

Table 1. Bolivia: Policy Matrix 1998–2001

| Policy Areas | Objectives and Targets | Measures | Implementation | Technical Assistance |
|--|---|---|--|----------------------|
| Human Resources and Social Services | Expand educational opportunities for the poor and girls; improve access to basic health care, safe drinking water in rural areas, and enlarge rural development programs. | Education <ul style="list-style-type: none"> • Link teacher’s remuneration to performance. • Higher education reform study group to present reform proposal. • Transfer responsibilities for paying and managing teachers to the municipal governments. • Increase total expenditures on primary and secondary education as a share of GDP to 3.9 percent in 1999 and 2000. • Increase rural coverage of male students to 72 percent in 1999 and 74 percent in 2000 and of female students to 64 percent in 1999 and 68 percent 2000. • Increase the number of children who complete 5th grade in urban areas to 99,000 in 1999 and 2000 and in rural areas to 70,000 in 1999 and 75,000 in 2000. • Increase the number of female students completing 5th grade in urban areas to 47,000 in 1999 and 2000 and in rural areas to 34,000 in 1999 and 36,000 in 2000. • Increase the number of children under 6 in early childhood development programs to 100,000 in 1999 and 120,000 in 2000. | 1999 June 1999 1999 and 2000 1999 and 2000 1999 and 2000 1999 and 2000 1999 and 2000 | WB/IDB |
| | | Health <ul style="list-style-type: none"> • Introduce monitoring of vaccination epidemiologic surveillance programs. • Begin study of a basic health insurance system. • Raise share of basic health spending. • Implement PMN and AIEPI programs in 3 pilot <i>departamentos</i> and extending it to the rest of country a year later. • Increase the percent of births attended by health professionals to 63 percent in 1999 and 69 percent in 2000 under the Mother and Childhood National Insurance Program (SNMN). • Increase the coverage of treatment of acute respiratory infection for children under 5 to 60 percent in 1999 and 70 percent in 2000 under the SNMN framework. • Increase the coverage of acute diarrhea (EDA) treatment for children under 5 to 46 percent in 1999 and 56 percent in 2000 under the SNMN framework. • Increase the vaccination coverage of children under 5 for polio, DPT, measles and BCG to 83 percent in 1999 and 85 in 2000. | 1999 1999 1999–2001 1999 and 2000 1999 and 2000 1999 and 2000 1999 and 2000 1999 and 2000 | WB/IDB |

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| | | <ul style="list-style-type: none"> • Increase the coverage of Chagas testing for pregnant women in endemic areas to 45 percent in 1999 and 50 percent in 2000. • Reduce the share of annual parasite index (IPA) in malaria areas to 15 percent in 1999 and 8 percent in 2000. | 1999 and 2000 1999 and 2000 | |
| | | Rural development <ul style="list-style-type: none"> • Continue to fund the MECOVI and SISAP projects for work on poverty data. • Subject 4 million hectares of land to cadastre and titling regulations. • Provide basic water and sanitation improvements to 132,000 households. | 1999–2001 1999 1999 and 2000 | WB |
| Poverty Reduction and Social Safety Net | Strengthen the provision of social assistance to the poor. | <ul style="list-style-type: none"> • Expand support for poverty alleviation programs such as PAN, the mother-child support program, the old-age support program, and indigenous people programs. | 1999–2001 | |
| Housing | Enlarge access to home financing for the poor. | <ul style="list-style-type: none"> • Reduce impediments to facilitate credit access for low income groups. • Develop plans for the establishment of a secondary housing mortgage market. | June 1999 mid–2000 | |
| Fiscal Decentralization and Sustainability | Improve management of fiscal decentralization. | <ul style="list-style-type: none"> • Develop plans to improve fiscal decentralization reform based on IMF technical assistance mission. • Set a ceiling on annual growth of debt for each municipality and strengthen monitoring of these debt levels. | October 1998 Budget 1999 | IMF 1999 |
| Privatization | Advance the privatization of remaining key public sector enterprises. | <ul style="list-style-type: none"> • Offer the national smelting company Vinto for sale. • Sell development finance development company, FINDESA. • Privatize sugar mill (Bermejo) and SEMAPA. • Privatize electricity distribution companies of Tarija and Potosí. • Publish bid for joint venture for the refineries of YPFB. • Complete privatization of the natural gas network, jet fuel station, and natural gas bottling plants. • Prepare plan of action to reduce excess employment in the residual YPFB. • Establish joint venture for refineries of YPFB. | October 1998 October 1998 December 1998 June 1999 February 1999 March 1999 June 1999 June 1999 | WB RPAC |
| Tax Administration | Strengthen revenue collection through better tax administration. | <ul style="list-style-type: none"> • Develop a plan for domestic tax administration reform. • Submit to congress an amendment to the tax code to strengthen the legal position of tax authorities (DGII) in contended tax cases and enhance the ability of DGII to temporarily close down businesses that fail to comply with the tax law. | March 1999 June 1999 | IMF 1998 |
| Judicial Reform | Strengthen judicial institution and depoliticize the judiciary. | <ul style="list-style-type: none"> • Appoint staff to the Judicial Council, Ombudsman office, and the Constitutional Court. • Submit to congress a draft law on administrative procedures. • Submit to congress a revised penal and civil laws for the protection of individual rights. • Submit to congress revisions to the commercial code. | end–1998 June 1999 end–1999 end–2000 | WBRPAC |

