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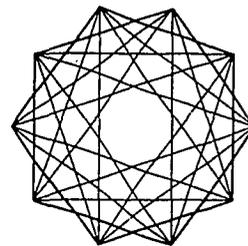
PLANNING AND
DEVELOPMENT
COLLABORATIVE
INTERNATIONAL

**SUSTAINED SHORT-TERM ASSISTANCE
TOWARD A RESTRUCTURING OF CACEN**

FINAL AND TRIP REPORTS

La Paz, Bolivia

August 1990



P A D C O

AN INTERNATIONAL COLLABORATIVE FORMED TO
PROVIDE GOVERNMENTS AND PRIVATE CLIENTS IN
AFRICA, ASIA, LATIN AMERICA AND THE NEAR EAST
WITH INTEGRATED RESEARCH, PLANNING AND MANAGEMENT
SERVICES FOR URBAN AND RURAL DEVELOPMENT

FINAL AND TRIP REPORTS

**SUSTAINED SHORT-TERM ASSISTANCE
TOWARD A RESTRUCTURING OF CACEN**

Prepared for
U.S. Agency for International Development
La Paz, Bolivia

and

RHUDO/SA
Quito, Ecuador

Prepared by
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1012 N Street, NW
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August 1990

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TABLE OF CONTENTS

I. FINAL REPORT

II. TRIP REPORTS

Trip Report #7 (July 30 - August 11)

Trip Report #6 (June 20 - July 3)

Trip Report #5 (May 20 -22)

Trip Report #4 (May 1 - 12)

Trip Report #3 (April 15 - 21)

Trip Report #2 (March 14 - 20)

Trip Report #1 (February 8 - 15)

III. MISCELLANEOUS MEMORANDA

PREFACE

This document brings together the Final Report and individual Trip Reports for a series of seven missions to Bolivia made by Mr. Claude Bovet, PADCO Associate, between February and August 1990. Mr. Bovet carried out the February and March trips under PADCO Contract No. 511-0567-C-00-7065-00 with USAID/Bolivia; the April trip via a direct purchase order with USAID/Bolivia; and the May-August trips under PADCO Contract No. PDC-1008-I-00-9069-00, Delivery Order No. 7, with AID/MS/OP/OS/LAC in Washington, DC.

The original objective of this consultancy was to seek agreement among various local financial institutions regarding a restructuring of Bolivia's Savings and Loan Association (CACEN) and its role as head of the country's savings and loan system. It quickly became apparent, however, that a broader and deeper set of issues currently impede such a restructuring. The consultant's scope was thus expanded to address these serious issues, which include legal questions dealing with the condonation of CACEN's foreign debt and the lack of a clear demarcation between CACEN's and the Superintendent of Bank's regulatory and supervisory powers and responsibilities vis-à-vis the S&L system. Consequently, the consultancy ultimately provided assistance to USAID and the local financial institutions in the resolution of these broad, underlying issues that currently hamper the restructuring of the S&L system.

Mr. Bovet wishes to thank the management and staff of CACEN, the Superintendency of Banks, the La Paz and provincial mutuels, and USAID/Bolivia and RHUDO/SA for the assistance and insights provided during the consultant's many visits to Bolivia. The achievements of this consultancy would not have been possible without this assistance.

Washington, DC
August 1990

I. FINAL REPORT



FINAL REPORT

To: Mission Director, USAID/Bolivia
Director, RHUDO/SA
By: Claude J.J. Bovet
Date: August 15th, 1990
Ref: BOLIVIAN SAVINGS AND LOAN SYSTEM

A. INTRODUCTORY COMMENTS

This final report on the Bolivian Savings and Loan System offers a recapitulation of the results obtained during the present consultancy and of the prospects for resolving the issues still extant in the S&Ls. Details of efforts developed during my various visits this year are included in corresponding trip reports (dated Feb. 2nd, Mar. 20th, Apr. 21st, May 15th, May 23rd, Jul. 6th and Aug. 11th), annexed hereto.

Whereas the original consultancy objective was to seek agreement between the various parties concerned (CACEN, individual mutuals, SOB, etc) for a restructuring of CACEN and of its role as head of the S&Ls, it was soon discovered that the problems impeding such a restructuring were much broader and deeper set than initially recognized. In particular, the following legal problems have to be overcome before all restructuring issues can be properly addressed: (a) the need for a government resolution of the foreign debt relief issue; and (b) the lack of a clear legal demarcation of CACEN's regulatory and supervisory powers and responsibilities under the SOB's new role vis-à-vis the S&Ls. Also, the opposition of the two La Paz mutuals to CACEN was found to be such that no compromise, short of CACEN's absolute abdication, would satisfy them.

In consequence, consultancy efforts were expanded to proffer assistance to USAID/Bolivia in the solution of these broader underlying issues affecting the restructuring of the S&L system.

It is expected that these underlying issues (described in Section B of this report) will be resolved by the GOB and the SOB, respectively, within the next few weeks. And once the terms of this resolution are known, the issues proper to CACEN's restructuring (described in Section C) will become addressable.

B. UNDERLYING PROBLEMS AFFECTING CONSULTANCY OBJECTIVES

1. Debt Relief Issue

Supreme Decree No. 21405 dated 9/23/86 stipulated that the GOB would assume CACEN's foreign debts towards USAID and that CACEN would sign an agreement with the Central Bank for the eventual repayment of the debts assumed by the State. This decree was superseded by Supreme Decree No. 21660 dated 7/10/87 which, in its article 38, stipulated that CACEN's foreign debt be "transferred" to the Nation's General Treasury. The latter decree did not formally abrogate the former and the relief of CACEN's debt—and of CACEN's concomitant forgiveness of its own loans to the various mutuels—has consequently been questioned by the SOB. This, notwithstanding certifications previously given USAID by the MOF that CACEN's debts had been totally and permanently forgiven.

Relying on the relief of its own debts, CACEN immediately proposed to forgive the debts owed to it by the various mutuels and went as far as signing agreements with them all (excepting the two La Paz mutuels which refused to sign their respective agreements because of a minor dispute regarding interest charges). The SOB questioned the appropriateness of this forgiveness and required that the corresponding balances be carried in special reserve accounts by each mutual until such time as the issue could be properly resolved according to law.

Subsequently, CACEN also realized that its attempted forgiveness of the mutuels' debts suffered from major defects, the principal being that it provided some mutuels with substantial and unwarranted profits and that it did very little to consolidate the net worth of the S&Ls as a whole. Thus, in late 1989, CACEN formulated a proposal to effect a redistribution of its debt forgiveness, which it submitted for consideration by all the mutuels and the SOB. But this proposal was burdened by certain other controversial issues (such as possible conversions from mutual to stock status, and the distribution of profits to employees and directors) and CACEN eventually withdrew this proposal to allow for a broader consideration of the issues which, it was now recognized, could only be solved by governmental action.

USAID worked closely with the SOB in defining the necessary actions to be taken by the GOB and then also took these up with the Minister of Finances. Although said Minister at that time promised to resolve the issue within the next day or two, upon further reflection he decided to pass it on for consideration by CONEPLAN (a sort of mini-cabinet presided by the Minister of Planning instead of by the President of the Republic).

A prompt and fair resolution of this issue is basic to any restructuring of CACEN and critical to the well-being of the S&Ls. In particular: CACEN's capitalization, development plans, earnings potential and consequential operating budgets and structure all depend on it.

2. CACEN's Regulatory and Supervisory Role

CACEN's regulatory and supervisory functions are defined in Decree Law 07585 which created the S&Ls. Subsequently, the SOB was given extensive supervisory functions over the S&Ls by its organizational Supreme Decree 22203 and, more recently, by the so called "SAFCO" law (which, among other things, gave the SOB full responsibility for controlling financial intermediaries, with the S&Ls specifically included).

However, Decree Law 07585 not having been formally abrogated, a large degree of uncertainty has been created as to CACEN's remaining powers and responsibilities over the S&Ls. The resulting ambiguity is not only creating problems for CACEN but is also hindering a more effective regulation of the various mutuals comprising the S&Ls.

Short of a new law resolving the legal conflict, CACEN has been encouraged to seek an understanding (to be incorporated in a formal agreement) with the SOB clearly setting out the lines of authority to be exercised by each. This definition is crucial to CACEN's restructuring, as it will determine the permanence or not of whole departments within CACEN.

3. Position of the two Mutuals in La Paz

The opposition to CACEN by the two La Paz mutuals (La Primera and La Paz) has proven more intractable than warranted on a purely intra-system basis. The various efforts by myself and Dino Siervo to find some common ground between CACEN and these two mutuals all foundered on their total recalcitrance. So did approaches by Ernesto Wende on behalf of CACEN.

It is obvious that the La Paz mutuals' overriding interest lies in preserving and permanently reinforcing the *status quo*, which would affirm them in full and perpetual ownership of the profits arisen from CACEN's attempted debt forgiveness (notwithstanding their original refusal to sign the corresponding debt relief documents). Furthermore, it is also apparent from their actions (including public complaints and personal accusations, most of which found their way into the press) that the La Paz mutuals would be happy to be free of their links to CACEN. Most of their suggestions for participation and contributions in the S&Ls, when analyzed, tend to weaken or even nullify CACEN's role instead of strengthening the system.

It is hoped that once the GOB resolves the foreign debt issue, the two La Paz mutuals will accept its ruling as it affects their capitalization and that they may then settle their other differences with CACEN. However, as this cannot be taken for granted given their current mood, the S&Ls may have to consider continuing without their active participation.

C. CONSULTANCY OBJECTIVES

Ernesto Wende, on behalf of CACEN, has agreed to implement all of USAID's suggestions regarding an overhaul of CACEN's structure and of its role in support of the S&Ls. However, most of the required measures are inevitably held hostage to an adequate resolution of the issues described in Section B.

CACEN convened a two-day meeting of all mutual presidents and managers to jointly review the principal issues concerning CACEN's restructuring and the strengthening of the S&Ls, as well as all pending and future issues affecting their operations. A summary of the resolutions adopted at this meeting have been attached to my trip report dated May 23rd, 1990. Unfortunately, even though this meeting was also attended by representatives of the SOB, USAID/Bolivia and RHUDO/SA and the fact that it was called to address in great measure the very issues raised by the La Paz mutuals, these two mutuals elected not to participate.

1. Cacen's Institutional Structure

a. Board of Directors

Prior to CACEN's last General Assembly, Mr Wende put out feelers to all mutuals—and particularly to the two La Paz mutuals—concerning possibly agreed nominations to its Board of Directors. But the two La Paz mutuals refused to discuss any solution that did not give them the "right" to "designate" two of the four elective positions. In consequence, it became impossible to reach prior agreement on a slate acceptable to all and CACEN's directors were again elected, in strict conformity with existing law, by the mutuals gathered in General Assembly (which the La Paz mutuals chose not to attend).

Notwithstanding the foregoing, CACEN is conscious of the need to restructure its board of directors, both to render it more representative and to simultaneously make it more open to individual change and more stable overall (a yearly renewal by thirds has been suggested). But, as these changes will require legislative sanction, it is agreed that they should wait for a more propitious time once the GOB has adequately resolved the foreign debt relief issue.

b. Organizational and Administrative Structure

Although initial conversations have been held with CACEN management on these topics, it is recognized that both the purposes and objectives of CACEN's various operational and service functions, as well as the adoption of a new organizational and administrative structure to implement its revised role, will inevitably have to wait for:

- (1) an agreement with the SOB defining CACEN's remaining responsibilities in the regulatory and supervisory areas; and
- (2) a GOB resolution of the foreign debt relief issue, upon which CACEN depends for a determination of its available capital and income potential.

Both these issues are expected to be resolved within the next few weeks. This delay, incidentally, will provide an opportunity for the active participation of CACEN's future General Manager in the restructuring process.

c. General Manager

CACEN, after a false start with one executive search firm, engaged Price Waterhouse to conduct an exhaustive search for general manager candidates. Resulting from its private contacts and public solicitations (which elicited 47 responses), Price Waterhouse submitted four candidates for consideration. Of these, one was internal to CACEN and three were totally unrelated.

Although the final selection will correspond to CACEN's Board of Directors, it has elected to solicit comments and opinions from all mutual presidents (including the La Paz mutuals) and to this end sent them information on the four candidates.

2. CACEN's Financial Structure

a. Capitalization Plan

CACEN's capitalization is dependent on the GOB's resolution of the foreign debt relief issue which, if approved as endorsed by USAID, would give CACEN a contributed capital of approximately US\$9 million.

Also, one of the resolutions of the recent S&L presidents and managers meeting (see Attachment A, May 23 Trip Report) was that each mutual would contribute one per mil of its total assets semi-annually as an investment in CACEN. This would represent a minimum of US\$260,000 per annum. However, it should be noted that the two La Paz mutuals did not participate in this agreement and that their alienation would diminish these contributions by almost a half.

Another resolution of the presidents and managers meeting, again with the omission of the two La Paz mutuels, was that individual mutuels cash resources be recycled through CACEN rather than through other financial institutions.

b. Internal Management, Investment Profitability, Productivity

Resolution of these issues will depend on final determinations made by the GOB and the SOB on the foreign debt relief issue and on the distribution of supervisory roles between CACEN and the SOB (see Section B).

3. CACEN's Support of S&L System

**a. Strategic Plan in Coordination with all S&Ls -
Ability to Sustain Smaller S&Ls**

Although great strides are being made by CACEN in strengthening the financial ability of the smaller mutuels (see my last trip report dated July 11th, 1990), a proper resolution of these issues is also dependent on the GOB's final determination on the foreign debt relief issue.

Notwithstanding, CACEN has proceeded with its support for the establishment of a new mutual in El Alto. This mutual, to be called Mutual del Pueblo, is in an organizational stage and, just before my departure from La Paz, I learned that the provincial mutuels had agreed to open deposit accounts in it sufficient to capitalize the start of its operations.

