23.6	10.4	18.6	7.0	(3.7)
M1	39.9	46.4	33.0	29.9	29.3	21.2	21.8	20.3	10.5	(7.1)
M2	27.2	19.8	15.7	14.3	33.2	21.6	15.0	20.2	7.0	(3.0)
M2	50.2	44.1	35.3	33.9	28.0	20.5	46.9	27.3	12.9	(2.8)
M3	27.5	22.7	13.9	14.0	37.1	18.2	18.3	18.2	6.8	(3.2)
Total liquidity (M ³)	48.7	54.9	37.2	36.4	21.6	9.5	43.1	19.6	14.0	2.6
Near money	52.8	58.5	38.8	38.8	22.7	7.0	50.6	17.6	15.2	5.5
Velocity (GDP/M1)	5.4	5.4	5.6	5.8	6.8	7.2	6.9	7.4	7.0	6.5
	(In millions of dollars unless otherwise indicated)									
Banking system										
Deposits	814.9	1,210.8	1,544.8	1,929.3	1,992.3	2,238.3	2,719.3	3,035.0	3,473.0	3,519.9
Demand	110.2	198.1	250.2	321.8	385.0	440.2	565.4	660.7	741.9	632.1
Savings	109.1	136.2	175.2	232.1	271.5	309.9	403.0	554.9	625.4	636.1
Time	578.2	851.3	1,079.5	1,368.9	1,328.5	1,466.0	1,741.2	1,810.7	2,066.8	2,198.4
Other	17.5	25.2	39.8	6.6	7.2	22.2	9.7	8.8	38.9	53.2
Portfolio	1,086.0	1,350.1	1,855.6	2,369.9	2,504.1	2,746.1	2,892.8	3,390.5	4,217.7	4,053.0
Overdue portfolio (as percentage of total)	18.0	8.2	6.6	6.3	3.7	6.3	4.8	4.5	4.6	6.6
Interest rates (%) 1/										
Lending	22.21	19.05	18.6	17.85	16.15	17.82	17.19	16.21	15.55	16.26
Deposit	14.4	11.4	11.65	10.2	9.6	11.3	9.0	8.3	8.3	8.8

Source: Prepared on the basis of data from the Banco Central de Bolivia, INE, and SBEF.

1/ Interest rates are effective rates paid by the banking system.

Table 3. Bolivia: Gross Domestic Product at Constant Prices by Economic Activity (1990 prices)
(In thousands of bolivianos)