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| Customs Administration Reform | Improve governance and transparency of customs administration. | <ul style="list-style-type: none"> • Begin the implementation of the short-term action plan to improve customs administration. • Complete regulation for Free Trade Zone. • Passage of new customs law and required regulations. • Develop a plan and secure financial resources for a new information system. • Create a unit to perform ex-post verification. • Prepare an infrastructure plan for all customs posts. • Implement new customs information system fully. • Complete all planned infrastructure projects. | <p>December 1998</p> <p>December 1998 June 1999 June 1999 June 1999 June 1999 December 2000 December 2000</p> | IMF 1998 |
| Civil Service Reform | Improve the professionalism of civil service. | <ul style="list-style-type: none"> • Initiate civil service and public institution reforms using the findings of World Bank's public expenditure review and institutional reform missions. • Introduce integrated financial action plan in five ministries and extending it to another 10 a year later. | <p>December 1999</p> <p>mid-1999 mid-2000</p> | WB PER/Inst Credit |
| Sectoral Policies | Improve sectoral regulatory framework and strengthen the national transportation systems. | <p>Sectors regulated by SIRESE</p> <p>Roads</p> <ul style="list-style-type: none"> • Design the master road plan and define the <i>Red Vial Nacional</i>. • Establish cost and toll revenue analysis for sustainable road maintenance program. • Transfer 70 percent of toll revenues on existing national roads to the <i>Servicio Nacional de Caminos (SNC)</i>. • Strengthen the SNC by clarifying responsibilities in the maintenance and concession of roads. • Complete an evaluation of the costs of maintaining the road system. • Finalize the master road plan. <p>Transport</p> <ul style="list-style-type: none"> • Promulgate a transport law, with corresponding regulation, to promote competition in trucking, railways, civil aviation, ports, and water transport. <p>Telecommunications</p> <ul style="list-style-type: none"> • Issue regulations to allow new entries in personal communication system market. • Pass law to promote competition in long distance and local services (beginning November 2001). • Uniformize service standards for providers. <p>Hydrocarbons</p> <ul style="list-style-type: none"> • Issue regulations for natural gas urban distribution network. • Issue regulations requiring lubricant oil blending stations to meet environmental standards. • Establish ruling to ensure that YPBF follow bidding procedure in using storage facilities. • Clarify royalties levied on stored gas. | <p>end-1998 end-1998</p> <p>January 1999</p> <p>March 1999</p> <p>March 1999 June 1999</p> <p>September 1999</p> <p>March 1999</p> <p>September 1999 2001 end-2000</p> <p>March 1999 March 1999</p> <p>September 1999</p> <p>September 1999</p> | |

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| | | <p>Water and sanitation</p> <ul style="list-style-type: none"> • Present to congress a draft water law establishing the user rights for water and quality standards. • Issue regulations to facilitate investment by concessionaires. • Separate water quality/distribution issues from resource management issues. | <p>September 1999</p> <p>September 1999</p> <p>September 1999</p> | WB RPAC |
| Financial Sector Reform | Create a financial system with full public confidence and deepen capital markets. | <p>Banking sector</p> <ul style="list-style-type: none"> • Improve early detection systems with prompt corrective action rules and enforcement capabilities. • Submit to congress a law to create the Deposit Guarantee Fund (DFG). • Issue norms granting more authority to the superintendency of banks to re-evaluate the quality of bank's managers and owners and to revoke their banking license if necessary. • Issue new prudential norms on credit, interest rate, and liquidity risks and on the strengthening of internal and external audit systems. • Create an appropriate framework for supervising risks and improving transparency of financial institutions and conglomerate groups. <p>Capital markets</p> <ul style="list-style-type: none"> • Issue security market regulations. • Issue regulatory norms to be applied uniformly to all financial intermediaries. <p>Pensions</p> <ul style="list-style-type: none"> • Expedite liquidation of assets from former complementary pension funds. • Improve diversification of the pension funds' portfolios by issuing investment rules, market access regulations, and credit rating requirements. <p>BOLIVIDA/ACCIONES POPULARES (AP)</p> <ul style="list-style-type: none"> • Begin work on setting up the <i>Registro de Identificación Nacional</i> (RIN) to register all eligible Bolivians. • Issue regulations to limit the <i>BOLIVIDA</i> payment to the proceeds from dividends and sales of shares in capitalized enterprises. • Set annual global ceiling on the use of APs as loan guarantees to safeguard the macroeconomic program. | <p>March 1999</p> <p>June 1999</p> <p>June 1999</p> <p>end–1999</p> <p>end–1999</p> <p>September 1998</p> <p>September 1999</p> <p>September 1999</p> <p>end–1999</p> <p>September 1998</p> <p>September 1999</p> <p>September 1999</p> | <p>WB RPAC</p> <p>WB RPAC</p> <p>WB RPA C</p> |
| Labor Market Reform | Prepare ground for reforming the labor market. | <ul style="list-style-type: none"> • Prepare draft proposal to serve as basis for discussions. • Submit to congress a draft new labor law. | <p>end–1998</p> <p>end–1999</p> | WB |

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| Sustainable Development and the Environment | Protect and preserve the environment through decentralization of management and adequate funding. | <ul style="list-style-type: none"> • Consolidate the National System of Protected Areas by strengthening the financial base of the National Environment Fund (FONAMA), ensuring that interest proceeds cover the park’s operating costs, and improving the financial viability of parks by introducing entrance fees. • Decentralize the management of the remaining seven of 12 protected areas to NGOs and/or community groups. • Establish environmental enforcement unit. | <p>June 1999</p> <p>June 1999</p> <p>December 1999</p> | WB/IDB |