I believe that the future of the S&Ls can be consolidated at this time. It is true that there are many functional and organizational shortcomings, both at CACEN and at individual mutual levels, as pointed out in the PADCO reports and subsequent examinations by the SOB. But none of these is irremediable; on the contrary, they should all be quite easily overcome in the atmosphere of close collaboration between CACEN and the provincial mutuels reaffirmed at the recent presidents and managers assembly, particularly given the high level of USAID support and technical assistance.

4. Mediation Workshop

Given the obdurate response of the two La Paz mutuels to our extensive and repeated attempts to mediate their position with CACEN, the idea of conducting a mediation workshop was deemed superfluous at this point.



List of Acronyms

CACEN	Caja Central de Ahorro y Préstamo para la Vivienda
CONEPLAN	Consejo Nacional de Economía y Planificación
GOB	Government of Bolivia
MOF	Ministry of Finances
S&Ls	Bolivian Savings and Loan System
SOB	Superintendency of Banks
USAID	USAID/Bolivia

II. INDIVIDUAL TRIP REPORTS



TRIP REPORT #7

To: USAID/Bolivia and RHUDO/SA
By: Claude J.J. Bovet
Date: August 11th, 1990
Ref: BOLIVIAN SAVINGS AND LOAN SYSTEM

This visit to La Paz, Bolivia was conducted between July 30th and August 11th, 1990 as the last in a series concerning the attempt to seek a resolution of the major problems affecting the Bolivian Savings and Loan System.

The main, overriding problem remained the need for a governmental resolution of the foreign debt relief issue. The preceding month had seen a strong escalation of press leaks inexcusably and inexactly critical of CACEN and the provincial mutuels. The Minister of Finances, despite his earlier assurances to USAID, was still delaying a resolution of the problem. And the various parties concerned had begun to lobby political forces on their respective behalves.

A last ditch attempt was made by me to try and encourage the two La Paz mutuels to soften their stance against CACEN and to convince them of their own interest in a friendly solution. To this end, I met privately with the presidents of La Primera and La Paz, to whom I described the alternatives advanced by the SOB and USAID's position thereon as presented to the Minister of Finances (USAID's letter of June 28th, 1990). Although their reception was friendly, it was obvious that they remained adamant in considering any solution which deprived them of any part of what they considered as their rightful "patrimony" (i.e. their part of the proceeds arising out of CACEN's foreign debt relief) as an intolerable spoliation. The president of La Paz went as far as to say that he and his entire board would resign if the government ruled to deprive his mutual of even the least part of its capital. The president of La Primera, on the other hand, did express a "potential" desire to countenance an accommodation, although he had initially voiced the thought that if the government's ruling were adverse to the interests of his mutual it would probably seek redress in court.

The whole matter having by now been brought to the attention of most cabinet offices and a number of political leaders, we were asked for our views by certain officials entrusted with emitting their opinions. This we did, again on the lines of USAID's letter of June 28th to the Minister of Finances.

The situation upon my leaving La Paz was that the Minister of Finances had decided to refer the whole issue to consideration by the Consejo Nacional de Economía y Planificación (CONEPLAN) at its next programmed meeting on Wednesday 15th August. CONEPLAN is a sort of mini-cabinet meeting presided by the Minister of Planning instead of by the President of the Republic.

Although the preceding issue absorbed most of my time, and certainly of CACEN's attention, we did manage to advance on some of the issues related to CACEN's restructuring. These I was able to cover with CACEN at a meeting of its board and, later, with the presidents of the provincial mutuals who happened to be in town.

Price Waterhouse had completed its search for a general manager for CACEN and submitted four candidates qualifying for consideration (including one from within CACEN's own ranks). Even though final selection corresponds to CACEN's board, in a spirit of closer unity, it decided to submit these candidates for comments by all the mutual presidents (including the two in La Paz). Their comments and a decision by CACEN is expected shortly. However, the actual engagement of this manager will prudently have to wait until the broader issues of CACEN's capitalization, resources and faculties are decided by the government.

With CACEN's legal counsel we reviewed the conflict of authority arising out of the respective normative laws of CACEN and the Superintendency of Banks. Pending any necessary legislative definition, it was decided to seek an agreement with the SOB setting out the relative roles of each institution in regulating and supervising the mutuals in the S&L System. This agreement should be attainable in the next few weeks. My suggestion has been that CACEN retain the right to approve new mutuals (subject to the SOB's technical opinion) and that it relinquish all regulatory, supervisory and disciplinary functions. This would conform to recent reforms in the governmental control of financial institutions, while it would also relieve CACEN to concentrate on its developmental, promotional, banking and insurance roles.

With CACEN's officers we reviewed the results of their recent tour of financially troubled mutuals, as well as the revised current year budgets and three year plans submitted by these and other mutuals. It was found that CACEN was making substantial progress in helping these institutions overcome their past difficulties. In particular, the high level of loan delinquencies is now being addressed with a concerted collection effort. Also, the various recommendations made by the SOB for the financial improvement of the weaker mutuals are being progressively implemented by CACEN. Lists of "Tasks and Current Status" will be

prepared regularly to report progress on the following: (a) HG-007 Amendment No. 8; (b) SOB requirements of CACEN and individual mutuals; and (c) resolutions adopted at S&LS presidents and managers meetings.

As this is the last trip report of this consultancy, it will be complemented by my Final Report thereon.

List of Entities and Persons Contacted

USAID/Bolivia

Carl H. Leonard	Incoming Mission Director
Reginald van Raalte	Departing Mission Director
John R. Davison	Controller
Liza Valenzuela	Incoming Deputy Chief/PS
Timothy S. Seims	Acting Chief/PS
Dino Siervo	Housing Officer

Superintendency of Banks

Luis del Río	Superintendente
Rosendo Barbery	Intendente Entidades no Bancarias
Guillermo Sanchez	

Ministry of Urban Affairs

Mario Chávez Landivar	Asesor Económico
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Ministry of Foreign Affairs and Culture

Jorge Traverso	Sub-Secretary (ex CACEN director)
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Caja Central (CACEN)

Ernesto Wende	President
Gastón Guillén	Vice Presidente
Rosendo Soruco	Director
Rolando Valdivia	Director
Gastón Mujía	General Counsel
Eduardo Frías	General Coordinator
José Claude	Auditor

Savings and Loan System Mutuals

Luis Péres Salmón	President, La Primera
Jaime Iturri S.	President, La Paz
Rodolfo Wende Camargo	President, Guapay
Jorge Medrano	President, La Promotora
Ramiro Samos	President, La Plata
Adrián Urriolagoitia	Manager, La Plata
Juan Ramón Takata	Vice President, Paitiú
Jorge Ascimani	Manager, Paitiú
Gustavo Melgar Merlin	President, La Frontera
Renato Cortés	President, Progreso
Jaime Colodro V.	President, Tarija
Freddy A. Murillo	President, Potosí
Ismael Orozco G.	Manager, Potosí
Miguel Salvatierra Rivero	President, Pando
Jaime Perez	Manager, Pando

TRIP REPORT #6

To: USAID/Bolivia and RHUDO/SA
By: Claude J.J. Bovet
Date: July 6th, 1990
Ref: BOLIVIAN SAVINGS AND LOAN SYSTEM

This latest visit to La Paz, Bolivia was conducted between June 20th and July 3rd, 1990 to: (a) participate in an evaluation meeting of the Programa Piloto de Desarrollo Urbano del Alto (PROA); and (b) follow-up on previous visits concerning the resolution of problems in the Bolivian Savings and Loan System.

The PROA meeting was extremely fruitful given the caliber of its participants and the degree of their commitment to ensuring the success of the various programs undertaken or to be undertaken by PROA. A full rendering of this meeting and of the ensuing recommendations will be mailed separately by the event's organizers, INBUSTRADE. As regards housing programs in El Alto, it was agreed—based on the recommendation of a sub-committee which included CACEN and the two "Paceño" mutuels—that full support be given to an initiative for the creation of a "Guarantee Fund" to cover non-mortgage improvement loans of up to \$500 each. Another important development was an increased degree of collaboration between PROA and the "Paceño" mutuels, where PROA, with the latter's encouragement, is developing into an effective "demand organizer" for low cost mortgages.

Despite the (lower level) collaboration manifest in the PROA meeting, the disagreement between CACEN and the "Paceño" mutuels continues to fester and no real solution can be expected until the government settles (by appropriate decree) the matter of CACEN's foreign debt condonation. The Superintendency of Banks submitted to the Ministry of Finances a range of three alternative solutions. As two of these would have backtracked from prior agreements between the governments of Bolivia and the United States (concerning CACEN's full release from all its foreign debt), USAID/Bolivia requested a meeting with the Minister of Finance. At this meeting, attended by Messrs. van Raalte, Davison, Siervo and Bovet, as well as by the Superintendent of Banks, USAID's position was explained in the terms of a letter simultaneously delivered (Attachment "A") and of additional in-depth background details. The Superintendent also expressed his views, strongly coincidental with USAID's. The minister's response

was that the problem was one that raised strong partisan and political issues, but that he would settle the matter within the next two days or so.

CACEN's new board of directors was elected at a special assembly held on May 24th and 25th, 1990. As foreseen, the two "Paceño" mutuals chose not to participate. A representative of the Superintendency of Banks attended. The new board is composed as follows:

Rolando Valdivia	representing the Ministry of Finances
Ernesto Wende	reelected with 10 votes
Gastón Guillén	reelected with 10 votes
Rosendo Soruco	reelected with 10 votes
Luis Moreno	elected with 6 votes

It should be noted that the new member of the Board, Mr. Luis Moreno, is employed by USAID/Bolivia in its Food for Peace program.

The search for a general manager for CACEN continues on schedule. Price Waterhouse, after receiving 47 responses, interviewed 15 candidates and selected 4 for consideration. Of these, two were picked for closer scrutiny, together with one of CACEN's existing officers (E.Frías). A selection should be made by CACEN's board in the near future. A complete job description for this position was also delivered by Price Waterhouse and is being studied for implementation concurrently with incumbency.

As a first step towards an operating and financial strengthening of the weaker provincial mutuals, CACEN sent its top officers (G.Mujía, E.Frías and J.Claure) on an extended technical visit to mutuals Paitití, La Frontera, Manutata and Pando. The immediate purpose of this mission is to render on-site advice to the respective managements and boards of directors, as well as to prepare the basis for the longer term restructuring of their operations and financial projections.

Plans for the establishment of a new mutual in El Alto, with deep roots in the local community, are proceeding apace. Additional background information and financial justification as requested by the Superintendency of Banks have been prepared and a determination of the mutual's proposed board and management is expected shortly.



List of Entities and Persons Contacted

USAID/Bolivia

Reginald van Raalte
John R. Davison
Steve Allen
Jaime Vizcarra
Dino Siervo

Mission Director
Controller
Counsel
PD&I
Housing Officer

Ministry of Finances

David Blanco Zabala
Augusto Gottret
Helga Salinas C.

Minister
Legal Counsel
Subsecretaria Política Financiera

Superintendency of Banks

Luis del Río
Rosendo Barbery

Superintendente
Intendente Entidades no Bancarias

Caja Central (CACEN)

Ernesto Wende

President

UNITED STATES AID MISSION to BOLIVIA
c/o American Embassy
La Paz, Bolivia

USAID - BOLIVIA
APO MIAMI 31037

Telephone: 350120, 350251
Casilla 673
La Paz, Bolivia

28 de junio de 1990
PS-N-103/90

Señor
Lic. David Blanco Zabala
Ministro de Finanzas
Presente

Señor Ministro:

Ref: Subrogación de la Deuda Externa de CACEN

El propósito de la presente es para proporcionar algunas aclaraciones respecto a la carta No. 1757 que fue enviada a su despacho por la Superintendencia de Bancos en fecha 13 de junio de 1990, sobre el tema de la subrogación de la deuda externa de la Caja Central de Ahorro y Préstamo para la Vivienda (CACEN).

La Superintendencia de Bancos en su mencionada carta recomienda definir la situación

"mediante la emisión de disposiciones legales que precisen la naturaleza de la transferencia de la deuda externa de CACEN al Tesoro General de la Nación y el tratamiento de la deuda de las mutuales con CACEN"

y, al respecto, somete a consideración de su Despacho tres alternativas de definición: (a), (b) y (c).

Estando totalmente de acuerdo con esta recomendación de la Superintendencia de Bancos, creemos, no obstante, nuestro deber hacer notar algunos comentarios referidos a las alternativas propuestas.

La alternativa (a) y parte de la (b), en cuanto tienden a mantener la deuda externa de CACEN como obligación de esta última al Tesoro General de la Nación, contradicen compromisos expresos contraídos por el Gobierno de Bolivia con el Gobierno de los Estados Unidos. Estos compromisos, que liberaron a CACEN de toda responsabilidad presente y futura sobre su deuda externa, fueron determinantes para que el Gobierno de los Estados Unidos otorgara su garantía al Programa de Vivienda de Bajo Costo del Sector Privado (511-HG-007) por un monto de \$15 millones, negociado por

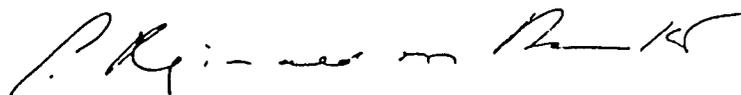
el Banco Central de Bolivia en fecha 23 de noviembre de 1987, para la financiación de viviendas de interés social por parte de CACEN y el Sistema AyP. Al respecto, incluimos en los Anexos A, B y C copias de los artículos pertinentes del contrato 511-HG-007, así como de las comunicaciones del Tesoro General de la Nación, con fecha 26 de agosto de 1988 y del propio Ministerio de Finanzas, con fecha 31 de octubre de 1988, en las que se detalla claramente el total fenecimiento de las obligaciones de CACEN sobre su deuda externa.