	1990	1991	1992	1993	1994	1995	1996	1997	1998 (p)	1999 (p)
A. INDUSTRY	12,518,226	13,226,912	13,399,568	14,012,263	14,708,259	15,382,548	16,120,122	16,911,708	17,820,988	18,059,236
1. AGRICULTURE, FORESTRY, HUNTING, AND FISHING	2,371,077	2,604,863	2,494,544	2,597,906	2,771,248	2,810,149	2,998,549	3,135,126	3,028,486	3,105,038
- Nonindustrial agricultural products	1,112,167	1,246,235	1,192,613	1,213,352	1,270,183	1,245,384	1,316,239	1,359,214	1,278,433	1,366,060
- Industrial agricultural products	231,168	333,675	287,092	348,356	430,661	482,079	575,049	619,301	585,623	563,948
- Coca	195,108	183,420	170,990	164,793	162,106	161,551	160,769	168,212	135,862	81,667
- Livestock products	674,410	685,306	698,228	717,435	750,968	760,846	781,386	818,345	851,113	907,286
- Forestry, hunting, and fishing	158,225	156,226	145,621	153,970	157,330	160,289	165,107	170,054	177,454	186,078
2. MINING AND QUARRYING	1,581,913	1,617,376	1,638,921	1,734,838	1,794,460	1,925,294	1,887,234	2,001,665	2,174,001	1,998,842
- Crude oil and natural gas	663,842	668,727	674,965	691,038	750,301	775,202	792,604	904,594	1,075,731	1,004,522
- Metallic and nonmetallic minerals	918,071	948,649	963,956	1,043,800	1,044,159	1,150,092	1,094,631	1,097,072	1,098,270	994,319
3. MANUFACTURING INDUSTRIES	2,619,623	2,745,888	2,748,031	2,860,153	3,014,947	3,219,775	3,376,399	3,444,617	3,532,868	3,649,645
- Food, drink, and tobacco	1,189,163	1,278,903	1,249,126	1,290,318	1,380,648	1,486,625	1,581,498	1,621,911	1,696,456	1,760,984
- Other industries	1,430,460	1,466,984	1,498,905	1,569,835	1,634,298	1,733,150	1,794,902	1,822,706	1,836,413	1,888,661
4. ELECTRICITY, GAS, AND WATER	248,417	265,879	278,237	321,471	357,657	388,665	401,704	420,615	433,833	452,630
5. CONSTRUCTION AND PUBLIC WORKS	474,022	502,321	558,554	590,674	597,658	633,803	690,954	725,467	960,369	824,155
6. TRADE	1,370,940	1,461,074	1,471,692	1,514,429	1,577,515	1,622,311	1,709,922	1,794,308	1,819,721	1,866,818
7. TRANSPORT, STORAGE, AND COMMUNICATIONS	1,439,094	1,533,336	1,604,267	1,674,804	1,774,730	1,879,869	2,008,715	2,194,451	2,399,157	2,383,851
8. FINANCIAL INSTITUTIONS, INSURANCE, REAL PROPERTY AND SERVICES TO ENTERPRISES	1,569,365	1,625,591	1,729,297	1,845,604	1,957,170	2,028,928	2,201,889	2,479,724	2,811,037	3,085,991
- Financial services	262,082	289,732	357,306	421,090	475,717	508,120	621,438	743,755	899,966	926,210
- Services to enterprises	392,995	409,460	433,196	468,443	508,653	530,025	571,249	706,343	868,071	1,102,854
- Housing property	914,288	926,399	938,794	956,071	972,800	990,782	1,009,202	1,029,626	1,043,001	1,056,928
9. COMMUNAL, SOCIAL AND PERSONAL SERVICES	592,802	616,037	646,319	676,778	691,897	718,351	753,784	796,235	817,846	861,604
10. RESTAURANTS AND HOTELS	504,021	534,370	562,985	582,922	593,832	609,070	634,996	646,902	663,514	681,503
11. IMPUTED BANKING SERVICES	-253,048	-279,824	-333,279	-387,317	-422,855	-453,666	-544,024	-727,402	-819,844	-850,842
B. GOVERNMENT SERVICES	1,552,659	1,565,461	1,629,105	1,678,068	1,723,508	1,766,201	1,793,454	1,877,546	1,900,027	1,954,105
C. DOMESTIC SERVICES	92,534	94,311	96,339	98,086	100,862	103,638	106,260	109,150	111,966	115,101
TOTAL A BASIC VALUES	14,163,419	14,886,684	15,125,012	15,788,417	16,532,628	17,252,387	18,019,835	18,898,404	19,832,981	20,128,443
VAT and IT and other indirect taxes	1,279,718	1,369,769	1,399,103	1,441,162	1,501,099	1,625,010	1,680,869	1,778,314	1,984,271	1,820,909
T O T A L : Market prices	15,443,136	16,256,453	16,524,115	17,229,578	18,033,729	18,877,396	19,700,704	20,676,718	21,817,252	21,949,352

Source: National Statistics Institute.

(p) Preliminary.

Table 4. Bolivia: Gross Domestic Product at Constant Prices by Type of Expenditure (1990 prices)
(In thousands of bolivianos)

	1990	1991	1992	1993	1994	1995	1996	1997	1998(p)	1999(p)
Final consumption expenditure of government	1,815,415	1,876,065	1,945,335	1,994,606	2,057,084	2,193,477	2,250,628	2,326,252	2,408,188	2,471,533
Final consumption expenditure of household and I.P.S.F.L.	11,869,886	12,264,368	12,700,433	13,122,712	13,507,684	13,905,760	14,359,906	15,139,505	15,972,650	16,281,027
Change in stocks	-4,101	192,895	47,434	-22,412	-88,669	-136,030	34,669	152,949	44,570	-95,400
Gross fixed capital formation	1,939,425	2,309,228	2,587,870	2,655,895	2,442,941	2,780,084	3,106,141	3,937,439	5,043,118	4,359,448
Exports of goods and services	3,517,480	3,774,038	3,816,036	4,018,461	4,625,108	5,046,839	5,252,178	5,141,346	5,483,217	4,949,351
Less : imports of goods and services	3,694,970	4,160,141	4,572,994	4,539,684	4,510,420	4,912,734	5,302,818	6,020,772	7,134,491	6,016,607
Total: market prices	15,443,136	16,256,453	16,524,115	17,229,578	18,033,729	18,877,396	19,700,704	20,676,718	21,817,252	21,949,352

Source: National Statistics Institute.

(p) Preliminary.

I.P.S.F.L: Private nonprofit institutions.

