



**Governing Council
of the
United Nations
Development Programme**

Distr.
GENERAL

DP/CP/BOL/3*
20 March 1984
ENGLISH
ORIGINAL: SPANISH

Thirty-first session
June 1984, Geneva
Agenda item 5 (b)

COUNTRY AND INTERCOUNTRY PROGRAMMES AND PROJECTS

Consideration and approval of country programmes

THIRD COUNTRY PROGRAMME FOR BOLIVIA

UNDP assistance requested by the Government of Bolivia
for the period 1984-1986

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* The previous country programmes for Bolivia and the related notes of the Administrator were issued under the document symbols DP/GC/BOL/R.1 and DP/GC/BOL/R.2 and DP/GC/BOL/R.1/RECOMMENDATION and DP/GC/BOL/R.2/RECOMMENDATION respectively.

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INTRODUCTION

1. The third country programme for Bolivia covers the period 1984-1986, which essentially coincides with the duration of the National Development Plan (1984-1987) being prepared by the competent authorities. The indicative planning figure (IPF) envisaged for the period 1982-1986 has been provisionally set at \$19.5 million, of which 55 per cent has been authorized for programming.
2. This programme takes into account certain allocations by the United Nations Fund for Population Activities (UNFPA), the United Nations Capital Development Fund (UNCDF), the Voluntary Fund for the United Nations Decade for Women, the Financing System for Science and Technology for Development, the foodstuffs supplied by the World Food Programme (WFP) and funds from UNDP Special Programme Resources.
3. Assistance for the period 1982-1983 was authorized with the approval of the extension of the 1977-1981 country programme and, at that time, a review was carried out jointly by the Ministry of Planning and the UNDP office in Bolivia, which have continued to co-operate in the preparation of the third country programme. Specifically, the Office for International Co-operation of the Ministry prepared the first draft in co-ordination with the sectoral planning offices and with the support of the UNDP office in Bolivia. With a view to the final selection of projects, an analysis was made of existing project profiles and new ones were drawn up. The specialized agencies of the United Nations system participated in identifying and formulating some of the projects included in the programme through their representatives or special missions.
4. The allocation of UNDP assistance was based not only on the priorities which the Bolivian Government attaches to the various programmes and projects, but also, on the following additional criteria:
 - (a) Special impetus should be given to those projects which will produce results in improving the living conditions of the least favoured population groups within the shortest possible time;
 - (b) Available resources should be concentrated on a limited number of activities and the programme should be given greater internal cohesiveness in order to ensure a more effective use of resources. That cohesiveness should be pursued by means of inter-agency and intersectoral activities;
 - (c) In selecting the operational modalities for implementing the programme, special attention should be focused on existing national expertise, and greater responsibility should be given to national counterparts so far as possible. To the extent that external advice is sought, it should preferably be confined to short-term advisers.

Furthermore, it is the hope of the Government of Bolivia that UNDP will serve as a catalyst to attract other multilateral and bilateral sources of assistance through specific projects and through its substantive and co-ordinating activities within the context and as a result of the Round-Table on International Co-operation for Bolivia held in April 1983 under United Nations auspices.

5. It is proposed that the content of this programme should include global allocations to priority sectors, with indications of the type of activity to be carried out and the modalities of financing, and that it should be reviewed annually so that the necessary adjustments can be made. This proposal is based on the following facts: (a) the National Development Plan for 1984-1987 is now in preparation; (b) the formulation and implementation of the Government's economic policy still call for a period of analysis and negotiations at various levels; and (c) the socio-economic situation of the country demands new priorities based on such factors as the short-term economic policy, economic revitalization, the need to prepare investment projects, export promotion, the reordering and rehabilitation of the productive public sector machinery as well as the need to resolve problems arising from the national emergency.

The programme will be reviewed annually for adjustment as necessary. Some projects for which resources could not be found will be finalized as and when funds from sources outside UNDP become available as a result of the Round-Table on International Co-operation for Bolivia scheduled for early 1984.

NATIONAL DEVELOPMENT OBJECTIVES AND PROGRAMMES TO BE SUPPORTED BY UNDP

A. Principal structural problems

6. The severe impact of the internal crisis, natural disasters and the world recession on Bolivia's society and economy also affects the direction in which the country will go in the future, and has imposed restrictions on the development of its medium- and long-term plans.