Nos parece que la solución debida, tanto en la cuestión de la subrogación como en la posterior aplicación de los beneficios resultantes por CACEN, puede encontrarse en una combinación parcial de las alternativas (b) y (c) propuestas por la Superintendencia de Bancos -- a menos que se prefiera aplicar la alternativa (c) directamente. Los elementos esenciales de esta solución serían:

1. Confirmación de la derogación del Artículo 2o. del Decreto Supremo No. 21405 de fecha 23 de septiembre de 1986 y del vencimiento de toda obligación de deuda por parte de CACEN.
2. Establecimiento de un fondo patrimonial permanente dentro de CACEN con el producto efectivo de la deuda externa subrogada, para ser aplicado por CACEN exclusivamente en favor del desarrollo, fortalecimiento y expansión del Sistema AyP. Este fondo deberá ser usado por CACEN (con la salvedad del acápite siguiente) para otorgar a las mutuales existentes y a las que se constituyan en el futuro, según convenga: aportes de capital semilla; asistencia financiera en casos de falta de liquidez; y líneas de crédito para la vivienda social.
3. Autorización a CACEN para que aplique parte del fondo patrimonial (descrito en el acápite anterior) a condonar deudas de las mutuales para con ella, hasta por un monto suficiente para cubrir las pérdidas incurridas por éstas hasta el 31 de julio de 1987 y restaurarles sus patrimonios a los niveles contabilizados al 31 de diciembre de 1982.

Reiteramos a usted, Señor Ministro, que nuestro interés principal es asegurar que el Sistema A&P opere efectivamente en todo el territorio nacional, financiando principalmente a los niveles menos pudientes de la población.

Con este motivo, saludo a usted muy atentamente.



G. Reginald van Raalte
Director

PROYECTO No. 511-HG-007

PROJECT No. 511-HG-007

CONVENIO

AGREEMENT

ENTRE LA

BETWEEN

REPUBLICA DE BOLIVIA,

THE REPUBLIC OF BOLIVIA,

CAJA CENTRAL DE AHORRO Y PRESTAMO
PARA LA VIVIENDA

CAJA CENTRAL DE AHORRO Y PRESTAMO
PARA LA VIVIENDA

Y

AND

LOS ESTADOS UNIDOS DE AMERICA

THE UNITED STATES OF AMERICA

PARA EL

FOR

PROGRAMA DE VIVIENDA DE BAJO COSTO
DEL SECTOR PRIVADO

PRIVATE SECTOR LOW COST
SHELTER PROGRAM

FECHA: 23 de Noviembre de 1987

DATE: November 23, 1987

Sección 4.03. Adelantos y Retenciones. A.I.D. puede aprobar una solicitud para el desembolso de un anticipo hasta por un monto total de cinco millones de dólares (US\$5,000,000). Todos los adelantos deberán ser liquidados contra la presentación de Gastos Elegibles dentro de un plazo que no exceda de tres años después del último desembolso en moneda nacional.

Sección 4.04. Condiciones Previas a la Selección del Prestamista. Con anterioridad a la selección del Prestamista, el Prestatario y CACEN, según corresponda, deberán presentar a A.I.D., en forma y contenido satisfactorios para A.I.D., lo siguiente:

A. Un Plan de Ejecución del Programa que satisfaga los requerimientos de la Sección 5.01;

B. Evidencia de que CACEN ha recibido moneda nacional por una cantidad equivalente al noventa y cinco por ciento (95%) del monto neto en dólares de los Estados Unidos a ser desembolsado con el Primer Desembolso.

C. Los mecanismos acordados entre CACEN y el Prestatario en relación con los desembolsos en moneda nacional, aceptables para A.I.D. y previstos en este Convenio; y,

D. Aquellos otros documentos y declaraciones que A.I.D. pueda considerar razonables.

Sección 4.05. Condiciones Previas al Primer Desembolso. El Primer Desembolso será por un monto de hasta siete millones quinientos mil dólares de los Estados Unidos (US\$7,500,000) provenientes del Préstamo de quince millones de dólares de los Estados Unidos (US\$15,000,000). Previo a la

Section 4.03. Advances and Retentions. A.I.D. may approve a request for an advance disbursement in aggregate total amount up to Five Million U.S. dollars (\$5,000,000). All advances shall be liquidated against Eligible Expenditures not later than three years after the final local currency disbursement.

Section 4.04. Conditions Precedent to Lender Selection. Before selecting the Lender, the Borrower and CACEN, as appropriate, shall provide to A.I.D., in form and substance satisfactory to A.I.D., the following:

A. A Program Delivery Plan that meets the requirements set forth in Section 5.01;

B. Evidence of receipt by CACEN of local currency in an amount equivalent to ninety five per cent (95%) of the net U.S. dollar amount to be disbursed under the First Disbursement;

C. Local currency arrangements between CACEN and the Borrower, acceptable to A.I.D., relating to disbursements under this Agreement; and,

D. Such other documents and representations as A.I.D. may reasonably request.

Section 4.05. Conditions Precedent to First Disbursement. The First Disbursement shall be for an amount up to Seven Million Five Hundred Thousand U.S. dollars (\$7,500,000) out of the borrowing of Fifteen Million U.S. dollars (\$15,000,000). Prior to A.I.D.'s authorization of that Disbursement, the Borrower

autorización de ese desembolso, excepto que A.I.D. acuerde por escrito algo distinto, el Prestatario deberá entregar a A.I.D., en forma y substancia satisfactoria para A.I.D.:

A. Un dictámen legal satisfactorio para A.I.D. certificando la validez del Convenio de Garantía de Bolivia, el Convenio de Préstamo y el Convenio de Agencia de Pago y Transferencia, y aseverando que tales convenios han sido debidamente autorizados, suscritos y entregados por el Prestatario y constituyen compromisos legales, válidos y obligantes del Prestatario.

B. Una Certificación del Contralor General de la República de Bolivia, de que el Prestatario se ha subrogado la deuda en dólares estadounidenses de CACEN y que ha condonado a CACEN el pago de la totalidad de esta obligación al Prestatario, de acuerdo al Decreto Supremo No. 21660.

C. Toda la documentación requerida de acuerdo con los términos de Convenio de Préstamo para darle cumplimiento a las condiciones previas contenidas en el mismo;

D. Evidencia de que CACEN ha recibido, al menos diez días antes de que se efectúe el desembolso neto del Préstamo garantizado por A.I.D., el monto adicional en moneda nacional necesario para proveer a CACEN de una cantidad en moneda nacional igual al monto total del desembolso neto en dólares de los Estados Unidos procedentes del Préstamo garantizado por A.I.D.; y

E. Aquellos otros documentos y declaraciones que A.I.D. pueda razonablemente solicitar.

shall, except as A.I.D. may agree otherwise in writing, deliver to A.I.D., in form and substance satisfactory to A.I.D.:

A. A legal opinion of counsel satisfactory to A.I.D. attesting to the validity of the Bolivia Guaranty Agreement, the Loan Agreement and the Paying and Transfer Agency Agreement, and stating that such Agreements have been duly authorized, executed, and delivered by the Borrower and constitute legal, valid and binding obligations of the Borrower.

B. A Certification by the Controller General of the Republic of Bolivia, that the Borrower has assumed the U.S. dollar debt of CACEN and has forgiven in full CACEN's obligation to repay that debt to the Borrower, in accordance with Supreme Decree No. 21660.

C. All documents required by the terms of the Loan Agreement to satisfy conditions precedent contained therein;

D. Evidence of receipt by CACEN at least ten days before the U.S. dollar loan proceeds are disbursed of the additional amount of local currency necessary to provide to CACEN local currency equal to the total amount of the U.S. dollar proceeds of the A.I.D.-Guaranteed Loan; and

E. Such other documents and representations as A.I.D. may reasonably request.



MINISTERIO DE FINANZAS
BOLIVIA

ANEXO B

EL SUBSECRETARIO DEL TESORO GENERAL DE LA NACION

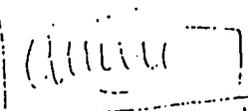
C E R T I F I C A:

Que como consecuencia de la transferencia de la Deuda Externa de la Caja central al Tesoro General de la Nación, determinada por el Art. 38º del Decreto Supremo - 21660 de 10 de Julio de 1987, al subrogarse el Estado boliviano los montos adeudados al 30.06.87 por un total de \$us. - - 31.059.489,00 a que hace referencia el Convenio sobre Deuda Externa suscrito el 17 de Julio de 1987 por el Subsecretario del Tesoro General de la Nación, el Presidente del Banco Central de Bolivia y el Presidente de la Caja Central de Ahorro y Préstamo para la Vivienda, la institución nombrada en último término ha quedado liberada en su totalidad de las obligaciones que originalmente contrajo con: el Federal Home Loan Bank (Programas 511-HG-003 y 511-HG-004); Salomon Brothers - (Programa 511-HG-005); la Agencia del Gobierno de los Estados Unidos para el Desarrollo Internacional (511-L-048), el Banco Interamericano de Desarrollo (122/TF-BO); el Banco Interamericano de Ahorro y Préstamo (Créditos AID/BIAPE Y BID/BIAPE) Y Banco Central de Bolivia- INDEF.

Por tanto, al asumir el Tesoro General de la Nación la responsabilidad de pago de los saldos adeudados por concepto de capital e intereses ante las instituciones financieras y organismos internacionales que se detallan en el presente documento, la Caja Central de Ahorro y Préstamo para la Vivienda no estará sujeta en el futuro a reclamación alguna por parte del Gobierno de la Nación, Banco Central de Bolivia o cualquier otro organismo gubernamental con respecto a su Deuda Externa transferida al Tesoro General de la Nación.

Es cuanto certifico.

La Paz, 26 de agosto 1988.


Lic. Ramiro Ortega Landa
Subsecretario del Tesoro General de la Nación
MINISTERIO DE FINANZAS

AS



MINISTERIO DE FINANZAS
BOLIVIA

EL SEÑOR MINISTRO DE FINANZAS

C E R T I F I C A :

A USAID/BOLIVIA

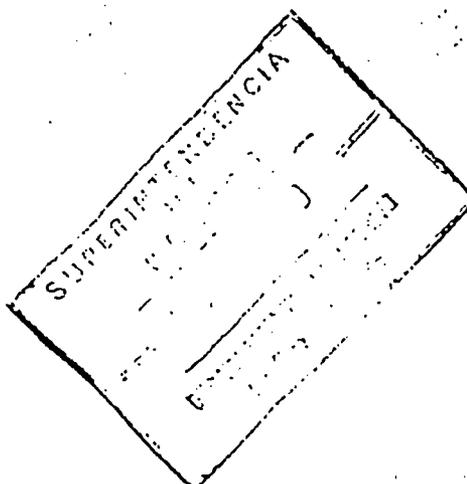
Que la certificación expedida en fecha 26 de agosto de 1988 por el señor Subsecretario del Tesoro General de la Nación, Lic. Ramiro Ortega Landa ha sido emitida en razón a las facultades inherentes al cargo que ejerce en este Despacho el citado profesional, el que de conformidad a la Ley Orgánica del Poder Ejecutivo y Estatuto Orgánico del Ministerio de Finanzas es el ente encargado de la administración y control de los recursos del Tesoro Nacional tanto de ingresos como egresos.

Por consiguiente la certificación emitida por el señor Subsecretario del Tesoro General de la Nación con referencia a la transferencia de la Deuda Externa de la Caja Central de Ahorro y Préstamo para la Vivienda al Tesoro General de la Nación esta enmarcada dentro de las funciones inherentes a su cargo.

La Paz, 31 de octubre 1988.

Lic. Ramiro Ortega Landa
MINISTRO DE FINANZAS

La Paz, 13 de junio de 1990
CITE SB/IAN/ 1757



Señor
Lic. David Blanco
MINISTRO DE FINANZAS
P r e s e n t e

REF: SUBROGACION DE LA DEUDA
EXTERNA DE CACEN

Señor Ministro:

En respuesta a su carta de fecha 8 de febrero de 1990, mediante cual requiera la opinión de la Institución a mi cargo sobre el tema de referencia, manifiesto a usted lo siguiente:

La disposición contenida en el Decreto Supremo N° 21400 de 23 de septiembre de 1986 determina que el Estado se subroga, a título oneroso, las obligaciones externas de la Caja Central de Ahorro y Préstamo para la Vivienda (CACEN). De esta manera, el Estado adquiere frente al subrogado (CACEN) los derechos del acreedor para el reembolso de los montos subrogados, cuyas bases y condiciones están fijadas en el mismo Decreto Supremo; las mismas debieron concretarse en la forma de un convenio de constitución de obligación de pago, que no fue formalizado mediante la suscripción del documento por parte del Banco Central de Bolivia, como entidad que quedó encargada de hacerlo. Cabe mencionar que el subrogado (CACEN) era en ese momento totalmente insolvente.

Posteriormente, el Decreto Supremo N° 21660 de 10 de julio de 1987, en su Art. 39°, trata de una manera general el tema de referencia y establece que se transfieren al Tesoro General de la Nación los montos adeudados al exterior por CACEN, sin establecer si esta transferencia es onerosa o gratuita.

①

Al respecto, esta Superintendencia ha verificado que la transferencia de la deuda externa de CACEN al Tesoro General de la Nación ha sido repetida por CACEN a las asociaciones mutuales de ahorro y préstamo para la vivienda, de acuerdo a las deudas que éstas registraban con CACEN por los recursos provenientes de financiamientos externos al 31 de julio de 1987. En algunos casos, estas transferencias excedieron las pérdidas incurridas con motivo de la desdolarización, permitiendo, en consecuencia, la contabilización de utilidades.

Teniendo en cuenta que la situación descrita en los párrafos precedentes provoca discrepancias en la interpretación del aspecto de la onerosidad o no de la transferencia, la Superintendencia de Bancos, mediante carta SB N° 3899 del 19 de diciembre de 1982, dispuso que las mutuales contabilicen el monto adeudado a CACEN por este concepto en una cuenta especial del rubro patrimonio, sin posibilidad de efectuar abono o cargo a dicha cuenta, en tanto no se defina su tratamiento.