Table 5. Bolivia: Consolidated Nonfinancial Public Sector Operations
(As percentage of GDP)

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
Total revenue	30.8	32.4	33.2	30.9	33.3	32.1	29.9	29.3	31.0	30.8
Current revenue	28.9	30.7	30.5	29.4	30.8	30.4	27.6	27.9	29.7	29.8
Tax revenue	6.9	7.1	8.9	9.3	10.3	11.1	11.4	12.8	14.1	12.8
Domestic revenue	5.6	6.1	7.7	8.1	9.0	9.8	10.1	11.3	12.4	11.5
Capitalized enterprises	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	5.6	6.1	7.7	8.1	9.0	9.8	10.1	11.3	12.4	11.5
Customs revenue	1.2	1.0	1.1	1.1	1.3	1.3	1.2	1.4	1.5	1.3
Mining royalties	0.1	0.1	0.1	0.0	0.0	0.0	0.1	0.1	0.1	0.1
Taxes on hydrocarbons	0.0	0.0	0.0	0.0	0.0	0.0	0.1	2.9	4.7	4.5
VAT and IT	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.6	0.8	0.8
IEHD	0.0	0.0	0.0	0.0	0.0	0.0	0.1	1.3	2.3	2.4
Royalties	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0	1.5	1.3
Hydrocarbons	12.1	13.4	11.3	9.8	9.2	8.7	8.7	5.6	5.0	5.2
Domestic market	7.5	8.7	8.5	8.1	7.6	7.0	7.5	4.7	4.1	4.5
External market	4.5	4.6	2.8	1.7	1.6	1.7	1.3	0.9	0.9	0.7
Other enterprises	6.0	6.2	6.2	5.9	6.2	5.2	2.4	1.7	1.1	1.3
Domestic market	3.5	3.8	4.0	3.9	4.1	3.3	1.0	0.6	0.3	0.4
External market	2.5	2.3	2.2	2.0	2.2	1.9	1.4	1.2	0.8	0.9
Current transfers	0.8	0.9	1.0	1.1	1.2	1.2	1.3	0.7	0.8	0.9
Other current revenue	3.1	3.1	3.1	3.3	3.9	4.2	3.7	4.1	4.1	5.1
Sales of corp. enterprises	1.5	1.5	1.6	1.6	1.6	1.4	0.9	0.6	0.5	0.3
Other capital [sic] revenue	0.2	0.4	0.3	0.2	0.2	0.7	0.3	1.0	0.7	0.8
Recovery of loans	0.0	0.0	0.0	0.2	0.4	0.4	0.7	0.3	0.2	0.1
Other revenue	1.4	1.2	1.2	1.3	1.7	1.6	1.7	2.3	2.7	3.8
Capital revenue	1.8	1.7	2.7	1.5	2.5	1.6	2.4	1.4	1.3	1.0
Total expenditure	35.1	36.6	37.5	37.0	36.3	33.8	31.8	30.1	31.0	30.7
Current expenditure	26.9	28.0	27.5	27.9	27.3	25.7	23.8	22.9	24.7	23.4
Personal services	10.2	10.2	11.3	11.9	12.1	10.9	10.5	10.5	10.2	9.7
Benefits	0.4	0.5	0.5	0.8	1.3	0.4	0.7	0.6	0.7	0.4
Bonuses [?]	0.7	0.6	0.6	0.6	0.6	0.6	0.5	0.5	0.5	0.4
Other remuneration	9.1	9.2	10.1	10.4	10.2	10.0	9.3	9.3	9.0	8.9
Goods and services	8.8	9.0	8.0	7.4	6.8	6.7	5.5	6.9	8.6	8.5
Contractors	1.0	1.1	0.8	0.4	0.4	0.3	0.3	0.5	0.7	0.3
Other	7.9	7.9	7.2	7.0	6.3	6.4	5.2	6.4	7.9	8.1
External debt interest	3.0	3.0	2.4	2.3	2.2	2.4	1.7	1.4	1.2	0.8
Domestic debt interest	0.6	0.8	0.7	0.5	0.2	0.3	0.5	0.1	0.2	0.4
BCB losses	0.6	0.7	0.2	-0.4	-0.7	-0.8	-0.6	-0.7	-0.7	-0.4
Other	0.0	0.1	0.6	0.9	0.9	1.1	1.1	0.8	0.9	0.8
Current transfers	2.5	2.2	2.2	2.3	3.1	3.1	3.4	1.7	2.5	1.6
Issuance of tax certificates	0.0	0.4	0.3	0.4	1.1	0.9	0.7	1.3	1.9	1.1
Annuities	0.7	1.1	1.2	1.4	1.5	1.3	2.1	0.0	0.0	0.0
Other transf. to private sector	1.9	0.7	0.6	0.5	0.6	0.9	0.6	0.4	0.5	0.5