7. Bolivia is a country of physical and social contrasts. Its historical, political and economic development and the availability and distribution of its natural resources create contradictions which, as the democratic process evolves, require new approaches to planning and development.

8. Simultaneously and paradoxically, those same contrasts provide obvious opportunities for future development and pave the way for an equitable and unified society and a sound and self-sustaining economy. In order to maximize those opportunities, the country must resolutely face up to its most acute structural problems: (a) social disintegration; (b) physical fragmentation; (c) the limited domestic market; (d) the exploitation of renewable resources; (e) the imbalances in sectoral productivity; (f) the components of the gross domestic product; (g) the calibre and volume of human resources; and (h) the productivity and organization of the public sector.

B. Major features of the National Recovery and Development Plan

9. The disorganization of the economy in general, the economic and financial crisis affecting public enterprises and the size of the external debt, which has assumed overwhelming proportions, have become the key problems which must be

resolved as a matter of priority. In view of the world economic recession, it is considered highly unlikely that the stimulus required to revitalize the Bolivian economy will come from the external sector. The source of growth necessarily will have to be Bolivia's own domestic market. It is very difficult to resolve such problems solely through technical and financial assistance. There can be no prospect of a solution to these and other problems, such as drug trafficking, until the issue of power and decision-making has been resolved, requiring the restructuring of the foundations of the State.

10. The Development Plan proposes to set in motion a series of actions designed to reactivate the development of the economy, which has been affected by structural and circumstantial imbalances and natural disasters which have eroded the Bolivian way of life and Bolivian society. Bolivia has lost an estimated \$900 million in production, infrastructure and social capital. Accordingly, the Plan seeks to offer an alternative for resolving the emergency in the next three years.

11. The general objective of the Plan is to halt the continuing erosion of the living standards of the great majority of the population by focusing State action and support on the production of goods and services of mass consumption. Accordingly, the industrialization process will be adapted to the requirements for producing such goods and services, and the export sector will be developed with a view to meeting the country's foreign debt and the needs of an economy oriented towards the objectives described above. The country thus faces a multi-faceted medium-term planning effort if it is to meet the requirements of the productive rehabilitation of areas devastated by natural disasters, the reactivation of the various levels of economic activity, and structural change.

12. Furthermore, the Plan seeks to reduce the prevailing social inequality and to improve the living conditions of the most neglected population groups. The methods for attaining this objective of equality involve re-directing public social expenditure, which will have to be targeted specifically to low-income rural and urban groups, eradicating the most severe manifestations of extreme poverty, which include high infant mortality, malnutrition and illiteracy.

13. The Plan called for the division of the economic system into one essential area and one complementary area. There are two factors which define the type of activities included in the essential area: the production of goods for mass consumption and the production of export goods.

14. The mixed nature of the economy is reaffirmed, and private initiative is given a role in the development process. As regards the essential area, the participation of private initiative will be encouraged and the production of public companies will be planned directly company by company, which implies a special system of incentives and preferences. No restrictions will be imposed in the complementary area other than those required for the normal administration of the economic policy, through incentives and disincentives.

15. A third factor which deserves consideration is the strategy for the distribution of production and population in terms of Bolivia's physical space. It is intended to encourage the opening of a new agricultural frontier.

16. The expansion of that frontier, the population shifts envisaged and the infrastructure requirements with regard to transport and auxiliary services mean that the following sectors shall constitute pillars of the development process: (a) the agricultural sector, as the focus of the structural reform effort; (b) the hydrocarbon and energy sector, as the generator of foreign exchange and domestic savings; (c) the transport and infrastructure sector, as the foundation of economic relations and of the flow of goods between the newly incorporated regions and zones and the urban markets; and (d) the public sector, which will organize and supervise the orderly process of recovery and economic development on the basis of these priorities.

C. Agricultural and forestry sector

17. One clear objective of the Government is to modify the economic structure with a view to encouraging the production of mass consumption essential goods. Particular importance is given to increasing production in agriculture and agro-industry. This sector assumes a key role, given the need to meet the internal demand for basic foodstuffs, which are in alarmingly short supply, and to ensure the social and economic integration of the rural population.