Por las razones expuestas, es conveniente definir esta situación, mediante la emisión de disposiciones legales que precisen la naturaleza de la transferencia de la deuda externa de CACEN al Tesoro General de la Nación y el tratamiento de la deuda de las mutuales con CACEN.

En este sentido, someto a su consideración las siguientes alternativas de definición:

- a) Transferencia de la deuda externa de CACEN al Tesoro General de la Nación en las condiciones establecidas en el Art. 2° del Decreto Supremo N° 21405 del 23 de septiembre de 1986.
- b) Transferencia a título de donación parcial, cubriendo las pérdidas incurridas por las mutuales hasta el 31 de julio de 1987, restaurando sus patrimonios en los niveles al 31 de diciembre de 1982 (según estados financieros auditados). El saldo restante después de cubrir dichas pérdidas (US\$ 8.854.366) se constituirá en un préstamo a ser devuelto en el plazo y condiciones establecidas por el Estado, con cuyos fondos se formará un fondo rotativo de promoción de la actividad de las

mutuales existentes y las que se creen en el futuro. mediante préstamos para capital de organizacion, asistencia financiera en casos de falta de liquidez. y líneas de crédito para la vivienda.

c) Donación simple y llana del total de la obligación.

La determinación adoptada por el Supremo Gobierno deberá ser aprobada mediante la disposición legal pertinente. A criterio de esta Superintendencia, y en razón de que se trata de recursos pertenecientes al Patrimonio del Estado, la disposición legal adecuada es una Ley de la República.

Con este motivo, reitero al señor Ministro mis consideraciones más distinguidas.

Luis del Río Chavoz
Lic. Luis del Río Chavoz
Superintendente de Bancos



[Handwritten mark]

RR/RF/raqk.
Rosendo E. Barbery Paz
Intendente de Análisis Financiero
de Entidades No Bancarias

RECONCILIACION DE LA DEUDA EXTERNA CONDONADA, CON LA
ALTERNATIVA PROPUESTA POR LA SUPERINTENDENCIA DE BANCOS
(cifras en miles de dolares)

MUTUALES EN:	LA PAZ	PROVINCIAS	TOTAL
DEUDA EXTERNA DE CACEN CONDONADA POR DS.21660			31,060
APLICACION ORIGINAL POR CACEN			
DEUDA MUTUALES AL 30/06/87	9,790	21,923	31,713
*1 CONDONACION POR CACEN	9,588	21,471	31,060
*1 INTERESES COBRADOS POR CACEN	202	452	654
PROPUESTA DE LA SUPERINTENDENCIA DE BANCOS			
*2 RESTITUCION CAPITAL @ 31/12/81	3,013	931	3,944
CONDONACION PERDIDAS @ 30/06/87	949	18,217	19,166
	-----	-----	-----
	3,962	19,148	23,110

NOTAS:

- *1 Las dos mutuales en La Paz ni firmaron los convenios de cancelacion de deuda propuestos por CACEN, ni pagaron los intereses cobrados. Sus creditos no renegociados llevan plazos de entre 10 y 24 anos e intereses sustancialmente por debajo del 10%.
- *2 Parece que la propuesta de la Superintendencia se refiere al 31/12/82 por error, pues el capital a esa fecha era minimo y no auditado:

160	(450)	(290)
-----	-------	-------
- *3 El capital de las mutuales en La Paz no refleja la considerable plusvalia de sus proyectos (eg. Los Pinos).
- *4 La situacion actual es @ 31/05/90:

EFFECTIVO DISPONIBLE	24,069	9,210	33,279
PRESTAMOS Y PROYECTOS VIVIENDA	24,730	55,929	80,659
AHORROS Y CREDITOS CACEN	40,083	59,781	99,864
PATRIMONIO	10,207	6,263	16,470
DEUDA EN SUSPENSO	9,767	20,951	30,718
EFFECTIVO/AHORROS Y CRÉDITOS	60%	15%	33%
PRESTAMOS/AHORROS Y CREDITOS	62%	94%	81%

TRIP REPORT #5

To: USAID/Bolivia and RHUDO/SA
By: Claude J.J. Bovet
Date: May 23rd, 1990
Ref: BOLIVIAN SAVINGS AND LOAN SYSTEM

The present visit to La Paz, Bolivia was conducted between May 20th and 22nd, 1990 to participate in a two day assembly of the Presidents and Managers of CACEN and the individual mutuels comprising the Bolivian Savings and Loan System. Also attending the meetings were representatives of the Superintendency of Banks and Dino Siervo of USAID/Bolivia. The Recommendations approved by the ten provincial mutuels gathered at this Assembly are included as Attachment "A".

Mutuals La Primera and La Paz, unfortunately, refused to participate and did not attend any of the meetings. Nonetheless, their views, as contained in a letter of May 17th, were given adequate consideration by the Assembly. The relevant correspondence is included as Attachment "B".

In general, I believe the meetings were successful and positive in addressing the various problems affecting the system and the corresponding opportunities available for their correction, as evidenced in the attached recommendations. On the other hand, the Assembly failed dismally in this its latest attempt to enlist the support, or even collaboration, of the two Paceño mutuels.

As a result, any willingness to reach agreement on a possible restructuring of CACEN's Board of Directors to accommodate a closer participation of the Paceño mutuels was wasted and it was agreed that the elections forthcoming on May 24th would be conducted, as always, under the law, without any prior commitments between the parties.



XXXIII REUNION NACIONAL DE PRESIDENTES Y GERENTES DEL SISTEMA BOLIVIANO DE CAJE

RECOMENDACIONES:

1. Analisis de los aspectos legales que rigen la vida institucional del Sistema A&P

1.1 Facultades de Caja Central

La Caja Central, debe y tiene que aplicar las disposiciones legales que establece el D.Ley 07585, tanto en lo que concierne a sus facultades y atribuciones, como la aplicacion de las sanciones pertinentes a la comision de infracciones, omisiones y/o desacatos a la referida ley.

Su cumplimiento es una actividad permanente de la Caja Central.

1.2 Supervision de Mutuales

El Control y Supervision a las Mutuales, debe continuar ejercitandose por parte de la Caja Central, de conformidad con lo que establece el Art. 13, Inc. 2, del D.L. 07585. A este proposito, la Caja Central, debe definir y establecer claramente con la Superintendencia de Bancos, que dicha supervision, constituye una facultad de la Caja Central, sin perjuicio de que la Superintendencia ejercite lo suyo, conforme establecen las disposiciones legales que le son relativas.

La presente Resolucion debe ser cumplida por la Caja Central hasta el 30 de Junio y ejercitar su funcion supervisora en forma permanente.

1.3 Constitucion del Directorio de la Caja Central y de las Juntas Directivas de las Mutuales

1.3.1 Se reitera y ratifica las resoluciones adoptadas en la 31 y 32 Reuniones de Presidentes y Gerentes, sobre la forma de nominacion de los directores de

32

la Caja Central y de las Juntas Directivas de las Mutuales, conforme establece el Reglamento del D.L. 07585, en su Título 3ro., Art. 5to. y de acuerdo a los usos y prácticas observados hasta el presente.

- 1.3.2 Se encomienda al Instituto Jurídico del Sistema, estudiar la modificación y los procedimientos legales para la elección del Directorio de la Caja Central, con el objeto de que se brinde mayor representación a las Mutuales en la toma de decisiones de política de la Caja Central.

Esta recomendación deberá ser cumplida hasta el 30 de Septiembre del presente año.

- 1.3.3 Se recomienda al Directorio de la Caja Central, trabajar más de cerca con las Juntas Directivas de las diferentes Mutuales del Sistema, fortaleciendo los mecanismos de relación y de intercambio.

Esta recomendación debe ser práctica permanente de la Caja Central.

1.4 Asamblea de Presidentes

Se ratifica lo resuelto en las Reuniones de Presidentes y Gerentes llevadas a cabo en las ciudades de La Paz y Sucre, institucionalizando la REUNION DE PRESIDENTES con el Directorio de la Caja Central, la misma que tendrá carácter Consultivo, debiendo regirse por un Reglamento a ser elevado por CACEN, hasta el 31 de julio del presente año.

1.5 Aportes Mutuales a Caja Central

Se ratifica igualmente, el aporte de cada Mutual, consistente en el uno por mil (10/00), sobre el total del Activo de cada entidad, conforme a balances, en calidad de inversión, de acuerdo a Reglamento especial

que deberá preparar la Caja Central hasta el 30 de Junio del presente año.

1.6 Fondo de Liquidez

Se recomienda a la Caja Central, iniciar los trámites correspondientes ante la Superintendencia de Bancos, a objeto que se determine y resuelva que, el "Fondo de Liquidez", vuelva a ser depositado y manejado por la Caja Central.

Esta resolución deberá ser cumplida por la Caja Central hasta el 31 de Julio de 1990.

II. Situación Actual del Sistema

2.1 Caja Central - Fortalecimiento

Se encomienda a la Caja Central la iniciación inmediata de trámites ante las autoridades correspondientes del Gobierno Central de la Nación, para que dicten el instrumento legal pertinente, mediante el cual se derogue el D.S. 21405 de 1986 y se aclare en forma definitiva que, la transferencia al Tesoro General de la Nación de la deuda externa de CACEN, a que se refiere el Art.38. del D.S. 21660, ha condonado en su totalidad la deuda externa de la Caja Central.

2.1.1 Se encomienda a la Caja Central, el estudio de un depósito en favor de la Caja Central, equivalente al 3% de las captaciones de ahorro libre de las Mutuales, con la única condición para CACEN, de reconocer el mismo interés que las Mutuales pagan a sus ahorristas. La Caja Central podrá utilizar estos recursos en inversiones rentables y debiendo emplearlos prioritariamente para resolver las dificultades financieras de las Mutuales que se encuentran en proceso de desarrollo.

Esta Resolución que le es encomendada a la Caja Central, debiendo cum-

plirse hasta el 31 de Agosto del presente año.

2.1.2 Siendo necesario el fortalecimiento económico de la Caja Central, el dinero generado por las Mutuales, debe circular en el Sistema de A&P, a través de la Caja Central y no se depositen en otras instituciones ajenas al Sistema.

2.2 Mutuales - Actual Situación - Conversión de Mutuales deficitarias en Sucursales

2.2.1 Con el propósito de cooperar al fortalecimiento de las Mutuales en desarrollo, es imprescindible que se efectúe un estudio de mercado en las zonas donde opera cada una de ellas, con el fin de establecer los mecanismos necesarios para definir una ayuda real a dichas Mutuales a través de la Caja Central.

2.2.2 Solicitar a la Caja Central, estudie la posibilidad de lograr la creación de unidades móviles, multi-propósito, para conseguir una cooperación efectiva a las Mutuales en forma general y, en particular, a las que se encuentran en vías de desarrollo.

2.2.3 Recomendar muy especialmente que, las relaciones de la Caja Central con y hacia las Mutuales y viceversa, sean mucho más fluidas y oportunas.

2.2.4 Solicitar a la Superintendencia de Bancos, el otorgamiento de un plazo adicional, para el cumplimiento de los compromisos de recuperación económica, de acuerdo a un estudio a elaborarse para cada una de las Mutuales en

posición deficitaria, y fijando los plazos para cada una de ellas en acuerdo con la Superintendencia. Dicha solicitud deberá efectuarse hasta el 31 de mayo.

III. Proyecciones del Sistema

3.1 Aspectos Administrativos de la Caja Central - Normas Contables de la Superintendencia de Bancos

Solicitar a la Caja Central que efectúe las gestiones pertinentes, a objeto de que la implantación del Manual de Cuentas, establecido por la Superintendencia de Bancos, sea aplicado a partir de Enero de 1991, a los efectos de lograr un mejor manejo contable.

3.2 Solicitar a la Caja Central, gestione ante la Superintendencia de Bancos que, la calificación de la Cartera en Mora se considere a partir de los 60 días de vencimiento y no a los 30 días como rige actualmente, que resulta ser más propio para el sistema bancario, respecto de las Mutuales que financian programas de vivienda a largo plazo.

3.3. Proyecciones del Sistema - Planificación- Equilibrio Económico-Social

3.3.1 Aprobar la proyección general del Sistema presentado por la Caja Central para el periodo de 1990-93 recomendando que se hagan todos los esfuerzos necesarios para que se cumplan las metas proyectadas. A este fin, cada Mutual debe hacer su propia proyección para el mismo periodo, asumiendo como base la referida proyección general. Tales proyecciones deben ser elaboradas y enviadas a la Caja Central hasta el 10. de Agosto del presente año.

3.3.2 Siendo el Sistema de A&F, una organización privada, sin fines de lucro, cuyo propósito es satisfacer las necesidades habitacionales

les de las familias de bajos ingresos, la tipifican como una institución de economía social y no mercantil, debe, sin embargo, operar en forma rentable para poder cumplir sus objetivos sociales.

3.3.3 Con el objeto de colaborar a las Mutuales en el diseño de su planificación estratégica para el período de 1990-1993, se recomienda a la Caja Central organizar un Taller Seminario sobre Planificación Estratégica, el mismo que podría llevarse a cabo en Julio o Agosto del presente año.

3.3.4 La Caja Central, deberá informar a la próxima reunión de Presidentes y Gerentes del Sistema, sobre las acciones realizadas, en cumplimiento de las Resoluciones acordadas en la presente 33a. Reunión Nacional.

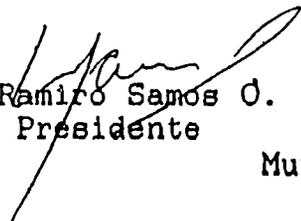
3.3.5 Se recomienda a la Caja Central, efectúe los trámites pertinentes para lograr que la representación del Sistema A&P, adquiera participación en los Directorios de la Caja Nacional de Salud y del Fondo de Pensiones de Trabajadores de la Banca Privada.