Table 5. Bolivia: Consolidated Nonfinancial Public Sector Operations
(As percentage of GDP)

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
Other current expenditure	2.2	2.3	3.1	3.4	2.9	2.6	2.3	2.3	2.0	2.4
Universities	0.0	0.0	0.0	1.3	1.3	1.2	1.2	1.3	1.2	1.5
Structural Adjust. Credit (SAC)	0.0	0.0	0.0	0.4	0.1	0.0	0.1	0.0	0.0	0.0
Lending	0.0	0.0	0.0	0.3	0.5	0.4	0.5	0.0	0.0	0.0
DIFEM	0.0	0.0	0.0	0.4	0.2	0.1	0.0	0.0	0.0	0.0
Other	2.2	2.3	3.1	0.9	0.8	0.8	0.5	0.8	0.7	0.9
Unidentified expenditure	-0.6	0.6	-0.2	0.1	0.1	-0.2	-0.1	0.0	0.0	0.0
Capital expenditure	8.3	8.7	10.0	9.1	8.9	8.1	8.0	7.2	6.3	7.3
Surf (DEF) excluding pensions	-4.4	-4.2	-4.4	-6.0	-3.0	-1.8	-1.9	-0.8	0.0	0.2
Pensions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-2.5	-4.0	-4.0
Current revenue	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.9	0.0	0.0
Private contributions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.9	0.0	0.0
Current expenditure	0.0	0.0	0.0	0.0	0.0	0.0	0.0	3.4	4.0	4.0
Pension payments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	3.2	3.6	3.6
Ap. Fusión Salarios [?]	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.4	0.4
Current surplus (deficit)	2.1	2.7	3.0	1.6	3.5	4.7	3.8	2.5	1.0	2.5
Total surplus (deficit)	-4.4	-4.2	-4.4	-6.0	-3.0	-1.8	-1.9	-3.3	-4.0	-3.8
Financing	4.4	4.2	4.4	6.0	3.0	1.8	1.9	3.3	4.0	3.8
Net external credit	2.4	3.3	3.8	5.0	3.6	3.6	2.5	2.7	2.8	2.3
Disbursements	3.6	3.4	4.2	3.9	4.8	4.9	4.1	4.0	3.6	3.0
Special payment from Argentina	0.0	0.0	0.0	1.5	0.4	0.0	0.0	0.0	0.0	0.0
Amortizations	-1.3	-1.1	-1.2	-1.5	-1.8	-1.7	-1.6	-1.3	-1.0	-1.1
Unpaid interest	1.7	1.4	1.1	0.9	0.5	0.6	0.0	0.0	0.0	0.0
Overdue payments	-0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Arrears Argentina	-0.4	-0.1	0.1	0.5	0.0	0.0	0.0	0.0	0.0	0.0
HIPC external debt relief	-1.2	-0.3	-0.3	-0.2	-0.2	-0.1	0.0	0.0	0.2	0.5
Other (Dep. Entel)	0.0	-0.1	-0.1	0.0	0.0	-0.1	-0.1	0.0	0.0	-0.1
Net domestic credit	1.9	1.0	0.5	1.0	-0.7	-1.8	-0.6	0.5	1.2	1.5
Central bank	2.1	1.0	0.3	0.9	-0.9	-3.4	-1.9	-1.0	-0.6	-1.4
Quasifiscal	0.6	0.7	0.2	-0.4	-0.7	-0.8	-0.6	-0.7	-0.7	-0.4
Other	1.5	0.3	0.1	1.2	-0.2	-2.5	-1.3	-0.3	0.1	-1.0
Contractors	-0.1	-0.3	-0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Floating debt	0.1	0.5	-0.1	0.4	-0.9	-0.2	-0.1	-0.1	0.4	0.2
Other	-0.2	-0.2	0.4	-0.3	1.1	1.8	1.4	1.6	1.4	2.7
Tax certificates	-0.2	-0.2	0.1	0.0	0.0	0.0	0.1	0.4	0.3	-0.2
Noncurrent deposits	0.0	0.0	0.0	-0.3	-0.6	0.2	-0.1	-0.1	0.0	0.5
T-notes,mutuales and T-bills.	0.0	0.0	0.0	0.0	1.6	2.0	0.7	0.3	-0.4	0.6
AFP bonds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.8
Other	0.0	0.0	0.4	0.0	0.0	-0.4	0.7	1.0	1.5	0.0

Source: Fiscal Programming Unit.