18. While the agricultural sector utilizes 57 per cent of Bolivia's manpower, it contributes only 14 per cent of the gross domestic product (GDP), and that figure is declining dramatically. Agricultural output is insufficient. The agricultural population is in the lowest income brackets, its illiteracy rate is much higher than the national average, there are no basic housing services for approximately 90 per cent of that population, and the infant mortality rate is likely to be 40 per cent higher in rural areas than in urban areas. Drought and floods have increased migration to the cities and to other rural areas.

19. The agricultural situation in Bolivia and, in particular, the domestic production of foodstuffs, precarious as it was even in 1981, has deteriorated even further as a result of national disasters, namely, the floods and drought which occurred during the period 1982-1983. The shortage of inputs, which is a factor in the declining agricultural output, and the fact that limited resources are available for importing foodstuffs, could create an even more severe shortage of basic foods. There is a hidden danger, in that the need to give preference to imports and external assistance in the form of food shipments may alter eating habits even more by accustoming the people to consume imported wheat, to the detriment of the grains and cereal substitutes that are grown locally (primarily quinoa, maize, bananas and manioc, with the result that the Bolivian economy may become more vulnerable.

20. One basic means of providing support to the sector within the framework of UNDP assistance is the identification and development of investment projects through which national efforts and international financing can join forces to benefit the agricultural sector and the agricultural population.

1. Agricultural pre-investment

21. The agricultural pre-investment project (BOL/82/001), the initial version of which has appropriately been reformulated, will focus on identifying and preparing projects in the agriculture and agro-industry that can be financed by banks, and on strengthening regional and national operational capacity for the preparation of integrated rural development projects. The project will be financed by the Inter-American Development Bank (IDB) and by the International Fund for Agricultural Development (IFAD), and will concentrate on analysing two key areas:

(a) Expansion of the agricultural frontier

22. One obstacle to the development of Bolivian agriculture is that the agricultural frontier has been unable to expand and, consequently, it has not been possible to bring the landless rural population into the production process. The main causes are the re-establishment of latifundia in the eastern part of the country, the impact of the drought in the traditional farming areas of the Altiplano and the valleys, and the agricultural settlement policy pursued in recent years.

23. In connection with project BOL/80/001 and subsequent projects BOL/82/001 and BOL/83/003, and with contributions from IDB and the Swiss bilateral co-operation agency, the Government has identified a great many pre-investment projects and projects for agricultural diversification, the details of which are to be worked out in the National Development Plan.

(b) Development of irrigated agriculture

24. Since 1982, consultancies and pre-investment activities have been carried out under the UNDP/FAO project on the consolidation of irrigated agricultural systems (BOL/80/004). These activities have included co-ordination and liaison with the IDB-financed fruit-growing and dairy project and the "Punata" irrigation project, which receives technical and financial assistance from the Federal Republic of Germany. Financing for the project is assured until 1985.

25. As regards agricultural pre-investment, the preparation of a project on the development of irrigated agriculture in the upper basin of the Guadalquivir (BOL/83/004) has elicited the interest in principle of IFAD which plans to dispatch out a mission in early 1984 for project identification and preparation. The project will basically entail the development of irrigated agricultural systems, afforestation and soil reconditioning.

26. In addition pre-investment activities in connection with the preparation of the "Chuquisaca-Sur" project, which entails the strengthening of the original irrigated systems, are currently being supported under the project on development administration (BOL/80/001). The project is aimed at eliciting the particular interest of IFAD, the Government of the Federal Republic of Germany and/or other sources of bilateral funding.

27. As part of the drought assistance provided on the Bolivian Altiplano, grass-roots activities have been initiated in the Potosí and Oruro regions through a small-scale irrigation subprogramme supported by the Swedish Government under the rehabilitation and reconstruction programme project (BOL/83/008). These activities, together with the basic data which is to be collected, should provide the basis for the formulation of a project for the improvement of irrigation in areas of the country where traditional methods are used. In addition, under the small-scale irrigation subprogramme, it is planned to develop ground water through the use of shallow wells on the Altiplano and in selected valleys.

2. Development of rural co-operatives and other agricultural associations

28. The development of rural co-operatives and similar forms of associations in Bolivia, has a long history. However, many of the rural co-operatives are affected by shortcomings in such areas as: (a) management; (b) marketing and supply of products; (c) technical assistance suited to the product or agricultural activities; (d) inadequate integration of the secondary and tertiary levels, which hampers efforts to lower costs and achieve economies of scale; and (e) insufficient lines of credit to meet the needs of the various producers co-operatives.