3.3.6 Haber llegar a la Caja Central y, especialmente a su Presidente, Ing. Ernesto Wende F., un voto de felicitación por la excelente labor cumplida durante la realización de la 3ra. Conferencia Mundial de Vivienda, llevada a cabo en la ciudad de Washington D.C. del 24 al 30 de abril del presente año, oportunidad en la que se informó del trabajo conjunto, realizado en Bolivia, entre el Sistema A&P y las Instituciones públicas, en el financiamiento habitacional.

conforme a las recomendaciones de Viena de 1986. La presentación boliviana, recibió la felicitación y el respaldo de todos los países asistentes a la conferencia y se considera como un modelo que puede ser aplicado por otros países en vías de desarrollo.

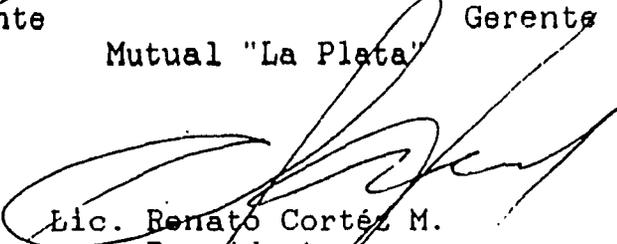
3.3.7 En igual forma, se felicita a la Caja Central y a su Presidente, por el eficiente trabajo realizado durante catorce años, para hacer realidad el funcionamiento de la Bolsa Boliviana de Valores, institución ésta que, posibilitará al Sistema movilizar recursos adicionales para financiar nuevos programas de vivienda.

Las presentes Resoluciones fueron revisadas, ampliadas y aprobadas por la reunión de Presidentes y Gerentes del Sistema Boliviano de A&P, en la ciudad de La Paz, a los veintidos días del mes de Mayo de mil novecientos noventa años.


Dr. Ramiro Samos O.
Presidente


Dr. Adrian Urriolagoitia
Gerente

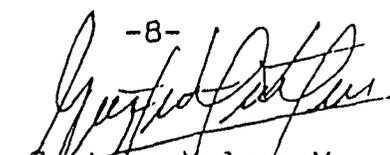
Mutual "La Plata"

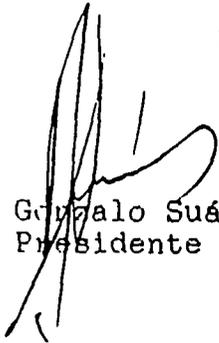

Lic. Renato Cortés M.
Presidente

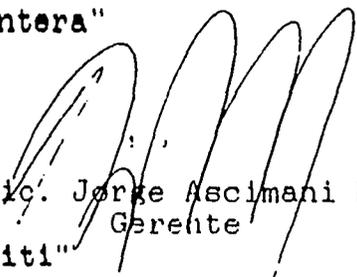
Mutual "El Progreso"


Sr. Jaime Pérez M.
Gerente

Mutual "Pando"

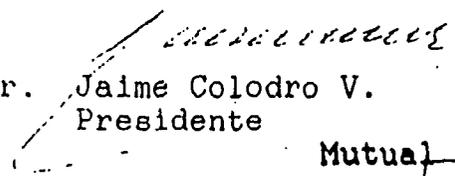

Sr. Gustavo Melgar M.
Gerente
Mutual "La Frontera"

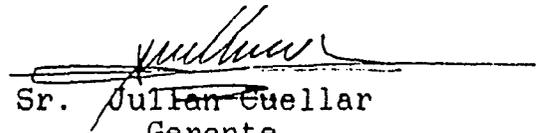

Dr. Gonzalo Suárez L.
Presidente


Lic. Jorge Ascimani M.
Gerente

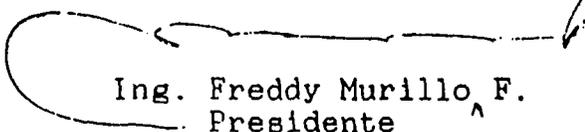
Mutual "Paititi"


My. Rodolfo Wende C.
Presidente
Mutual "Guapay"


Dr. Jaime Colodro V.
Presidente

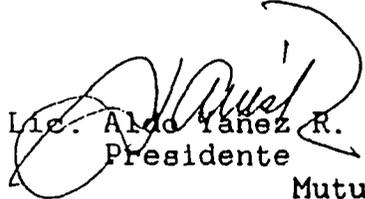

Sr. Julian Cuellar
Gerente

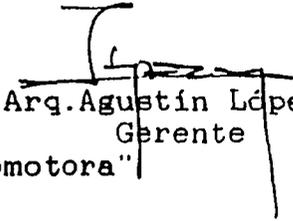
Mutual "Tarija"


Ing. Freddy Murillo F.
Presidente

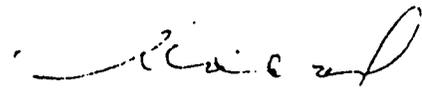

Lic. Ismael Orozdo G.
Gerente

Mutual "Potosi"


Lic. Aldo Yanez R.
Presidente


Arq. Agustín López Videla
Gerente

Mutual "La Promotora"


Dr. Sergio Roca Salvatierra
Presidente
Mutual "Manutata"

Mayo, 18 de 1990

Señor
Ing. Ernesto Wende
PRESIDENTE DE LA CAJA CENTRAL DE
AHORRO Y PRESTAMO PARA LA VIVIENDA
Presente.-

Señor Presidente:

Hacemos referencia a su atenta nota No. 149/1874, fechada el día de hoy, en la que nos expresa que la propuesta que la hicimos conocer con nuestra carta del día de ayer, deba ser considerada en la XXXIII Reunión Nacional de Presidentes y Gerentes de Mutuales a realizarse el próximo lunes 21 del actual.

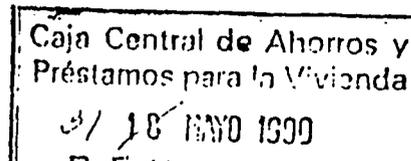
Al respecto, debemos recordarle que los planteamientos que le hicimos conocer con nuestra mencionada nota, lo hicimos a pedido expreso suyo, con el compromiso de discutirlos con nosotros el día de hoy a medio día, habiéndose Ud. excusado extemporáneamente de concurrir a la reunión prevista.

En vista de la anterior explicación, sentimos hacerle conocer que, muy a pesar nuestro no concurremos a la mencionada reunión.

ING. CARLOS MIER
Vicepresidente
MUTUAL "LA PAZ"

DR. JUAN J. FERNANDEZ
Vicepresidente
MUTUAL "LA PRIMERA"

cc. Otras Instituciones



BOLIVIANO DE
Y PRESTAMO
A LA VIVIENDA

LES

AL "LA PRIMERA"
il. Ste. Cruz No. 1384
1807

AL "BOUYAY"
era No. 100
No. 100
CRUZ

AL "LA PROMOTORA"
pda No. 3075 enj. Av. Héroles
208
IBAMBRA

AL "EL PROGRESO"
ochabamba enj. Potosí No. 777
132
)

AL "TARJA"
ulstín Fuentes Vn.
127
A

AL "LA PLATA"
pda No. 17
3.8

"TOTOSI"
de Ag. No. 11
204
1

AL "LA PAZ"
de Julián 1571 enj. Buenos
702
2

AL "TATITI"
enj. Busch en
89
JAI)

AL "MANUTATA"
enj. Cruz Vn

ALTA

AL "TAUNO"
enj. Busch
213
A

AL "LA FRONTERA"
enj. Potosí No. 908
ARAMERIN

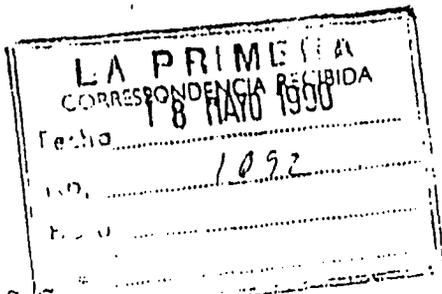
CAJA CENTRAL

DA A LA UNION IN-
ERICANA DE AHO-
PRESTAMO PARA
IENDA UHAPRAVI

A DEL BANCO
AMERICANO DE
Y PRESTAMO

DA A LA INTERNA-
UNION OF
ING SOCIETIES AND
35 ASSOCIATIONS

CAJA CENTRAL DE AHORRO Y PRESTAMO PARA LA VIVIENDA



La Paz, mayo 18 de 1990

CITE: S. No. 149/ 1874

Señores:
Ing. Carlos Mier y
Dr. Juan J. Fernández
Vicepresidentes de
Mutual "La Paz" y "La Primera"
Presente.

De nuestra consideración:

Tenemos el agrado de acusar recibo de su atenta comunicación de día de ayer, mediante la cual nos hacen conocer la propuesta de las Mutuales que representan y que se refiere a varios aspectos estructurales del Sistema A&P.

Al respecto, nos cumple informarles que analizados debidamente los conceptos contenidos en la misma y dada la importancia de los puntos propuestos, que no sólo competen al ámbito de la Caja Central, sino que involucra a otras entidades que conforman el Sistema A&P, el Directorio, considerando que se ha convocado a la XXXIII Reunión Nat. de Presidentes y Gerentes con el Directorio de la Caja Central, que se realizará a partir del próximo lunes 21 del mes en curso con agenda abierta, estima que su conocimiento y consideración debe efectuarse en dicha ocasión.

Estamos seguros que en esta oportunidad podrán obtenerse significativos logros que fortalezcan el crecimiento y unidad del Sistema "A&P", de tal manera que éste pueda cumplir con los objetivos para los que fue creado, dentro de los alcances establecidos en el D.L. 07585 y su Reglamento, que rigen las operaciones de la Caja Central y las Mutuales.

Con este motivo, nos es grato saludar a ustedes muy atentamente,

Gastón Guillén O.
Vicepresidente

Mayo. 17 de 1990

Señor

Inq. Ernesto Wende

PRESIDENTE DE LA CAJA CENTRAL DE
AHORRO Y PRESTAMO PARA LA VIVIENDA
Presente.-

Señor Presidente:

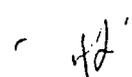
Confirmando los términos establecidos en la reunión del día de ayer, nos permitimos reiterar nuestra propuesta de solución a los problemas que confronta el Sistema, resumiéndola en los siguientes puntos:

1) Formalizar la extinción de la deuda externa de las Mutuales de La Paz mediante la firma de los documentos respectivos por la Caja Central y las Mutuales correspondientes.

- a) La formación de un Fondo Inter Mutual de cooperación constituido por las cuatro Mutuales con mayor capacidad económica, es decir La Primera, La Paz, Guapay y La Promotora, en la proporción del 1% de sus activos netos mediante un crédito concesional a ese Fondo y adicionalmente, el valor correspondiente a la controvertida acreencia de la Caja Central de \$us. 107.000.- a La Primera y \$us. 92.000.- a La Paz, lo que alcanzará un monto del orden de un millón de dólares.

El manejo de dicho Fondo será reglamentado por las cuatro Mutuales aportantes.

- b) Previa la declaratoria de entidades ICIS a las Mutuales La Primera, La Paz, Guapay y La Promotora, otorgarles la facultad de financiamiento a las Mutuales que lo requieran para



112.-

proyectos específicos, con hipotecas directas y debidamente calificadas.

- c) Alternativamente, la conversión de Mutuales deficitarias en sucursales de las Mutuales de mayor capacidad económica con propósitos de reactivación, siempre en condición de ICIS.
- 2) La conformación del Directorio de la Caja Central deberá incluir la designación expresa de dos directores, a seleccionarse por las Mutuales de La Primera y La Paz, dentro de un concepto democrático que respete el derecho de las mismas en la nominación de éste organismo, en concordancia con disposiciones legales que otorgan este derecho.
- 3) Institucionalización y reglamentación de facultades de la Asamblea de Presidentes del Sistema que deberán incluir necesariamente la de conocer y en su caso aprobar los estados financieros y presupuesto correspondientes a cada gestión de la Caja Central de Ahorro y Préstamo para la Vivienda.

La presente propuesta tiene carácter integral y no admite aceptaciones parciales. En la seguridad de su positiva consideración, saludamos a Ud. con nuestras consideraciones personales.

ING. CARLOS MIER
Vicepresidente
Mutual "La Paz"

DR. JUAN J. FERNANDEZ V.
Vicepresidente
Mutual "La Primera"

cc. Otras Instituciones

TRIP REPORT #4

To: USAID/Bolivia and RHUDO/SA
By: Claude J.J. Bovet
Date: May 15th, 1990
Ref: BOLIVIAN SAVINGS AND LOAN SYSTEM

The present visit to La Paz, Bolivia was conducted between May 1st and 12th, 1990 as part of the on-going program to resolve the conflicts and constraints affecting the Bolivian S&L System.

A joint meeting, also attended by Dino Siervo, was held with representatives of Mutuals La Primera and La Paz. They delivered a list of points to be considered and approved by CACEN (see Attachment "A") and agreed to reconvene with CACEN for a discussion of these points. Unfortunately, however, this second meeting was frustrated by La Paz's subsequent insistence that CACEN first comply with their—unrelated—request for CACEN to give response to a news magazine article critical of La Paz. It is now hoped that these matters can be taken up, in a broader context, at a conflict resolution meeting of the whole system called for May 21st and 22nd, which Mutuals La Primera and La Paz—albeit not too convincingly—agreed to attend.

The differences between CACEN and the two La Paz mutuels, as perceived by me, are summarized:

CACEN has withdrawn its original suggestions for disposition of the foreign debt condonation proceeds in order to allow for a broader discussion of the issues involved by all parties concerned. In particular, it is prepared to seek an appropriate solution in consultation with the SOB and USAID. It seeks a solution that is beneficial to the whole S&L system and which will support its efforts to expand the system on a nationwide basis and to progressively deepen its lending to the very lowest income families.

