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COUNTRY AND INTERCOUNTRY PROGRAMMES AND PROJECTS

FOURTH COUNTRY PROGRAMME FOR BOLIVIA

Note by the Administrator

I. PROCESS OF THE PROGRAMMING EXERCISE

1. The programming exercise in Bolivia commenced early in 1986. The Ministry of Planning and Co-ordination (MPC) prepared the first draft of the country programme in close collaboration with the UNDP office. Under the law establishing the National Planning System, MPC is the official link for technical co-operation and is empowered to elaborate and co-ordinate the national technical co-operation programme.
2. At the beginning of the exercise, UNDP approved a small project to assist the Government in identifying the technical assistance requirements for the country and in evaluating the ongoing programme; the UNDP consultants worked closely with the Under-Secretary for Co-ordination and various MPC departments, as well as with the UNDP office. Through these units contact was made with 11 ministries in the economic and social sectors, nine regional development corporations and 32 other public institutions. Meetings were held locally with representatives of specialized agencies of the United Nations system and with the representatives of multilateral financial institutions such as the World Bank and the Inter-American Development Bank, and with representatives of bilateral programmes. To establish the requirements for technical co-operation in the private sector, contacts were made with the Bolivian Confederation of Private Enterprises and with representatives of some of the specialized chambers affiliated with the Confederation. Over 160 projects in nearly every sector were presented for consideration.
3. In addition to the above, both the Assistant Administrator for Latin America and the Caribbean and the Deputy Assistant Administrator had occasion to discuss the content and preparation of the country programme extensively with high-level Government authorities in Bolivia.

4. The results of these discussions, and of the consultants' work are reflected in the resident representative's note to the Government, which formally initiated the exercise, and in the country programme presented by the Government.

## II. THE FOURTH COUNTRY PROGRAMME

5. Technical co-operation requirements clearly exceed the capacity of any one source of financing. It was necessary to rationalize the availability of funds from all sources with a strict definition of priorities and identification of projects. The resulting areas of concentration of the country programme are a reflection of this process and of the development priorities of the Government.

6. The Indicative Planning Figure (IPF) for the fourth cycle is \$17,819,000 after adjusting for borrowing in the third cycle. Additional resources in the fourth programme include \$500,000 from Special Programme Resources for reconstruction and rehabilitation; \$387,000 in Government cost-sharing; \$2,125,000 in third-party cost-sharing; \$3,200,000 from the Capital Development Fund (CDF); \$195,000 from the Emergency Operations Trust Fund (EOTF); and \$20,650,000 from the United Nations Fund for Drug Abuse Control (UNFDAC), in addition to parallel funding from the United Nations Industrial Development Organization (UNIDO) (\$827,000) and the World Bank (\$40,000), for a total of \$45,743,000 of programmed resources. Of this amount, \$995,000 has been reserved for programmes in health and education and \$1,395,000 has been left as an unprogrammed reserve.

7. The objectives have been formulated by sector. They are: (a) to diversify agricultural and livestock production, expand the agricultural frontier and supply agro-industries with raw material, making rational use of soil and water resources and promoting human settlements; (b) to reactivate, rationalize and diversify the manufacturing and agro-industries sectors, with special emphasis on the participation of the private sector; (c) to strengthen and consolidate the management of energy resources, develop the use of non-conventional energy, and study the feasibility of small-scale hydroelectric plants; (d) to modernize public sector management, emphasizing and institutionalizing the decentralization process; (e) to distribute social services more equitably in order to achieve the greatest public welfare, particularly for the most disadvantaged groups, promoting the regionalization of services with organized popular participation; and (f) to design and implement a tourism promotion campaign.

8. The Administrator notes with satisfaction that the programme will promote and support balanced regional development through the selection of projects in specific geographic areas and also will strengthen the management capability of the regional development corporations, although these activities are not explicitly defined as separate objectives of the programme. Similarly, the underlying objectives of employment generation and increased production for export are present in the agricultural and industrial sectors, which account for 73 per cent of the programme. Social sectors have also been accorded an important proportion of resources through the UNDP association with UNFDAC, and account for 19 per cent. Since most projects are aimed at the development of clearly defined areas, direct institutional support is minimal.

9. The country programme is a frame of reference for all external technical co-operation in Bolivia; linkages to other sources of technical co-operation,

multilateral as well as bilateral, have been established. In addition, an attempt has been made to link technical co-operation with financial co-operation to ensure an integral process of development. For this reason, in the formulation of new projects, special attention will be given, particularly in the agricultural sector, to operational collaboration with financial agencies in order to ensure adequate follow-up investment.

10. Increasing co-ordination is being established with the United Nations Children's Fund (UNICEF), the United Nations Fund for Population Activities (UNFPA), the World Food Programme (WFP) and the World Health Organization/Pan American Health Organization (WHO/PAHO), in keeping with the guidelines of the Joint Consultative Group on Policy. One or more of these organizations and UNDP are expected to join in supporting various objectives, particularly in agriculture, employment, health and housing, as well as economic and social planning.

11. The Administrator wishes to highlight the incorporation of UNFDAC activities in the country programme which, in addition to supporting Government efforts to face the drug production and usage problem in the country, are development-oriented and serve to strengthen the objectives of the programme, particularly in the agricultural and social sectors. The Administrator notes with satisfaction the co-ordination between UNDP and UNFDAC in this programme.

12. Co-ordination is also being maintained with the activities of the Secretary-General's Special Representative for Bolivia.

### III. MANAGEMENT OF THE PROGRAMME

13. At the time the country programme was being formulated, the Government was preparing for a Consultative Group Meeting under the auspices of the World Bank, scheduled for December 1986, and for which UNDP provided support. Although the Administrator will report on the results of the Consultative Group Meeting during the Council's deliberations, he is pleased to note that the UNDP programme complements the proposals submitted by the Government to the Consultative Group. The programme will be reviewed periodically to ensure that its focus remains valid.

14. The Administrator notes with satisfaction the Government's decision to channel portions of loans obtained from multilateral financial institutions such as the World Bank and the Inter-American Development Bank through UNDP as cost-sharing. This reflects the confidence of the Government and the financial institutions in UNDP and is further evidence of the linkages between financial and technical co-operation and of the co-ordination among various institutions. Although financial stringencies limit Government cost-sharing, further third-party cost-sharing or joint-financing possibilities are likely to emerge in the course of project formulation.

### IV. RECOMMENDATION OF THE ADMINISTRATOR

15. The Administrator recommends that the Governing Council approve the country programme for Bolivia.