29. With a view to correcting these problems, support activities are proposed both for the development of the rural co-operative movement and the promotion of new forms of producers' associations tailored to rural conditions and, in particular, directed towards the traditional peasant community. A project along these lines may be undertaken in co-operation with the Government of Italy, UNDP and the International Labour Organisation (ILO). The latter will also participate through its international project MATCOM by providing special technical materials for agricultural and consumers co-operatives relating to the management and other economic and social functions of rural co-operatives.

30. With the aim of creating marketing centres through the adoption of measures to supply consumers' co-operatives on advantageous terms and establishing sales points for agricultural products, assistance is planned from the United Nations Capital Development Fund (UNCDF) for the formulation and financing of a project on storage facilities for potato tubers, primarily through the main co-operatives at Potosí (Tahuantinsuyo Co-operative) and Cochabamba (Valle Alto-Punata).

3. Strengthening of the forestry sector

31. The forestry policy in the development plan is aimed at the conservation and rational management of forests and the development of the timber industry. Priority will be given to the rational development of the most economically viable forests and to afforestation and reforestation for energy sources. Furthermore, special emphasis will be placed on an institutional overhaul with the aim of developing the sector. On the basis of the results of project BOL/80/009, on forestry development which receives assistance from UNDP and FAO, it is recommended that efforts be intensified to obtain technical co-operation to update and prepare

investment projects for the development and industrialization of forestry resources. Major projects for soil reconditioning through reforestation are currently being carried out with the support of the Governments of the Federal Republic of Germany, Norway and Switzerland.

4. Increased seed production

32. One of the constraints on increasing agricultural output and productivity is the shortage of essential inputs, primarily seeds, a factor which has been aggravated by the loss of harvests and genetic material during the drought. Attention will be focused on seed production, and raising productivity and farm income through the use of improved or certified seeds. Towards that end, UNDP plans, in co-operation with IFAD, to prepare a project identifying the problems facing the country in this area and the basis for action and production in the form of a nation-wide investment project covering such main crops as wheat, barley, soybeans, maize, rice, alfalfa, potatoes, quinoa, lupine and cotton.

D. Industry, energy and mining

1. Industry

33. The industrial sector accounts for nearly 14 per cent of the GDP and employs 7.5 per cent of the labour force. Following a period of growth (1970-1979), the sector is now highly dependent on foreign sources for the supply of inputs and capital goods and is characterized by low use of installed capacity.

34. Under the Development Plan, in the period 1984-1987 the Government of Bolivia will emphasize the establishment of enterprises which use local raw materials as far as possible and which manufacture mass-market consumer goods. This is to be achieved through a labour-intensive approach and a policy of export expansion.

35. In line with the general policies and priorities of the Government of Bolivia, greater emphasis will be given to agro-industry and small-scale industries.

36. With regard to agro-industry, there are plans to set up a pilot centre for training in the meat and dairy products industry. The project, which will be financed by the Italian Government through a contribution to the United Nations Industrial Development Fund, with supplementary funding from the IPF, will help to tackle problems in the two most important areas of the food industry through training courses that will use the centre's three pilot plants for demonstrations. The courses should also cover both the animal husbandry aspects and the industrial processing of meat and milk.

37. A project is under preparation for the creation of a wine-growing centre in the department of Tarija. Contributions are being sought for the project from other Governments, in view of the amount of financing required, and the aim of the project will be to promote the Tarija valley as a registered designation of origin, since the Board of the Cartagena Agreement has already identified Tarija's wine and singani as Bolivian export products.

38. The Government has also requested the assistance of UNDP for the preparation of a project for the promotion of small-scale industries in urban and rural centres.

39. The project of assistance for the timber industry which has already been submitted to the United Nations Industrial Development Organization (UNIDO) by the Government of Bolivia will also dovetail with these activities in support of small-scale industry and handicrafts in an area where export opportunities are great.

40. Following-up the assistance already provided under the project entitled "High-level advice to the Ministry of Industry" (SIS/BOL/82/803), assistance will continue to be provided under project BOL/82/004 (Assistance to industry) for the strengthening of institutions, policy formulation and direct support for selected enterprises. The project is to be co-ordinated with the Industrial Recovery Plan and financed with loans from IDB and the Andean Development Corporation (ADC) totalling \$35 million and IDB technical assistance funds for industrial development.