The La Paz mutuels, on the other hand, seek a solution which will reaffirm the *status quo* and protect their vested interests, which they consider to be:

- Freedom to automatically consider as "owned" capital the principal of their remaining debts to CACEN (US\$10 million).
- Freedom to conduct their operations on a fully commercial basis, without the burdens attaching to "social" lending. Current practice has them maintaining

60% (US\$25 million) of their deposit and borrowing base in liquid bank deposits; and making precious few loans to low income families.

- An eventual (the sooner the better) separation from CACEN and the rest of the S&L System, with a possible conversion to a commercial banking charter or other form of stock-held financial institution. The latter (if allowed by the GOB) would consolidate in private hands ownership of the debt condonation proceeds (US\$10 million), as well as the estimated profits in the (USAID supported) Los Pinos project (estimated at up to US\$15 million) among other similar resources.

During this trip, it was decided to call on six provincial mutuals to meet with their management and boards of directors. The main purpose of the visit was to review with them the requirements of their individual financial structures (as observed by the SOB) and to initiate a dialogue on the future improved structure of the S&L System as a whole. These contacts proved very valuable and the results are expected to show up in the forthcoming Presidents and Managers Assembly later this month.



List of Entities and Persons Contacted

USAID/Bolivia

Reginald van Raalte
Dino Siervo

Mission Director
Housing Officer

Superintendency of Banks

Rosendo Barbero
Ramón Rosales
Liana Mehmet de Canales
Guillermo Sánchez

Intendente, Entidades no Bancarias
Asesor

Caja Central (CACEN)

Ernesto Wende

President

Mutual La Primera

Luis Péres Salmón
Carlos de Grandchant

President
Manager

Mutual La Paz

Carlos Mier
Carlos Cardozo

Vice President
Manager

Mutual Guapay, Santa Cruz

Rodolfo Wende Camargo
Demetrio Pessoa Rea
Antonio Barbero Gonzales
Carlos Hurtado
Mario Suarez Bravo
Oscar Coronado Pinto
Gerardo Guzmán Burgos

President
Director
Director
Director
Director
Manager
Accountant

Mutual La Promotora, Cochabamba

Jorge Ramires Cabrera
Aldo Yañez Rivera
Humberto Mérida Vargas
Jaime Cors Cortez
Freddy Costas Stark
Franz Rivera Valda
Agustín López Videla

President
Vice President
Director
Director
Director
Director
Director, Manager

Mutual La Plata, Sucre

Ramiro Samos	President
Luis H. Nogales	Vice President
Julio Solares	Director
Jorge Velez	Director
Adrián Urriolagoitia	Manager
Marcelo Sandoval	Sub-Manager

Mutual Paitití, Trinidad

Juan Ramón Takata	Vice President
Leandro Rocha	Director
Wilson Cortéz	Director
Jorge Ascimani	Director, Manager
Emilio Cortéz	Technical Advisor
Adolfo Arteaga	Legal Advisor
Hugo Lizarazu	CACEN Advisor

Mutual La Frontera, Guayaramerin

Gustavo Melgar Merlin	President
Hugo Bayá Pérez	Manager
Wilfredo Coca Mercado	Accountant
Silvia Cortez Chávez	Assistant Accountant
Barbarita Guatía Terrazas	Loan Officer
Armando Quiroz Semo	Cashier
Newton Medina Parada	Assistant

Mutual Manutata, Riberalta

Sergio Roca Salvatierra	President
Jorge Chávez Gutiérrez	Vice President
José Jukumoto Gómez	Director
Javier Aguilera Díaz	Director
Rafael Baeny Coimbra	Director
Juan Cuellar	Manager
Javier Gutiérrez	CACEN Advisor

ATTACHMENT 'A'

Planteamientos a Efectuar al Sr. Claude Bovet

1. Declaración confirmativa de la condonación de deuda entre CACEN y las Mutuales de la Paz y suscripción del respectivo convenio.
2. Designación de dos directores por las Mutuales de La Paz.
3. Fijar las atribuciones de las Asambleas de Presidentes (dos por año), entre ellas:
 - a. Fijación de políticas de la Caja Central.
 - b. Análisis y aprobación de presupuesto anual de la Caja Central.
 - c. Aprobación de los estados financieros de la Caja Central, en cada gestión.
4. Caja Central no requiere tener patrimonio.
5. Creación del fondo intermutuales como resultado de los acuerdos anteriores.
6. Todos los acuerdos a los que se llegue deben ser objeto de un documento a suscribirse con anterioridad al 19 de mayo de 1990 entre el Presidente de la Caja Central y los Presidentes de las Mutuales La Primera y La Paz.

TRIP REPORT #3

To: USAID/Bolivia and RHUDO/SA
By: Claude J.J. Bovet
Date: April 21, 1990
Ref: BOLIVIAN SAVINGS AND LOAN SYSTEM

The present visit to La Paz, Bolivia was conducted between April 15th and 21st, 1990 as part of the on-going program to resolve the conflicts and constraints afflicting the Bolivian S&L System.

A primary goal of this visit was to break the ice with the two mutuals in La Paz. This was done in separate meetings with Messrs. Iturri and Mier of Mutual La Paz and Messrs. Peres Salmón and Grandchant of Mutual La Primera, both of which were attended by Dino Siervo. The mood for these meetings was facilitated by CACEN's prior execution of the measures agreed to in my preceding visit (see trip report dated March 20, 1990); i.e. CACEN's withdrawal of its debt/condonation redistribution proposal, its search for a general manager and its expressed willingness to restructure its Board.

Obviously, both Mutuals took the opportunity of these meetings to reaffirm their—substantial—differences of opinion with CACEN. But, upon discussion of the current efforts to restructure CACEN and to strengthen the S&L System, they also offered their full collaboration to this effect. They agreed to consider the proposed structure for CACEN's Board and to submit their written suggestions for strengthening the S&L System (with particular consideration of the needs of the smaller mutuals) in time for my next visit, programmed for May 2nd. Inasmuch as they are adamantly opposed to any suggestion for a redistribution of the debt/condonation proceeds, they instead offered to submit proposals for the setting up of a special fund to benefit the system as a whole.

A joint meeting of Mutuals La Paz and La Primera with CACEN was programmed for early during my next visit, to be followed by an enlarged one to include the provincial mutuals.

The matter of the final destiny or application of the debt/condonation proceeds is one of major dissension. As mentioned, both the mutuals in La Paz are adamant in refusing to even consider any redistribution of these proceeds. The Superintendency of Banks, on its part, is firm in its contention that these proceeds belong to the State, to the extent that they represent "profit" beyond their purported coverage of losses suffered. I believe that, barring a last minute agree-

ment between all the mutuals and CACEN acceptable to the SOB, the issue will most probably be settled by the Ministry of Finance.

During this visit, informative and/or coordinating meetings on the foregoing and other related matters were held with CACEN's Board, FONVI, the Central Bank, the Superintendency of Banks and the Ministries of Finance and of Urban Affairs; and also with Ernst & Young as regards the search for CACEN's general manager.

During my next visit (May 2nd to 17th) I will continue to work on the matters described in Attachment "A". Special emphasis will be placed on solving those relating to CACEN's board, its future dealings with the system and the debt/condonation issue, inasmuch as these will affect the outcome of CACEN's annual meeting called for May 24th. Also, I expect we will be able to review a pre-selection of candidates for the general manager position, which will have to be filled by CACEN's new board elected at the May 24th meeting. See Attachment "B" for a copy of the advertisement for CACEN's general manager.



9

List of Entities and Persons Contacted

USAID/Bolivia

Robert Kramer	Deputy Director
David Jessee	Acting Chief PS
Dino Siervo	Housing Officer

USAID/RHUDO

Sonny Low	Deputy Director
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Ministry of Finance

Edgar Schwarz de Acha	Ministro <i>ad interim</i>
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Ministry of Urban Affairs

Elena de Urresti	Ministro
Fernando Suarez Blacut	Sub-Secretario de Vivienda
Mario Chávez Landivar	Asesor Económico

Central Bank

Susana Knaut O.	Gerente de Desarrollo
Hugo Saavedra	Sub-Gerente de Desarrollo
Lola Araujo	Departamento Legal

Superintendency of Banks

Luis del Río	Superintendente
Rosendo Barbery	Intendente, Entidades no Bancarias
Ramón Rosales	Asesor

Fondo Nacional de la Vivienda (FONVI)

Carlos Moreno	Presidente
Antonio Terrazas	Asesor

CACEN

Ernesto Wende	Presidente
Gastón Guillén	Vice Presidente
Rosendo Soruco	Director
Rolando Valdivia	Director

Ernst & Young International

Hugo Berthin A.	Socio Principal
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51

ATTACHMENT "A"

List of Measures to be Adopted or Pursued by CACEN

1. Reinforce S&L representation on CACEN's Board of Directors. **
 - a) On interim basis under existing law
 - b) Seek approval of reform under new legislation
2. Establish and fill the position of General Manager at CACEN *
 - a) Prepare job description
 - b) Engage search through appropriate outside consultants
3. Implement a Capitalization Plan for CACEN. **
 - a) Solve SOB issue regarding applicable decrees on transfer of foreign debt to National Treasury
 - b) Obtain approval (negotiated or decreed) on restructuring CACEN's loans to S&L System
 - c) Propose system for S&L participation in CACEN's capital structure
4. Define CACEN's new role with retained functions and services **
 - a) Adopt a new organizational structure to reflect CACEN's retained functions and services
 - b) Organize independent structure (department or subsidiary) for ancillary functions: e.g. Insurance
 - c) Adjust personnel and administrative structures accordingly
5. Develop a comprehensive strategic plan, with S&L participation, to show specific actions to be taken to achieve the financial viability of the S&L System. **
6. Develop S&L System's ability to sustain those S&Ls unable to do so individually. **
7. Study convenience of adopting a capital (shareowning-deposits) structure for individual S&Ls *
8. Improve CACEN's internal management and overall productivity; optimize its investment profitability and reduce S&L delinquency levels. **
9. Adjust CACEN's operational expenses; defining budgets by department and according to specific activities to be performed. **

Note: ** As called for under Amendment No. 8 to HG-007

* As further contemplated in discussions with AID

BERTHIN AMENGUAL Y ASOCIADOS
Firma miembro de

Ernst & Young

International

NUESTRO CLIENTE UNA DE LAS MÁS IMPORTANTES
INSTITUCIONES FINANCIERAS DE BOLIVIA NOS HA
ENCARGADO LA BUSQUEDA DE UN

GERENTE GENERAL

Profesional graduado en áreas de Finanzas, Banca o
Administración de Empresas que cuente con una edad
máxima de 45 años y que haya ocupado posiciones
ejecutivas en empresas nacionales o internacionales de
reconocido prestigio.

Se ofrecen excelentes oportunidades de progreso
personal, profesional, además de una remuneración
acorde con la posición y responsabilidad del cargo.

Se consideran imprescindibles los conocimientos de
inglés y computación.

Enviar antecedentes sobre formación, experiencia,
fotografía actual, pretensiones económicas y referencias
personales hasta el día 5 de abril de 1990 a nuestras
oficinas del Pasaje Bernardo Trigo N° 20 ó a la casilla N°
718, La Paz - Bolivia.

La información será tratada con absoluta reserva.

ANEXO A CARPETADA PARQUETADO DE

Orlando

lras 25-26-27-3-90

Roy

lras 25, 26 - 3 - 90

TRIP REPORT #2

To: USAID/Bolivia and RHUDO/SA
By: Claude J.J. Bovet
Date: March 20, 1990
Ref: BOLIVIAN SAVINGS AND LOAN SYSTEM

The present visit to La Paz, Bolivia was conducted between March 14th and 20th, 1990, as a follow up on the previous month's visit, to further advance a resolution of the situation extant in the Bolivian S&L System.

At this time, AID/Bolivia had written to the Superintendency of Banks (SOB) and CACEN (March 6th and 8th, respectively), advising them of AID's decision to provide a 90 day period for CACEN and the S&L System to fulfil their prior commitments to AID, before proceeding to consider a possible suspension of its financial and technical assistance. The SOB, on its part, had issued dual resolutions on March 2nd requiring the two mutuals in La Paz to reverse accounting entries made (during December 1989 by La Paz and January 1990 by La Primera) to wipe-out the balance of their respective "Regularización Deuda Externa 1987" accounts; but it had not yet sent the more comprehensive "supervisory" letter discussed with AID during this consultant's last visit. And the Central Bank had informed CACEN that their latest draw against HG-007 for US\$1.4 million could not be used in support of mutuals Manutata and Tarija, given their deficitary net worths. At this time, also, the Minister of Finance has requested opinions from the Central Bank and the SOB on the whole matter of CACEN's foreign debt condonation, ostensibly with a view to promulgating an issue-solving decree.

1. Superintendency of Banks (SOB)

A meeting was held with the SOB to inform them of AID's proposed assistance, through the provision of this consultant's services during a 90 day period, to help in the formulation of solutions to consolidate and reinforce the Bolivian S&L System; as well as to let them know of CACEN's initial reactions to AID's letter of March 8th. At this meeting, the SOB variously informed us: that they were in the process of examining the weaker mutuals in the provinces and that they were waiting for the results of these examinations before emitting their proposed comprehensive "supervisory" letter; that the two mutuals in La Paz had followed up their compliance of the SOB's account-entry reversal instructions with dual memorials demanding satisfaction on a number of issues; and that the

91

SOB was responding to a request by the Minister of Finance regarding its possible promulgation of a decree versing on the foreign debt condonation issue. No specific agreements were called for or reached at this meeting, although it was agreed once again to keep each other fully informed of developments.

2. CACEN

Extensive meetings were held with Ernesto Wende, at which he clearly expressed his agreement to implement without further delay the recommendations arising from the November 1988 PADCO report, as incorporated in Amendment No. 8 to Grant Agreement No. 511-0567. A list of these recommendations was drawn up (see Attachment "A"). Specific issues covered at this time are:

a. CACEN's Capitalization

It was recognized that CACEN's initial proposals to implement its required capitalization were being adamantly opposed by the two La Paz mutuels, which was in itself proving an obstacle to a dispassionate discussion of the issue by the various parties and authorities involved. Thus, in an attempt to encourage the most open and uninhibited discussion possible by all concerned, Ernesto Wende agreed to formally advise the SOB that it was withdrawing from consideration the specific proposals submitted during November and December 1989.