Table 6. Bolivia: Balance of Payments
(In millions of dollars)

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
Current account	98.4	(216.8)	(409.2)	(408.3)	(71.2)	(299.7)	(364.1)	(553.1)	(678.0)	(556.0)
Goods, services and income	(76.6)	(408.6)	(655.8)	(635.9)	(338.5)	(546.4)	(614.4)	(844.8)	(1,007.7)	(879.4)
Trade balance	158.0	(192.9)	(452.7)	(423.9)	(161.9)	(343.9)	(404.3)	(684.3)	(879.0)	(704.0)
Exports f.o.b.	845.2	776.6	637.6	709.7	985.1	1041.5	1132.0	1166.5	1104.0	1,051.1
Imports c.i.f.	(687.2)	(969.5)	(1,090.3)	(1,133.6)	(1,147.0)	(1,385.4)	(1,536.3)	(1,850.8)	(1,983.0)	(1,755.1)
Factor services	(239.8)	(224.2)	(212.1)	(223.4)	(196.7)	(228.1)	(220.5)	(196.2)	(162.6)	(201.2)
Investment income (net)	(222.5)	(211.2)	(193.0)	(203.3)	(176.3)	(202.9)	(149.7)	(152.1)	(137.8)	(167.5)
Received	17.0	22.3	15.3	12.1	16.7	24.7	73.2	57.1	67.3	42.9
Owed	(239.5)	(233.5)	(208.3)	(215.4)	(193.0)	(227.6)	(222.9)	(209.2)	(205.1)	(210.4)
Other investment income (net)	(17.3)	(13.0)	(19.1)	(20.1)	(20.4)	(25.2)	(70.8)	(44.1)	(24.8)	(33.7)
Nonfactor services	5.2	8.5	9.0	11.4	20.1	25.6	10.4	35.7	33.9	25.8
Exports	107.0	115.1	120.9	128.5	138.3	135.1	185.2	246.7	251.3	259.3
Imports	(101.8)	(106.6)	(111.9)	(117.1)	(118.2)	(109.5)	(174.8)	(211.0)	(217.4)	(233.5)
Net unilateral transfers	175.0	191.8	246.6	227.6	267.3	246.7	250.3	291.7	329.7	323.4
Capital account	144.9	172.4	413.8	405.1	393.7	534.3	651.8	914.7	1,008.1	750.6
Direct investment	65.9	93.7	120.1	121.6	128.0	372.3	471.9	598.9	869.8	1,013.9
<i>Of capitalized enterprises</i>							152.2	306.9	470.7	506.0
Medium- and long-term capital	196.5	208.7	277.8	199.7	225.6	290.5	196.4	205.1	91.2	112.4
Disbursements	335.2	299.9	384.7	319.2	364.5	430.4	345.3	370.8	320.2	280.8
Amortizations	(138.7)	(91.2)	(106.9)	(119.5)	(138.9)	(139.9)	(148.9)	(165.7)	(229.0)	(168.4)
Other capital accounts (net)	(117.5)	(130.0)	15.9	83.8	40.1	(128.5)	(69.3)	22.7	(118.5)	(234.7)
Trade balance - NIR	0.0	0.0	0.0	0.0	0.0	0.0	12.4	62.7	155.7	(141.0)
Capital transfer							40.4	25.3	9.9	0.0
Errors and omissions	(276.8)	(79.1)	(144.2)	(98.9)	(372.2)	(278.8)	0.0	(258.9)	(229.1)	(237.0)
Surplus or deficit	(33.5)	(123.5)	(139.6)	(102.1)	(49.7)	(44.2)	287.7	102.7	101.0	(42.4)
Financing	33.5	123.5	139.6	102.1	49.7	44.2	(287.7)	(102.7)	(101.0)	42.4
Counterpart items	(0.1)	1.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Exceptional financing	147.3	189.9	172.7	239.5	133.7	192.1	12.9	(0.0)		
HIPC relief									26.8	84.8
Net exchange reserves BCB										
(- Increase)	(113.7)	(68.0)	(33.1)	(137.4)	(84.0)	(147.9)	(300.6)	(102.7)	(127.8)	(42.3)

Source: Banco Central de Bolivia.