2. Energy

41. Bolivia is a net exporter of energy. The importance of this sector in the country's foreign trade increased steadily during the 1970s. The Government is fully aware of the importance of optimizing the management and use of Bolivia's energy resources. With funds from UNDP, studies have been made on the utilization of surplus gas and, in particular, on a project to export gas to Sao Paulo along the Bolivia-Brazil gas pipeline (BOL/81/005). The studies included a basic design study for the pipeline and an evaluation of the investment costs and the economics of the system, supplemented by an analysis of the gas market in Sao Paulo and a determination of the minimum price for gas in Bolivia, together with a risk assessment.

42. Negotiations are under way with the Government of Italy and the United Nations Revolving Fund for Natural Resources Exploration on a project for the development of geothermal energy in south-west Bolivia, for which the Government of Italy will make a substantial contribution, estimated at approximately \$10 million, under a cost-sharing arrangement. The purpose of the project will be to prepare a feasibility study on the use of geothermal energy sources based on pre-feasibility studies, including an independent technical and economic evaluation, which have already been made indicating the feasibility of commercial development. The project could become an important factor for the development of one of the country's most depressed areas and also help to meet the demand for electric power for the recovery and utilization of the potassium salts at Salar de Uyuni, which could begin one year after the geothermal plant comes on line. This will promote the achievement of one of the fundamental objectives of the country's mining policy, namely, diversification. Since the project will include both a drilling programme and the completion of the national electric power distribution grid, it will have a tremendous social impact: it will create job opportunities in one of the poorest areas of the country and improve the living standards of the population.

3. Mines: importance of the mining sector

43. Mining constitutes one of the most important sectors of the Bolivian economy. The nearly 7 per cent of the GDP which this sector produces accounts for approximately two thirds of Bolivia's commodity exports, and, in general terms, supplies the central Government with 15 per cent of its foreign exchange. The sector employs 18,000 persons (approximately 3.5 per cent of the total labour force, of which nearly half are employed by established mining companies). Tin accounts for more than two thirds of the value of ore exports. The country also exports wolfram, silver, zinc and antimony.

44. The main problems affecting the sector are the following: (a) Bolivia's terrain and geological features; (b) a steady decline in sales of ore; (c) failure to engage in systematic prospecting and mining development; (d) the policy of mining companies to take over smaller enterprises instead of developing new mines (e) mining taxes which fail to take into account prospecting costs; (f) insufficient credit for the mining sector.

45. Taking advantage of the TOKTEN system and with preferential financing under project BOL/80/001, a consultancy is being provided to the Ministry of Mining, in co-operation with the Ministry of Planning, for the organization of a system for the marketing of ores mined in the country. The consultant will establish contact with direct consumers, review sales contracts and explore the possibilities of obtaining financing from foreign sources against future exports. The mission is planned to last one year.

46. In order to ensure that this sector, which continues to account for more than 50 per cent of the total value of exports can sustain the national economy and does not ultimately become a losing proposition for the Government, three major policy objectives have been set. The first is to increase the productivity of existing mining operations; the second is to diversify mining operations to include new ores; and the third is to smelt and process ores in the country.

47. In line with those objectives, and with specific reference to the first mentioned of the three, i.e., increasing the productivity of existing mining operations, with the support of project BOL/81/002 and with the World Bank as executing agency, a proposal has been drawn up for the restructuring and reorganization of the main state enterprise (COMIBOL). A study is currently being carried out on the use of tailings and other residues having a relatively high metal content. Importance is attached to determining the scope of the restructuring and reorganization of COMIBOL.

48. This category also includes project BOL/82/T01 (Introduction to electronic data processing techniques in the mining sector) financed by the United Nations Financing System for Science and Technology for Development (UNFSSTD). This project, which will be executed by the United Nations, calls for the introduction of electronic data processing techniques and geo-statistical technology for computing mineral reserves, financial-economic simulation and analysis in COMIBOL's Huanani mining company, a whole series of methods to achieve greater efficiency and productivity.

49. With reference to the second general objective, the Government of Bolivia has expressed its desire to diversify its mining. At the first gold symposium held recently, the Government proposed to UNDP that it carry out a study on the country's gold-bearing reserves to enable it to orient its policies in that field on an empirical basis.