But the foregoing was not the only issue clouding a proper application of the foreign debt condonation proceeds. Another, still extant, is the SOB legal counsel's contention that there is a hole (lack of specific abrogation of a superseded decree - No. 21405) in the sequence of decrees approving the transfer of CACEN's debt to the National Treasury. This, obviously, runs counter to the representations made to AID by the Ministry of Finance and other GOB authorities, and upon which AID based its approval of the HG-007. The SOB counsel's opinion should be cleared, either, by appropriate legal interpretation or, barring this, by governmental decree.

Once adequately confirmed that CACEN's foreign debt has been totally and unrestrictedly assumed by the National Treasury, the remaining issue to be addressed is CACEN's initial decision to condone the principal of its loans to the various S&Ls. This condonation was contractually approved by the ten provincial S&Ls; not so by the two La Paz S&Ls. It was not immediately approved by the SOB, which requested that the S&Ls maintain the proceeds of such condonation in a special transitory account.

Thus, the situation now stands that the two La Paz S&Ls continue to owe the integrity of their loans to CACEN and that the ten provincial S&Ls' debt forgiveness is pending of interpretation by the SOB. This consultant believes that, in so far as CACEN's loans to the various S&Ls are to be reconsidered, the following principles should rule:

- (1) The assumption by the National Treasury of CACEN's foreign debt did not automatically extinguish the S&Ls' debts to CACEN; what it did do was offer CACEN an opportunity to capitalize itself to the extent of its existing assets.
- (2) Based on this resulting capitalization, CACEN must decide (hopefully in agreement with all parties concerned) how to restructure its past loans to the S&L System. In particular, consideration should be given to what part of these loans can:
 - (a) be condoned
 - (b) be left as "seed capital"
 - (c) be restructured on "softer" terms

b. CACEN's Board of Directors

CACEN's next Assembly Meeting is due in May 1990, presumably too early to devise a modified board structure and to secure the necessary regulatory or legislative changes. However, pending a subsequent legislative reform, it was felt that a good degree of accommodation could be reached under the existing system. Ernesto Wende accepted the suggestion that, if the assembled S&L presidents agreed to cast their votes in accordance with a pre-arranged formula, the upcoming election could be used to constitute CACEN's board as follows:

1. Designated Director by the Ministry of Finance
2. Elected Director as proposed by the La Paz S&Ls
3. Elected Director as proposed by the provincial S&Ls
4. Elected Director as proposed by all S&Ls (E. Wende)
5. Elected Director as proposed by FONVI

The suggestion to incorporate a representative of FONVI is considered crucial at this stage. FONVI is not only the System's main local funding source, but it is also a natural conduit for reaching lower income housing beneficiaries.

As regards the suggestion of incorporating one director proposed directly by the S&Ls in La Paz, and another by the S&Ls in the provinces, this is done in a spirit of encouraging a more immediate integration of the La Paz S&Ls within CACEN.

The final legislative solution given to composing CACEN's Board will probably be more comprehensive. One point which we would suggest in this regard, would be a removal of the present interdiction for S&L directors to serve on CACEN's Board. On the other hand, this consultant would recommend against a system of "quotas" (as proposed by some: so many directors for "X" S&Ls and so many for "Y" S&Ls, etc), since this could attempt against the tried and true, as well as legal, principle that directors act on behalf of the entity on whose board they sit and not in pursuit of the personal interests of individual shareholders or members. (The suggestion previously made to incorporate two directors directly proposed, respectively, by S&Ls in La Paz and the provinces, is one of compromise to break an existing impasse and should not inhibit these directors from, once elected, acting in the best interests of the S&L System as a whole).

c. CACEN's Management

Without prejudice to the proposed institutional reorganization of CACEN (see below), and even perhaps to help it along, it is recommended that CACEN's President be freed from day-to-day management responsibilities and thus allowed to devote more time and effort to the consolidation and expansion of the S&L System as a whole (which is CACEN's main *raison d'être*). To this end, Ernesto Wende has agreed to seek assistance in drawing up a job description and qualifications for the new position of CACEN's "Gerente General" and to proceed with the corresponding search of suitable candidates; as possible, with the aid of an appropriate recruiting firm.

d. CACEN's New Organizational Structure

Recognizing that CACEN's current functions are spread over too wide a range for efficient operation, the following are to be considered:

Supervisory Functions - The bulk of these having already been assumed by the SOB (Supreme Decree No. 22202), it is recommended that CACEN be relieved of its remaining—merely supportive—functions. However, the authority to approve the establishment of new S&Ls and their branches (which was recently made the dual responsibility of CACEN and the SOB) should, as a matter of social development policy, be retained exclusively as a CACEN prerogative under its Law 07585. An opportunity for this exists in the drafting of the proposed new Banking Law.

Insurance Functions - CACEN should re-examine the institutional need and economic justification for continuing with its existing insurance lines. To the extent that these insurance lines are required to support the activities of the S&L System they constitute a legitimate concern of CACEN's. But the litmus test in each case must be: are they effectively required; are they not avail-

able from normal carriers; and can they be profitably provided by CACEN. Only when all of these three conditions are met, is it appropriate for CACEN to write such insurance. And, in such case, CACEN should proceed to set up its insurance business as a fully independent department or—volume permitting—as a separate specialized subsidiary.

Financial Functions - The proper structuring of CACEN as a second floor financial institution for the S&L System must be more fully developed; as must its potential to promote a secondary mortgage market. The capitalization plan detailed above offers an opportunity to make CACEN self-supporting and less dependent on foreign financial sources.

S&L System Development - This is CACEN's main *raison d'être* and, as such, should receive the greatest attention under CACEN's proposed restructuring.

List of Entities and Persons Contacted

USAID/Bolivia

Robert Kramer
David Jessee
Dino Siervo

Deputy Director
Acting Chief PS
Housing Officer

Superintendency of Banks

Rosendo Barbery
Liana Mehmet
Guillermo Sánchez

Intendent, Non-banking Institutions

CACEN

Ernesto Wende

President

ATTACHMENT 'A'

List of Measures to be Adopted or Pursued by CACEN

1. Reinforce S&L representation on CACEN's Board of Directors. **
 - a) On interim basis under existing law
 - b) Seek approval of reform under new legislation
2. Establish and fill the position of General Manager at CACEN. *
 - a) Prepare job description
 - b) Engage search through appropriate outside consultants
3. Implement a Capitalization Plan for CACEN. **
 - a) Solve SOB issue regarding applicable decrees on transfer of foreign debt to National Treasury
 - b) Obtain approval (negotiated or decreed) on restructuring CACEN's loans to S&L System
 - c) Propose system for S&L participation in CACEN's capital structure
4. Define CACEN's new role with retained functions and services. **
 - a) Adopt a new organizational structure to reflect CACEN's retained functions and services
 - b) Organize independent structure (department or subsidiary) for ancillary functions: e.g. Insurance
 - c) Adjust personnel and administrative structures accordingly
5. Develop a comprehensive strategic plan, with S&L participation, to show specific actions to be taken to achieve the financial viability of the S&L System. **
6. Develop S&L System's ability to sustain those S&Ls unable to do so individually.**
7. Study convenience of adopting a capital (shareowning-deposits) structure for individual S&Ls. *
8. Improve CACEN's internal management and overall productivity; optimize its investment profitability and reduce S&L delinquency levels. **
9. Adjust CACEN's operational expenses; defining budgets by department and according to specific activities to be performed. **

Note: ** As called for under Amendment No. 8 to HG-007

* As further contemplated in discussions with AID

TRIP REPORT #1

To: USAID/Bolivia and RHUDO/SA
By: Claude J.J. Bovet
Date: February 2, 1990
Ref: BOLIVIAN SAVINGS AND LOAN SYSTEM

A team composed of Eduardo Fuentes of RHUDO/SA and Claude Bovet, consultant, visited La Paz, Bolivia between the 8th and 15th February, 1990. Purpose of the trip was to review the situation extant in the Bolivian S&L System and to attempt a mediation in the conflict arisen between CACEN and the two mutuals in La Paz.

Upon arrival, the situation had deteriorated to a point where AID/Bolivia was considering suspending its technical and financial assistance to the System and where the Superintendency of Banks was proposing major corrective measures.

Interviews were held with AID/Bolivia, the Superintendency of Banks, CACEN, the two mutuals in La Paz and eight of the ten provincial mutuals; and by phone with an additional provincial mutual (see attached list of entities and persons contacted).

Major problems were found in three areas:

- An attempted redistribution of the surplus originating in the GOB's 1987 assumption of CACEN's foreign debt (US\$31 million).
- CACEN's lack of implementation of the reforms agreed to under Amendment No. 8 to Grant Agreement No. 511-0567.
- An overall failure by the System to implement imaginative shelter solutions for the lower income groups.

Additional problem areas centered on CACEN's feeble capitalization and on the poor financial position of several provincial mutuals.

The team's first concern was to review with the Superintendency of Banks its proposed actions to enforce corrective measures upon the System designed to assure its financial soundness and correct operation. The purpose of this review was, without interfering in the Superintendency's role, to determine the relevance of its proposed measures under the joint objectives of AID and GOB in develop-

60

ing the S&L System. The SOB detailed the following measures it was proposing to take:

- a) Requiring mutuales to concentrate on housing finance; with a two year delay for them to drop other activities; but SOB willing to issue specific approvals under special circumstances.
- b) Establishing mandatory ratios between low cost and middle income housing; reaching 80/20 goal over two year period; also thinking of establishing sub-ranges within the low income 80%. We suggested use of HG-007 as a model.
- c) Prohibiting investments abroad and demanding repatriation of existing accounts.
- d) Requiring detailed socio-economic studies before approving land purchases for development; plus limiting the holding period of land for development to a maximum two years (with one year maximum to dispose of current investments).
- e) Limiting land development and fixed asset investments to 100% of capital.
- f) Requiring prudent liabilities management; perhaps by limiting types of accounts permitted and by instituting ratios between them. We suggested any actions in this regard be made as "recommendations" and not mandatory.
- g) Requiring that borrowers qualify and obtain precedence rights on the basis of their prior systematic savings. Again we suggested this be phrased as a recommendation and not mandatory.
- h) Requiring that a part (%) of annual profits be reserved into a fund for low cost housing finance; also that the spread between their cost of funds and the interest (14.5%) earned on the "encaje" (8%) account with the Central Bank be applied to the same purposes.
- i) Requiring CACEN to provide against its loans to mutuales in financial difficulties; at the rate of 100% for Manutata, of 50% for Tarija, Paititi, Pando and La Frontera, and 20% for Potosí.
- j) Requiring the two mutuales in La Paz to record their respective loans outstanding to CACEN.
- k) Controlling administrative expenses during deficitary periods and, generally, supervising asset quality in accordance with prudent banking practices (as per Decree No. 5688)

The team's second concern was an attempt to unite the counter-poised factions within the system and to ensure implementation of the required reforms. After various exploratory conversations with the parties involved, the following proposal was submitted to CACEN and the two mutuales in La Paz:

- That an Action Committee be set up composed of Ernesto Wende for CACEN, a representative of the La Paz mutuels (presumably Jaime Iturri) and a representative of the provincial mutuels (to be selected by them).
- That this committee be empowered to decide and act upon a clearly specified agenda covering the three problem areas described hereinabove.
- That CACEN withdraw its current proposal for redistributing the foreign debt condonation surplus, this subject being specifically contemplated in the proposed agenda.
- That the committee's decisions be taken unanimously, thus relieving the La Paz mutuels from their expressed fear of a possible submission of the provincial mutuels to CACEN's will.
- That the committee be given a 90 day period to fulfil its task to AID's satisfaction.

Ernesto Wende's response to this suggestion was one of complete endorsement. Not so that of the La Paz mutuels; their agreement would be forthcoming only if CACEN first agreed to (now) sign their debt condonation agreements without the disputed interest amount. In other words, these two mutuels would collaborate with CACEN—and in the process accept CACEN's concessions—only after receiving from CACEN a full satisfaction of their current claims.

This inflexible response by the La Paz mutuels was voiced by Jaime Iturri, who is recognized as their joint spokesman. However, during our meeting with them, it was felt that certain board members were not as adamant. Furthermore, at the time of saying goodbye, Luis Perez Salmón not only thanked the team for its initiative but asked it not to be too pessimistic over their response; that a solution would be found.

Upon this, the team left the La Paz mutuels' representatives with a restatement of the fact that solutions to the System's problems had to be found within and by itself, and that AID would not in any way favor any faction or itself sponsor a particular solution. However, it was again made clear that AID's continued assistance to the System was predicated on a full implementation of the changes and improvements called for under existing agreements.

Obviously, further negotiations will be predicated on the actions of the SOB (as described above). When these are made known, it can be expected that CACEN and the system as a whole—and the two mutuales in La Paz particularly—will have every incentive to close ranks and find a mutual accommodation of their current differences. Even though the two La Paz mutuels have been reported as contemplating a change of charter to full banking status, we do not believe this

feasible without major injections of fresh capital; and certainly not when forced to recognize their debt to CACEN.

Thus, we are hopeful that a solution will be found which keeps the system intact. But even if the La Paz mutuels were to defect, we do not doubt that, with adequate adjustments and restructuring, the system could survive and presumably even prosper.