Table 7. Bolivia: Composition of Exports
(Official values in millions of dollars)

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
Traditional products	634	597	512	485	545	663	619	607	532	471
Minerals	408	356	379	382	438	511	478	500	435	397
Tin	108	100	98	84	91	90	84	82	66	69
Silver	34	28	44	56	63	71	64	59	73	68
Zinc	147	140	172	120	105	151	152	200	158	154
Wolfram	5	8	6	2	2	5	3	3	2	1
Antimony	13	10	10	8	13	12	10	9	6	4
Lead	15	11	11	10	12	13	12	11	9	5
Gold	65	39	22	76	119	131	120	111	113	89
Metals w/ imported raw materials	-	-	10	21	27	32	30	20	0	0
Other	22	19	5	7	5	7	4	6	7	7
Hydrocarbons	227	241	134	103	107	153	141	107	97	74
Natural gas	225	232	123	90	92	92	95	70	55	36
Other	1	9	11	13	15	60	47	37	41	38
Nontraditional products	288	254	229	301	545	474	595	647	576	562
Livestock	49	18	-	1	3	-	0	1	1	1
Soy	40	67	57	74	119	142	201	242	232	217
Coffee	14	7	7	4	15	17	16	26	15	14
Cacao	4	1	1	1	1	1	1	1	1	1
Sugar	32	31	25	16	45	17	28	22	24	9
Beverages in general	3	4	3	4	5	7	9	7	9	9
Timber	50	49	50	53	86	76	83	88	68	51
Leather	27	14	12	15	12	12	12	15	11	12
Rubber	2	1	0	0	0	0	0	0	0	0
Chestnuts	13	9	11	15	16	19	29	31	31	31
Cotton	6	14	10	10	16	30	33	41	17	20
Jewelry	-	-	1	40	139	79	40	20	3	15
Jewelry w/ imported gold	-	-	27	32	24	12	50	54	45	32
Other	48	37	25	37	63	64	94	100	120	150
Subtotal	923	851	741	786	1,090	1,138	1,215	1,254	1,108	1,032
Reexports	33	44	32	22	33	42	79	16	215	367
Personal effects	0	0	1	1	1	1	2	2	2	2
Total exports	956	895	774	809	1,124	1,181	1,295	1,272	1,325	1,402

Source: National Statistics Institute.

Table 8. Bolivia: Composition of Imports
(Official values in millions of dollars)

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
Consumer goods	151	210	205	224	282	282	340	387	506	411
Nondurable consumer goods	63	96	89	110	134	138	173	183	213	223
Durable consumer goods	89	114	116	114	149	144	166	203	293	188
Raw materials and intermediate goods	288	389	456	478	512	604	616	730	892	722
Fuel, lubricants, and related products	4	8	26	52	57	67	52	135	99	59
Raw materials and intermediate goods for agriculture	11	22	13	18	16	27	32	45	43	43
Raw materials and intermediate goods for industry (excl. Construction)	229	305	334	322	351	416	445	467	639	484
Construction materials	25	35	52	51	49	51	49	52	73	101
Parts and accessories for transportation equipment	19	19	31	35	39	43	37	32	38	34
Capital goods	254	366	438	456	388	535	659	748	1,007	691
Capital goods for agriculture	16	25	19	13	18	17	19	16	16	13
Capital goods for industry	173	260	301	274	224	314	369	470	528	530
Transportation equipment	64	81	118	168	145	204	271	262	463	149
Miscellaneous	9	29	31	19	14	12	42	44	46	30
Personal effects	0	0	1	0	0	0	0	0	0	0
Total value cif	703	994	1,130	1,177	1,196	1,434	1,657	1,909	2,450	1,854
Total value fob	619	883	1,005	1,054	1,077	1,308	1,533	1,771	2,271	1,683

Source: National Statistics Institute.

Table 9. Bolivia: Foreign Trade Price Index

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
(Base 1990, unless otherwise indicated)										
Mineral export price index	100.0	83.4	88.7	77.3	84.0	88.5	88.4	86.9	78.6	75.9
Nontrad. products export price index	100.0	94.8	93.3	97.1	101.2	103.4	103.6	104.3	102.8	102.8
General export price index	100.0	91.9	82.9	74.5	78.6	81.6	81.8	81.0	74.5	74.5
Capital goods import price index	100.0	107.9	113.0	117.1	121.6	121.6	124.1	124.8	125.7	125.7
Intermediate goods import price index	100.0	102.2	107.3	107.9	109.0	115.4	118.2	115.7	113.1	113.1
Consumer goods import price index	100.0	108.8	108.2	111.0	116.1	118.6	122.4	123.5	123.5	123.5
General import price index	100.0	105.5	108.5	110.7	114.1	118.2	121.1	120.0	118.6	118.6
Terms of trade price index	100.0	87.1	76.3	67.3	68.9	69.0	67.5	67.5	63.7	59.7
End-of-period exchange rates										
Boliviano/U.S. dollar	3.37	3.72	4.08	4.45	4.71	4.92	5.18	5.35	5.64	5.99
Real effective exchange rate index (1995=100)	79.01	88.08	90.37	91.71	98.23	100.00	90.19	88.55	89.81	89.37

Source: Prepared on basis of data from the Banco Central de Bolivia.