50. As for the third objective, the establishment of smelting and refining plants, in view of the high cost of such installations, UNDP co-operation could concentrate on providing technical assistance to conduct pre-feasibility studies which could be the first step towards financing the project or could serve as a catalyst, through its channels and institutions, for seeking financing. It should be mentioned, in that respect, that the UNIDO Investment Promotion Service in Cologne is seeking financing for an iron and steel mini-plant in Matún. Bolivian officials have shown interest in holding a meeting next year under the auspices of the Investment Promotion Service to promote investment by private foreign companies concurrently with the Round Table, which could serve as a framework for financing these projects.

E. Social Sectors

1. Employment and vocational training

51. In the past decade the Bolivian economy has shown a dangerous tendency to concentrate employment and income on non-productive activities; this trend, together with the slow growth of productive employment, has led to very low incomes, which are reflected in malnutrition and has other disastrous consequences such as increased mortality and morbidity.

52. In worker hygiene, occupational safety and welfare, an international technical co-operation programme is being prepared for submission to various multilateral sources of financing in the areas of: (a) consolidation and strengthening of the National Hygiene, Occupational Safety and Welfare Council and its member bodies; (b) training and advanced training of employers and workers, and of their organizations; and (c) statistics and research on occupational accidents and occupational diseases. The participation of UNDP in this programme will be significant.

2. Vulnerable groups

53. The Government is promoting a policy of popular participation. Grassroots groups which participate directly in the process are the ideal mobilizing force. In this context, mothers' clubs, assisted by the World Food Programme (WFP.BOL. 2313), and now consolidated in a national confederation, will, with the technical assistance of the system (Voluntary Fund for the United Nations Decade for Women (VFUNDW) and (ILO/UNDP), become small, productive and self-managing units for raising family income, through project BOL/82/W01 (Assistance to mothers' clubs). This effort is expected to be extended in time, through a UNDP project (BOL/83/002) with the same objectives of incorporating women in the productive process through these units.

54. VFUNDW is also financing other projects designed to promote women, such as project BOL/81/WO2 (Integrated training of the peasant woman), which helps to train them in livestock-raising and auchenia wool handicrafts in the department of Oruro, or project BOL/80/WO2 (Improvement of pottery-making) being executed by UNIDO to improve the technology of homemade pottery in the Cochabamba valley.

55. The Government of Bolivia feels that it needs preparatory assistance in developing a national rural development programme, jointly with the Ministry of Planning and the Ministry of Peasant and Agricultural Affairs. The programme would incorporate ongoing integrated rural development projects, would be national in scope and would be especially aimed at low-income population groups in depressed areas in a peasant economy.

F. Urban development, housing and basic sanitation

56. In the Development Plan, the Government proposes the systematic improvement, renewal and construction of housing, including infrastructure, basic services and community facilities. For the time being, the Government, the United Nations Centre for Human Settlements (UNCHS/HABITAT) and UNDP have identified an integrated demonstration project for assisting the urban development and housing sector which would incorporate basic activities in the framework of the International Year of Shelter for the Homeless (1987). This project could begin the preparatory assistance phase shortly by encompassing the principal components of the urban development and housing sector, such as the cadastral system, demonstration housing modules and technological research on construction materials. It would also identify bilateral co-operation by the Governments of Spain and Denmark in specific activities and/or components.

57. WFP headquarters is considering a request for support of volunteer labour to construct 3,000 dwellings in the city of Santa Cruz. These dwellings would shelter 3,000 families which were left homeless after the flooding of the Pirai River in Santa Cruz in March of this year. WFP assistance would be programmed through a one-year emergency action project at an approximate total cost to WFP of \$US 500,000.

G. Economic and social planning

58. The complexity of development planning problems and the worsening economic crisis made it necessary to continue the co-operation provided by project BOL/78/003, with high-level consultants. Project BOL/81/001 is concentrating on a new integrated data processing and information flow system, advisory assistance in the preparation of the national development and public investment plans, continuation of the activities of project BOL/80/005 (Support of the national economic stabilization programme) and assistance in renegotiating the external debt and developing the project system.

59. Finally, at the meeting of the International Co-operation Round Table held in Bolivia, the Government requested technical and operational assistance for this

activity through the same project. The project is scheduled to continue until mid-1984.