List of Entities and Persons Contacted

USAID/Bolivia

Reginald van Raalte	Mission Director
Robert Kramer	Deputy Director
Richard Rosenberg	Chief PS (designate)
David Jessee	Acting Chief PS
Dino Siervo	Housing Officer

Superintendency of Banks

Luis del Río	Superintendent
Rosendo Barbery	Intendent
Liana Mehmet	
Guillermo Sánchez	
Rodolfo Cardone	
Ramón Rosales	

CACEN

Ernesto Wende	President
Gastón Guillén	Vice President
Gastón Mujía	General Counsel
Rolando Valdivia	Director (Finance Ministry)
Rosendo Soruco	Director
Eduardo Frías	General Coordinator
Rebeca de Tellería	Sub-Manager Administration

Mutuales

Luis Péres Salmón	President, La Primera
Juan José Fernández	Director, La Primera
Rolando Kempff	Director, La Primera
Carlos de Grandchant	Manager, La Primera
Jaime Iturri S.	President, La Paz
Carlos Mier	Vice President, La Paz
Carlos Cardozo	Manager, La Paz
Renato Cortés M.	Vice President, El Progreso
Félix Sangueza	Manager, El Progreso
Rodolfo Wende	President, Guapay
Oscar Coronado Pinto	Manager, Guapay
Gerardo Guzmán	Sub-Manager, Guapay
Jorge Ascimani Morales	Manager, Paititi
Miguel Salvatierra Rivero	President, Pando
Jaime Pérez Meruvia	Manager, Pando
Ramiro Samos Oroza	President, La Plata
Adrián Urriolagoitia	Manager, La Plata
Freddy A. Murillo	President, Potosi
Ismael Orozco G.	Manager, Potosi
Jaime Colodro V.	President, Tarija
Agustín López Videla	Manager, La Promotora (by phone)
Julián Cuellar V.	Manager, Tarija
Juan Cuellar F.	Manager, Manutata

III. MISCELLANEOUS MEMORANDA



MEMORANDUM

To: Mission Director, USAID/Bolivia
Director, RHUDO/SA
From: Claude J.J. Bovet
Date: August 7, 1990
Ref: Pending GOB resolution of Savings & Loan System issues

On July 2, 1990, Messrs. van Raalte, Davison, Siervo and Bovet met with Finance Minister Blanco and Superintendent of Banks del Rio to discuss the necessary solution of issues evolving from GOB's 1987 assumption of CACEN's foreign debt. At this meeting, USAID delivered a letter reflecting its position (Attachment "A") and received assurances from Minister Blanco that he would resolve the debt condonation issue (described in Attachment "B") within the next day or two.

The Minister's resolution is still pending and latest events seem to imply that it may not conform to USAID's interests.

The Minister's judgement is seemingly being clouded by a recent escalation in the public (distorting press leaks) attack on CACEN and its president by the two mutuels in La Paz. He appears to believe that he is being required to arbitrate between CACEN and the La Paz mutuels and is reported as having recently announced that his resolution would be adverse to CACEN (privately to CACEN's president Wende and director Valdivia—the Ministry's nominee to CACEN's board—and publicly at a dinner reception for ASOBAN directors). If true, this would not only be a blow to CACEN but to the whole of the Savings and Loan effort in Bolivia (which has been receiving USAID's support for over 25 years).

The differences between CACEN and the two La Paz mutuels, as perceived by me, are summarized:

CACEN has withdrawn its original suggestions for disposition of the foreign debt condonation proceeds and fully endorses the solution proposed by the SOB as clarified by USAID's letter (Attachment "A"). It sees this solution as beneficial to the whole S&L system and as fundamentally necessary to its efforts to expand the system on a nationwide basis and to progressively deepen its lending to the very lowest income families.

The La Paz mutuals see the SOB's suggested solution (which they consider to be CACEN/USAID inspired) as a direct threat to their interests. These interests evidently include:

- Freedom to automatically consider as "owned" capital the principal of their remaining debts to CACEN (US\$10 million).
- Freedom to conduct their operations on a fully commercial basis, without the burdens attaching to "social" lending. Current practice has them maintaining 60% (US\$25 million) of their deposit and borrowing base in liquid bank deposits; and making precious few loans to low income families.
- An eventual (the sooner the better) separation from CACEN and the rest of the S&L System, with a possible conversion to a commercial banking charter or other form of stock-held financial institution. The latter (if allowed by the GOB) would consolidate in private hands ownership of the debt condonation proceeds (US\$10 million), as well as the estimated profits in the (USAID supported) Los Pinos project (estimated at up to US\$15 million) among other similar resources.

The SOB's solution endorsed by USAID consists of (see Attachment "C" for estimated figures):

1. Abrogation of Supreme Decree 21405, thereby confirming the legality of the US\$31 million debt condonation for CACEN.
2. Application of about US\$23 million (of the US\$31 million condonation proceeds) to cover losses incurred by the mutual's up to July 1987 (when CACEN's debt relief was calculated) and to restitute the capital they had at December 1981 (before suffering the effects of the hyperinflation crisis). In the case of the La Paz mutuals, this would leave them with US\$4 million of "owned" capital and US\$6 million of long-term debts to CACEN.
3. Application of the remaining US\$8 million as a capital fund contributed by the GOB to CACEN for development of the S&L System.

This solution, by the way, would not deprive the La Paz mutuals (or any other) of the funds currently in their possession. These funds would be labelled as long term debt (instead of as "owned" capital) to be repaid over time to the extent possible according to each mutual's financial ability. In this regard, the required restatement of the mutuals' remaining debts to CACEN could be negotiated with the SOB's participation, or even determined by it alone if so determined by the GOB.



List of Acronyms

GOB	Government of Bolivia
MOF	Ministry of Finances
SOB	Superintendency of Banks
CACEN	Caja Central de Ahorro Y Préstamo para la Vivienda
ASOBAN	Asociación de Bancos Privados de Bolivia

UNITED STATES AID MISSION to BOLIVIA
c/o American Embassy
La Paz, Bolivia

USAID - BOLIVIA
AID ATLANT 51037

Telephone: 350120, 350251
Casilla 673
La Paz, Bolivia

28 de junio de 1990
PS-N-103/90

Señor
Lic. David Blanco Zabala
Ministro de Finanzas
Presente

Señor Ministro:

Ref: Subrogación de la Deuda Externa de CACEN

El propósito de la presente es para proporcionar algunas aclaraciones respecto a la carta No. 1757 que fue enviada a su despacho por la Superintendencia de Bancos en fecha 13 de junio de 1990, sobre el tema de la subrogación de la deuda externa de la Caja Central de Ahorro y Préstamo para la Vivienda (CACEN).

La Superintendencia de Bancos en su mencionada carta recomienda definir la situación

"mediante la emisión de disposiciones legales que precisen la naturaleza de la transferencia de la deuda externa de CACEN al Tesoro General de la Nación y el tratamiento de la deuda de las mutuales con CACEN"

y, al respecto, somete a consideración de su Despacho tres alternativas de definición: (a), (b) y (c).

Estando totalmente de acuerdo con esta recomendación de la Superintendencia de Bancos, creemos, no obstante, nuestro deber hacer notar algunos comentarios referidos a las alternativas propuestas.

La alternativa (a) y parte de la (b), en cuanto tienden a mantener la deuda externa de CACEN como obligación de esta última al Tesoro General de la Nación, contradicen compromisos expresos contraídos por el Gobierno de Bolivia con el Gobierno de los Estados Unidos. Estos compromisos, que liberaron a CACEN de toda responsabilidad presente y futura sobre su deuda externa, fueron determinantes para que el Gobierno de los Estados Unidos otorgara su garantía al Programa de Vivienda de Bajo Costo del Sector Privado (511-UG-007) por un monto de \$15 millones, negociado por

61

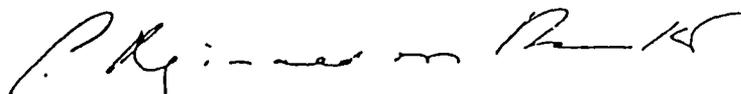
el Banco Central de Bolivia en fecha 23 de noviembre de 1987, para la financiación de viviendas de interés social por parte de CACEN y el Sistema AyP. Al respecto, incluimos en los Anexos A, B y C copias de los artículos pertinentes del contrato 511-MG-007, así como de las comunicaciones del Tesoro General de la Nación, con fecha 26 de agosto de 1988 y del propio Ministerio de Finanzas, con fecha 31 de octubre de 1988, en las que se detalla claramente el total fenecimiento de las obligaciones de CACEN sobre su deuda externa.

Nos parece que la solución debida, tanto en la cuestión de la subrogación como en la posterior aplicación de los beneficios resultantes por CACEN, puede encontrarse en una combinación parcial de las alternativas (b) y (c) propuestas por la Superintendencia de Bancos -- a menos que se prefiera aplicar la alternativa (c) directamente. Los elementos esenciales de esta solución serían:

1. Confirmación de la derogación del Artículo 2o. del Decreto Supremo No. 21405 de fecha 23 de septiembre de 1986 y del vencimiento de toda obligación de deuda por parte de CACEN.
2. Establecimiento de un fondo patrimonial permanente dentro de CACEN con el producto efectivo de la deuda externa subrogada, para ser aplicado por CACEN exclusivamente en favor del desarrollo, fortalecimiento y expansión del Sistema AyP. Este fondo deberá ser usado por CACEN (con la salvedad del acápite siguiente) para otorgar a las mutuales existentes y a las que se constituyan en el futuro, según convenga: aportes de capital semilla; asistencia financiera en casos de falta de liquidez; y líneas de crédito para la vivienda social.
3. Autorización a CACEN para que aplique parte del fondo patrimonial (descrito en el acápite anterior) a condonar deudas de las mutuales para con ella, hasta por un monto suficiente para cubrir las pérdidas incurridas por éstas hasta el 31 de julio de 1987 y restaurarles sus patrimonios a los niveles contabilizados al 31 de diciembre de 1982.

Reiteramos a usted, Señor Ministro, que nuestro interés principal es asegurar que el Sistema A&P opere efectivamente en todo el territorio nacional, financiando principalmente a los niveles menos pudientes de la población.

Con este motivo, saludo a usted muy atentamente.



G. Reginald van Raalte
Director

ATTACHMENT "B"

Supreme Decree No. 21405 dated 9/23/86 stipulated that the GOB would assume CACEN's foreign debts towards USAID and that CACEN would sign an agreement with the Central Bank for the eventual repayment of the debts assumed by the State. This decree was superseded by Supreme Decree No. 21660 dated 7/10/87 which, in its article 38, stipulated that CACEN's foreign debt be "transferred" to the Nation's General Treasury. The latter decree did not formally abrogate the former and the condonation of CACEN's debt—and of CACEN's concomitant condonation of its own loans to the various mutuals—has consequently been questioned by the SOB.

Relying on the condonation of its own debts, CACEN immediately proposed to forgive the debts owed to it by the various mutuals and went as far as signing agreements with them all (excepting the two La Paz mutuals which refused to sign their respective agreements because of a minor dispute regarding interest charges). The SOB questioned the appropriateness of this forgiveness and required that the corresponding balances be carried in special reserve accounts by each mutual until such time as the issue could be properly resolved according to law.

Subsequently, CACEN also realized that its attempted forgiveness of the mutuals' debts suffered from major defects, the principal being that it provided some mutuals with substantial and unwarranted profits and that it did very little to consolidate the net worth of the S&L System as a whole. Thus, in late 1989, CACEN formulated a proposal to effect a redistribution of its debt forgiveness, which it submitted for consideration by all the mutuals and the SOB. But this proposal was burdened by certain other controversial issues (such as possible conversions from mutual to stock status, and the distribution of profits to employees and directors) and CACEN eventually withdrew this proposal to allow for a broader consideration of the issues which, it was now recognized, could only be solved by governmental action.

USAID worked closely with the SOB in defining the necessary actions to be taken by the MOF and then also took these up with the Minister himself on July 2nd. Such resolution is basic to any restructuring of CACEN and critical to the well-being of the S&L System.



RECONCILIACION DE LA DEUDA EXTERNA CONDONADA, CON LA
ALTERNATIVA PROPUESTA POR LA SUPERINTENDENCIA DE BANCOS
(cifras en miles de dolares)

	MUTUALES EN:	LA PAZ	PROVINCIAS	TOTAL
DEUDA EXTERNA DE CACEN CONDONADA POR DS. 21660				31,060
APLICACION ORIGINAL POR CACEN DEUDA MUTUALES AL 30/06/87		9,790	21,923	31,713
*1 CONDONACION POR CACEN		9,588	21,471	31,060
*1 INTERESES COBRADOS POR CACEN		202	452	654
PROPUESTA DE LA SUPERINTENDENCIA DE BANCOS				
*2 RESTITUCION CAPITAL @ 31/12/81		3,013	931	3,944
CONDONACION PERDIDAS @ 30/06/87		949	18,217	19,166
PATRIMONIO RESULTANTE		3,962	19,148	23,110
DEUDA PENDIENTE		5,626	2,323	7,950

NOTAS:

- *1 Las dos mutuales en La Paz ni firmaron los convenios de cancelacion de deuda propuestos por CACEN, ni pagaron los intereses cobrados. Sus creditos no renegociados llevan plazos de entre 10 y 24 anos e intereses sustancialmente por debajo del 10%.
- *2 Parece que la propuesta de la Superintendencia se refiere al 31/12/82 por error, pues el capital a esa fecha era minimo y no auditado:
- | | | | |
|--|-----|-------|-------|
| | 160 | (450) | (290) |
|--|-----|-------|-------|
- *3 El capital de las mutuales en La Paz no refleja la considerable plusvalia de sus proyectos (eg. Los Pinos).
- *4 La situacion reflejada en libros al @ 31/05/90 es de:

EFFECTIVO DISPONIBLE	24,069	9,210	33,279
PRESTAMOS Y PROYECTOS VIVIENDA	24,730	55,929	80,659
AHORROS Y CREDITOS CACEN	40,083	59,781	99,864
PATRIMONIO	10,207	6,263	16,470
DEUDA EN SUSPENSO	9,767	20,951	30,718
EFFECTIVO/AHORROS Y CREDITOS	60%	15%	33%
PRESTAMOS/AHORROS Y CREDITOS	62%	94%	81%

72