Table 10. Bolivia: External Public Debt

	Balance at End of									
	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
(In millions of dollars)										
Medium- and long-term debt	3,779	3,628	3,785	3,783	4,216	4,523	4,366	4,234	4,655	4,574
Multilateral	1,705	1,839	1,958	2,103	2,380	2,675	2,739	2,760	3,023	3,074
Bilateral	1,806	1,525	1,589	1,636	1,799	1,816	1,591	1,446	1,590	1,473
Private	267	263	238	44	37	32	37	28	41	27
(Percentage of total balance)										
Medium- and long-term debt	100	100	100	100	100	100	100	100	100	100
Multilateral	45	51	52	56	56	59	63	65	65	67
Bilateral	48	42	42	43	43	40	36	34	34	32
Private	7	7	6	1	1	1	1	1	1	1

Source: Banco Central de Bolivia.

Table 11. Bolivia: Social Indicators

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
Population										
Total population (millions of inhabitants)	6.6	6.7	6.9	7.1	7.2	7.4	7.6	7.8	7.9	8.1
Overall fertility rate (No. of children per mother)	5.0	4.9	4.8	4.8	4.7	4.6	4.5	4.4	4.3	4.2
Life expectancy at birth (no. of years)	58.3				59.3	60.4		61.4		62.1
Women of fertile age (millions)	1.6	1.6	1.7	1.7	1.7	1.8	1.8	1.9	1.9	2.0
Children under 1 year (thousands)	221.5	225.6	229.8	234.0	238.3	242.6	244.4	246.1	247.9	249.6
Children under 5 years (thousands)	1,017.9	1,041.5	1,065.7	1,090.3	1,115.5	1,141.1	1,154.8	1,168.6	1,182.5	1,196.5
Poverty										
National (% of total population)	-	-	-	-	-	-	-	63.2	-	62.7
National - major Cities (% total population)	-	-	-	52.0	-	-	-	50.7		47.0
National - major Cities (% of homes)	53.3	49.0	51.2	49.1	45.1	47.8				
Other urban areas (% of population)								63.7		65.8
Rural (% of rural population)								77.3		81.7
HDI	0.6					0.6		0.7	0.6	
HDI ranking						116.0		112.0	114.0	
Distribution of income										
GINI coefficient at national level								57.4		50.6
Gini coefficient major cities				54.3				52.7		48.0
Lower quintile (% of homes)	56.4	54.2	55.7	57.4	55.0	56.8				
Upper quintile (% of homes)	4.0	4.3	4.2	3.8	4.3	4.0				
Lower quintile (% of population)				3.1				2.0		3.1
Upper quintile (% of population)				58.3				62.2		57.5
Employment										
Gross labor force participation rate (%)	38.2	38.3	37.7	39.2	39.9	40.9	42.2	40.6	n.d.	44.4
Overall labor force participation rate (%)	51.3	51.5	50.6	52.6	53.7	55.1	56.6	52.5	n.d.	56.7
Open unemployment rate (%)	7.2	5.9	5.5	6.0	3.1	3.6	4.2	4.4	n.d.	8.0
Separation rate	4.2	3.6	3.9	3.9	2.4	2.6	3.3	3.2	n.d.	5.2
Social indicators										
Public expenditure (current expenditure + investment) (1)										
Health (% of GDP)	1.7	1.8	2.2	2.2	1.8	3.1	3.2	3.3	3.3	3.2
Health (% of total public investment)	4.9	2.6	4.3	4.7	4.7	5.0	5.3	6.0	6.9	7.8
Education (% of GDP)	3.1	3.7	4.1	4.9	5.1	5.3	5.6	6.0	5.7	6.2
Education (% of total public investment)	0.1	0.5	1.5	1.6	3.0	7.1	10.8	13.9	12.7	14.4
Basic health/GDP						0.7	1.1	1.0	1.0	1.3
Urbanization/GDP	0.9	0.5	1.0	1.1	1.5	1.1	0.8	0.7	0.7	0.6
Rural development/GDP						0.7	0.7	0.8	1.2	1.2
Pensions/GDP	-	-	-	-	-	1.3	2.1	3.2	3.6	3.7
AFP and FONVIS contribution	-	-	-	-	-	0.1	0.1	0.1	0.2	0.3
Social management/GDP						-	-	-	0.0	0.0
Education										
Illiteracy Rate (%)			20.0				16.6	15.2		14.8
Average years of school (pop. 19 years and older)			4.4							6.7
Gross rate of coverage (public - private)										
Total	69.8	71.8	72.4	74.4	76.0	77.6	78.5	83.3	80.8	80.1
Preschool	31.5	32.7	34.5	35.4	36.1	36.9	38.1	44.3	44.9	42.0
Primary	94.5	97.0	96.9	99.2	101.1	103.3	103.6	108.6	104.2	102.7
Secondary	38.0	39.2	40.8	43.0	44.1	45.3	46.9	50.3	50.2	52.2
Female primary enrollment (% growth)		5.7	2.2	5.3	4.2	4.4	4.3	5.2	1.5	1.0
Female primary completion (% growth)		2.5	6.6	2.5	4.3	4.5	3.4	8.6	1.4	3.6
Fiscal Sector Efficiency										
Primary school drop-out rate	6.2	5.8	6.8	13.1	13.0	8.2	8.2	9.0	7.5	6.0
Secondary school drop-out rate	10.1	8.3	5.1	12.6	12.6	11.6	12.0	13.1	11.0	9.4
Total third grade promotion rate (%)	94.9	90.6	96.0	95.3	95.3	94.3	92.8	92.8	94.2	96.5
Rural third grade promotion rate (%)	-	-	-	-	-	-	-	49.3	51.5	95.9
Sixth grade promotion rate (%)	52.8	65.1	65.0	70.9	71.1	66.4	68.4	65.6	67.4	69.6
Children who complete primary school in 6 years										
Human resources										
Students enrolled in public primary schools	1,140,477	1,199,997	1,243,957	1,316,439	1,370,862	1,428,713	1,454,777	1,578,195	1,549,337	1,563,875
Students enrolled in public schools	1,415,616	1,491,018	1,570,156	1,662,434	1,734,922	1,812,620	1,863,952	2,075,933	2,059,213	2,084,234
No. of teachers								80,678.0	82,356.0	82,746.0
No. primary school teachers								61,828.0	63,056.0	63,258.0
No. of primary school teachers w/o diploma								31,881.0	34,057.0	34,789.0
Pupil/teacher ratio in primary school								25.5	24.6	24.7
Primary school teachers w/o diploma								51.6	54.0	55.0
Physical resources										
No. of public educational buildings								12,041.0	12,083.0	13,050.0
No. of public educational units								13,779.0	13,526.0	13,835.0
No. of students per educational unit								150.7	152.2	150.6
Educational buildings with electricity (% of total buildings)				20.0						38.1
Educational buildings with safe drinking water (%)				33.0						55.8
Educational buildings with water hook-up (%)				9.0						19.7