60. The absence of a long-term integrated development strategy for the country, based on knowledge of the resources, potential and rising expectations of the people has made it difficult to envision suitable short-term plans based on possible future scenarios and sound decision-making by the various economic and social sectors.

61. In recognition of this need, a working group has been organized and given preliminary assistance by project BOL/83/006 (Centre for the Future) with a view to providing the empirical basis and main guidelines for a national forecasting and research centre. Once the centre is set up, UNDP could provide technical assistance to strengthen it and make it operational. Moreover, in the framework of UNDP assistance to this sector, support could be given to activities arising from company-by-company planning.

62. As for the incorporation of the population variable in the development planning process, project BOL/82/PO2 (Population policies: institutionalization phase) financed by UNFPA, is helping the Ministry of Planning and Co-ordination to design population policies in the framework of the country's overall planning system. In the same context, approval has been given to an urban demographic survey (BOL/83/PO2) which would provide inputs for the planning of basic health and housing services, etc., and would yield indicators of fertility and mortality for use in estimating current demographic trends. Again, we could also place in this sector the migration project (BOL/78/PO3), which has produced a series of studies related to internal migratory movements of workers useful in employment planning. It is now in the last stage, until mid-1984, with the studies being extended to valley areas of the country. In addition, CELADE is providing ongoing technical assistance to the National Statistics Institute in the publication and analysis of its census results and its surveys of economic conditions.

63. The approval of the regional trade information project, possibly with its headquarters in Bolivia, could provide specific assistance to the external sector. In addition, the International Trade Centre could provide assistance, in an initial stage, on institutional aspects such as the establishment of a Bolivian export institute. In the framework of ongoing programming, consideration would be given to the possible inclusion of a specific project.

H. Cultural heritage

64. The Bolivian cultural and artistic heritage is one of the richest in the Andean region; however, it is in a very poor state of preservation and in danger of disappearing for lack of resources to protect it. The Government of Bolivia has considered this heritage, apart from its intrinsic value as a prime example of the culture of the Bolivian people, as a potential tourist and cultural attraction which could have economic advantages in the long term.

65. The programme for the development of cultural tourism (BOL/83/001), which is now being designed, will co-ordinate a major effort on the part of the competent national institutions, especially the Bolivian Cultural Institute, and the Bolivian Tourism Institute, to obtain bilateral and multilateral financing for projects identified under this programme to restore historic landmarks and/or build up the physical infrastructure for tourism. At the present time, that effort is being supported by the Federal Republic of Germany and Spain for specific undertakings in Carabuco and Potosí. This project will be submitted to the second Round Table of Donors for Bolivia in 1984, in the hope of obtaining the resources needed.

Annex

FINANCIAL SUMMARY

US dollars

A. Resources

IPF and other resources

i) Illustrative IPF for 1982-1984	19 500 000
ii) Less unprogrammed balance a/	(8 775 000)
iii) Less estimated expenditure for 1982 and 1983	(4 161 000)
iv) IPF surplus from previous cycle	820 000
v) Other resources (cost-sharing by Government)	3 129 000
- Cost-sharing (other sources)	<u>12 250 000</u>

Total resources available for programming 22 763 000

B. Use of resources

a) Programmed

i) Ongoing projects	2 136 000
ii) New projects and new phases of ongoing projects included in the country programme	17 254 000
iii) Funds reserved for specific purposes and activities for which the corresponding projects will be subsequently submitted	<u>850 000</u>

Subtotal 20 240 000

b) Reserve 2 523 000

Total programmed resources plus reserve 22 763 000

C. Financial distribution of programme, by sector

Sector <u>b/</u>	<u>Ongoing</u> <u>projects</u>	<u>New</u> <u>projects</u>	<u>Sectoral</u> <u>allocations</u>	<u>Total</u>
02 General development, policy and planning questions	1 677 000	500 000	300 000	2 477 000
03 Natural resources	-	10 574 000	-	10 574 000
04 Agriculture, forestry and fishing	459 000	1 740 000	150 000	2 349 000
05 Industry	-	3 740 000	-	3 740 000
09 Human settlements	-	350 000	100 000	450 000
12 Employment	-	200 000	300 000	500 000
15 Culture	-	150 000	-	150 000
TOTAL	2 136 000	17 254 000	850 000	20 240 000

a/ Representing 45 per cent of the illustrative IPF which has not been taken into account for programming.

b/ According to ACC classification.