Table 11. Bolivia: Social Indicators

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
Health and nutrition										
Immunization (% of children under 1 year)							77.5	78.8	80.0	88.1
DPT (third dose)							70.6	77.5	76.9	87.0
Polio							71.1	77.6	75.7	88.7
Measles							82.5	73.0	79.6	81.8
BCG							85.7	87.0	87.6	94.8
Prevalence of malnutrition in children under 3 years							9.2	9.5	9.5	8.7
Infant mortality rate - under 5 years (per thousand live births)									116.0	92.0
Maternal mortality (per 100,000 live births)										390.0
Institutional births (% of expected births)							32.6	39.3	42.7	45.2
Prenatal care (% of expected pregnancies)							19.3	23.9	26.4	30.1
Physical resources										
No. of hospital beds (per thousand inhabitants)							1.3	1.4	1.4	1.4
No. of health establishments per 10,000 inhab.							2.8	3.0	3.1	3.2
Human resources										
No. of doctors per 10,000 inhab.									3.0	3.6
No. of professional nurses (per 100,000 inhabitants)									14.3	17.3
Basic services										
Access to safe drinking water										
Urban (% of urban population)			84.0						92.0	
Rural (% of rural population)			24.0						44.0	
Sewerage										
Urban			63.0						82.0	
Rural			17.0						35.5	
Electricity										
Urban			87.1						97.0	
Rural			15.5						26.0	

(1) Coverage of public expenditure (investment expenditure + current expenditure) is lower for the 1990-1994 period as it does not include expenditure on health funds or current expenditure of municipalities and prefectures.

Source: INE, SIE, SNIS, UDAPE.